


ANNUAL REPORT 2011
BEXIMCO SYNTHETICS LIMITED



MISSION

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



COMPANY PROFILE

Corporate Headquarters	: 17 Dhanmondi R/A, Road No. 2, Dhaka-1205, Bangladesh Phone : 880-2-8618220 (7 lines) E-mail : beximchq@bol-online.com Website : www.beximco.com
Operational Headquarters	: Kabirpur, Savar, Dhaka-1344 Phone : 880-2-7789168-70
Factory	: Kabirpur, Savar, Dhaka
Year of Establishment	: July 18, 1990
Commercial Production	: July 01, 1994
Nature of Activities	: Manufacturing & Marketing of Polyester Filament Yarn, namely Partially Oriented Yarn (POY) and Drawn Texturising Yarn (DTY).
Listing Status	: Public Listed Company
Stock Exchange Listing	: Dhaka & Chittagong
Authorized Capital	: 2,000 Million Taka
Paid up Capital	: 685.473 Million Taka
Number of Shareholders	: 16,629



OPERATIONAL AND FINANCIAL HIGHLIGHTS

	2011	2010	Changes in 2011	
			Amount	%
Turnover	1,545,017	1,009,552	535,465	53.04
Gross Profit	244,861	133,697	111,164	83.15
Net profit before tax	133,058	30,659	102,399	333.99
Net profit after tax	108,176	27,474	80,702	293.74
Earnings per share	1.58	0.40	1.18	295.00
Stock dividend (%)	15.00	15.00	-	-
Total Assets	3,082,709	2,859,699	223,010	7.80
Shareholders' Equity	2,123,487	2,015,311	108,176	5.37

all figures in thousand Taka except indicate otherwise.

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CORPORATE DIRECTORIES



A S F Rahman
Chairman

Salman F Rahman
Vice-Chairman

Board of Directors

A S F Rahman	Chairman & Managing Director
Salman F Rahman	Vice-Chairman
Iqbal Ahmed	Director
M A Qasem	Director
O K Chowdhury	Director
Md. Alauddin Khan	Director
Dr. Abdul Alim Khan	Director
Mohammad Asad Ullah, FCS	Executive Director & Company Secretary

NOTICE

BEXIMCO SYNTHETICS LIMITED

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

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTY-FIRST ANNUAL GENERAL MEETING of the Shareholders of Beximco Synthetics Limited will be held on Saturday, the 30th June, 2012 at 2.30 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2011 together with reports of the Auditors and the Directors thereon.
2. To elect Directors.
3. To declare 15% Stock Dividend.
4. To appoint Auditors for the year 2012 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board,



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

Dated : May 17, 2012

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. 21 May, 2012, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (2) A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered office of the Company not later than 48 hours before the time fixed for the meeting.
- (3) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
- (4) No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

চেয়ারম্যানের প্রতিবেদন



প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি বেক্সিমকো সিনথেটিক্স লিমিটেড এর ২১তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আপনাদের সকলকে স্বাগত জানাচ্ছি এবং কোম্পানীর ৩১শে ডিসেম্বর ২০১১ সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসহ নিরীক্ষকের প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করছি।

কার্যক্রম

২০১১ সাল ছিল আপনাদের কোম্পানীর জন্য আরও একটি সফল বছর। প্রতিবেদনাধীন বছরে কোম্পানী উৎপাদন, বিক্রয় ও মুনাফার ক্ষেত্রে লক্ষ্যণীয় প্রবৃদ্ধি অর্জন করেছে। কোম্পানী এ বছর ৭,৬৮৯,৮৭০ কেজি POY উৎপাদন করেছে। গত বছরে যার পরিমাণ ছিল ৭,২৪৯,৯৩২ কেজি। এক্ষেত্রে প্রবৃদ্ধির হার ০৬.০৬%। উৎপাদিত এই POY-এর বিপরীতে মোট ৭,৬৮৭,৪৩৮ কেজি DTY Intermingled এবং Non-Intermingled-এ রূপান্তর করা হয়, যা গত বছরের তুলনায় ৬.৭১% বেশী অর্থাৎ গত বছরে DTY-তে রূপান্তরের



পরিমাণ ছিল ৭,২০৩,৭৬৬ কেজি। এ বছর মোট DTY-এর উৎপাদন ছিল ৭,৪১৭,১২২ কেজি যা পূর্ববর্তী বছরে ছিল ৬,৯৩৫,৩৪৯ কেজি অর্থাৎ এ ক্ষেত্রে প্রবৃদ্ধির হার ৬.৯৫%। প্রতিবেদনাধীন বছরে পরিমাণ ও মূল্যের দিক দিয়ে বিক্রয় লক্ষণীয়ভাবে বৃদ্ধি পেয়েছে। মোট বিক্রয় ২০১০ সালের তুলনায় ৫৩.৫৪% বৃদ্ধি পেয়ে ১,০০১.৬৮ মিলিয়ন টাকা হতে ১,৫৩৭.৯৭ মিলিয়ন টাকায় উন্নীত হয়েছে এবং পরিমাণগত বিক্রয়ও ১৪.২১% বৃদ্ধি পেয়েছে। কোম্পানীর দক্ষতা ও পণ্যের মাণ উন্নয়নে আমাদের আন্তরিক ও অক্লান্ত প্রচেষ্টার ফলেই ইহা সম্ভব হয়েছে। এর ফলে কোম্পানী আয়কর পরবর্তী মুনাফা বাবদ ১০৮.১৭ মিলিয়ন টাকা অর্জন করেছে, যা গত বছরের তুলনায় ২৯৩.৭৭% বেশী।

বিপণন

আলোচ্য বছরে কোম্পানীর কার্যক্রম লক্ষণীয় গতির মধ্যে ছিল। বিক্রোতা ও ভোক্তার সাথে অধিকতর যোগাযোগের ফলে আমরা আমাদের নেতৃস্থানীয় ভূমিকা ধরে রাখতে পেরেছি। বর্তমান প্রতিযোগিতামূলক বাজারের প্রেক্ষাপটে আপনাদের কোম্পানীর বার্ষিক বাজার মূল্য ছিল সকল ব্রান্ডের মধ্যে সর্বোচ্চ যা আমরা প্রতিবেদনাধীন বছরের বিক্রয় ৫৩.৫৪% বৃদ্ধি দেখেই বুঝতে পারি। আর এটা সম্ভব হয়েছে ভোক্তাদের প্রতি আমাদের অঙ্গীকার এবং পন্য

ও সেবার মান উন্নয়নে আমাদের আন্তরিক প্রচেষ্টার ফলে। ইনশাআল্লাহ, আমরা আশা রাখি ২০১২ সালেও আমাদের প্রচেষ্টা একই গতি ও দক্ষতায় চালিয়ে যাব।

মানব-সম্পদ ব্যবস্থাপনা

আমরা মনে করি আমাদের সাফল্যের গুরুত্বপূর্ণ উপাদানগুলোর মধ্যে অন্যতম হচ্ছে আমাদের কর্মীদের দক্ষতা, অনুপ্রেরণা এবং প্রতিশ্রুতি। আমরা এই সমস্ত গুণাবলীকে একটি মানব সম্পদ পলিসি অর্থাৎ প্রশিক্ষণ ও উন্নয়নের দ্বারা উৎসাহিত করে থাকি। কর্তৃপক্ষ এবং কর্মীদের মধ্যে একটি সুন্দর সম্পর্ক সবসময় বিদ্যমান আছে যা কোম্পানীর একটি সঠিক, নিরপেক্ষ এবং কল্যানমুখী মানব সম্পদনীতি প্রণয়নে সহায়তা করে এবং কোম্পানীর উৎপাদন ও গুনগতমান বৃদ্ধি করে।

উপসংহার

আমি আমাদের সম্মানিত ক্রেতা, ব্যাংকার, সরবরাহকারী, সরকারী সংস্থাসমূহ, বিধিবদ্ধ প্রতিষ্ঠান, আর্থিক প্রতিষ্ঠান এবং আমাদের ব্যবসা পরিচালনার সাথে যারা জড়িত তাদের সকলকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমি কোম্পানীর শেয়ারহোল্ডারদের প্রতি কৃতজ্ঞ, যাদের সার্বক্ষণিক মূল্যবান সহযোগিতা এবং সমর্থন কোম্পানীকে আজকের এই অবস্থানে

এনেছে। আমরা যে সাফল্য অর্জন করেছি তা সকলের সম্মিলিত প্রচেষ্টারই ফল।

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

X. K. P. Khatun

এ এস এফ রহমান
চেয়ারম্যান

২৮শে এপ্রিল, ২০১২
ঢাকা।



CHAIRMAN'S STATEMENT



Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 21st Annual General Meeting of Beximco Synthetics Limited and to present before you the Audited Financial Statements and Auditors' and Directors' Report thereon of the Company for the year ended 31 December 2011.

Operations

The year 2011 has been another successful year for your Company. During the year under review, the Company has achieved a sustainable growth in terms of production, turnover and profitability. The company has produced 7,689,870 kg of POY 115 denier filament yarn as compared to 7,249,932 kg of POY 115 denier of last year representing 06.06% growth. Out of this production, a total quantity of 7,687,438 kg of POY 115 denier has been converted into 75 denier Drawn Texturised Yarn (DTY) as against 7,203,766 kg of POY 115 denier filament yarn both in Intermingle and Non-Intermingle form representing 06.71 % over the last year. Total DTY production





was 7,417,122 kg both in Intermingle and Non-Intermingle form as against 6,935,349 kg in the previous year an increase by 06.95%. During the year under report, turnover in terms of quantity as well as value has increased significantly. Total turnover has increased to Tk. 1,537.97 million from Tk. 1,001.68 million representing growth rate of 53.54% compared to 2010. On the other hand, sales quantity has also increased by 14.21% compared to last year. It has become possible due to our sincere effort to increase the efficiency and quality of our products. As a result, the Company has earned a remarkable after tax profit of Tk. 108.17 million which represents 293.77% growth compared to last year.

Marketing

Your Company's performance during the year kept pace with the market movement. Improved network between traders and consumers have made it possible for our marketing team to maintain the market leaders role. Under present competitive market scenario, your company's yearly average DTY sales price was indeed the highest among all the brands which we can

see from our 53.54% sales growth during the year under review. This has become possible due to our commitment to the customers and continuous effort to improve on quality of product and services. Insha'Allah, we hope to carry on our effort through the year 2012 at the same pace and efficiency.

Human Resource Management

We recognized that the skills, motivation and commitment of our employees remain amongst the most important factors in our success story. We foster these qualities through a human resource policy that is committed to training and development. The Company always believes in policy of promotion and development from within whenever possible. An excellent relationship between management and employees always exist in our Company, which indicates proper, unbiased and welfare oriented human resource policy of the Company and increase the production & quality.

Conclusion

I take this opportunity to express my sincere thanks to our valued

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

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

X. R. P. Lakshmi

A S F Rahman

Chairman

28 April, 2012
Dhaka.



CORPORATE GOVERNANCE



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

Internal Financial Control

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

Management Structure - The Company is operating through a well defined

management structure headed by a Chief Executive Officer (CEO) under whom there are Senior Mangers for various departments and according to hierarchy, various senior & mid level management staffs. The Chief Executive Officer and the Senior Mangers meet at regular interval represented also by Administration, Finance, Marketing & Production heads.

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

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

Functional Reporting – In pursuance with keeping the reliability of financial

information used within the business or for publication, the management has identified some key areas which are subject to monthly reporting to the chairman of the board. These include monthly treasury operations, Financial Statements. Other areas are also given emphasis by reviewing on quarterly basis. These include information strategy, environmental and insurance matters.

Statement of Director's Responsibilities for Preparation and Presentation of the Financial Statements

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements.

The Companies Act 1994 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year to the date. In preparing those financial statements the directors are required:

✂ to select suitable accounting policies and the apply them in a consistent manner;



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

Board Committees

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

The board of directors is responsible for approving Company policy and responsible to shareholders for the Company's financial and operational performance.

Responsibility for the development and implementation of Company policy and strategy, day-to-day operational issues is delegated by the board to the management of the Company.

Board Structure and Procedure – The membership of the board during the year ended 31 December 2011 stood at seven directors. All directors are equally accountable at law to the shareholders for the proper conduct of the business.

The Company's Board currently comprises the Chairman (who is also Managing Director of the Company), Vice-Chairman and other five directors. Beximco Holdings Limited and New Dacca Industries Limited nominate the three directors & Investment Corporation of Bangladesh (ICB), trustee of the institutional debenture holders nominate one director. The other director is an independent Director. The name of the Directors appears on page 2.

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

Going Concern

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

Rights and Relations with Shareholders

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

Relations with Shareholders – The annual general meeting are used as an important opportunity for communication with both institutional and general shareholders. In addition, the Company maintains relations with shareholders through the corporate affairs secretarial department.

The following information can be addressed through the secretarial department:

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

The board believes that it is important to respond adequately to all the queries of both institutional and general shareholders. At the AGM the shareholders are offered an opportunity to raise with the board any specific question they have concerning the Company. In addition, meetings are also held between individual directors and institutional shareholders at various times during the year.

REPORT OF THE DIRECTORS

For the year ended 31 December, 2011

The Directors have pleasure in presenting their report and audited financial statements of the Company for the year ended 31 December 2011 together with the auditor's report thereon in the 21st Annual General Meeting.

Principal Activity

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

Financial Results & Appropriations

The financial results and recommended appropriations are stated below:

Tk. in '000

	2011	2010
Net Profit after tax	108,176	27,474
Profit Brought Forward	501	62,436
Profit Available for Appropriations	108,677	89,910
Recommended Appropriations		
Stock Dividend 15%	-	89,409
Balance Profit Carried Forward	108,677	501
	108,677	89,910

Dividend

The Board of Directors has recommended 15% stock dividend for the year ended 31 December 2011 for your approval in the Annual General Meeting.

Directors

Mr. M A Qasem and Dr. Abdul Alim Khan, Directors of the Company retire by rotation as per Articles 124 & 125 of the Articles of Association of the company and being eligible offer themselves for re-election.

Board Meetings and Attendance

During the year, 6 (six) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meetings attended
Mr. A S F Rahman	6
Mr. Salman F Rahman	6
Mr. Iqbal Ahmed	6
Mr. M A Qasem	6
Mr. O K Chowdhury	6
Mr. Md. Alauddin Khan	6
Dr. Abdul Alim Khan	6

Board Audit Committee

During the year, the Committee reviewed the Financial Statements for the year ended 31 December 2011 together with Auditors' Report thereon; and also unaudited Quarterly and Half-yearly Report for the year 2011.

Corporate Financial Reporting

The Company has compiled with all the requirements of Corporate Governance as required by the Securities and Exchange Commission.

Accordingly the Directors are pleased to confirm the following:

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate Accounting Policies have been consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in the preparation of financial statements.
- The systems of internal control are sound and have been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The profitability of the Company has increased, mainly from additional revenues.
- The key operating and financial data for the last five years is annexed.



(i) The pattern of shareholding is as follows:

Name wise details

Shares held

i) Parent/Subsidiary / Associate Companies:	
Beximco Holdings Limited	1,211,610
New Dacca Industries Limited	1,087,010
Shinepukur Ceramics Limited	51,950
ii) Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:	
Mr. A S F Rahman, Chairman & Managing Director	11,477,050
Mr. Salman F Rahman, Vice Chairman	10,625,930
Dr. Abdul Alim Khan, Independent Director	274,160
Chief Executive Officer, spouse and minor children	Nil
Company Secretary, spouse and minor children	Nil
Chief Financial Officer, spouse and minor children	Nil
Head of Internal Audit, spouse and minor children	Nil
iii) Executives:	Nil
iv) Shareholders holding ten percent (10%) or more voting interest in the company	
Mr. A S F Rahman, Chairman & Managing Director (mentioned in Sl. No. (ii))	11,477,050
Mr. Salman F Rahman, Vice Chairman (mentioned in Sl. No. (ii) above)	10,625,930

Corporate Governance Compliance Report

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

Auditors

The retiring Auditors, M/S. M. J. Abedin & Co., Chartered Accountants, National Plaza (3rd Floor), 109, Bir Uttam C.R. Datta Road, Dhaka-1205 have expressed their willingness to continue in office of the Company and being eligible, offer themselves for re-appointment as Auditors of the Company for the year 2012.

Conclusion

The directors wish to express their sincere appreciation to all the employees of the Company for their contribution and at the same time thank all our stakeholders and customers for their continued support.

Thank you all.

On behalf of the Board

A. S. F. Rahman

A S F Rahman
Chairman & Managing Director

28 April, 2012
Dhaka.

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/ Admin/02-08 dated 20th February 2006 under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 5.00)

Condition No.	Title	Compliance Status		Explanation for non-compliance with the condition
		Compiled	Not Compiled	
1.1	Board's Size	✓		
1.2 (i)	Independent Directors	✓		
1.2 (ii)	Independent Directors Appointment	✓		
1.3	Chairman & Chief Executive	✓		
1.4 (a)	Directors Report on Financial Statements	✓		
1.4 (b)	Books of Account	✓		
1.4 (c)	Accounting Policies	✓		
1.4 (d)	IAS Applicable in Bangladesh	✓		
1.4 (e)	System of Internal Control	✓		
1.4 (f)	Going Concern	✓		
1.4 (g)	Deviations in Operating Results	✓		
1.4 (h)	Key Operating and Financial Data	✓		
1.4 (i)	Declaration of Dividend	✓		
1.4 (j)	Number of Board Meetings	✓		
1.4 (k)	Pattern of Shareholders	✓		
2.1	CFO, HIA & CS Appointment	✓		
2.2	Board Meeting Attendance	✓		
3.00	Audit Committee	✓		
3.1 (i)	Composition of Audit Committee	✓		
3.1 (ii)	Audit Committee Members Appointment	✓		
3.1 (iii)	Terms of Service of Audit Committee	✓		
3.2 (i)	Chairman of Audit Committee	✓		
3.2 (ii)	Audit Committee Chairman's Qualification	✓		
3.3.1 (i)	Reporting to the Board of Directors	✓		
3.3.1 (ii) (a)	Report of Conflicts of Interest	✓		
3.3.1 (ii) (b)	Defect in the Internal Control System	✓		
3.3.1 (ii) (c)	Suspected infringement of laws	✓		
3.3.1 (ii) (d)	Any other matter	✓		
3.3.2	Reporting to the Authorities	✓		
3.4	Reporting to the Shareholders	✓		
4.00 (i)	Appraisal or Valuation Services	✓		
4.00 (ii)	Financial Information System	✓		
4.00 (iii)	Book Keeping or other services	✓		
4.00 (iv)	Broker Dealer Services	✓		
4.00 (v)	Actuarial services	✓		
4.00 (vi)	Internal audit services	✓		
4.00 (vii)	Any other services	✓		

FIVE YEARS' STATISTICS

Results of Operations	2011	2010	2009	2008	2007
Revenue (Turnover) Net	1,545,017	1,009,552	792,782	932,832	790,103
Gross Profit	244,861	133,697	127,386	135,981	83,680
Operating Profit	225,273	117,842	114,194	122,656	71,335
Net Profit/(Loss) Before Tax	133,058	30,659	18,408	22,218	(33,563)
Net Profit/(Loss) After Tax	108,176	27,474	11,656	18,885	(35,567)
Basic Earning per Share(Tk.)	1.58	4.61	2.10	3.41	(7.38)
Cash Dividend per Share (Tk.)	-	-	7.50	-	-
Stock Dividend	15.00%	15.00%	7.50%	15.00%	10.00%
Financial Position					
Total Assets	3,082,709	2,859,699	2,919,075	2,988,593	2,324,154
Fixed Assets-Gross	2,339,500	2,319,605	2,310,227	2,297,244	1,130,777
Fixed Assets-Net	1,446,152	1,460,317	1,484,426	1,504,424	361,073
Gross Working Capital	1,631,449	1,394,275	1,429,542	1,480,235	1,959,146
Net Working Capital	939,050	668,177	718,881	772,995	794,688
Authorized Capital	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid up Capital	685,473	596,064	554,478	482,155	438,323
Reserve & Surplus	1,438,013	1,419,247	1,474,944	1,535,612	412,478
Shareholders' Equity	2,123,487	2,015,311	2,029,422	2,017,766	850,800
Key Financial Ratios, Figures and Market Data					
Current Ratio	2.36	1.92	2.01	2.09	1.68
Return on Paid-up Capital	15.78%	4.61%	1.96%	3.92%	-8.11%
Return on Investment	5.09%	1.36%	0.57%	0.94%	-4.18%
Net Asset Value Per Share (Tk.)	30.98	338.10	366.01	418.49	194.10
Pay-out Ratio	95.06%	325.38%	714.29%	439.88%	-123.30%
Market Price of Share (at DSE) (Tk.)	368.25	514.80	373.00	164.50	96.75
Market Price of Share (at CSE)(Tk.)	369.00	514.30	376.25	163.25	95.00
Price Earning Ratio (Based on DSE price) (Times)	233.07	111.67	177.62	48.24	(13.11)
Price Earning Ratio (Based on CSE price) (Times)	233.54	111.56	179.17	47.87	(12.87)
Others					
Number of Shares	68,547,320	5,960,637	5,544,779	4,821,547	4,383,225
Number of Shareholders	16,629	19,059	17,254	11,625	10,310

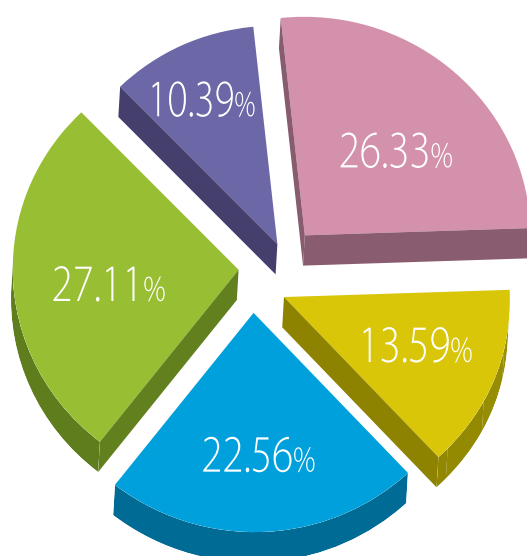
all figures in thousand Taka except indicate otherwise

VALUE ADDED STATEMENT

For the year ended 31 December 2011

	2011		2010	
	Tk.	%	Tk.	%
VALUE ADDED :				
Turnover	1,545,017		1,009,552	
Bought in Materials & Services	(1,165,812)		(766,998)	
	379,206	100.00%	242,555	100.00%
APPLICATIONS :				
To National Exchequer-as Duty, Taxes, VAT etc.	99,861	26.33%	55,776	23.00%
To Employees-as Salary, Wages and Other Benefits	51,547	13.59%	40,168	16.56%
To Providers of Loan-as Interest	85,562	22.56%	85,650	35.31%
To Providers of Capital-as Dividend	102,821	27.11%	89,409	36.86%
	339,791	89.61%	271,003	111.73%
Depreciation & Retention	39,415	10.39%	(28,449)	(11.73%)
	379,206	100.00%	242,555	100.00%

all figures in thousand taka except indicate otherwise.



- National Exchequer-as Duty, Taxes, VAT etc.
- Employees-as Salary, Wages and Other Benefits
- Providers of Loan-as Interest
- Providers of Capital-as Dividend
- Depreciation & Retention

বেস্ত্রিমকো সিনথেটিকস্ লিমিটেড ২০তম বার্ষিক সাধারণ সভা-২০১১ BEXIMCO SYNTHETICS LIMITED 20TH ANNUAL GENERAL MEETING, 2011



20TH ANNUAL GENERAL MEETING

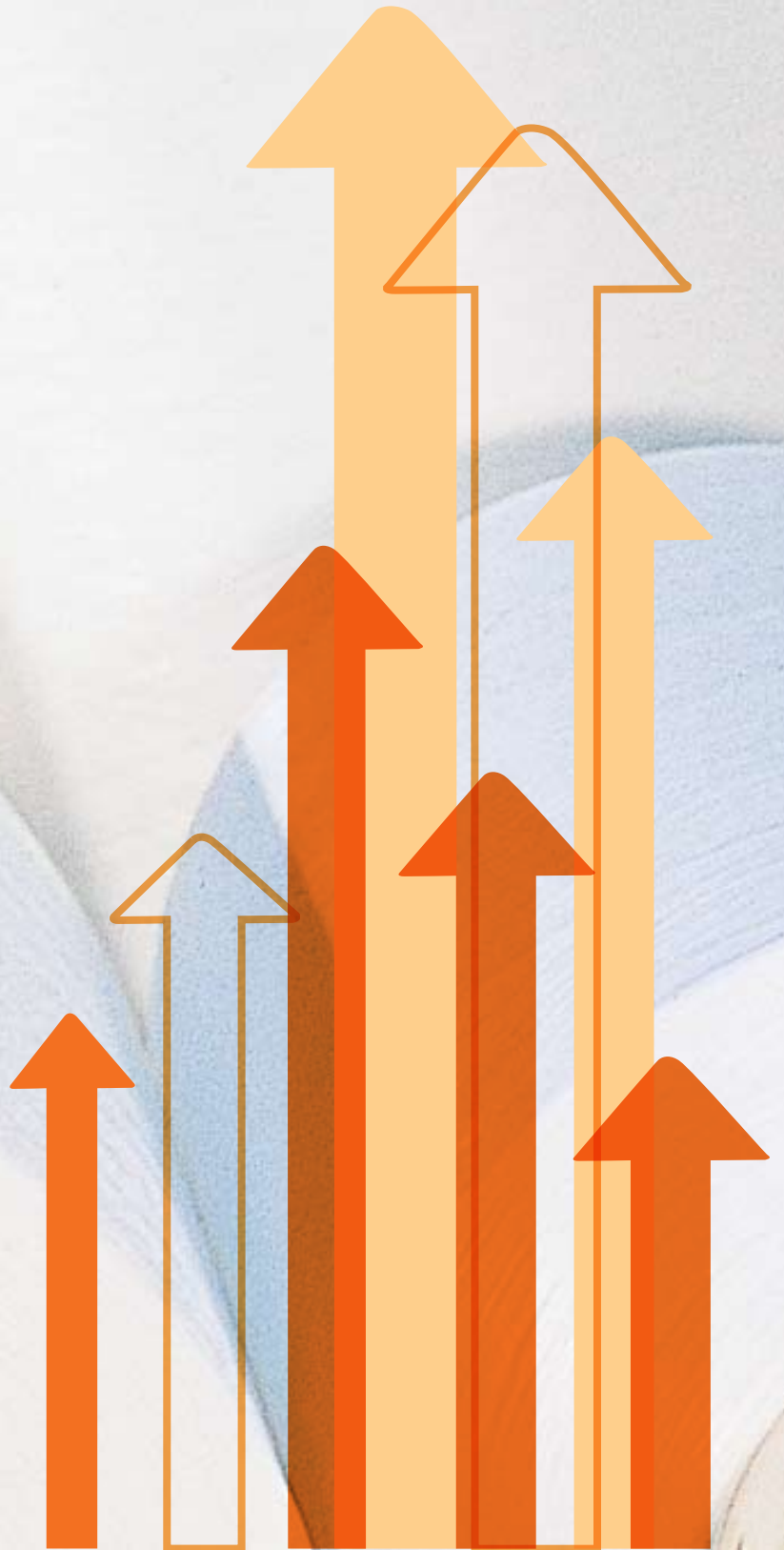
The twentieth Annual General Meeting (AGM) of Shareholders of Beximco Synthetics Ltd. was held on 30 June, 2011 at 3.45 pm at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur. A good number of shareholders attended the AGM. In absence of Mr. A S F Rahman, Chairman of the Board of Directors of Beximco Synthetics Ltd., Mr. Salman F Rahman, Vice-Chairman of the Company presided over the meeting. Verses from Holy Quran along with its translation in Bengali were recited at the very outset of the meeting.

The Chairman welcomed the Shareholders in the AGM. With the permission of the Chair meeting started and the Shareholders expressed their valued opinion on the Audited Financial Statements of the Company for the year ended 31 December 2010 and also on other affairs.

The Chairman replied to the queries and explained various comments of distinguished Shareholders. He also gave the hints of future activities of the Company.

After electing directors, approving the Audited Financial Statements, 15% stock dividend, appointing Auditors and fixing their remuneration by the Shareholders, the meeting ended with a vote of thanks to and from the chair.

FINANCIALS



AUDITORS' REPORT

To The Shareholders of **BEXIMCO SYNTHETICS LIMITED**

Introduction

We have audited the accompanying financial statements of Beximco Synthetics Limited which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December 2011, and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- (c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the company's business.

Dhaka
28 April, 2012



M. J. Abedin & Co.
Chartered Accountants

BEXIMCO SYNTHETICS LIMITED

STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Notes	2011	2010
ASSETS			
Total Non-Current Assets		1,451,259,573	1,465,424,394
Property, Plant and Equipment - Carrying Value	5	1,446,152,275	1,460,317,096
Long Term Security Deposits	6	5,107,298	5,107,298
Current Assets		1,631,449,155	1,394,274,544
Inventories	7	854,468,643	837,904,260
Accounts & Other Receivables	8	721,835,474	483,382,252
Advances, Deposits & Prepayments	9	40,451,219	67,756,450
Cash and Cash Equivalents	10	14,693,819	5,231,582
Total Assets		3,082,708,728	2,859,698,938
EQUITY AND LIABILITIES			
Shareholders' Equity		2,123,486,690	2,015,310,518
Issued Share Capital	11	685,473,200	596,063,810
Revaluation Surplus	12	1,329,335,883	1,329,335,883
Retained Earnings		108,677,607	89,910,825
Current Liabilities		692,398,967	726,097,679
Debentures-Current Maturity (Secured)	13	33,532,526	50,298,789
Interest Free Block Account-Current Maturity	14	19,184,102	28,776,153
Short Term Loan from Banks (Secured)	15	483,959,876	502,915,003
Accounts & Other Payables	16	75,948,201	83,324,900
Accrued Expenses	17	79,774,262	60,782,834
Non-Current Liabilities		266,823,071	118,290,741
Debentures-Net of Current Maturity (Secured)	18	21,542,388	45,160,186
Interest Free Block Account-Net of Current Maturity	19	16,341,538	31,208,043
Term Loan		200,000,000	-
Lease Obligation for Finance Lease		28,939,145	41,922,512
Total Equity and Liabilities	Tk.	3,082,708,728	2,859,698,938

The notes are an integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 28 April, 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman & Managing Director



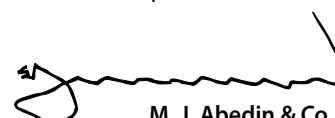
Salman F Rahman
Vice-Chairman



M A Qasem
Director

Per our report of even date.

Dhaka
28 April, 2012


M. J. Abedin & Co
Chartered Accountants

BEXIMCO SYNTHETICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011	2010
Revenue	20	1,545,017,437	1,009,552,138
Cost of Revenue	21	(1,300,156,899)	(875,855,449)
Gross Profit		244,860,538	133,696,689
Operating Expenses		(19,587,878)	(15,854,944)
Administrative Expenses	22	(14,507,589)	(11,907,223)
Selling Expenses	23	(5,080,289)	(3,947,721)
Profit from Operations		225,272,659	117,841,745
Finance Cost	24	(85,562,149)	(85,649,980)
Profit before contribution to WPPF		139,710,510	32,191,765
Contribution to Workers' Profit Participation / Welfare Funds	25	(6,652,881)	(1,532,942)
Net Profit before Tax		133,057,629	30,658,823
Income Tax Expense	26	(24,881,457)	(3,184,700)
Profit After Tax for the year		108,176,172	27,474,123
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		108,176,172	27,474,123
Earning per share (Adjusted EPS of 2010)	27	Tk. 1.58	0.40

The notes are an integral part of the Financial Statements.


Approved and authorized for issue by the board of directors on 28 April, 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman & Managing Director



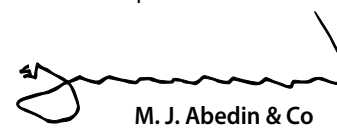
Salman F Rahman
Vice-Chairman



M A Qasem
Director

Per our report of even date.

Dhaka
28 April, 2012


M. J. Abedin & Co
Chartered Accountants

BEXIMCO SYNTHETICS LIMITED

STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

	2011	2010
Cash Flows From Operating Activities :		
Collections from Revenue- net	1,306,564,214	1,054,009,658
Cash Paid to Suppliers & Employees	(1,290,730,380)	(860,491,193)
Cash Generated from Operations	15,833,834	193,518,465
Interest Paid	(113,431,882)	(94,147,354)
Income tax paid	(721,780)	(1,473,867)
Net Cash (Used In) /Generated From Operating Activities	(98,319,828)	97,897,244
Cash Flows From Investing Activities :		
Acquisition of tangible fixed assets	(19,895,382)	(9,377,330)
Net Cash Used In Investing Activities	(19,895,382)	(9,377,330)
Cash Flows From Financing Activities :		
Payment of debentures	(40,384,061)	(16,766,263)
Short term loan repaid to banks	(18,955,127)	(15,794,210)
Payment of Dividend	-	(41,585,847)
Term Loan received	200,000,000	-
Payment of Lease Obligation	(12,983,365)	(13,018,734)
Net Cash Generated from/(Used in) Financing Activities	127,677,447	(87,165,054)
Increase in Cash & Cash Equivalents	9,462,237	1,354,860
Cash & Cash Equivalents at the beginning of the Year	5,231,582	3,876,722
Cash & Cash Equivalents at End of the Year	Tk. 14,693,819	5,231,582

The notes are an integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 28 April, 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman & Managing Director



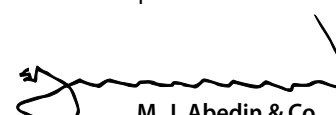
Salman F Rahman
Vice-Chairman



M A Qasem
Director

Per our report of even date.

Dhaka
28 April, 2012


M. J. Abedin & Co
Chartered Accountants

BEXIMCO SYNTHETICS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

Particulars	Share Capital	Revaluation Surplus	Retained Earnings	Total Equity
Balance on 01-01-2011	596,063,810	1,329,335,883	89,910,825	2,015,310,518
Total Comprehensive Income for 2011:				
Profit for the year			108,176,172	108,176,172
Other Comprehensive Income			-	-
Transaction with Share Holders:				
15% Stock Dividend for prior period (2010)	89,409,390		(89,409,390)	-
Balance as on 31-12-2011	Tk. 685,473,200	1,329,335,883	108,677,607	2,123,486,690

Total number of shares

68,547,320

Shareholders equity per share

Tk.

30.98

Approved and authorized for issue by the board of directors on 28 April, 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman & Managing Director




Salman F Rahman
Vice-Chairman



M A Qasem
Director

Per our report of even date.

Dhaka
28 April, 2012



M. J. Abedin & Co
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

1. The background and activities of the Company

1.1. Status of the Company

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

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

1.2. Principal Activities

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

2. Bases of Financial Statements-Its Preparation and Presentation

2.1. Measurement Bases

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

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

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

2.2. Reporting Framework and Compliance thereof

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

2.3. Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a statement of financial position as at the end of the year 2011;
- (b) a statement of comprehensive income for the year 2011;
- (c) a statement of changes in equity for the year 2011;
- (d) a statement of cash flows for the year 2011; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.4. Compliance of International Financial Reporting Standards/Bangladesh Financial Reporting Standards (IFRSs/BFRSs)

Name of the Accounting Standards	Ref. No.	Status of Application
First-time adoption of Bangladesh Financial Reporting Standards	IFRS/BFRS-1	Not Applicable
Share-based Payment	IFRS/BFRS-2	Not Applicable
Business Combinations	IFRS/BFRS-3	Not Applicable
Insurance Contracts	IFRS/BFRS-4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS/BFRS-5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS/BFRS-6	Not Applicable
Financial Instruments: Disclosures	IFRS/BFRS-7	Applicable
Operating Segments	IFRS/BFRS-8	Not Applicable
Presentation of Financial Statement	IAS/BAS-1	Applicable
Inventories	IAS/BAS-2	Applicable
Statement of Cash Flows	IAS/BAS-7	Applicable
Accounting Policies, Changes in Accounting Estimates and Errors	IAS/BAS-8	Applicable
Events after the Reporting Period	IAS/BAS-10	Applicable
Construction Contracts	IAS/BAS-11	Not Applicable
Income Taxes	IAS/BAS-12	Applicable
Property, Plant and Equipment	IAS/BAS-16	Applicable
Leases	IAS/BAS-17	Applicable
Revenue	IAS/BAS-18	Applicable
Employee Benefits	IAS/BAS-19	Applicable
Accounting for Government Grants and Disclosure of Government Assistance	IAS/BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS/BAS-21	Applicable
Borrowing Costs	IAS/BAS-23	Applicable
Related Party Disclosure	IAS/BAS-24	Applicable
Accounting and Reporting by Retirement Benefit Plans	IAS/BAS-26	Not Applicable
Consolidated and Separate Financial Statement	IAS/BAS-27	Not Applicable
Investment in Associates	IAS/BAS-28	Not Applicable
Interest in Joint Ventures	IAS/BAS-31	Not Applicable
Financial Instruments: Presentation	IAS/BAS-32	Applicable
Earning per Share	IAS/BAS-33	Applicable
Interim Financial Reporting	IAS/BAS-34	Not Applicable
Impairment of Assets	IAS/BAS-36	Applicable
Provisions, Contingent Liabilities and Contingent Assets	IAS/BAS-37	Applicable
Intangible Assets	IAS/BAS-38	Applicable
Financial Instruments: Recognition and Measurement	IAS/BAS-39	Applicable
Investment Property	IAS/BAS-40	Not Applicable
Agriculture	IAS/BAS-41	Not Applicable

2.5. Reporting Period

The financial statements cover one calendar year from 1st January 2011 to 31st December 2011 consistently.

2.6. Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on April 28, 2012.

2.7. 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.

2.8. Comparative Information

Comparative information has been disclosed in respect of the year 2010 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2010 have been re-arranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.9. Use of Estimates and Judgments

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

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

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

3. Significant Accounting Policies

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

3.1. Revenue Recognition

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

Receipts from customers comprise sales price against domestic sales.

3.2 Property, Plant and Equipment

3.2.1 Recognition and Measurement

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

3.2.2 Pre-Operating Expenses and Borrowing Costs

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

3.2.3 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account 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 are generally charged off as revenue expenditure. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.2.5 Disposal of Fixed Assets

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

3.2.6 Depreciation on Fixed Assets

Depreciation is provided to amortize the cost/revalued amount of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is provided on fixed assets except land for the period in use of the assets. Depreciation is provided at the following rates on straight line basis over the periods appropriate to the estimated useful lives of the different types of assets:

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

3.3 Lease Assets

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

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

3.4 Financial Instruments

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

3.4.1 Financial Assets

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

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

3.4.1(a) Accounts Receivables

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

3.4.1(b) Advances, Deposits and prepayments

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

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit and loss account.

3.4.1(c) Cash and Cash Equivalents

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

3.4.2 Financial Liability

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

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

3.5. Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.6. Inventories

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

3.7. Provisions

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

3.8. Income Tax Expense

Current Tax

Current Tax has been provided for the year at the reduced tax rate of 15% applicable for textiles industries. It also includes earlier year's short provision

Deferred Tax

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

3.9. Borrowing Costs

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

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

3.10. Employee Benefits

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

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

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

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

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

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour Law, 2006 and is payable to workers as defined in the said scheme.

(c) Short-term Employee Benefits

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

(d) Group Insurance Scheme

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

3.11 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (BAS) 1 (Revised 2008): Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of Bangladesh Accounting Standard (BAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.12 Earning Per Share (EPS)

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

Basic Earnings (Numerator)

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

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

Current Year (2011)

The Bonus Shares issued during the year 2011 were treated as if they always had been in issue. Hence, in computing the basic EPS of 2011, the total number of shares including the said bonus shares has been considered as the Weighted Average number of Shares outstanding during the year 2011.

Earlier Year (2010)

The number of shares outstanding before the bonus issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported (2010), and accordingly, in calculating the adjusted EPS of 2010, the total number of shares including the subsequent bonus issue in 2011 has been considered as the Weighted Average Number of Shares outstanding during the year 2010.

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

Diluted Earnings Per Share

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

3.13 Foreign Currency Transactions

The financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in compliance with the provisions of BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.14 Statement of Cash Flows

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

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

3.15 Related Party Disclosures

The company did not carry out any transaction with related parties during the year under review. Therefore, disclosure of information as required by BAS 24: Related Party Disclosures is not applicable.

3.16. Segmental Reporting

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

3.17. Financial risk management

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

- ✂ Credit risk
- ✂ Liquidity risk
- ✂ Market risk

Credit risk

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

Liquidity risk

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

Market risk

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

(a) Currency risk

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

(b) Interest rate risk

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

4. Events After The Reporting Period

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

5. Property, Plant and Equipment: Tk. 1,446,152,275

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

Particulars	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Factory Equipment	Furniture & Office Equipment	Motor Vehicle	CWP	Total
Cost / Revaluation								
At 31 December, 2010	537,444,200	457,354,283	1,275,053,053	25,680,778	19,703,446	4,369,033	-	2,319,604,793
Addition in 2011	13,796,500	82,904	-	3,876,345	353,380	-	1,786,253	19,895,382
At 31 December, 2011	551,240,700	457,437,187	,275,053,053	29,557,123	20,056,826	4,369,033	1,786,253	2,339,500,175
Depreciation								
At 31 December, 2010	-	111,798,693	703,595,155	20,865,707	19,048,117	3,980,025	-	859,287,697
For 2011	-	11,435,930	20,788,505	1,136,579	368,189	331,000	-	34,060,203
At 31 December, 2011	-	123,234,623	724,383,660	22,002,286	19,416,306	4,311,025	-	893,347,900
Carrying Amount								
At 31 December 2011 Tk	551,240,700	334,202,564	550,669,393	7,554,837	640,520	58,008	1,786,253	1,446,152,275
Carrying Amount								
At 31 December, 2010	537,444,200	345,555,590	571,457,897	4,815,071	655,329	389,008	-	1,460,317,096

A. Disclosure on Revaluation in the year 2004

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

- The effective date of revaluation is 27.12.2004
- An independent professional valuer, M/S G. K. Adjusters Ltd. (Insurance Surveyors, Loss Adjusters, Controllers and Valuers) of Chand Mansion (5th floor), 66, Dilkusha Commercial Area, was involved to carry out the said revaluation.

B. Disclosure on Revaluation in the year 2008

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

- The effective date of revaluation is 31.12.2008
- An independent professional valuer, M/S S. F. Ahmed & Co., Chartered Accountants, House 25, Road 13A, Block D, Banani, Dhaka-1213, Bangladesh have revalued the land, building and plant & machinery of the Company as of 31 December 2008.

6. Long-Term Security Deposits : Tk. 5,107,298

2011

2010

This represents the amount deposited with utility providers in respect of:

Bangladesh Telegraph & Telephone Board for Telephone	864,000	864,000
Titus Gas Transmission & Distribution Co. Ltd. for Gas Connection	4,243,298	4,243,298
Tk.	5,107,298	5,107,298

7. Inventories : Tk. 854,468,643**2011****2010**

This consists of :

(a) Raw Material :

Chips

Others

212,583,963

9,793,153

153,872,412

8,975,192

222,377,116**162,847,604**

(b) Work-in-Process

11,928,050

7,976,563

(c) Finished Goods

355,660,851

359,013,438

(d) Packing Material

539,536

1,218,688

(e) Stores & Spares

228,451,565

235,071,853

(f) Stock-in-Transit

35,511,524

71,776,114

Tk. 854,468,643**837,904,260****8. Accounts & Other Receivables : Tk. 721,835,474**

This is unsecured but considered good, and is falling due within one year.

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

9. Advances, Deposits & Prepayments : Tk. 40,451,219

This consists of :

Advances :

Duty, taxes & clearing charges

22,523,889

40,022,245

Advance Income Tax

724,093

5,803,543

Suppliers

1,490,302

511,369

Mill Expenses

343,153

318,548

25,081,437**46,655,705**

Deposits

6,692,605

10,692,605

Prepayments

8,677,177

10,408,140

Tk. 40,451,219**67,756,450**

This is unsecured but considered good.

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

No amount was due by any associated undertaking.

10. Cash and Cash Equivalents : Tk. 14,693,819

This consists of :

(a) Cash in Hand

273,700

1,247,394

(b) Cash at Banks :

(i) In Current Accounts

1,365,710

876,124

(ii) In STD Accounts

13,054,409

3,108,064

14,420,119**3,984,188****Tk. 14,693,819****5,231,582**

11. Issued Share Capital : Tk. 685,473,200

2011

2010

(a) Authorized :

200,000,000 ordinary shares of Tk. 10/- each (2010: 10,000,000 ordinary shares of Tk. 100/- each)	Tk.	2,000,000,000	1,000,000,000
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(b) Issued, Subscribed and paid-up :

29,900,000 Ordinary Shares of Tk. 10/- each fully paid up in cash 2010: 2,990,000 Ordinary Shares of Tk. 100/- each fully paid up in cash		299,000,000	299,000,000
100,000 Ordinary Shares of Tk. 10/- each issued in consideration of value of land acquired (issued in 1993)		1,000,000	1,000,000
38,547,338 Bonus shares of Tk. 10 each 2010: 2,960,638 Bonus shares of Tk. 100 each		385,473,200	296,063,810
	Tk.	685,473,200	596,063,810

(c) Compositions of share holdings :

	2011		2010	
	No. of Shares	%	No. of Shares	%
Sponsors:				
1. A S F Rahman	11,477,050	16.74	998,005	16.74
1. Salman F Rahman	10,625,930	15.50	923,994	15.50
Independent Director				
Dr. Abdul Alim Khan	274,160	0.40	23,840	0.40
Associates	2,350,570	3.43	180,559	3.03
Foreign Investors	10,760	0.02	938	0.02
ICB including ICB Investors Account	4,310,550	6.29	526,815	8.84
General Public & Institutions	39,498,300	57.62	3,306,486	55.47
	68,547,320	100.00	5,960,637	100.00

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

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

Share holdings Range in number of shares	Number of holders		% of total holders		Number of Shares		% of Share Capital	
	2011	2010	2011	2010	2011	2010	2011	2010
1 to 499	11,258	17,689	67.70%	92.81%	1,645,250	1,096,938	2.40%	18.40%
500 to 5,000	4,480	1,292	26.94%	6.78%	7,499,150	1,493,673	10.94%	25.06%
5,001 to 10,000	456	49	2.74%	0.26%	3,381,160	355,575	4.93%	5.97%
10,001 to 20,000	208	11	1.25%	0.06%	2,965,280	162,250	4.33%	2.72%
20,001 to 30,000	80	4	0.48%	0.02%	1,955,680	91,417	2.85%	1.53%
30,001 to 40,000	37	5	0.22%	0.03%	1,298,940	169,069	1.89%	2.84%
40,001 to 50,000	30	2	0.18%	0.01%	1,376,090	94,511	2.01%	1.59%
50,001 to 100,000	38	3	0.23%	0.02%	2,538,850	232,368	3.70%	3.90%
100,001 to 1,000,000	32	4	0.19%	0.02%	8,896,660	2,264,836	12.98%	38.00%
Over 1,000,000	10	-	0.06%	-	36,990,260	-	53.96%	-
	16,629	19,059	100.00%	100.00%	68,547,320	5,960,637	100.00%	100.00%

(e) Market Price :

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 368.25 (in 2010: Tk. 514.80) per share in the Dhaka Stock Exchange and Tk. 369.00 (in 2010: Tk. 514.30) per share in the Chittagong Stock Exchange on 30 December 2011.

(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.

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

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

13. Debenture- Current Maturity (Secured) Tk. 33,532,526

This is redeemable within twelve months from the date of balance sheet.

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

14. Interest Free Block Account-Current Maturity Tk. 19,184,102

This is payable within twelve months from the date of balance sheet as per decision of the Trustee to the Institutional Debentures Holders in a meeting held on 10.07.2005.

15. Short Term Loans From Banks (Secured) : Tk. 483,959,876

2011

2010

This consists of following Bank/Financial Institutions:

Sonali Bank, Local Office, Dhaka- Cash Credit

466,018,532

475,944,331

IPDC of Bangladesh Ltd. -Short Term Loan

17,941,344

26,970,672

Tk. 483,959,876

502,915,003

Cash Credit (Hypothecation and Pledged) account is secured against hypothecation of inventories and accounts receivable to the bank and collateralised by pari-passu charge on Company's fixed assets.

16. Accounts & Other Payables : Tk. 75,948,201

This is unsecured and represents creditors for:

Goods Supplied

12,724,505

13,976,199

Gas and Services

28,822,479

26,558,640

Insurance

11,653,744

11,799,441

Advance against Sales

-

10,140,294

Others

22,747,473

20,850,326

Tk. 75,948,201

83,324,900

17. Accrued Expenses : Tk. 79,774,262

This is falling due within one year and represents :

Accruals

24,137,995

26,468,500

Provision for Taxation

26,440,184

7,359,956

Workers' Participation / Welfare Funds

20,927,006

15,274,125

Interest Payable -Finance Lease

2,401,085

2,459,008

Interest Payable -Debenture (Current)

5,867,992

9,221,245

Tk. 79,774,262

60,782,834

18. Debenture-Net of Current Maturity (Secured) : Tk. 21,542,388

This is redeemable after twelve months from the date of balance sheet.

19. Interest Free Block Account-Net of Current Maturity : Tk. 16,341,538

This is payable after twelve months from the date of balance sheet.

20. Revenue (Net) : Tk. 1,545,017,437**2011****2010**

This is made-up as follows :

Sales of DTY (7,592,259 kgs.) (in 2010 : 6,647,418 kgs)	1,537,972,430	1,001,688,532
Less : Sales Commission	21,921,038	14,106,629
	1,516,051,392	987,581,903
Sales of Wastage	28,966,044	21,970,235
Tk.	1,545,017,437	1,009,552,138

21. Cost of Revenue : Tk. 1,300,156,899

This is made-up as follows :

Raw Material Consumed (Note - 21.1)	1,060,601,654	740,859,805
Packing Material Consumed (Note- 21.2)	39,608,224	29,550,721
Manufacturing Overhead (Note - 21.3)	166,485,719	139,999,646
Depreciation	34,060,203	33,486,107
Manufacturing Costs for the year	1,300,755,799	943,896,279
Opening WIP	7,976,563	1,493,940
Manufacturing Costs to date	1,308,732,362	945,390,219
Closing WIP	11,928,050	7,976,563
Cost of Goods manufactured	1,296,804,312	937,413,656
Opening Finished Goods	359,013,438	297,455,231
Cost of Goods available for revenue	1,655,817,750	1,234,868,887
Closing Finished Goods	355,660,851	359,013,438
Cost of Revenue	Tk. 1,300,156,899	875,855,449

(a) Item wise quantity and value of Finished Goods Stock are as follows :

Items	2011		2010	
	Quantity in Kgs.	Value in Taka	Quantity in Kgs.	Value in Taka
Opening Stock				
POY	197,325	20,507,480	151,159	14,547,763
DTY	2,178,073	338,505,958	1,890,142	282,907,468
	2,375,398	359,013,438	2,041,301	297,455,231
Closing Stock				
POY	199,757	27,017,135	197,325	20,507,480
DTY	2,002,936	328,643,716	2,178,073	338,505,958
	2,202,693	355,660,851	2,375,398	359,013,438

(b) Item wise quantity and value of Work-In-Process are as follows :

Items	2011		2010	
	Quantity in Kgs.	Value in Taka	Quantity in Kgs.	Value in Taka
Opening Stock				
POY	5,000	556,550	1,800	82,800
DTY	59,522	7,420,013	19,420	1,411,140
	64,522	7,976,563	21,220	1,493,940
Closing Stock				
POY	5,000	662,000	5,000	556,550
DTY	79,060	11,266,050	59,522	7,420,013
	84,060	11,928,050	64,522	7,976,563

21.1 Raw Material Consumed : Tk. 1,060,601,654

2011

2010

This is made-up as follows :

Opening Stock	162,847,604	136,299,866
Purchases	1,120,131,166	767,407,543
	1,282,978,770	903,707,409
Closing Stock	222,377,116	162,847,604
Tk.	1,060,601,654	740,859,805

(a) Item wise quantity and value of Raw Material Stock are as follows :

Items	2011		2010	
	Quantity	Value in Taka	Quantity	Value in Taka
Opening Stock				
Chips (tons)	1,631	153,872,412	1,582	133,622,379
Spin Finish (kgs.)	20,600	4,696,039	-	-
Conning Oil (kgs.)	17,919	2,351,381	13,061	1,768,372
Antiseptics (kgs.)	200	154,056	-	-
Paper Tube-POY-Imported (Nos.)	28,094	1,773,716	13,376	909,115
		162,847,604		136,299,866
Closing Stock				
Chips (tons)	1,642	212,583,963	1,631	153,872,412
Spin Finish (kgs.)	19,200	5,152,591	20,600	4,696,039
Conning Oil (kgs.)	12,755	1,800,263	17,919	2,351,381
Antiseptics (kgs.)	100	83,167	200	154,056
Paper Tube-POY-Imported (Nos.)	37,104	2,757,132	28,094	1,773,716
		222,377,116		162,847,604

(b) Item wise quantity and value of Raw Material Imported/Purchased are as follows :

Items	2011		2010	
	Quantity	Value in Taka	Quantity	Value in Taka
Chips (tons)	7,767	1,062,373,924	7,391	712,746,633
Spin Finish (kgs.)	38,400	11,137,444	57,600	13,130,673
Conning Oil (kgs.)	143,814	20,475,593	152,998	18,359,737
Antiseptics (kgs.)	150	137,028	450	346,627
Paper Tube-POY-Imported (Nos.)	53,278	4,272,896	53,584	3,318,407
Paper Tube-DTY (Nos.)	3,872,439	21,734,281	3,451,917	19,505,466
		1,120,131,166		767,407,543

(c) Item wise quantity and value of Raw Material consumed are as follows :

Items	2011		2010	
	Quantity	Value in Taka	Quantity	Value in Taka
Chips (tons)	7,756	1,003,662,374	7,342	692,496,600
Spin Finish (kgs.)	39,800	10,680,892	37,000	8,434,634
Conning Oil (kgs.)	148,978	21,026,710	148,140	17,776,729
Antiseptics (kgs.)	250	207,918	250	192,570
Paper Tube-POY-Imported (Nos.)	44,268	3,289,478	38,866	2,453,806
Paper Tube-DTY (Nos.)	3,872,439	21,734,282	3,451,917	19,505,466
		1,060,601,654		740,859,805

Raw material consumed are fully imported except DTY Paper Tube.

21.2 Packing Material Consumed : Tk. 39,608,224

2011

2010

This is made-up as follows :

Opening Stock	1,218,688	2,605,980
Purchases	38,929,072	28,163,429
	40,147,760	30,769,409
Closing Stock	539,536	1,218,688
Tk.	39,608,224	29,550,721

(a) Item wise quantity and value of Packing Material Stock are as follows :

Items	2011		2010	
	Quantity	Value in Taka	Quantity	Value in Taka
Opening Stock				
Cartons (Set)	4,875	500,731	17,457	1,757,374
HDPE Bag (Nos.)	51,394	41,943	454,179	407,358
Louis tape (Rolls)	2,028	42,870	-	-
P.P. Band and clip (Kgs.)	10	1,449	10	1,449
Adhesive Sticker (Nos.)	942,034	604,486	564,600	409,476
Packing Slip(Nos.)	32,320	27,209	36,020	30,323
		1,218,688		2,605,980
Closing Stock				
Cartons (Set)	711	88,336	4,875	500,731
HDPE Bag (Nos.)	61,303	51,832	51,394	41,943
Louis tape (Rolls)	2,504	72,857	2,028	42,870
P.P. Band and clip (Kgs.)	7	1,014	10	1,449
Adhesive Sticker (Nos.)	832,518	307,414	942,034	604,486
Packing Slip(Nos.)	21,480	18,083	32,320	27,209
		539,536		1,218,688

(b) Item wise quantity and value of Packing Material Purchased are as follows :

Items	2011		2010	
	Quantity	Value in Taka	Quantity	Value in Taka
Cartons (Set)	276,884	34,505,446	243,064	25,001,787
HDPE Bag (Nos.)	3,467,855	2,933,602	2,436,693	1,951,908
Louis tape (Rolls)	42,556	1,254,362	38,685	817,762
Adhesive Sticker (Nos.)	1,333,200	235,662	1,923,882	391,972
		38,929,072		28,163,429

(c) Item wise quantity and value of Packing Material consumed are as follows :

Items	2011		2010	
	Quantity	Value in Taka	Quantity	Value in Taka
Cartons (Set)	281,048	34,917,842	255,646	26,258,430
HDPE Bag (Nos.)	3,457,946	2,923,713	2,839,478	2,317,323
Louis tape (Rolls)	42,080	1,224,375	36,657	774,891
P.P. Band and clip (Kgs.)	3	435	-	-
Adhesive Sticker (Nos.)	1,442,716	532,734	1,546,448	196,963
Packing Slip (Nos.)	10,840	9,125	3,700	3,114
		39,608,224		29,550,721

Packing material consumed are fully local purchased.

21.3. Manufacturing Overhead : Tk. 166,485,719

2011

2010

This is made-up as follows :

Salary and wages	37,645,889	32,661,896
Power & Gas	72,038,671	57,564,540
Indirect Material (Stores & Spares)	42,723,193	36,865,400
Insurance	1,172,630	1,021,893
Other Manufacturing Overhead	12,905,336	11,885,917
Tk.	166,485,719	139,999,646

(a) Salary and Wages includes Provident Fund contribution of Tk. 999,774 (in 2010 : Tk. 889,555).

(b) The value of imported stores and spares consumed is Tk. 29,906,235 (in 2010 : Tk. 25,719,559) which is 70% of total stores and spares consumed.

(c) Other manufacturing overhead does not include any item exceeding 1% of total revenue.

22. Administrative Expenses: Tk. 14,507,589

This Consists of :

Salary	7,248,261	5,972,748
Repairs & Maintenance	-	34,238
Entertainment	497,762	505,999
Stationery Items	278,230	227,546
Books, News Papers & Periodicals	53,914	17,070
Stamp & Postage	-	2,046
Medical Expenses	143,565	258,926
Renewals, Rates & Registrations	703,660	141,600
Subscription & Membership Fees	729,496	373,628
Travelling and Conveyance	256,110	229,529
Telephone, Telex, Fax	276,029	279,195
Transport Expenses	1,274,648	881,492
Bank Charges & Commission	159,951	119,935
Utilities-Electricity, Water & Gas	51,704	100,411
Audit Fee	200,000	200,000
Legal & Professional Fees	-	26,125
Trustee Fees	230,532	293,400
Group Insurance Premium	359,123	328,958
A G M Expenses	1,805,186	1,720,621
Security Guard Hire Expenses (CC)	156,191	143,040
Other Administrative Overhead	83,227	50,715
Tk.	14,507,589	11,907,223

(a) Salary includes Provident Fund contribution of Tk. 350,532 (in 2010 : Tk. 294,475).

(b) The audit fee represents the fees for auditing the accounts of the Company for the year 2011. No other fee was paid to the auditor for any other services.

23. Selling Expenses : Tk. 5,080,289

This Consists of :

Transport	4,896,037	3,808,818
Market Research	184,252	138,903
Tk.	5,080,289	3,947,721

24. Finance Cost : Tk. 85,562,149 **2011** **2010**

This is made up as follows :

(a) Debenture interest	5,867,992	9,221,245
(b) Interest on Cash Credit (Hypothecation)	40,868,058	41,901,960
(c) Interest on Cash Credit (Pledged)	20,575,294	19,391,690
(d) Interest on Short Term Loan	4,325,796	6,207,838
(e) Interest on Finance Lease	5,925,009	8,927,247
(f) Interest on Term Loan	8,000,000	-
Tk.	85,562,149	85,649,980

25. Contribution To Workers' Profit Participation / Welfare Funds : Tk. 6,652,881

This represents 5% of net profit before tax after charging the contribution and such contribution is provided as per provisions of the Bangladesh Labour Law, 2006 and is payable to workers as defined in the said Law.

26. Income Tax Expenses : Tk. 24,881,457

This represents current tax expense & consist of:

Tax for the year	19,958,644	4,598,823
Prior Year Adjustment	4,922,813	(1,414,123)
Tk.	24,881,457	3,184,700

27. Earnings Per Share (EPS)

The relevant accounting policies have been stated in Note 3.12

(a) Net profit after tax (Numerator)	Tk. 108,176,172	27,474,123
(b) Weighted average number of shares in issue (Denominator) (Note-27.1)	68,547,320	68,547,320
(c) Earning Per Share (EPS) (Adjusted EPS of 2010)	Tk. 1.58	0.40

27.1 This is arrived as follows:

Number shares outstanding as on 01.01.2011	59,606,363
Add: Number of Bonus Share issued in 2011 (for 2010)	8,940,957
	68,547,320

28. Contingent Liabilities

There was no contingent liability as on 31 December, 2011.

29. Capital Expenditure Commitment

- (a) There was no capital expenditure commitment but not incurred or provided at 31 December, 2011.
 (b) There was no material capital expenditure authorized by the Board but not contracted for at 31 December, 2011.

30. Un-availed Credit Facility

There was no credit facility available to the Company under any contract, but not availed of as on 31 December, 2011 and 2010 other than trade credit available in the ordinary course of business.

31. Foreign Exchange Earned

No foreign exchange was earned against sales. No other foreign exchange was earned or received by the Company during the year 2011.

32. Payments in Foreign Currency

In 2011, the Company remitted foreign currency in respect of the following:

- (a) Payment against imported Raw Material & Spares

2011		2010	
Foreign Currency in US\$	In Taka	Foreign Currency in US\$	In Taka
13,448,897	996,158,612	9,374,878	669,791,928

- (b) No other expenses including royalty, technical expert and professional advisory fees, etc. was incurred or paid by the Company in foreign currency, during the year 2011.

33. Commission, Brokerage or Discount Against Sales

- (a) Distribution commission of Tk. 21,921,038 (in 2010 : Tk. 14,106,629) was incurred and paid during the year 2011 to the distributors of the Company.
- (b) No other commission, brokerage or discount was incurred or paid by the Company against sales during the year 2011.

34. Production Capacity and Actual Production

	2011	2010
(a) POY 115/230 Denier (Qty. in tons)		
Installed capacity	8,400	8,400
Actual Production	7,690	7,250
(b) DTY 75 (NI) Equivalent Denier (Qty. in tons)		
Installed capacity	8,336	8,336
Actual Production	7,417	6,935

35. Payment/ Perquisites To Directors/Officers

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

Basic Salary	2,859,960	2,022,960
House Rent Allowance	1,429,980	1,011,480
Conveyance & Other Allowances	1,011,650	779,578
Provident Fund Contribution	249,996	199,596
Total	Tk. 5,551,586	4,013,614

- (b) No compensation was allowed by the Company to the Managing Director of the Company.
- (c) No amount of money was spent by the Company for compensating any member of the Board for special services rendered.

36. Post Closing Events

The directors recommended 15% stock dividend on 28 April, 2012. The dividend proposals are subject to shareholders approval at the forthcoming Annual General Meeting.

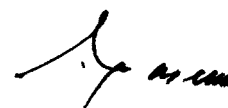
Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustments to, or disclosure in, the financial statements or notes thereto.



A S F Rahman
Chairman & Managing Director



Salman F Rahman
Vice-Chairman



M A Qasem
Director

Dhaka
28 April, 2012

BEXIMCO SYNTHETICS LIMITED

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

PROXY FORM

I/We of being a member of **BEXIMCO SYNTHETICS LIMITED** hereby appoint Mr./Mrs./Miss of as my Proxy to attend and vote for me on my behalf at the **21ST ANNUAL GENERAL MEETING** of the Company to be held on Saturday the 30th June, 2012 at 2:30 pm at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur and at any adjournment thereof.

As witness my hand this day of June, 2012. Signed by the said in presence of.....

.....
(Signature of the Proxy)
Date



.....
(Signature of witness)

.....
Signature of the Shareholder(s)
Register BO ID/Folio No.
Dated

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

Signature verified

.....
Authorized Signatory



BEXIMCO SYNTHETICS LIMITED

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

SHAREHOLDERS' ATTENDANCE SLIP

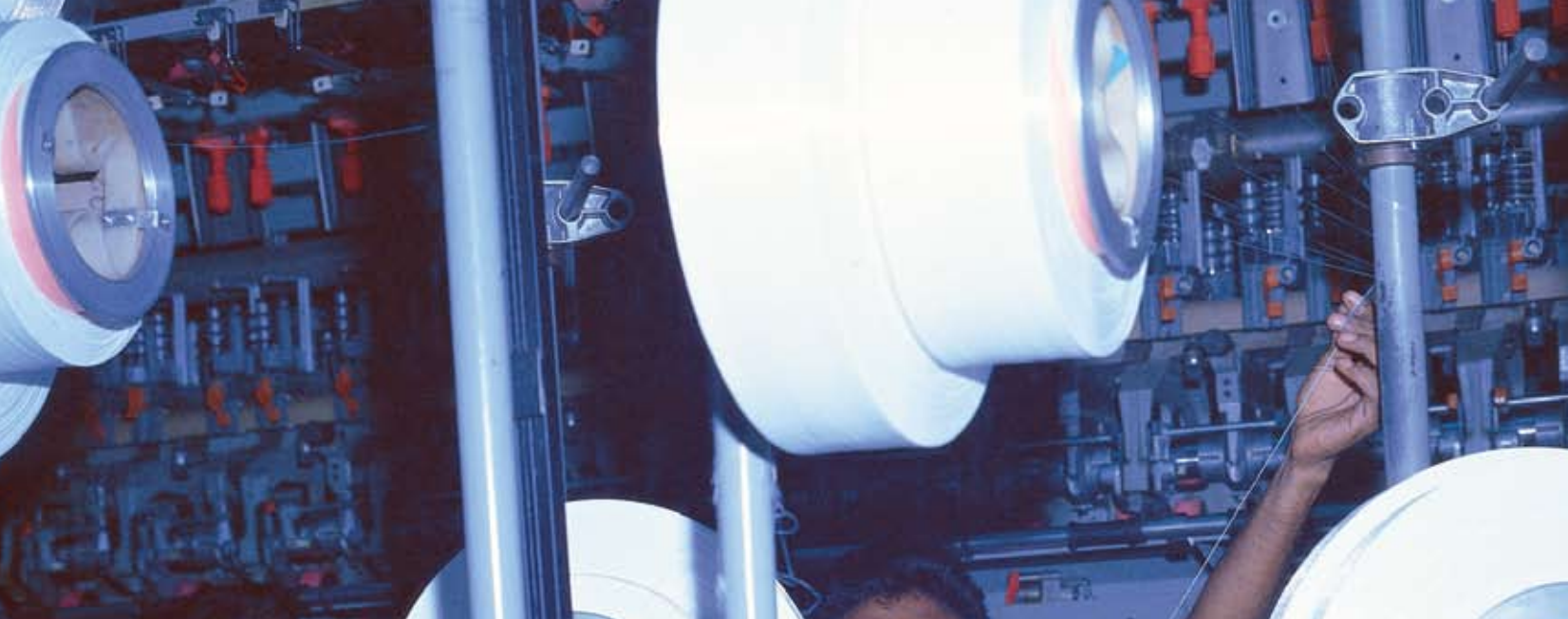
I hereby record my attendance at the **21ST ANNUAL GENERAL MEETING** being held on Saturday the 30th June, 2012 at 2:30 pm at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur.

Name of Member/Proxy

Register BO ID/Folio No. holding of ordinary Shares of Beximco Synthetics Limited.

.....
Signature of Shareholder(s)

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



SHAREHOLDERS INFORMATION

Corporate Headquarters : 17 Dhanmondi R/A, Road # 2, Dhaka 1205, Bangladesh.
Phone : 880-2-8618220(7 lines), Fax : 880-2-8613470
Email : bximchq@bol-online.com
Website : www.beximco.com

Operational Headquarters : Kabirpur, Savar, Dhaka-1344, Bangladesh
Phone : 880-2-7789167-69, Fax : 880-2-7789170
Website : www.beximcosynthetics.com

Factory : Kabirpur, Savar, Dhaka.

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

Legal Advisers : M/S. Huq & Co.
47/1 Purana Paltan, Dhaka-1000

Bankers : Sonali Bank Limited
IFIC Bank Limited

Day, Date & Time of AGM : Saturday 30th June, 2012 at 2.30 pm

Proposed Dividend : 15% Stock Dividend



BEXIMCO SYNTHETICS LIMITED

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