

2014

ANNUAL REPORT



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.

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Operational & Financial



Operational & Financial Highlights

	2014	2013	Changes in 2014	
			Amount	%
Turnover	1,187,413	1,337,836	(150,423)	(11.24)
Gross Profit	121,113	134,148	(13,035)	(9.72)
Net Loss Before Tax	(28,336)	(27,910)	426	(1.53)
Net Loss After Tax	(26,561)	(35,086)	(8,525)	24.30
Earnings Per Share	(0.31)	(0.40)	(0.09)	22.50
Total Assets	3,320,817	3,318,659	2,158	0.07
Shareholders' Equity	2,143,767	2,170,329	(26,562)	(1.22)

all figures in thousand Taka except indicate otherwise.

Company Profile

Corporate Headquarters

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

Operational Headquarters

Kabirpur, Savar, Dhaka-1344, Bangladesh
Email: beximsyn@bol-online.com
Website: <http://www.beximcosynthetics.com>

Factory

Kabirpur, Savar, Dhaka

Year of Establishment

July 18, 1990

Commercial Production

July 01, 1994

Nature of Activities

Manufacturing & Marketing of Polyester Filament Yarn, namely Partially Oriented Yarn (POY) and Drawn Texturising Yarn (DTY).

Listing Status

Public Listed Company

Stock Exchange Listing

Dhaka & Chittagong

Authorized Capital

2,000 million Taka

Paid up Capital

867.123 million Taka

Number of Shareholders

21,832



Corporate Directories



A S F RAHMAN

SALMAN F RAHMAN

Board of Directors

A S F RAHMAN
Chairman

SALMAN F RAHMAN
Vice-Chairman

IQBAL AHMED
Director

O K CHOWDHURY
Director

MD. TIPU SULTAN FARAJI
*Director-Nominee of ICB (Representing Institutional
Debenture Holders)*

MASUD EKRAMULLAH KHAN
Independent Director

MOHAMMAD ASAD ULLAH, FCS
Executive Director & Company Secretary

Management Committee

O K Chowdhury
Director, Group Finance & Corporate Affairs

Syed Naved Hussain
Chief Executive Officer

Md. Rafiqul Islam, FCA
Chief Financial Officer

Notice of the Twenty-Fourth Annual General Meeting

BEXIMCO SYNTHETICS LIMITED

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

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Fourth Annual General Meeting of the Shareholders of Beximco Synthetics Limited will be held on Saturday, the 13th June, 2015 at 1.30 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2014 together with reports of the Auditors and the Directors thereon.
2. To elect Director.
3. To appoint Auditors for the year 2015 and to fix their remuneration.
4. To transact any other business of the Company with the permission of the Chair.

By order of the Board,



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

Dated : 11 May, 2015

NOTES :

- (1) The Record Date of the Company shall be on 21 May, 2015.
- (2) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 21 May, 2015, will be entitled to attend at the Annual General Meeting.
- (3) A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- (4) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
- (5) No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No.SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.



চেয়ারম্যানের প্রতিবেদন



প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেক্সিমকো সিনথেটিক্স লিমিটেড এর ২৪তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আপনাদের সকলকে আবাবারো স্বাগত জানাতে পেরে এবং কোম্পানীর ৩১শে ডিসেম্বর ২০১৪ সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসহ নিরীক্ষকের প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করতে পেরে আমি খুবই আনন্দিত।

কার্যক্রম

সূতার চাহিদা ও বিক্রয়মূল্য হ্রাসের কারণে কোম্পানীর ব্যবসায়িক কার্যক্রম ব্যাপকভাবে ক্ষতিগ্রস্ত হওয়ায় ২০১৪ সাল ছিল আরও একটি

কঠিন বছর। অন্যদিকে, স্থানীয় বাজারে সারা বছর ধরে নির্বিচারে বিদেশী সূতা ত্রাসকৃত মূল্যে আমদানীর কারণে সুস্থ প্রতিযোগিতা ধ্বংস হওয়ায় আমরা আমাদের উৎপাদন লক্ষ্যমাত্রা ধরে রাখতে পারি নাই। ফলে, প্রতিবেদনাধীন বছরে আমাদের উৎপাদন ও মুনাফা ব্যাপকভাবে ক্ষতিগ্রস্ত হয়। প্রতিবেদনাধীন বছরে, কোম্পানী ৬,৮১৮,৭৭৭ কেজি POY ১১৫ ডেনিয়ার সূতা উৎপাদন করেছে। গত বছরে এর পরিমাণ ছিল ৭,০১৯,০৯০ কেজি, যা গত বছরের তুলনায় ২.৮৫% কম। DTY Intermingled এবং Non-Intermingled মিলে মোট DTY-এর উৎপাদন ছিল ৬,৩২৫,০৭১ কেজি, যা পূর্ববর্তী বছরে ছিল ৬,৮০৪,১৯৯ কেজি অর্থাৎ এ ক্ষেত্রে উৎপাদন কমেছে ১.২৪%। মোট বিক্রয় ১,৩২১.০৯ মিলিয়ন টাকা হতে কমে ১,১৭৫.১৩ মিলিয়ন টাকায় এসে দাঁড়ায়, যা গত বছরের তুলনায় ১১.০৫% কম।

বিপণন

প্রতিবেদনাধীন বছরে, সার্বিক বিপণন কার্যক্রম ছিল খুবই প্রতিকূল। এর অন্যতম প্রধান কারণ ছিল, স্থানীয় বাজার ও তৈরী পোশাক খাতে কাপড়ের চাহিদা কমে যাওয়ায় আমাদের সূতার বিক্রয়মূল্য ব্যাপকভাবে হ্রাস পায় যা আমাদের বিক্রয় লক্ষ্য অর্জনে নেতিবাচক ভূমিকা পালন করে। অন্যদিকে, সারাবছর ধরে স্থানীয় বাজারে হ্রাসকৃত মূল্যে বিদেশী সূতার আমদানীর ফলে আমরা আমাদের সূতার বিক্রয়মূল্য কমাতে বাধ্য হই। কিন্তু, গত বছর আমরা যেসব বাধার সম্মুখীন হয়েছি, সকল অনাকাঙ্খিত ও অনিয়ন্ত্রিত বিপণন কারণ সত্ত্বেও তা আমরা কাটিয়ে উঠার চেষ্টা করছি এবং আমরা বিশ্বাস করি যে আমাদের আন্তরিক ও কঠিন দলগত কার্যক্রম দ্বারা ভবিষ্যতে আমরা আমাদের কাঙ্খিত লক্ষ্য অর্জনে সক্ষম হব।

মানব-সম্পদ ব্যবস্থাপনা

মানবসম্পদ ব্যবস্থাপনার সত্যিকারের উদ্দেশ্য হচ্ছে, সঠিক নির্বাচন, প্রেরণা এবং সর্বোৎকৃষ্ট ও সর্বোচ্চ কার্যক্ষমতার জনবলকে ব্যবসার প্রসার সাধনে এবং কোম্পানী ক্ষতি কমিয়ে আনতে ধরে রাখা। জনবল স্থায়ী ও অস্থায়ী দুই ধরনের হয়ে থাকে যারা মূলত কারিগরী, নিরাপত্তা, ব্যবসায়িক, প্রশাসনিক ও ব্যবস্থাপনায় ভূমিকা পালন করে। কর্মকর্তা-কর্মচারীরা একটি প্রগতিশীল পরিবেশে কাজ করে এবং তাদের কঠিন কার্যক্রম কোম্পানীর যেকোন চ্যালেঞ্জ সফলতার সাথে মোকাবিলা করতে সাহায্য করে। একটি ভাল কর্ম পরিবেশ, কর্মচারীদের উচ্চতর আনুগত্য, অঙ্গীকার এবং সততা কোম্পানীর দক্ষতা ও পণ্যের গুণগত মান ধরে রাখতে সর্বদা সচেষ্ট থাকে।

উপসংহার

পরিশেষে কোম্পানীর পণ্যের উপর আস্থার জন্য আমি আমার নিজের ও পরিচালনা পর্ষদের পক্ষ থেকে সম্মানিত ক্রেতা সাধারণকে আন্তরিক ধন্যবাদ জানাচ্ছি। সেই সাথে আমাদের কর্মকর্তা ও কর্মচারীদেরকে তাদের অক্লান্ত প্রচেষ্টার জন্য, সরবরাহকারীদেরকে তাদের সমর্থনের জন্য, ব্যাংক, সরকারী সংস্থা

ও অন্যান্য আর্থিক প্রতিষ্ঠানসমূহকে তাদের সহযোগিতার জন্য এবং সর্বোপরি সম্মানিত শেয়ারহোল্ডারদেরকে কোম্পানীর মঙ্গলে তাদের ক্রমাগত উৎসাহ প্রদানের জন্য আন্তরিক প্রশংসা ও সাধুবাদ জানাই।

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

X. K. P. Lalinda

এ এস এফ রহমান
চেয়ারম্যান

ঢাকা, ২৭ এপ্রিল, ২০১৫

Chairman's Statement



Dear Shareholders,

It is a great pleasure for me once again to welcome you all to this 24th Annual General Meeting of Beximco Synthetics Limited and to present before you the Audited Financial Statements and the Auditors' and Directors' Report thereon of the Company for the year ended on 31 December 2014.

Operations

This year once again was a difficult year for your Company as business operation was hampered badly

due to decrease in demand and sales price of the yarn. On the other hand, due to indiscriminate import of foreign yarn at a dumping price in the local market through out the year, destroyed healthy competition, we could not maintain our targeted production as a result profitability and turnover of our company were badly affected during the year under review. During the year under report, the Company has produced 6,818,777 kgs of POY 115 denier filament yarn as compared to 7,019,090 kgs of POY denier of last year representing 2.85% decrease. Total DTY production was 6,325,071 kgs both in Intermingle and Non-Intermingle form as against 6,404,199 kgs in the previous year a decrease

by 1.24%. Gross turnover has decreased to Tk. 1,175.13 million from Tk. 1,321.09 million representing 11.05% fall compared to last year.

Marketing

During the year under review the overall marketing performance was very vulnerable. The major reason behind that was the drastic fall of yarn price due to decrease of demand of finished fabrics from both local market & RMG sector that ultimately played a negative role in our targeted sales achievement. On the other hand, due to dumping of foreign yarn in the local market through out the year, forced the price downwards. But despite having all those unpredictable & uncontrollable market factors, we are trying hard to overcome the difficulties we have experienced in last year and we are confident that by our sincere team work & hard work we will be able to achieve our targeted goal in the coming year.

Human Resource Management

The true focus of Human Resources Management is recruiting, motivating, and retaining the best; sustaining a high performing workforce; providing for business continuity through succession; and minimizing losses to the Company. The workforce includes both permanent and non-permanent employees who fill technical, safety, trade, administrative, and managerial roles. Employees work in a dynamic environment and their hard work helped the Company to successfully respond to many challenges. A good working environment, high level of loyalty and commitment and ethics of our employees enables the Company to achieve efficiency and maintain the quality of its products.

Conclusion

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

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



A S F Rahman
Chairman

27 April, 2015
Dhaka.

Directors' Report

Dear Shareholders,

The Board of Directors of Beximco Synthetics Limited are pleased to present the Directors' Report and audited financial statements of the Company for the year ended 31 December 2014 together with the auditor's report thereon.

1. Principal Activity

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

2. Financial Results and Appropriations

The financial results and recommended appropriations are stated below:

	Taka in Thousand	
	2014	2013
Net Loss after Tax	(26,561)	(35,086)
Profit/(Loss) Brought Forward	(26,131)	8,955
Loss Carried Forward	(52,692)	(26,131)

3. Dividend

No dividend is possible based on the Company's accounts for the year ended 31.12.2014.

4. Analysis of Operating Performance

4.1 Business Outlook- a general overview

2014 was a challenging year for the Bangladesh economy in general. GDP at current market price is close to USD 174 bn. Since January, after the national election, the

country is somewhat stable in the economical condition. Overall Bangladesh economy and business disrupted due to political crisis, cancellation of GSP facilities in USA and several hazardous accidents taken place in garments industry due to the lack of adequate compliance. Again infrastructural bottlenecks and power shortage remain the key problems deterring the export growth. We believe the export is likely to be resilient. While garment export will be the key driver of the overall economy, it will be beneficial for Bangladesh to look for export diversification. We also expect that the export will remain resilient and double digit growth will continue going forward. Bangladesh government has set a target of exporting apparel products worth USD 50 bn by the end of 2021 and is doing all it can to make that happen. While we believe the target is a bit ambitious given vulnerable political outlook, compliance issues in RMG, infrastructural problem, increasing cost of power etc. we expect a consistent growth of export in coming future.

4.2 Production and Sales

During the year under report, the Company has produced 6,818,777 kgs of POY 115 denier filament yarn as compared to 7,019,090 kgs of POY denier of last year representing 2.85% decrease. Total DTY production was 6,325,071 kgs both in Intermingle and Non-Intermingle form as against 6,404,199 kgs in the previous year a decrease by 1.24%. Gross turnover has decreased to Tk. 1,175.13 million from Tk. 1,321.09 million representing 11.05% fall compared to last year.

4.3 Profitability

During the year under report, the smooth business operation was hampered badly. The major reason behind

that was the drastic fall of yarn price due to decrease of demand of finished fabrics from both local market & RMG sector that ultimately played a negative role in our targeted sales achievement. On the other hand, due to dumping of foreign yarn in the local market throughout the year, forced the price downwards. As a result profitability and turnover of our company were badly affected and the Company has incurred losses.

5. Director - Retirement and Re-election

Mr. Iqbal Ahmed, Director of the Company retires by rotation as per Articles 124 and 125 of the Articles of Association of the Company and being eligible offers himself for re-election.

6. Auditors

The existing Auditors, M/S M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C.R. Datta Road, Dhaka-1205 who were appointed as Auditors of the Company in the 23rd Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2014.

M/S M.J. Abedin & Co., Chartered Accountants, the Auditors of the Company retire at this meeting and have expressed their willingness to continue in office for the year 2015.

7. Board Audit Committee

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

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

8. Board Meetings and Attendance

During the year, 4 Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting Attended
Mr. A S F Rahman	4
Mr. Salman F Rahman	4
Mr. Iqbal Ahmed	4
Mr. O K Chowdhury	4
Mr. Md. Alauddin Khan	4
Mr. Masud Ekramullah Khan	4

9. Corporate and Financial Reports

Directors are pleased to report that:

- 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 except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in the preparation of financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.

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

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

- They have reviewed the Financial Statements of the Company for the year ended 31 December 2014 and to the best of their knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the company's code of conduct.

11. Key operating and Financial Data

The summarized key operating and financial data for 2014 and immediately preceding four years are presented below:

	2014	2013	2012	2011	2010
Results of Operations:					
Revenue (Turnover) Net	1,187,413	1,337,836	1,426,752	1,545,017	1,009,552
Gross Profit	121,113	134,148	265,334	244,861	133,697
Operating Profit	100,135	113,813	244,915	225,273	117,842
Net Profit/(Loss) Before Tax	(28,336)	27,909	100,396	133,058	30,659
Net Profit/(Loss) After Tax	(26,561)	35,086	83,167	108,176	27,474
Basic Earning per Share(Tk.)	(0.31)	(0.40)	0.96	1.58	4.61
Stock Dividend	-	-	10.00%	15.00%	15.00%
Financial Position:					
Total Assets	3,320,817	3,318,658	3,336,809	3,082,709	2,859,699
Fixed Assets-Gross	2,385,560	2,376,705	2,363,245	2,339,500	2,319,605
Fixed Assets-Net	1,392,946	1,418,579	1,435,969	1,446,152	1,460,317
Gross Working Capital	1,915,369	1,890,964	1,894,248	1,631,449	1,394,275
Net Working Capital	1,145,233	770,154	791,793	739,050	668,177
Authorized Capital	2,000,000	2,000,000	2,000,000	2,000,000	1,000,000
Paid up Capital	867,123	867,123	788,294	685,473	596,064
Reserve & Surplus	1,276,643	1,303,205	1,417,120	1,438,013	1,419,247
Shareholders' Equity	2,143,767	2,170,328	2,205,415	2,123,487	2,015,311
Key Financial Ratios, Figures and Market Data:					
Current Ratio	2.49	1.69	1.72	1.83	1.92
Return on Paid-up Capital	(3.06%)	(4.05%)	10.55%	15.78%	4.61%
Return on Investment	(1.24%)	(1.62%)	3.77%	5.09%	1.36%
Net Asset Value Per Share (Tk.)	24.72	25.03	27.96	30.98	338.10
Pay-out Ratio	-	-	94.78%	95.06%	325.38%
Market Price of Share (at DSE)(Tk.)	12.50	16.70	24.30	368.25	514.80
Market Price of Share (at CSE)(Tk.)	12.50	16.70	24.30	369.00	514.30
Price Earning Ratio (DSE price)(Times)	(40.32)	(41.75)	25.31	233.07	111.67
Price Earning Ratio (CSE price)(Times)	(40.32)	(41.75)	25.31	233.54	111.56
Others:					
Number of Shares	86,712,359	86,712,359	78,829,418	68,547,320	5,960,637
Number of Shareholders	21,832	23,190	20,690	16,629	19,059

all figures in thousand Taka except indicate otherwise

12. The Pattern of Shareholding

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

13. Corporate Governance Compliance Report

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

14. Conclusion

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

Thank you all.

On behalf of the Board



A S F Rahman
Chairman

27 April, 2015
Dhaka.

Corporate Governance Compliance Report

Annexure-I

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

(Report under Condition No. 7.00)

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

Condition No.	Title	Compliance Status ("v" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (x)	Remuneration to directors including IDs	√		No remuneration has been paid to any Director during 2014 except Independent Director.
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results	√		
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend	√		No dividend is possible based on the Company's accounts for the year ended 31.12.2014.
1.5 (xx)	Number of Board meetings and attendance of directors	√		
1.5 (xxi)	Pattern of shareholding (along with name wise details) by-			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director,			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
2	CFO, HEAD OF INTERNAL AUDIT AND CS:			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	AUDIT COMMITTEE:			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month	√		
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	-	-	N/A
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests	--	--	N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system	--	--	N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws	--	--	N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately	--	--	N/A
3.4.2	Reporting to BSEC	--	--	N/A
3.5	Reporting to the Shareholders and General Investors	√		
4	EXTERNAL / STATUTORY AUDITORS			
4.00 (i)	Non-engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non-engagement in designing & implementation of FIS	√		
4.00 (iii)	Non-engagement in Book Keeping or accounting	√		
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
4.00 (ix)	Non-engagement in Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7	√		
5	SUBSIDIARY COMPANY			
5 (i)	Composition of BOD to be similar to holding company	--	--	N/A
5 (ii)	One ID to be in both holding and subsidiary company	--	--	N/A
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	--	--	N/A
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	--	--	N/A
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company	--	--	N/A
6	DUTIES OF CEO AND CFO:			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

S. Abdur Rashid FCS

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

Chartered Secretary in Practice

Private Practice Certificate No.: 003

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Certificate on Compliance of Corporate Governance Guidelines

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

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

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

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

SARashid

S. Abdur Rashid FCS



Dhaka, 14 May 2015

Report of the Audit Committee

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

The Audit Committee Report presented under condition No.3.5 of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Guidelines provides an insight on the functions of the Audit Committee during 2014.

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

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

Reporting to the Board of Directors

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

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter that it deems necessary.

The Role of Audit Committee

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

The role of the Audit Committee includes the following:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control and Risk Management process.
- Oversee hiring and performance of external Auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.

- To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. framed/issued by the regulatory authorities have been complied with.
- Other matters as per Terms Of Reference (TOR) of the Audit Committee and also as directed by the Board.

Authority

In terms of Corporate Governance Guidelines, the Audit Committee is authorized by the Board to review any activity within the business as per its Terms Of Reference (TOR). It is authorized to seek any information it requires from, and requires the attendance at any of its meeting of any Director or Member of Management, and all employees are expected to co-operate with any request made by the Committee.

The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The TOR of the Audit Committee may be amended from time to time as required for the business in line with BSEC Notifications subject to approval by the Board of the Company.

Main Activities and recommendations of the Audit Committee in 2014

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

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

The second meeting of the Committee was held on May 11, 2014 prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on March 31, 2014. The Committee reviewed the financial progress during the first quarter and examined in detail and recommended the same for approval by the Board to release to the Shareholders of the Company.

The third meeting of 2014 was held on July 15, 2014 to review the un-audited half-yearly financial Statements of the Company. The Committee being satisfied

recommended for issue of the financial statements for the half-year ended on June 30, 2014.

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

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

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

External Auditors

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, considered and made recommendations to the Board on the appointment and remuneration of external Auditors, M/s. M. J. Abedin & Company, Chartered Accountants for the year 2015, subject to the approval of shareholders in the 24th AGM of the Company, who had carried out the audit of the Company for the year 2014.



(MASUD EKRAMULLAH KHAN)

Chairman
Audit Committee

Date: 27 April, 2015

Corporate Governance



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

Internal Financial Control

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

Management Structure - The Company is operating through a well defined management structure headed by a Director under whom there are CEO, CFO, Senior General Manger and according to hierarchy, various senior & mid level management staffs. The Director, CEO, CFO, Senior General Manger 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 2014 stood at six directors. All directors are equally accountable at law to the shareholders for the proper conduct of the business.

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

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

Audit Committee

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

Going Concern

After making enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Company have adequate resources to

continue operation for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Rights and Relations with Shareholders

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

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

The following information can be addressed through the secretarial department:

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

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

Corporate Governance Compliance Report

In accordance with the requirement of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 Corporate Governance Compliance and Status Report is attached in Annexure-I on page 14 to 16.

Value Added Statement

For the year ended 31 December 2014

	2014		2013	
	Taka in '000	%	Taka in '000	%
VALUE ADDED :				
Turnover	1,187,413		1,337,836	
Bought in Materials & Services	(922,356)		(1,059,547)	
	265,057	100.00%	278,289	100.00%
APPLICATIONS :				
To National Exchequer-as Duty, Taxes, VAT etc.	59,840	28.35%	78,902	28.35%
To Employees-as Salary, Wages and Other Benefits	68,819	22.24%	61,900	22.24%
To Providers of Loan- as Interest	128,472	50.93%	141,723	50.93%
	257,131	101.52%	282,525	101.52%
Depreciation & Retention	7,927	(1.52%)	(4,236)	(1.52%)
	265,057	100.00%	278,289	100.00%

all figures in thousand Taka except indicate otherwise.

TWENTY-THIRD ANNUAL GENERAL MEETING

The twenty-third Annual General Meeting of Shareholders of Beximco Synthetics Ltd. was held on 21st June, 2014 at 1.30 pm at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur. A good number of shareholders attended the AGM. Mr. A S F Rahman, Chairman of the Board of Directors 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 2013 and also on other affairs.

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

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



FINANCIALS



Beximco Synthetics Limited
Independent Auditors' Report

To the shareholders

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books ;
- (c) the Statement of Financial Position (Balance Sheet) and Statement of Profit or Loss and Other Comprehensive Income 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,
27 April, 2015


M. J. ABEDIN & CO.
Chartered Accountants

An independent member firm of
MOORE STEPHENS
INTERNATIONAL LIMITED

Statement of Financial Position

as at 31 December 2014

Amount in Taka

	Notes	2014	2013
ASSETS			
Non-Current Assets		1,405,447,602	1,427,694,248
Property, Plant and Equipment - Carrying Value	5	1,392,946,720	1,418,578,950
Long Term Security Deposits	6	5,107,298	5,107,298
Deferred Tax Assets	7	7,393,584	4,008,000
Current Assets		1,915,369,462	1,890,964,551
Inventories	8	959,646,178	954,266,551
Accounts & Other Receivables	9	939,431,098	920,054,200
Advances, Deposits & Prepayments	10	11,860,725	13,711,306
Cash and Cash Equivalents	11	4,431,461	2,932,494
Total Assets		3,320,817,065	3,318,658,799
EQUITY AND LIABILITIES			
Shareholders' Equity		2,143,767,263	2,170,328,580
Issued Share Capital	12	867,123,598	867,123,598
Revaluation Surplus	13	1,329,335,883	1,329,335,883
Retained Earnings		(52,692,218)	(26,130,901)
Non-Current Liabilities		406,913,137	27,519,974
Long Term Borrowing-Net off Current Maturity	14	379,393,163	-
Obligation under Finance Lease		27,519,974	27,519,974
Current Liabilities		770,136,665	1,120,810,245
Debentures-Current Maturity (Secured)	15	40,160,096	43,572,345
Interest Free Block Account-Current Maturity	16	42,401,457	42,401,457
Short Term Loan from Banks (Secured)	17	467,941,344	767,941,344
Long Term Borrowing-Current Maturity	18	27,292,878	-
Accounts & Other Payables	19	70,029,332	71,624,897
Accrued Expenses	20	122,311,558	195,270,202
Total Equity and Liabilities		3,320,817,065	3,318,658,799

The notes are an integral part of the Financial Statements.

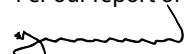
Approved and authorized for issue by the board of directors on 27 April, 2015 and signed for and on behalf of the Board:


A S F Rahman
Chairman

Salman F Rahman
Vice-Chairman

Iqbal Ahmed
Director

Per our report of even date.


M. J. Abedin & Co.
Chartered AccountantsDhaka,
27 April, 2015

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2014

			Amount in Taka
	Notes	2014	2013
Revenue	21	1,187,413,298	1,337,835,656
Cost of Revenue	22	(1,066,299,550)	(1,203,687,812)
Gross Profit		121,113,749	134,147,844
Operating Expenses		(20,978,142)	(20,334,684)
Administrative Expenses	23	(15,290,059)	(15,160,271)
Selling Expenses	24	(5,688,083)	(5,174,413)
Profit from Operations		100,135,607	113,813,160
Finance Cost	25	(128,471,845)	(141,723,001)
Loss before contribution to WPPF		(28,336,239)	(27,909,841)
Contribution to Workers' Profit Participation / Welfare Funds	26	-	-
Net Loss before Tax		(28,336,239)	(27,909,841)
Income Tax Income/(Expense)	27	1,774,922	(7,176,209)
Loss After Tax for the year		(26,561,317)	(35,086,050)
Other Comprehensive Income		-	-
Total Comprehensive Loss for the year		(26,561,317)	(35,086,050)
Earning Per Share (EPS)	28	(0.31)	(0.40)
Number of Shares used to compute Earning Per Share (EPS)		86,712,359	86,712,359

The notes are an integral part of the Financial Statements.

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



A S F Rahman
Chairman

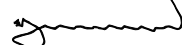


Salman F Rahman
Vice-Chairman



Iqbal Ahmed
Director

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka,
27 April, 2015

Statement of Changes in Equity


for the year ended 31 December 2014

Particulars	Amount in Taka			
	Share Capital	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on 01-01-2014	867,123,598	1,329,335,883	(26,130,901)	2,170,328,580
Total Comprehensive Loss for 2014:				
Loss for the year	-	-	(26,561,317)	(26,561,317)
Other Comprehensive Income			-	-
Balance as on 31-12-2014	867,123,598	1,329,335,883	(52,692,218)	2,143,767,263
Total number of shares				86,712,359
Shareholders equity per share				TK. 24.72

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



A S F Rahman
Chairman

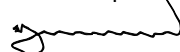


Salman F Rahman
Vice-Chairman



Iqbal Ahmed
Director

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka,
27 April, 2015

Statement of Cash Flows

for the year ended 31 December 2014

Amount in Taka

	2014	2013
Cash Flows From Operating Activities		
Collections from Revenue- net	1,168,036,400	1,324,364,049
Cash Paid to Suppliers & Employees	(1,054,329,522)	(1,182,703,703)
Cash Generated from Operations	113,706,878	141,660,346
Interest Paid	(68,288,520)	(122,220,457)
Income Tax Paid	(1,651,365)	(1,494,361)
Net Cash Generated from Operating Activities	43,766,993	17,945,528
Cash Flows From Investing Activities		
Acquisition of Tangible Fixed Assets	(8,855,777)	(13,459,487)
Net Cash Used In Investing Activities	(8,855,777)	(13,459,487)
Cash Flows From Financing Activities		
Payment of debentures	(3,412,249)	(3,412,249)
Payment of Lease Obligation	(30,000,000)	(1,419,171)
Net Cash Used In Financing Activities	(33,412,249)	(4,831,420)
Increase/(Decrease) in Cash & Cash Equivalents	1,498,968	(345,379)
Cash & Cash Equivalents at the beginning of the Year	2,932,494	3,277,873
Cash & Cash Equivalents at End of the Year	4,431,461	2,932,494
Net Operating Cash Flow Per Share	0.50	0.21
Number of Shares used to compute Net Operating Cash Flow Per Share	86,712,359	86,712,359

The notes are an integral part of the Financial Statements.

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



A S F Rahman
Chairman




Salman F Rahman
Vice-Chairman



Iqbal Ahmed
Director

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka,
27 April, 2015

Notes to the Financial Statements

as at and for the year ended 31 December 2014

1. The background and activities of the Company

1.1. Status of the Company

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

2.4. Reporting Period

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

2.5. Authorization for Issue

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

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

2.6. *Functional and Presentation Currency*

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

2.7. *Comparative Information*

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

Figures for the year 2013 have been re-arranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.8. *Use of Estimates and Judgments*

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

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

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

3. *Significant Accounting Policies*

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

3.1. *Revenue Recognition*

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

Receipts from customers comprise sales price against domestic sales.

3.2. *Property, Plant and Equipment*

3.2.1 *Recognition and Measurement*

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

3.2.2 *Pre-Operating Expenses and Borrowing Costs*

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

3.2.3 *Subsequent Expenditure*

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

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.

3.2.4 Software

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

3.2.5 Disposal of Fixed Assets

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

3.2.6 Depreciation on Fixed Assets

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

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

3.3 Leased Assets

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

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

3.4 Financial Instruments

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

3.4.1 Financial Assets

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

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

3.4.1 (a) Accounts Receivables

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

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

3.4.1 (b) Advances, Deposits and prepayments

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

Deposits are measured at payment value.

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

3.4.1 (c) Cash and Cash Equivalents

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

3.4.2 Financial Liability

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

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

3.5. Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.6. Inventories

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

3.7. Provisions

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

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

3.8. Income Tax Expense

Current Tax

Minimum Tax of 0.30% of turnover has been provided U/S 16CCC of Income Tax Ordinance, 1984 as there is a net loss during the year 2014. It also includes earlier year's adjustment.

Deferred Tax

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

3.9. Borrowing Costs

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

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

3.10. Employee Benefits

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

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

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

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

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

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

(c) Short-term Employee Benefits

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

(d) Group Insurance Scheme

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

3.11 Proposed Dividend

No dividend has been proposed for the year 2014.

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.

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

Basic Earnings (Numerator)

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

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

Current Year (2014)

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

Earlier Year (2013)

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

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

Diluted Earnings Per Share

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

3.13 Foreign Currency Transactions

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

3.14 Statement of Cash Flows

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

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

3.15 Related Party Disclosures

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

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

3.16. Segmental Reporting

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

3.17. Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

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.

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

5. Property, Plant and Equipment: Tk. 1,392,946,720

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	Amount in Taka						Total
	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Factory Equipment	Furniture & Office Equipment	Motor Vehicle	
Cost/Revaluation							
At 31 December, 2013	573,599,805	462,262,008	128,044,728	35,298,277	207,285,363	4,369,033	2,376,704,943
Addition in 2014	5,496,430	320,645	-	2,731,512	307,190	-	8,855,777
At 31 December, 2014	579,096,235	462,582,653	1,280,447,284	38,029,789	21,035,726	4,369,033	2,385,560,720
Depreciation							
At 31 December, 2013	-	142,871,899	765,268,090	25,481,352	20,135,619	4,369,033	958,125,993
For 2014	-	11,560,558	20,419,866	2,041,087	466,495	-	34,488,007
At 31 December, 2014	-	154,432,457	785,687,956	27,522,439	20,602,114	4,369,033	992,614,000
Carrying Amount							
At 31 December, 2014	579,096,235	308,150,196	494,759,328	10,507,350	433,612	-	1,392,946,720
Carrying Amount							
At 31 December, 2013	573,599,805	319,390,109	515,179,194	9,816,925	592,917	-	1,418,578,950

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.
- The revaluation surplus was Tk. 173,718,295.

B. DISCLOSURE ON REVALUATION IN THE YEAR 2008

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

- 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.
- The revaluation surplus was Tk. 1,155,617,588.

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

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

Bangladesh Telegraph & Telephone Board for Telephone
Titas Gas Transmission & Distribution Co. Ltd. for Gas Connection

	2014	2013
Bangladesh Telegraph & Telephone Board for Telephone	864,000	864,000
Titas Gas Transmission & Distribution Co. Ltd. for Gas Connection	4,243,298	4,243,298
	5,107,298	5,107,298

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

7. Deferred Tax Assets : Tk. 7,393,584

(a) Deferred Tax Assets are arrived at as follows:

Book Value of Depreciable Fixed Assets

Less: Tax Base

Deductible Temporary Difference

Effective Tax Rate

Deferred Tax Assets

(b) Deferred Tax Income is arrived at as follows:

Closing Deferred Tax (Assets)/Liabilities

Opening Deferred Tax (Assets)/Liabilities

Deferred Tax (Income)/Expense

	2014	2013
Book Value of Depreciable Fixed Assets	1,082,033	32,210,694
Less: Tax Base	50,372,592	58,930,697
Deductible Temporary Difference	49,290,559	26,720,003
Effective Tax Rate	15%	15%
Deferred Tax Assets	7,393,584	4,008,000
Deferred Tax Income is arrived at as follows:		
Closing Deferred Tax (Assets)/Liabilities	7,393,584	4,008,000
Opening Deferred Tax (Assets)/Liabilities	4,008,000	1,484,258
Deferred Tax (Income)/Expense	3,385,584	2,523,743

8. Inventories : Tk. 959,646,178

This consists of :

(a) Raw Material :

Chips

Others

(b) Work-in-Process

(c) Finished Goods

(d) Packing Material

(e) Stores & Spares

(f) Stock-in- Transit

	2014	2013
Chips	195,361,192	213,359,443
Others	9,622,900	10,218,731
204,984,092	223,578,174	
Work-in-Process	5,681,150	6,610,212
Finished Goods	500,066,257	447,932,178
Packing Material	651,018	1,255,381
Stores & Spares	226,388,266	236,425,149
Stock-in- Transit	21,875,395	38,465,457
959,646,178	954,266,551	

9. Accounts & Other Receivables : Tk. 939,431,098

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.

10. Advances, Deposits & Prepayments : Tk. 11,860,725

This consists of :

Advances :

Duty, taxes & clearing charges

Advance Income Tax

VAT

Suppliers

Mill Expenses

Deposits**Prepayments**

	2014	2013
Duty, taxes & clearing charges	1,447,699	3,968,513
Advance Income Tax	1,412,256	2,218,454
VAT	608,080	596,411
Suppliers	3,589,118	2,245,533
Mill Expenses	552,220	431,043
7,609,373	9,459,954	
Deposits	1,692,605	1,692,605
Prepayments	2,558,747	2,558,747
11,860,725	13,711,306	

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

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.

11. Cash and Cash Equivalents : Tk. 4,431,461

This consists of :

(a) Cash in Hand

(b) Cash at Banks :

(i) In Current Accounts

(ii) In STD Accounts

	2014	2013
(a) Cash in Hand	898,308	392,461
(b) Cash at Banks :		
(i) In Current Accounts	1,299,912	1,534,056
(ii) In STD Accounts	2,233,241	1,005,977
	3,533,153	2,540,033
	4,431,461	2,932,494

12. Issued Share Capital : Tk. 867,123,598

(a) Authorized :

200,000,000 ordinary shares of Tk. 10/- each

(b) Issued, Subscribed and paid-up :

29,900,000 Ordinary Shares of Tk. 10/- each fully paid up in cash

100,000 Ordinary Shares of Tk. 10/- each issued in consideration of value of land acquired (issued in 1993)

56,712,359.80 Bonus shares of Tk. 10 each

	2014	2013
(a) Authorized :		
200,000,000 ordinary shares of Tk. 10/- each	2,000,000,000	2,000,000,000
(b) Issued, Subscribed and paid-up :		
29,900,000 Ordinary Shares of Tk. 10/- each fully paid up in cash	299,000,000	299,000,000
100,000 Ordinary Shares of Tk. 10/- each issued in consideration of value of land acquired (issued in 1993)	1,000,000	1,000,000
56,712,359.80 Bonus shares of Tk. 10 each	567,123,598	567,123,598
	867,123,598	867,123,598

(c) Compositions of share holdings:

	2014		2013	
	No. of Shares	%	No. of Shares	%
Sponsors:				
1. A S F Rahman	14,518,467	16.74	14,518,467	16.74
2. Salman F Rahman	13,441,800	15.50	13,441,800	15.50
Associates	2,973,469	3.43	2,973,469	3.43
Foreign Investors	13,607	0.02	13,607	0.02
ICB including ICB Investors Account	4,649,923	5.36	4,425,777	5.10
General Public & Institutions	51,115,093	58.95	51,339,239	59.21
	86,712,359	100.00	86,712,359	100.00

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

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

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

Share holdings Range in number of shares	Number of holders		% of total holders		Number of Shares		% of Share Capital	
	2014	2013	2014	2013	2014	2013	2014	2013
1 to 499	12,559	13,341	57.53%	57.53%	1,701,344	1,845,856	1.96%	2.13%
500 to 5,000	7,626	8,153	34.93%	35.16%	12,340,606	13,184,660	14.23%	15.21%
5,001 to 10,000	885	935	4.05%	4.03%	6,616,873	6,777,525	7.63%	7.82%
10,001 to 20,000	410	429	1.88%	1.85%	5,740,199	5,845,453	6.62%	6.74%
20,001 to 30,000	137	145	0.63%	0.63%	3,417,598	3,565,718	3.94%	4.11%
30,001 to 40,000	53	44	0.24%	0.19%	1,885,446	1,538,308	2.17%	1.77%
40,001 to 50,000	39	35	0.18%	0.15%	1,768,700	1,589,020	2.04%	1.83%
50,001 to 100,000	79	66	0.36%	0.28%	5,511,857	4,490,206	6.36%	5.18%
100,001 to 1,000,000	36	34	0.16%	0.15%	7,854,607	7,993,584	9.06%	9.22%
Over 1,000,000	8	8	0.04%	0.03%	39,875,129	39,882,029	45.99%	45.99%
	21,832	23,190	100.00%	100.00%	86,712,359	86,712,359	100.00%	100.00%

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 12.50 (in 2013: Tk. 16.70) per share in the Dhaka Stock Exchange and Tk. 12.50 (in 2013: Tk. 16.70) per share in the Chittagong Stock Exchange on 30 December 2014.

(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.

13. 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.

14. Long Term Borrowings - Net off Current maturity : Tk. 379,393,163

This consists as follows from Phoenix Finance & Investments Ltd.:

	2014	2013
Outstanding Principal upto 31.12.2014	300,000,000	-
Add: Outstanding interest upto 31.12.2014	136,686,041	-
	436,686,041	-
Less: Downpayment as per agreement	30,000,000	-
	406,686,041	-
Less: Current Maturity (Note - 18)	27,292,878	-
	379,393,163	-

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

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

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

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

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

17. Short Term Loans from Banks (Secured) : Tk. 467,941,344

This consists of following Bank/Financial Institutions:

Sonali Bank, Local Office, Dhaka- Cash Credit

IPDC of Bangladesh Ltd.

Phoenix Finance & Investments Ltd. (Note - 17.1)

	2014	2013
	450,000,000	450,000,000
	17,941,344	17,941,344
	-	300,000,000
	467,941,344	767,941,344

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.

17.1. Short Term Loans from Phoenix Finance & Investments Ltd.

The short term loan of Tk. 300,000,000 was converted to Long Term Loan on 30.12.2014 including outstanding interest upto 30.12.2104 for a period of further 102 months (including 6 months grace period) on equal monthly installment basis.

18. Long Term Borrowings - Current maturity : Tk. 27,292,878

This consists of following Bank/Financial Institutions and is payable within next twelve months from the balance sheet date:

Phoenix Finance & Investments Ltd.

	2014	2013
	27,292,878	-
	27,292,878	-

19. Accounts & Other Payables : Tk. 70,029,332

This is unsecured and represents creditors for:

Goods Supplied

Gas and Services

Insurance

Advance Against Sales

Others

	2014	2013
	21,391,962	13,808,064
	28,481,965	30,457,782
	6,324,276	11,838,796
	1,892,105	-
	11,939,024	15,520,255
	70,029,332	71,624,897

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

20. Accrued Expenses : Tk. 122,311,558

This is falling due within one year and represents :

	2014	2013
Accruals	34,931,608	30,826,851
Provision for Taxation	37,414,704	38,261,605
Workers' Participation / Welfare Funds	19,574,858	19,288,642
Interest Payable -Cash Credit	23,180,690	19,096,574
Interest Payable -Finance Lease	4,191,251	4,191,251
Interest Payable -Short Term Loan (Phoenix)	-	80,586,832
Interest Payable -Short Term Loan (IPDC)	3,018,447	3,018,447
	122,311,558	195,270,202

21. Revenue :Tk. 1,187,413,298

This is made-up as follows :

	2014	2013
Sales of DTY (6,525,540 kgs.) (in 2013 : 6,326,434 kgs)	1,175,133,416	1,321,097,927
Less : Sales Commission	22,317,623	23,630,189
	1,152,815,793	1,297,467,738
Sales of Wastage	34,597,505	40,367,918
	1,187,413,298	1,337,835,656

22. Cost of Revenue :Tk. 1,066,299,550

This is made-up as follows :

	2014	2013
Raw Material Consumed (Note - 22.1)	873,957,577	958,704,131
Packing Material Consumed (Note- 22.2)	34,177,313	38,125,437
Manufacturing Overhead (Note - 22.3)	174,881,669	179,263,092
Depreciation	34,488,007	30,849,519
Manufacturing Costs for the year	1,117,504,567	1,206,942,179
Opening WIP	6,610,212	9,827,722
Manufacturing Costs to date	1,124,114,779	1,216,769,901
Closing WIP	5,681,150	6,610,212
Cost of Goods manufactured	1,118,433,629	1,210,159,689
Opening Finished Goods	447,932,178	441,460,301
Cost of Goods available for revenue	1,566,365,807	1,651,619,990
Closing Finished Goods	500,066,257	447,932,178
Cost of Revenue	1,066,299,550	1,203,687,812

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

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

Item	2014		2013	
	Quantity in Kgs.	Value in Taka	Quantity in Kgs.	Value in Taka
Opening Stock				
POY (kgs.)	134,770	21,630,173	135,536	21,630,173
DTY (kgs.)	2,116,984	426,302,005	2,039,220	419,830,128
	2,251,754	447,932,178	2,174,756	441,460,301
Closing Stock				
POY (kgs.)	65,566	9,507,103	134,770	21,630,173
DTY (kgs.)	1,916,515	490,559,154	2,116,984	426,302,005
	1,982,082	500,066,257	2,251,755	447,932,178

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

Item	2014		2013	
	Quantity in Kgs.	Value in Taka	Quantity in Kgs.	Value in Taka
Opening Stock				
POY (kgs.)	5,000	748,350	5,000	748,350
DTY (kgs.)	38,027	5,861,862	59,149	9,079,372
	43,027	6,610,212	64,149	9,827,722
Closing Stock				
POY (kgs.)	5,000	748,350	5,000	748,350
DTY (kgs.)	32,000	4,932,800	38,027	5,861,862
	37,000	5,681,150	43,027	6,610,212

22.1. Raw Material Consumed : Tk. 873,957,577

This is made-up as follows :

	2014	2013
Opening Stock	223,578,174	222,519,218
Purchases during the year	855,363,495	959,763,087
	1,078,941,669	1,182,282,305
Closing Stock	204,984,092	223,578,174
	873,957,577	958,704,131

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

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

Items	2014		2013	
	Quantity	Value in Taka	Quantity	Value in Taka
Opening Stock				
Chips (tons)	1,664	213,359,443	1,667	220,541,850
Spin Finish (kgs.)	18,600	5,688,570	-	-
Conning Oil (kgs.)	19,161	3,239,149	9,821	1,655,019
Antiseptics (kgs.)	100	90,097	-	-
Paper Tube-POY-Imported (Nos.)	13,008	1,200,915	4,338	322,349
		223,578,174		222,519,218
Closing Stock				
Chips (tons)	1,647	195,361,192	1,664	213,359,443
Spin Finish (kgs.)	18,200	5,215,025	18,600	5,688,570
Conning Oil (kgs.)	11,881	1,816,978	19,161	3,239,149
Antiseptics (kgs.)	150	124,791	100	90,097
Paper Tube-POY-Imported (Nos.)	26,302	2,466,107	13,008	1,200,915
		204,984,092		223,578,174

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

Item	2014		2013	
	Quantity	Value in Taka	Quantity	Value in Taka
Chips (tons)	6,859	797,284,463	7,030	894,914,041
Spin Finish (kgs.)	38,400	10,644,200	57,600	17,616,218
Conning Oil (kgs.)	123,465	18,572,504	126,110	21,323,783
Antiseptics (kgs.)	300	242,678	300	270,292
Paper Tube-POY-Imported (Nos.)	53,584	5,042,832	53,584	5,025,082
Paper Tube-DTY (Nos.)	3,658,928	23,576,819	3,593,138	20,613,671
		855,363,496		959,763,087

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

Item	2014		2013	
	Quantity	Value in Taka	Quantity	Value in Taka
Chips (tons)	6,875	815,282,713	7,034	902,096,448
Spin Finish (kgs.)	38,800	11,117,745	39,000	11,927,647
Conning Oil (kgs.)	130,745	19,994,675	116,770	19,739,653
Antiseptics (kgs.)	250	207,985	200	180,195
Paper Tube-POY-Imported (Nos.)	40,290	3,777,639	44,914	4,146,517
Paper Tube-DTY (Nos.)	3,658,928	23,576,819	3,593,138	20,613,671
		873,957,577		958,704,131

Raw material consumed are fully imported except DTY Paper Tube.

22.2. Packing Material Consumed : Tk. 34,177,313

This is made-up as follows :

	2014	2013
Opening Stock	1,255,381	1,794,928
Purchases	33,572,950	37,585,890
	34,828,331	39,380,818
Closing Stock	651,018	1,255,381
	34,177,313	38,125,437

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

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

Items	2014		2013	
	Quantity	Value in Taka	Quantity	Value in Taka
Opening Stock				
Cartons (Set)	6,863	971,949	10,684	1,493,890
HDPE Bag (Nos.)	187,808	179,369	103,600	84,378
Louis tape (Rolls)	563	20,980	2,174	63,754
P.P. Band and clip (Kgs.)	7	1,014	7	1,014
Adhesive Sticker (Nos.)	321,869	64,828	566,335	134,650
Packing Slip(Nos.)	20,480	17,241	20,480	17,242
		1,255,381		1,794,928
Closing Stock				
Cartons (Set)	4,285	544,606	6,863	971,949
HDPE Bag (Nos.)	57,908	55,783	187,808	179,369
Louis tape (Rolls)	90	4,194	563	20,980
P.P. Band and clip (Kgs.)	7	1,014	7	1,014
Adhesive Sticker (Nos.)	217,069	39,039	321,869	64,828
Packing Slip(Nos.)	7,580	6,381	20,480	17,241
		651,018		1,255,381

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

Item	2014		2013	
	Quantity	Value in Taka	Quantity	Value in Taka
Cartons (Set)	232,713	29,477,195	236,588	33,525,175
HDPE Bag (Nos.)	2,821,188	2,719,229	3,054,438	2,931,748
Louis tape (Rolls)	16,380	768,640	24,835	942,744
Adhesive Sticker (Nos.)	3,418,672	607,887	1,026,800	186,223
		33,572,951		37,585,890

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

Item	2014		2013	
	Quantity	Value in Taka	Quantity	Value in Taka
Cartons (Set)	235,291	29,904,537	240,409	34,047,116
HDPE Bag (Nos.)	2,951,088	2,842,814	2,970,230	2,836,758
Louis tape (Rolls)	16,853	785,426	26,446	985,518
Adhesive Sticker (Nos.)	3,523,472	633,676	1,271,266	256,045
Packing Slip(Nos.)	12,900	10,860	-	-
		34,177,313		38,125,437

Packing material consumed are fully local purchased.

22.3. Manufacturing Overhead : Tk. 174,881,669

This is made-up as follows :

	2014	2013
Salary and wages	53,529,189	46,739,972
Power & Gas	45,375,078	65,678,303
Indirect Material (Stores & Spares)	60,750,189	52,454,264
Insurance	2,265,283	2,413,198
Other Manufacturing Overhead	12,961,932	11,977,355
	174,881,669	179,263,092

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

- (a) Salary and Wages includes Provident Fund contribution of Tk. 1,483,217 (in 2013 : Tk. 1,276,920).
 (b) The value of imported stores and spares consumed is Tk. 42,512,982 (in 2013 : Tk. 36,717,984) which is 70% of total stores and spares consumed.
 (c) Other manufacturing overhead does not include any item exceeding 1% of total revenue.

23. Administrative Expenses: Tk. 15,290,059

This Consists of :

	2014	2013
Salary	8,344,423	7,922,736
Entertainment	609,496	543,415
Stationery Items	232,576	426,713
Books, News Papers & Periodicals	17,712	44,088
Medical Expenses	697,562	266,207
Renewals, Rates & Registrations	204,475	152,410
Subscription & Membership Fees	305,048	696,196
Travelling and Conveyance	398,205	399,008
Telephone, Telex, Fax	245,103	250,021
Vehicles Fuel & Maintenance Cost	1,555,402	1,721,008
Bank Charges & Commission	179,102	144,459
Utilities-Electricity, Water & Gas	84,300	102,771
Audit Fee	400,000	400,000
Independent Directors Fees	130,000	110,000
Group Insurance Premium	521,396	424,188
A G M Expenses	1,016,378	1,390,065
Security Guard Hire Expenses (CC)	111,148	81,000
Other Administrative Overhead	237,732	85,986
	15,290,059	15,160,271

- (a) Salary includes Provident Fund contribution of Tk. 343,704 (in 2013 : Tk. 335,388).
 (b) The audit fee represents the fees for auditing the accounts of the Company for the year 2014. No other fee was paid to the auditor for any other services.
 (c) Remuneration is paid to Independent Director for attending Board, Audit Committee and other Meetings.

24. Selling Expenses : Tk. 5,688,083

This Consists of :

	2014	2013
Transport	5,039,102	5,099,211
Market Research	648,981	75,202
	5,688,083	5,174,413

25. Finance Cost : Tk. 128,471,845

This is made up as follows :

	2014	2013
(a) Interest on Cash Credit	72,372,636	75,976,575
(b) Interest on Finance Lease	56,099,209	65,746,426
	128,471,845	141,723,001

26. Contribution To Workers' Profit Participation / Welfare Funds

No provision has been made as the company incurred net loss for the year.

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

27. Income Tax (Income)/Expenses : Tk. 1,774,922

This represents current tax expense & consist of:

(i) Current Tax (Note-3.8)

Tax for the year

Prior Year Adjustment

(ii) Deferred Tax Income (Note - 7(b))

	2014	2013
	3,562,240	6,689,178
	(1,951,578)	3,010,774
	1,610,662	9,699,952
	(3,385,584)	(2,523,743)
	(1,774,922)	7,176,209

28. Earnings Per Share (EPS)

The relevant accounting policies have been stated in Note 3.12

(a) Net Loss after tax (Numerator)

(b) Weighted average number of shares in issue (Denominator)

(c) Earning Per Share (EPS)

	2014	2013
	(26,561,317)	(35,086,050)
	86,712,359	86,712,359
	(0.31)	(0.40)

29. Contingent Liabilities

There was no contingent liability as on 31 December 2014.

30. Capital Expenditure Commitment

(a) There was no capital expenditure commitment but not incurred or provided at 31 December 2014.

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

31. Un-availed Credit Facility

There was no credit facility available to the Company under any contract, but not availed of as on 31 December 2014 and 2013 other than trade credit available in the ordinary course of business.

32. Foreign Exchange Earned

No foreign exchange was earned against sales. No other foreign exchange was earned or received by the Company during the year 2014.

33. Payments in Foreign Currency

In 2014, the Company remitted foreign currency in respect of the following:

(a) Payment against imported Raw Material & Spares

2014		2013	
Foreign Currency in US\$	In Taka	Foreign Currency in US\$	In Taka
9,228,502	723,281,421	10,863,289	858,354,942

(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 2014.

Notes to the Financial Statements Continued

as at and for the year ended 31 December 2014

34. Commission, Brokerage or Discount Against Sales

- (a) Distribution commission of Tk. 22,317,623 (in 2013 : Tk. 23,630,189) was incurred and paid during the year 2014 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 2014.

35. Production Capacity, Actual Production and Reason of Shortfall

	2014	2013
(a) POY 115/230 Denier (Qty. in tons)		
Installed capacity	8,400	8,400
Actual Production	6,819	7,019
(b) DTY 75 (NI) Equivalent Denier (Qty. in tons)		
Installed capacity	8,336	8,336
Actual Production	6,325	6,404

36. 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 :

	2014	2013
Basic Salary	4,210,752	3,723,720
House Rent Allowance	2,105,376	1,861,860
Conveyance & Other Allowances	1,568,290	1,332,550
Provident Fund Contribution	421,075	372,372
Total	8,305,493	7,290,502

- (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.


37. Post Closing Events

No circumstances have arisen since the balance sheet date which would require adjustments to, or disclosure in the financial statements or notes thereto.



A S F Rahman
Chairman

27 April, 2015
Dhaka.



Salman F Rahman
Vice-Chairman



Iqbal Ahmed
Director



Shareholders Information

CORPORATE HEADQUARTER

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FACTORY AND OPERATIONAL HEADQUARTERS

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INDEPENDENT AUDITORS

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

DAY, DATE & TIME OF AGM

Saturday, 13 June, 2015 at 1.30 p.m.

COMPLIANCE AUDITORS

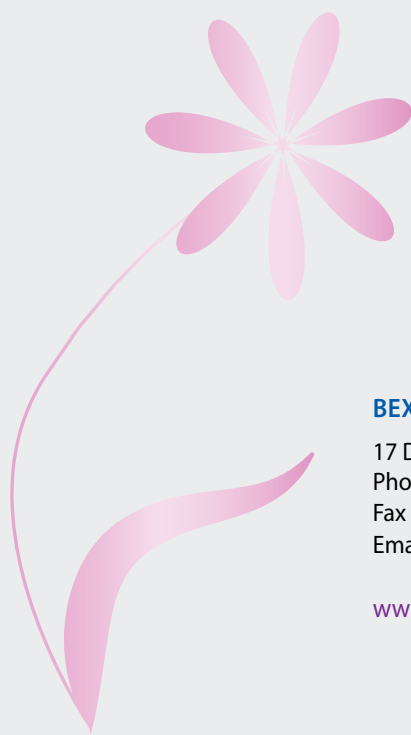
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LEGAL ADVISERS

M/S Huq & Co.
Barristers & Advocates
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BANKERS

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IFIC Bank Limited.



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