2016-17
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 avalued customers, our business associates, our fellow citizens and our Shareholders.

Contents

Operational & Financial Highlights	2
Company Profile	3
Corporate Directories	4
Notice of the 26th Annual General Meeting	5
Chairman's Statement	6
Directors' Report to the Shareholders	8
Corporate Governance Compliance Report	12
Certificate on Compliance of Corporate Governance Guidelines	17
Report on the Activities of the Audit Committee	18
Corporate Governance	21
25th Annual General Meeting	23
Independent Auditors' Report	25
Statement of Financial Position	26
Statement of Profit or Loss and Other Comprehensive Income	27
Statement of Changes in Equity	28
Statement of Cash Flows	29
Notes to the Financial Statements	30

Operational & Financial Highlights

	01.07.2016-30.06.2017 (12 months)	01.01.2016-30.06.2016 (06 months)	01.01.2015-31.12.2015 (12 months)
Turnover	407,051	401,436	977,572
Gross Profit/(Loss)	(69,353)	38,709	83,821
Net Loss Before Tax	(226,348)	(30,348)	(67,182)
Net Loss After Tax	(227,459)	(32,438)	(69,932)
Earnings Per Share	(2.62)	(0.37)	(0.81)
Total Assets	3,241,016	3,376,774	3,329,702
Shareholders' Equity	1,795,985	2,023,444	2,055,884

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	- *16,582*

Corporate Directories

Salman F Rahman A S F Rahman

Board of Directors

A S F Rahman	- *Chairman*
Salman F Rahman	- *Vice-Chairman*
Iqbal Ahmed	- *Director*
O K Chowdhury	- *Director*
Tipu Sultan Farazi	- *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-sixth Annual General Meeting

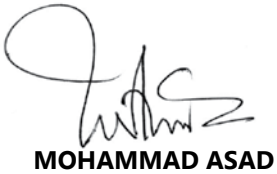
Notice of the Twenty-sixth Annual General Meeting

Notice is hereby given that the Twenty-sixth Annual General Meeting of the Shareholders of Beximco Synthetics Limited will be held on Saturday, the 23rd December, 2017 at 1.00 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

Agenda

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June, 2017 together with reports of the Auditors and the Directors thereon.
2. To elect Director.
3. To appoint Auditors for the year ended 30th June, 2018 and to fix their remuneration.

By order of the Board,



MOHAMMAD ASAD ULLAH, FCS
Executive Director & Company Secretary

Dated : 22 November, 2017

Notes :

1. The Shareholders whose names appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 15 November, 2017, will be entitled to attend at the Annual General Meeting.
2. A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
3. Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
4. No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No.SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেক্সিমকো সিনথেটিক্স লিমিটেড এর ২৬তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আপনাদের সকলকে আবারো স্বাগত জানাতে পেরে এবং কোম্পানীর ৩০শে জুন ২০১৭ সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসহ নিরীক্ষকের প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করতে পেরে আমি খুবই আনন্দিত। অর্থ আইন ২০১৫ এর বিধান অনুসারে এটাই প্রথম সম্পূর্ণ নতুন হিসাব বছর।

কার্যক্রম

সূতার চাহিদা ও বিক্রয়মূল্য হ্রাসের কারণে বিগত বছরে কোম্পানীর ব্যবসায়ীক কার্যক্রম ব্যাপকভাবে ক্ষতিগ্রস্থ হয়েছে। বিগত বছরের মত স্থানীয় বাজারে সারাবছর ধরে নির্বিচারে বিদেশী সূতা হ্রাসকৃত মূল্যে আমদানীর কারণে সুস্থ প্রতিযোগীতা ধ্বংস হয়েছে। এই কারণে আমরা আমাদের উৎপাদন লক্ষ্যমাত্রা ধরে রাখতে পারি নাই। ফলে প্রতিবেদনাধীন সময়ে আমাদের মুনাফা ও বিক্রয় ব্যাপকভাবে ক্ষতিগ্রস্থ হয়।

বিপণন

স্থানীয় বাজারে কাপড়ের চাহিদা কমে যাওয়ায় আমাদের সূতার মূল্য ব্যাপকভাবে হ্রাস পায় যা আমাদের বিক্রয় লক্ষ্য অর্জনে নেতিবাচক ভূমিকা পালন করে। কিন্তু সকল অনাকাংখিত ও অনিয়ন্ত্রিত বিপণন কারণ সত্ত্বেও আমাদের বিপণন দল আমাদের পণ্যের বাজার পরিধি যতটুকু সম্ভব ধরে রাখতে সর্বদা সচেষ্ট।

উপসংহার

পরিশেষে আমাদের 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।

এ এস এফ রহমান
চেয়ারম্যান

২৫শে অক্টোবর, ২০১৭
ঢাকা।

Chairman's statement

Dear Shareholders,

It is my pleasure to once again welcome you all to this 26th 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 30 June 2017. This is the first full year's account under the new accounting year end as prescribed under Finance Act 2015.

Operations

During the year smooth business operation was hampered badly due to decreased demand and sales price of the yarn. Like previous years, due to indiscriminate import of foreign yarn at a dumping price in the local market throughout the year, destroyed healthy competition. Due to this, we could not maintain our targeted production as a result profitability and turnover of the company were badly affected during the year under review.

Marketing

Drastic fall of yarn price due to tremendous decrease of demand of finished fabrics from both local market & RMG sector played a negative role in our targeted sales achievement. But despite having all those unpredictable & uncontrollable market factors, our marketing team is always concentrating on keeping whatever market share possible.

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 honoured 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

25 October, 2017
Dhaka.

Directors' Report to the Shareholders

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 on 30 June 2017 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

Particulars	2016-17 (12 months)	2016 (12 months)	2015 (12 months)
Net Loss after Tax	(227,459)	(32,439)	(69,932)
Loss Brought Forward	(173,015)	(140,576)	(70,644)
Loss Carried Forward	(400,474)	(173,015)	(140,576)

3. Dividend

No dividend is possible based on the Company's accounts for the period.

4. Analysis of Operating Performance

4.1 Global and Country's Business Outlook - a general overview

Bangladesh has ascertained its growth for the last fiscal at 7.28 percent, highest ever in history of the country's economy and more than what was targeted. According to the World Economic Outlook (WEO), the global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing, and trade. "World growth is expected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018. Stronger activity, expectations of more robust global demand, reduced deflationary pressures, and optimistic financial markets are all upside developments," the report said. But structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term, remain as important challenges. According to the report, the external environment has been important for this transformation and terms of trade, external demand, and, in particular, external financial conditions are increasingly influential determinants of medium-term growth in these economies as they become more integrated into the global economy.

In the year 2016-17 Bangladesh textile & clothing industry has faced many challenges, including worker unrest, gas crisis etc. and of course positive were many as it could continue to contribute to the country economy and global trade very significant. In 2016-17, RMG factories achieved a great success and the sector is going ahead in being more environment friendly. Moreover, the top three performing environment-friendly LEED certified garment and textile factories in the world are located in Bangladesh. Bangladesh garment industry has generated $ 28.67bn exports in the calendar year 2016 which is 7.76% higher than the previous calendar year. The export in the last fiscal year 2015-16 was $28.09bn with a 10.21% growth from the previous fiscal year, according to the Export Promotion Bureau. As Bangladesh RMG is moving towards achieving a target of reaching USD 50 billion by 2021 the country requires more growth than it has been getting for last three years in particular. 2017-18 is to be a very crucial year in that path. If the country can secure a growth around 15% in this year, it may proceed well achieving the goal.

4.2 Production and Sales

During the year, the Company has produced 2,783,565 kgs of POY 115 denier filament yarn and 2,631,269 kgs of DTY both in Intermingle and Non-Intermingle form. Gross turnover was Tk. 407.051 million.

4.3 Profitability

During the period under report, yet again the smooth business operation was badly hampered. The major reason behind that was the further fall of yarn price due to tremendous decreased demand of finished fabrics in the local market. On the other hand, due to continuous import of foreign yarn at a dumping price in the local market throughout

the period, forced the price downward and the competition intensified. As a result profitability as well as turnover of the company were badly affected and the Company has incurred losses.

5. Director - Retirement and Re-Election

Mr. Salman F Rahman, Director of the Company retires by rotation as per Articles 124 and 125 of the Articles of Association of the Company and being eligible offer 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 25th Annual General Meeting of the Company has carried out the audit for the period ending 30 June 2017.

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 2017-2018.

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. Tipu Sultan Farazi	4
Mr. Masud Ekramullah Khan	4

9. Corporate and Financial Reports

Directors are pleased to report that:

(a) 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.

(b) Proper books of accounts of the Company have been maintained.

(c) 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.

(d) 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.

(e) Internal Control System is sound in design and has been effectively implemented and monitored.

(f) 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 –

(i) They have reviewed the Financial Statements of the Company for the year ended on 30 June 2017 and to the best of their knowledge and belief:

  (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

(ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

11. Key Operating and Financial Data

The summarized key operating and financial data for 2016-2017 and immediately preceding four years are presented below:

	2016 - 2017	2016 (upto June)	2015	2014	2013
Results of Operations					
Revenue (Turnover) Net	407,051	401,436	977,572	1,187,413	1,337,836
Gross Profit	(69,353)	38,709	83,822	121,113	134,148
Operating Profit	(86,868)	26,968	64,382	100,135	113,813
Net Profit/(Loss) Before Tax	(226,348)	(30,348)	(67,182)	(28,336)	(27,909)
Net Profit/(Loss) After Tax	(227,459)	(32,438)	(69,932)	(29,786)	(35,086)
Basic Earning per Share (Tk.)	(2.62)	(0.37)	(0.81)	(0.34)	(0.40)
Financial Position					
Total Assets	3,241,016	3,376,774	3,329,702	3,313,423	3,318,658
Fixed Assets-Gross	2,401,960	2,401,578	2,400,869	2,385,560	2,376,705
Fixed Assets-Net	1,322,050	1,356,883	1,373,821	1,392,946	1,418,579
Gross Working Capital	1,913,858	2,014,783	1,950,774	1,915,369	1,890,964
Net Working Capital	720,481	996,544	1,039,658	1,145,233	770,154
Authorized Capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Paid up Capital	867,123	867,123	867,123	867,123	867,123
Reserve & Surplus	928,862	1,156,321	1,188,760	1,258,691	1,303,205
Shareholders' Equity	1,795,985	2,023,444	2,055,883	2,125,815	2,155,601
Key Financial Ratios, Figures and Market Data					
Current Ratio	1.60	1.98	2.14	2.49	1.69
Return on Paid-up Capital	(26.23)	(3.74%)	(8.06%)	(3.44%)	(4.05%)
Return on Investment	(12.66%)	(1.60%)	(3.40%)	(1.40%)	(1.62%)
Net Asset Value Per Share (Tk.)	20.71	23.34	23.71	24.52	25.03
Market Price of Share (at DSE) (Tk.)	9.60	6.30	7.90	12.50	16.70
Market Price of Share (at CSE) (Tk.)	9.60	6.30	7.90	12.50	16.70
Price Earning Ratio (DSE price) (Times)	(3.64)	(17.02)	(9.75)	(36.76)	41.75)
Price Earning Ratio (CSE price) (Times)	(3.64)	(17.02)	(9.75)	(36.76)	(41.75)
Others					
Number of Shares	86,712,359	86,712,359	86,712,359	86,712,359	86,712,359
Number of Shareholders	16,582	18,224	19,051	21,832	23,190

all figures in thousand Taka except indicate otherwise

12. The Pattern of Shareholding

	Name wise details	No. 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

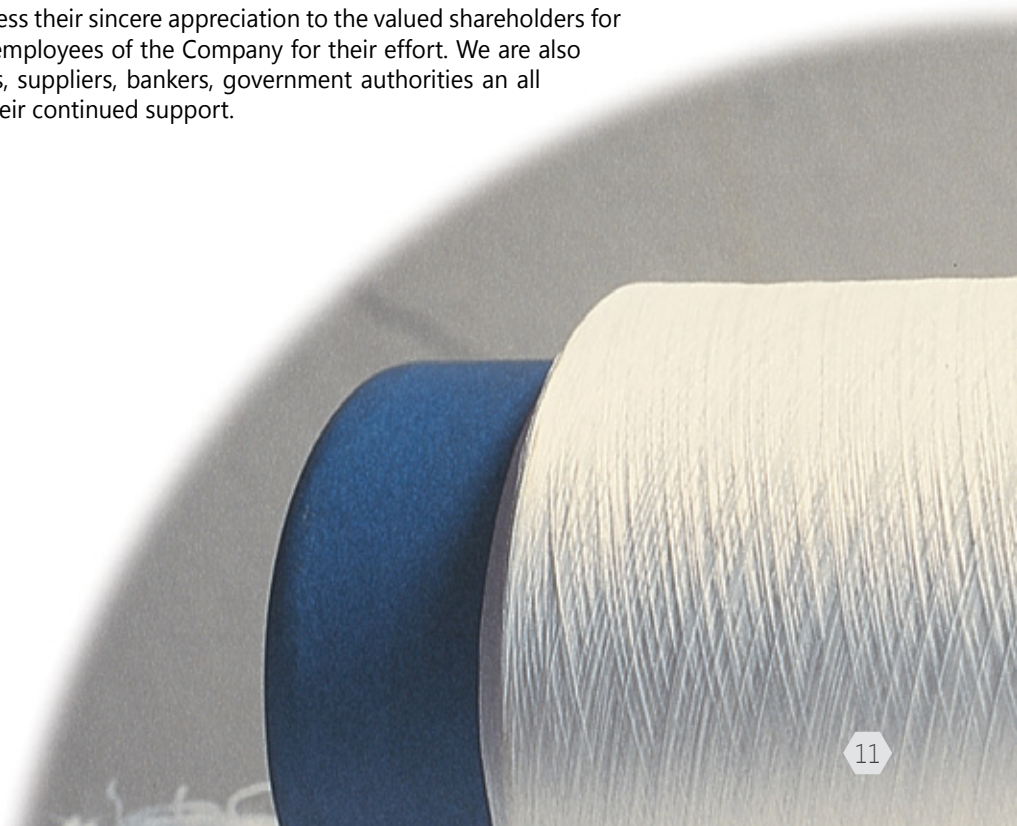
The Directors wish to express their sincere appreciation to the valued shareholders for their support and to the employees of the Company for their effort. We are also thankful to our customers, suppliers, bankers, government authorities an all concerned agencies for their continued support.

Thank you all.

On behalf of the Board

A S F Rahman
Chairman

25 October, 2017
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
1.5 (x)	Remuneration to directors including ID	√		No remuneration has been paid to any Director during 2016-2017 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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 on 30.06.2017
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month	√		
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	**Chairman of the Audit Committee**			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	**Role of Audit Committee**			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Committee	√		
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 Govrnance as requird 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), PGDHRM, LLB, **AIPM**
Chartered Secretary in Practice
Private Practice Certificate No.: 003
Phone # +880 2 9558796, +88 01726533655
E-mail : sarashid12000@yahoo.com

SARashid & Associates
(Chartered Secretaries)
Noakhali Tower (12th Floor, 13-D)
55/B Purana Paltan, Dhaka-1000, Bangladesh
E-mail : sarashidnasso@gmail.com

Certificate on Compliance of Corporate Governance Guidelines

[Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

We have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Beximco Synthetics Limited** ("the Company") for the year ended 30 June 2017. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC).

We have conducted my review in a manner that has provided us a reasonable basis for evaluating the compliances and expressing our 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 us by the Company, We hereby certify that all the conditions of the Corporate Governance Guidelines have been complied with by the Company.

S. Abdur Rashid, FCS

Dhaka, 26 November 2017

Report on the Activities of the Audit Committee

for the year ended on 30th June 2017

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2017.

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 the year 2016-17.

Composition

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.

The Role of Audit Committee

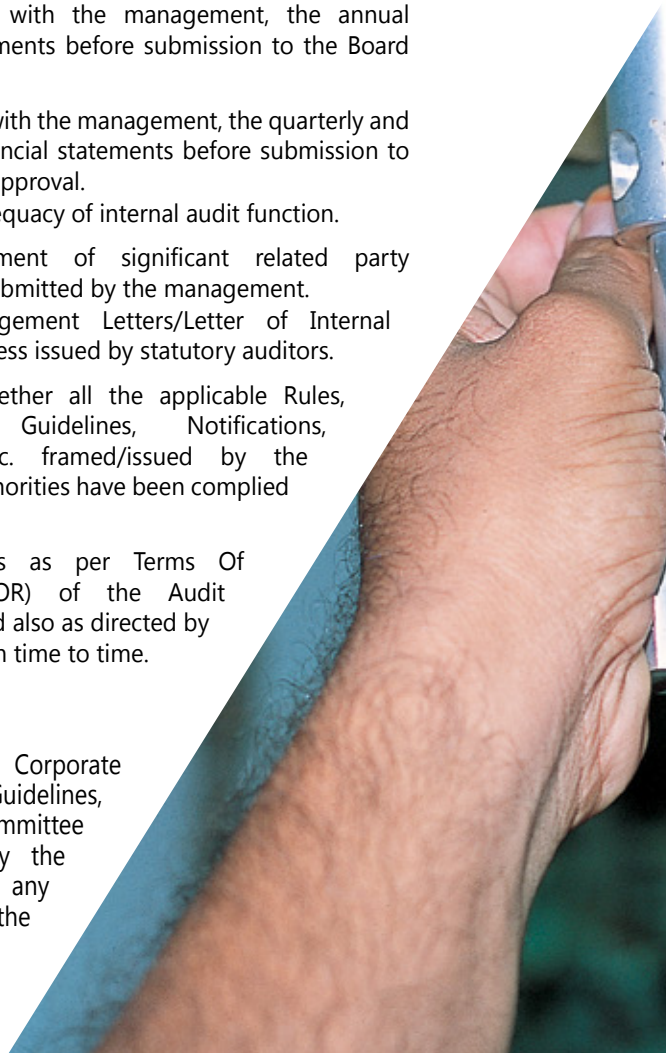
The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review when appropriate, make recommendations to the main Board on business risk, internal controls and compliance. The committee satisfies itself, by means of suitable steps and appropriate information, 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.

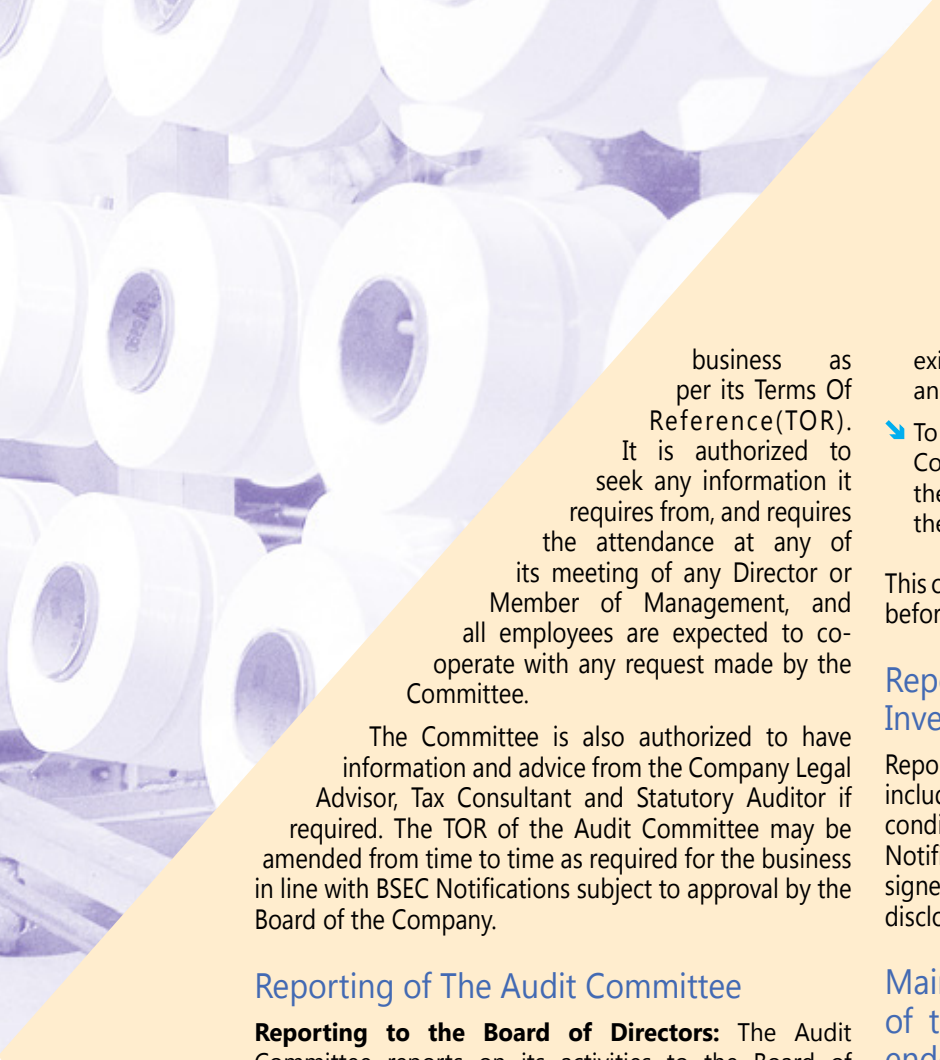
The role of the Audit Committee includes the following:

- 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, from time to time.

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.

Reporting of The Audit Committee

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

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

In compliance with condition No.6 of the Corporate Governance Guidelines of BSEC Notification dated August 7, 2012, the Chief Executive Officer(CEO) and Chief Financial Officer (CFO) have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended on 30 June 2017, and state that:

- 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, and
- To the best of their knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

This certificate has been reviewed by the Audit Committee before submitting to the Board.

Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) of the BSEC's Corporate Governance Notification mentioned above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company..

Main Activities and Recommendations of the Audit Committee during the year ended on 30th June 2017

In terms of reference, the Committee in its first meeting held on September 28, 2016 reviewed the Annual Financial Statements for the period of 18 months ended on 30 June 2016. During the meeting the Chief Financial Officer presented the draft annual accounts along with the independent auditors' report to the Committee and briefed the committee regarding the financial performance of the Company.

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

In addition to the above, the Audit Committee met three times during the year ended on 30 June 2017. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 13, 2016, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2016. The Committee reviewed the financial progress during the first quarter and examined in detail and recommended the same for approval by the Board to release to the Shareholders of the Company.

The third meeting of the Committee was held on January 23, 2017 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 December 31, 2016.

The fourth meeting of the Committee was held on April 24, 2017 to release the un-audited third quarter financial statements of the Company for the quarter ended on March 31, 2017. The detailed review of the financial statements was made by the Committee and recommended to the Board for approval of the financial statements for release to the Shareholders of the Company.

The Chief Executive Officers, 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.

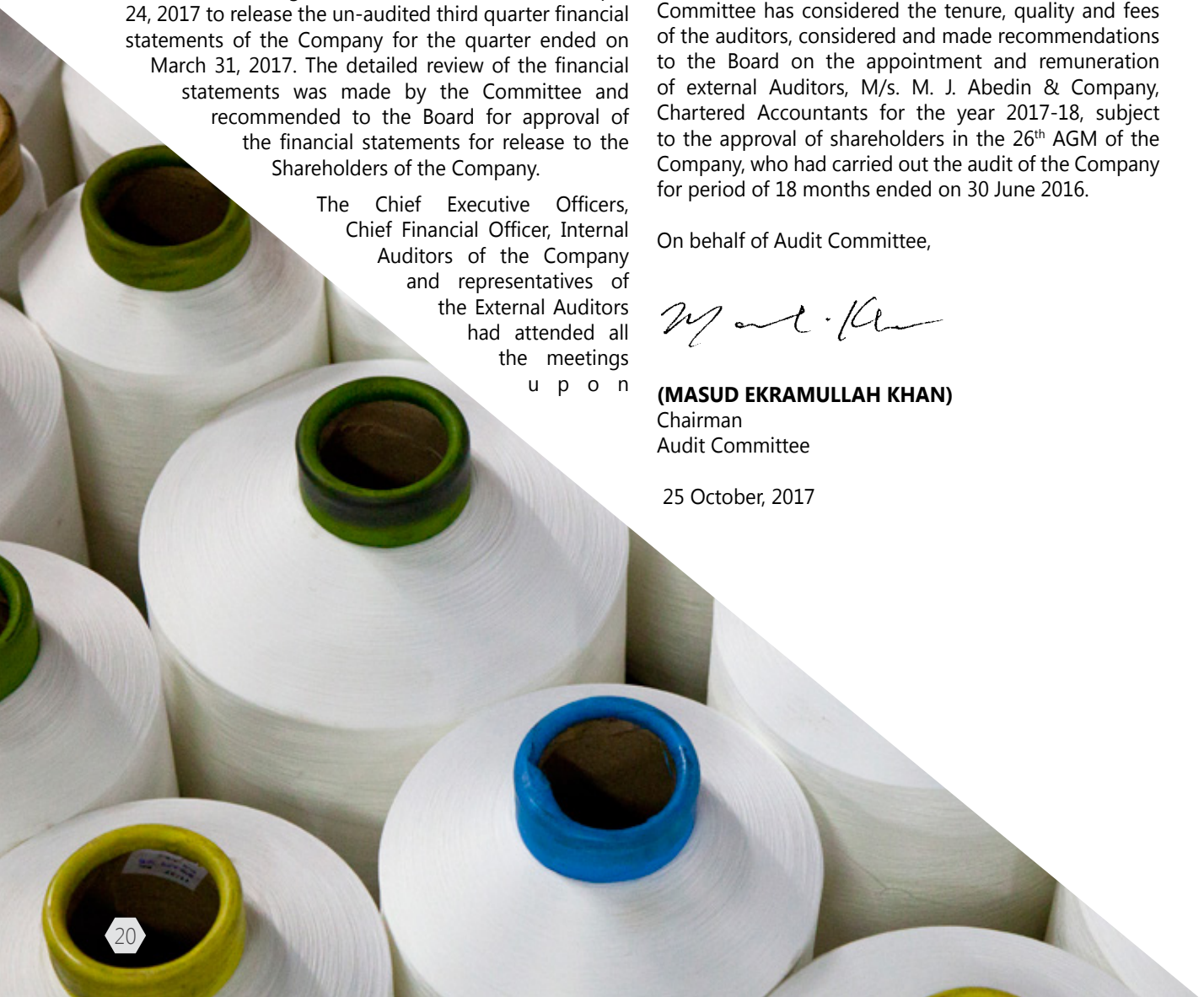
External Auditors

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 2017-18, subject to the approval of shareholders in the 26th AGM of the Company, who had carried out the audit of the Company for period of 18 months ended on 30 June 2016.

On behalf of Audit Committee,

(MASUD EKRAMULLAH KHAN)
Chairman
Audit Committee

25 October, 2017



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 Managers and according to hierarchy, various senior & mid level management staffs. The Director, CEO, CFO, Senior General Manager 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 30 June 2017 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 12 to 16.

25th Annual General Meeting

The 25th Annual General Meeting of Shareholders of Beximco Synthetics Ltd. was held on 19 November, 2016 at 1.30 pm at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur. A good number of shareholders attended the meeting. 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 period of 18 months from 1 January 2015 to 30 June 2016 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

M.J. ABEDIN & CO
CHARTERED ACCOUNTANTS

National Plaza (3rd Floor)
109, Bir Uttam C.R. Datta Road
Dhaka-1205, Bangladesh
Phone : +880-2-9675340, 9666508
Fax : +880-2-58616524
Email : audit@mjabedin.com
mjabedin@gmail.com
Web : www.mjabedin.com

Independent Auditors' Report

To the Shareholders of BEXIMCO SYNTHETICS LIMITED

We have audited the accompanying financial statements of Beximco Synthetics Limited, which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year from 01 July 2016 to 30 June 2017, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 preparation of the financial statements in order to design audit procedure that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017, 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
25 October, 2017

M.J. Abedin & Co
Chartered Accountants

Beximco Synthetics Limited

Statement of Financial Position

As at 30 June 2017

	Notes	Amount in Taka 30 Jun 2017	31 Jun 2016
ASSETS			
Non-Current Assets		**1,327,157,891**	**1,361,990,823**
Property, Plant and Equipment - Carrying Value	5	1,322,050,593	1,356,883,525
Long Term Security Deposits	6	5,107,298	5,107,298
Current Assets		**1,913,858,151**	**2,014,783,906**
Inventories	7	968,232,483	999,960,083
Accounts & Other Receivables	8	936,772,263	999,394,777
Advances, Deposits & Prepayments	9	5,375,106	8,306,329
Cash and Cash Equivalents	10	3,478,299	7,122,717
Total Assets		**3,241,016,042**	**3,376,774,729**
EQUITY AND LIABILITIES			
Shareholders' Equity		**1,795,985,534**	**2,023,444,778**
Issued Share Capital	11	867,123,598	867,123,598
Revaluation Surplus	12	1,329,335,883	1,329,335,883
Retained Earnings		(400,473,947)	(173,014,703)
Non-Current Liabilities		**251,653,797**	**335,090,713**
Long Term Borrowing-Net off Current Maturity	13	242,928,775	297,514,530
Obligation under Finance Lease		-	27,519,974
Deferred Tax Liabilities	14	8,725,022	10,056,209
Current Liabilities		**1,193,376,711**	**1,018,239,238**
Debentures-Current Maturity (Secured)	15	40,160,096	40,160,096
Interest Free Block Account-Current Maturity	16	42,401,457	42,401,457
Short Term Loan from Banks (Secured)	17	517,941,344	517,941,344
Long Term Borrowing-Current Maturity	18	163,757,266	109,171,511
Obligation under Finance Lease		27,519,974	-
Accounts & Other Payables	19	132,290,709	96,933,344
Accrued Expenses	20	269,305,865	211,631,486
Total Equity and Liabilities		**3,241,016,042**	**3,376,774,729**

The notes are an integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam FCA
Chief Financial Officer

Per our report of even date.

M.J. Abedin & Co.
Chartered Accountants

Dhaka
25 October, 2017

Beximco Synthetics Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Notes	01.07.2016 - 30.06.2017 (12 months)	01.01.2015 - 30.06.2016 (18 months)	01.01.2016 - 30.06.2016 (06 months)	01.01.2015 - 31.12.2015 (12 months)
		Amount in Taka			
Revenue	21	**407,051,438**	**1,379,008,993**	**401,436,672**	**977,572,321**
Cost of Revenue	22	(476,404,389)	(1,256,478,028)	(362,727,451)	(893,750,577)
Gross (Loss)/Profit		**(69,352,950)**	**122,530,965**	**38,709,221**	**83,821,744**
Operating Expenses		**(17,514,756)**	**(31,179,764)**	**(11,740,507)**	**(19,439,257)**
Administrative Expenses	23	(14,615,291)	(23,906,232)	(9,313,917)	(14,592,315)
Selling Expenses	24	(2,899,465)	(7,273,532)	(2,426,590)	(4,846,942)
(Loss)/Profit from Operations		**(86,867,706)**	**91,351,201**	**26,968,714**	**64,382,487**
Finance Cost	25	(139,480,416)	(188,882,556)	(57,317,538)	(131,565,018)
Loss before contribution to WPPF		**(226,348,122)**	**(97,531,355)**	**(30,348,825)**	**(67,182,532)**
Contribution to Workers' Profit Participation/Welfare Funds		-	-	-	-
Net Loss before Tax		**(226,348,122)**	**(97,531,356)**	**(30,348,825)**	**(67,182,532)**
Income Tax Expense	27	(1,111,121)	(4,839,277)	(2,089,950)	(2,749,327)
Loss After Tax for the year		**(227,459,244)**	**(102,370,632)**	**(32,438,774)**	**(69,931,859)**
Other Comprehensive Income		-	-	-	-
Total Comprehensive Loss for the year		**(227,459,244)**	**(102,370,632)**	**(32,438,774)**	**(69,931,859)**
Earning Per Share (EPS)		**(2.62)**	**(1.18)**	**(0.37)**	**(0.81)**
Number of Shares used to compute Earning Per Share (EPS)		86,712,359	86,712,359	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 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam FCA
Chief Financial Officer

Per our report of even date.

Dhaka
25 October, 2017

M.J. Abedin & Co.
Chartered Accountants

Beximco Synthetics Limited

Statement of Changes in Equity

For the year ended 30 June 2017

Particulars	Share Capital	Revaluation Surplus	Retained Earnings	Total Equity
	Amount in Taka			
Balance as on 01-01-2015	**867,123,598**	**1,329,335,883**	**(70,644,070)**	**2,125,815,411**
Total Comprehensive Loss for the year 2015:				
Loss for the year	-	-	(69,931,859)	(69,931,859)
Other Comprehensive Income	-	-	-	-
Balance on 31-12-2015	**867,123,598**	**1,329,335,883**	**(140,575,929)**	**2,055,883,552**
Balance as on 01-01-2016	**867,123,598**	**1,329,335,883**	**(140,575,929)**	**2,055,883,552**
Total Comprehensive Loss for the half year ended:				
Loss for the period	-	-	(32,438,774)	(32,438,774)
Other Comprehensive Income	-	-	-	-
Transaction with Share Holders:	-	-	-	-
Balance on 30-06-2016	**867,123,598**	**1,329,335,883**	**(173,014,703)**	**2,023,444,778**
Balance as on 01-07-2016	**867,123,598**	**1,329,335,883**	**(173,014,703)**	**2,023,444,778**
Total Comprehensive Loss for the year ended:				
Loss for the year	-	-	(227,459,244)	(227,459,244)
Other Comprehensive Income	-	-	-	-
Transaction with Share Holders:	-	-	-	-
Balance on 30-06-2017	**867,123,598**	**1,329,335,883**	**(400,473,947)**	**1,795,985,534**

Total number of shares		86,712,359
Net Assets Value Per Share	Tk.	20.71

Approved and authorized for issue by the board of directors on 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam FCA
Chief Financial Officer

Per our report of even date.

M.J. Abedin & Co.
Chartered Accountants

Dhaka
25 October, 2017

Beximco Synthetics Limited

Statement of Cash Flows

For the year ended 30 June 2017

	Amount in Taka	
	01.07.2016 - 30.06.2017 (12 months)	**01.01.2015 - 30.06.2016 (18 months)**
Cash Flows From Operating Activities :		
Collections from Revenue- net	469,673,953	1,319,045,316
Cash Paid to Suppliers & Employees	(393,295,604)	(1,234,892,694)
Cash Generated from Operations	**76,378,349**	**84,152,622**
Interest Paid	(78,998,137)	(113,466,876)
Income tax paid	(643,468)	(1,976,274)
Net Cash Used in Operating Activities	***(3,263,256)***	***(31,290,528)***
Cash Flows From Investing Activities :		
Acquisition of tangible fixed assets	(381,162)	(16,018,216)
Net Cash Used In Investing Activities	***(381,162)***	***(16,018,216)***
Cash Flows From Financing Activities :		
Short Term Loan Received	-	50,000,000
Net Cash Generated from Financing Activities	**-**	**50,000,000**
(Decrease)/Increase in Cash & Cash Equivalents	**(3,644,418)**	**2,691,256**
Cash & Cash Equivalents at the beginning of the year	**7,122,717**	**4,431,461**
Cash & Cash Equivalents at End of the year	***3,478,299***	***7,122,717***
Net Operating Cash Flow Per Share	**(0.04)**	**(0.36)**
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 25 October 2017 and signed for and on behalf of the Board:

A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam FCA
Chief Financial Officer

Per our report of even date.

M.J. Abedin & Co.
Chartered Accountants

Dhaka
25 October, 2017

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 30 June 2017;
(b) a statement of profit or loss and other comprehensive income for the year ended 30 June 2017;
(c) a statement of changes in equity for the year ended 30 June 2017;
(d) a statement of cash flows for the year ended 30 June 2017; and
(e) notes, comprising a summary of significant accounting policies and other explanatory information

2.4. Reporting Period

The financial statements cover one financial year from 1st July 2016 to 30th June 2017 consistently.

2.5. Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on October 25, 2017.

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

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2016 to 30th June 2017) as per a directive of Bangladesh Securities & Exchange Commission (BSEC) to facilitate the adoption of reporting period of July to June in compliance to the requirement of the National Board Of Revenue (NBR) to follow uniform financial year.

Therefore, the financial statements for the year of (01.07.2016 to 30.06.2017) are not entirely comparable with the comparative of 18 months (01.01.2015 to 30.06.2016).

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

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 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.

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.

3.8. Income Tax Expense

Current Tax

Minimum Tax has been provided under Income Tax Ordinance, 1984 as there is a net loss during the year.

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

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

3.12 Earning Per Share (EPS)

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

Basic Earnings (Numerator)

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

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

Current Year

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

Earlier Year

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

The basis of computation of number of shares as stated above is in line with the provisions of 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 exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

Liquidity risk

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

Market risk

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

(a) Currency risk

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

(b) Interest rate risk

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

4. Events after the Reporting Period

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

5. Property, Plant and Equipment - Carrying Value: Tk. 1,322,050,593

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

As on December 31, 2015

Amount in Taka

Particulars	Land & Land Development	Factory Building & Other Construction	Plant & Machinery	Factory Equipment	Furniture & Office Equipment	Motor Vehicle	Total
Cost/Revaluation							
At 01 January 2015	579,096,235	462,582,653	1,280,447,284	38,029,789	21,035,726	4,369,033	2,385,560,720
Addition in 2015	4,562,200	3,298,489	-	7,217,132	230,600	-	15,308,421
At 31 December 2015	**583,658,435**	**465,881,142**	**1,280,447,284**	**45,246,921**	**21,266,326**	**4,369,033**	**2,400,869,141**
Depreciation							
At 01 January 2015	-	154,432,457	785,687,956	27,522,439	20,602,114	4,369,033	992,614,000
For 2015	-	11,605,797	20,119,769	2,538,520	170,215	-	34,434,301
At 31 December 2015	**-**	**166,038,254**	**805,807,725**	**30,060,959**	**20,772,329**	**4,369,033**	**1,027,048,300**
Carrying Amount At 31 December 2015	**583,658,435**	**299,842,888**	**474,639,559**	**15,185,962**	**493,997**	**-**	**1,373,820,841**

As on June 30,2016

Cost/Revaluation							
At 01 January, 2016	583,658,435	465,881,142	1,280,447,284	45,246,921	21,266,326	4,369,033	2,400,869,141
Addition for the period Jan-June 2016	-	395,095	-	150,000	164,700	-	709,795
At 30 June, 2016	**583,658,435**	**466,276,237**	**1,280,447,284**	**45,396,921**	**21,431,026**	**4,369,033**	**2,401,578,936**
Depreciation							
At 01 January, 2016	-	166,038,254	805,807,725	30,060,959	20,772,329	4,369,033	1,027,048,300
for the period Jan-June 2016	-	5,828,453	10,141,464	1,457,188	220,006	-	17,647,111
At 30 June, 2016	**-**	**171,866,707**	**815,949,189**	**31,518,147**	**20,992,335**	**4,369,033**	**1,044,695,411**
Carrying Amount At 30 June, 2016	**583,658,435**	**294,409,530**	**464,498,095**	**13,878,774**	**438,691**	**-**	**1,356,883,525**

As on June 30,2017

Cost/Revaluation							
At 01 July, 2016	583,658,435	466,276,237	1,280,447,284	45,396,921	21,431,026	4,369,033	2,401,578,936
Addition for the year 2016- 2017	-	13,650	-	286,332	81,180	-	381,162
At 30 June, 2017	**583,658,435**	**466,289,887**	**1,280,447,284**	**45,683,253**	**21,512,206**	**4,369,033**	**2,401,960,098**
Depreciation							
At 01 July, 2016	-	171,866,707	815,949,189	31,518,147	20,992,335	4,369,033	1,044,695,411
For the year 2016-2017	-	11,657,247	20,282,928	2,943,009	330,909	-	35,214,094
At 30 June, 2017	**-**	**183,523,954**	**836,232,117**	**34,461,156**	**21,323,244**	**4,369,033**	**1,079,909,505**
Carrying Amount At 30 June, 2017	**583,658,435**	**282,765,933**	**444,215,167**	**11,222,097**	**188,962**	**-**	**1,322,050,593**

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:

(a) The effective date of revaluation is 27.12.2004

(b) 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.

(c) 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:

(a) The effective date of revaluation is 31.12.2008

(b) 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.

(c) The revaluation surplus was Tk. 1,155,617,588.

	Amount in Taka	
	30 June 2017	**30 June 2016**

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	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**

7. Inventories : Tk. 968,232,483

This consists of :

(a) Raw Material :		
Chips	130,196,379	158,054,406
Others	7,824,199	6,474,261
	138,020,578	**145,817,083**
(b) Work-in-Process	5,465,352	5,657,194
(c) Finished Goods	563,670,686	571,670,444
(d) Packing Material	885,435	241,215
(e) Stores & Spares	218,754,367	229,985,241
(f) Stock-in- Transit	41,436,065	46,588,906
	968,232,483	**999,960,083**

8. Accounts & Other Receivables : Tk. 936,772,263

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.

	Amount in Taka	
	30 June 2017	30 June 2016

9. Advances, Deposits & Prepayments : Tk. 5,375,106

This consists of :

Advances :

Duty, taxes & clearing charges	56,658	1,238,226
Advance Income Tax	2,619,741	1,976,274
Advance VAT	191,698	712,066
Suppliers	176,573	1,115,719
Mill Expenses	34,309	211,723
	3,078,979	**5,254,007**
Deposits	**1,692,605**	**1,692,605**
Prepayments	**603,522**	**1,359,717**
	5,375,106	**8,306,329**

This is unsecured but considered good.

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

No amount was due by any associated undertaking.

10 Cash and Cash Equivalents : Tk. 3,478,299

This consists of :

(a) Cash in Hand	1,236,357	38,576
(b) Cash at Banks :	**2,241,942**	**7,084,140**
(i) In Current Accounts	78,915	69,845
(ii) In STD Accounts	2,163,027	7,014,296
	3,478,299	**7,122,717**

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

(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:

	30 June 2017		30 June 2016	
	No. of Shares	**%**	**No. of Shares**	**%**
A. 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
B. Associates	2,973,469	3.43	2,973,469	3.43
	30,933,736	**35.67**	**30,933,736**	**35.67**
C. Governments	-	-	-	-
D. Foreign Investors	13,607	0.02	13,607	0.02
E. Institutions	16,947,839	19.54	11,418,180	13.17
F. General Public	38,817,177	44.77	44,346,836	51.14
	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":

Share holdings Range in number of shares	**Number of Holders**		**% of Total Holders**		**Number of Shares**		**% of Share Capital**	
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**	**30 June 2017**	**30 June 2016**	**30 June 2017**	**30 June 2016**
1 to 499	8,743	9,791	52.73%	53.73%	1,196,001	1,342,673	1.38%	1.55%
500 to 5,000	6,181	6,741	37.28%	36.99%	10,102,567	10,874,072	11.65%	12.54%
5,001 to 10,000	805	846	4.85%	4.64%	6,069,388	6,358,355	7.00%	7.33%
10,001 to 20,000	448	463	2.70%	2.54%	6,367,337	6,506,965	7.34%	7.50%
20,001 to 30,000	167	139	1.01%	0.76%	4,217,669	3,498,273	4.86%	4.03%
30,001 to 40,000	64	70	0.39%	0.38%	2,238,702	2,447,113	2.58%	2.82%
40,001 to 50,000	41	40	0.25%	0.22%	1,846,240	1,843,106	2.13%	2.13%
50,001 to 100,000	85	86	0.51%	0.47%	5,965,013	6,086,744	6.88%	7.02%
100,001 to 1,000,000	41	40	0.25%	0.22%	8,875,313	7,879,929	10.24%	9.09%
Over 1,000,000	7	8	0.04%	0.04%	39,834,129	39,875,129	45.94%	45.99%
	16,582	**18,224**	**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. 9.60 (in 2016: Tk. 6.30) per share in the Dhaka Stock Exchange and Tk. 9.60 (in 2016: Tk. 6.30) per share in the Chittagong Stock Exchange on 29 June 2017.

(f) Option on unissued shares :

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

(g) Voting Rights :

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

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

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

13. Long Term Borrowings-Net off Current Maturity : Tk. 242,928,775

This represents loan from Phoenix Finance & Investments Ltd. Which is arrived as follows:

Opening Balance	297,514,530	324,807,408
Less: Transfer to Current Maturity (Note-18)	54,585,755	27,292,878
	242,928,775	**297,514,530**

	Amount in Taka	
	30 June 2017	**30 June 2016**

14. Deferred Tax Liability : Tk. 8,725,022

This consists of as follows :

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

Book Value of Depreciable Fixed Assets	99,046,463	112,381,900
Less: Tax Base	40,879,649	45,340,505
Taxable Temporary Difference	**58,166,814**	**67,041,395**
Effective Tax Rate	15%	15%
Deferred Tax (Assets)/Liability	**8,725,022**	**10,056,209**

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

Closing Deferred Tax (Assets)/Liabilities	8,725,022	10,056,209
Opening Deferred Tax (Assets)/Liabilities	10,056,209	10,374,879
Deferred Tax (Income)/Expense	**(1,331,187)**	**(318,670)**

Deferred tax Income of 2016 Tk. 318,670
This represents the decrease in deferred tax liability as on 30-06-2016 in comparison with 2015.

Deferred tax Income of 2017 Tk. 1,331,187
This represents the decrease in deferred tax liability as on 30-06-2017 in comparison with 2016.

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. 517,941,344

This consists of as follows :

Sonali Bank Limited	500,000,000	500,000,000
IPDC of Bangladesh Ltd.	17,941,344	17,941,344
	517,941,344	**517,941,344**

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

18. Long Term Borrowings-Current Maturity : Tk. 163,757,266

This consists of as follows :

Opening Balance	109,171,511	81,878,633
Add: Transfer from long term portion (Note-13)	54,585,755	27,292,878
	163,757,266	**109,171,511**

	Amount in Taka	
	30 June 2017	**30 June 2016**
19. Accounts & Other Payables : Tk. 132,290,709		
This consists of as follows :		
Goods Supplied	18,443,351	12,636,130
Gas and Services	97,231,975	61,489,682
Insurance	3,730,481	4,442,725
Advance Against Sales	7,033	6,279,371
Others	12,877,869	12,085,436
	132,290,709	**96,933,344**
20 Accrued Expenses : Tk. 269,305,864		
This consists of as follows :		
Accruals	40,955,701	46,205,910
Provision for Taxation	43,786,094	41,343,785
Workers' Participation / Welfare Funds	18,275,724	18,275,724
Interest Payable -Cash Credit	52,654,800	11,985,664
Interest Payable -Finance Lease	4,191,251	4,191,251
Interest Payable -Term Loan (Phoenix)	106,423,848	86,610,705
Interest Payable -Short Term Loan (IPDC)	3,018,447	3,018,447
	269,305,864	**211,631,486**

	Amount in Taka			
	01.07.2016 - 30.06.2017 (12 months)	**01.01.2015 - 30.06.2016 (18 months)**	**01.01.2016 - 30.06.2016 (06 months)**	**01.01.2015 - 31.12.2015 (12 months)**
21. Revenue (Net) : Tk. 407,051,438				
This is made-up as follows:				
Sales of DTY (2,650,245 kgs.)	403,070,640	1,359,712,397	399,929,449	959,782,948
Less : Sales Commission	6,593,235	23,353,470	7,237,476	16,115,994
	396,477,405	**1,336,358,927**	**392,691,973**	**943,666,955**
Sales of Wastage	10,574,033	42,650,065	8,744,699	33,905,366
	407,051,438	**1,379,008,993**	**401,436,672**	**977,572,321**
22. Cost of Revenue : Tk. 476,404,389				
This is made-up as follows:				
Raw Material Consumed (Note -22.1)	245,984,472	944,057,903	291,257,972	652,799,931
Packing Material Consumed (Note-22.2)	14,358,726	48,295,030	15,902,321	32,392,709
Manufacturing Overhead (Note -22.3)	172,655,497	283,623,913	102,762,715	180,861,198
Depreciation (Note -5)	35,214,094	52,081,412	17,647,111	34,434,301
Manufacturing Costs for the year	**468,212,789**	**1,328,058,259**	**427,570,120**	**900,488,139**
Opening WIP	5,657,194	5,681,150	6,291,230	5,681,150
Manufacturing Costs to date	**473,869,983**	**1,333,739,409**	**433,861,350**	**906,169,289**
Closing WIP	5,465,352	5,657,194	5,657,194	6,291,230
Cost of Goods manufactured	**468,404,631**	**1,328,082,215**	**428,204,156**	**899,878,059**
Opening Finished Goods	571,670,444	500,066,257	506,193,739	500,066,257
Cost of Goods available for revenue	**1,040,075,075**	**1,828,148,472**	**934,397,895**	**1,399,944,316**
Closing Finished Goods	563,670,686	571,670,444	571,670,444	506,193,739
Cost of Revenue	**476,404,389**	**1,256,478,028**	**362,727,451**	**893,750,577**

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

	30 June 2017		30 June 2016		31 December 2015	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Opening Stock						
POY	94,109	9,602,942	68,490	9,748,040	65,566	9,507,103
DTY	2,007,660	562,067,502	1,922,897	496,445,698	1,916,515	490,559,154
	2,101,769	**571,670,445**	**1,991,387**	**506,193,739**	**1,982,081**	**500,066,257**
Closing Stock						
POY	78,500	7,995,052	94,109	9,602,942	68,490	9,748,040
DTY	1,988,685	555,675,634	2,007,660	562,067,502	1,922,897	496,445,698
	2,067,185	**563,670,686**	**2,101,770**	**571,670,444**	**1,991,388**	**506,193,739**

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

	30 June 2017		30 June 2016		31 December 2015	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Opening Stock						
POY	5,000	787,654	5,000	786,543	5,000	748,350
DTY	31,800	4,869,540	35,900	5,504,687	32,000	4,932,800
	36,800	**5,657,194**	**40,900**	**6,291,230**	**37,000**	**5,681,150**
Closing Stock						
POY	5,000	786,085	5,000	787,654	5,000	786,543
DTY	30,568	4,679,267	31,800	4,869,540	35,900	5,504,687
	35,568	**5,465,352**	**36,800**	**5,657,194**	**40,900**	**6,291,230**

	Amount in Taka			
	01.07.2016 - 30.06.2017 (12 months)	**01.01.2015 - 30.06.2016 (18 months)**	**01.01.2016 - 30.06.2016 (06 months)**	**01.01.2015 - 31.12.2015 (12 months)**

22.1.Raw Material Consumed : Tk. 245,984,472

This is made-up as follows:

Opening Stock	145,817,083	204,984,092	164,680,104	204,984,092
Purchases	238,187,967	884,890,894	272,394,951	612,495,943
	384,005,050	**1,089,874,986**	**437,075,055**	**817,480,035**
Closing Stock	138,020,578	145,817,083	145,817,083	164,680,104
	245,984,472	**944,057,903**	**291,257,972**	**652,799,931**

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

	30 June 2017		30 June 2016		31 December 2015	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Opening Stock						
Chips (tons)	1,615	139,342,822	1,667	158,054,406	1,647	195,361,192
Spin Finish (kgs.)	17,200	4,337,928	1,000	266,084	18,200	5,215,025
Conning Oil (kgs.)	-	-	27,080	3,279,958	11,881	1,816,978
Antiseptics (kgs.)	190	177,899	50	41,109	150	124,791
Paper Tube-POY-Imported (Nos.)	23,118	1,958,435	35,868	3,038,547	26,302	2,466,107
		145,817,084		**164,680,104**		**204,984,092**
Closing Stock						
Chips (tons)	1,580	130,196,379	1,615	139,342,822	1,667	158,054,406
Spin Finish (kgs.)	19,200	4,809,650	17,200	4,337,928	1,000	266,084
Conning Oil (kgs.)	16,415	1,755,661	-	-	27,080	3,279,958
Antiseptics (kgs.)	245	222,150	190	177,899	50	41,109
Paper Tube-POY-Imported (Nos.)	12,238	1,036,739	23,118	1,958,435	35,868	3,038,547
		138,020,578		**145,817,083**		**164,680,104**

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

	Jul 2016-Jun 2017 (12 Months)		Jan -Jun 2016 (6 Months)		Jan -Dec 2015 (12 Months)	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Chips (tons)	2,717	217,638,344	3,043	248,279,839	6,346	562,345,410
Spin Finish (kgs.)	19,200	4,780,367	35,200	8,863,740	19,200	4,736,533
Conning Oil (kgs.)	61,310	6,557,391	32,150	3,568,258	129,140	15,263,636
Antiseptics (kgs.)	150	130,391	210	202,332	150	121,861
Paper Tube-POY-Imported (Nos.)	-	-	-	-	52,938	4,246,686
Paper Tube-DTY (Nos.)	1,497,073	9,081,475	1,701,413	11,480,782	3,329,230	25,781,817
		238,187,968		**272,394,951**		**612,495,943**

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

	Jul 2016-Jun 2017 (18 Months)		Jan -Jun 2016 (6 Months)		Jan -Dec 2015 (12 Months)	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Chips (tons)	2,752	226,784,787	3,095	266,991,423	6,326	599,652,196
Spin Finish (kgs.)	17,200	4,308,645	19,000	4,791,897	36,400	9,685,473
Conning Oil (kgs.)	44,895	4,801,730	59,230	6,848,217	113,941	13,800,655
Antiseptics (kgs.)	95	86,140	70	65,542	250	205,543
Paper Tube-POY-Imported (Nos.)	10,880	921,696	12,750	1,080,113	43,372	3,674,246
Paper Tube-DTY (Nos.)	1,497,073	9,081,475	1,701,413	11,480,782	3,329,230	25,781,818
		245,984,473		**291,257,972**		**652,799,931**

Raw material consumed are fully imported except DTY Paper Tube.

22.2.Packing Material Consumed : Tk. 14,358,726

This is made-up as follows:

	Amount in Taka			
	01.07.2016 - 30.06.2017 (12 months)	**01.01.2015 - 30.06.2016 (18 months)**	**01.01.2016 - 30.06.2016 (06 months)**	**01.01.2015 - 31.12.2015 (12 months)**
Opening Stock	241,215	651,018	133,764	651,018
Purchases	15,002,946	47,885,227	16, 009,772	31,875,455
	15,244,161	**48,536,245**	**16,143,536**	**32,526,473**
Closing Stock	885,435	241,215	241,215	133,764
	14,358,726	**48,295,030**	**15,902,321**	**32,392,709**

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

	30 June 2017		30 June 2016		31 December 2015	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Opening Stock						
Cartons (Set)	1,212	159,995	662	88,613	4,285	544,606
HDPE Bag (Nos.)	-	-	27,405	24,922	57,908	55,783
Louis tape (Rolls)	73	3,558	131	6,417	90	4,194
P.P. Band and clip (Kgs.)	7	1,014	7	1,014	7	1,014
Adhesive Sticker (Nos.)	381,076	70,562	38,528	6,712	217,069	39,039
Packing Slip (Nos.)	7,230	6,086	7,230	6,086	7,580	6,381
		241,215		**133,764**		**651,018**
Closing Stock						
Cartons (Set)	5,457	728,961	1,212	159,995	662	88,613
HDPE Bag (Nos.)	79,288	71,741.72	-	-	27,405	24,922
Louis tape (Rolls)	-	-	73	3,558	131	6,417
P.P. Band and clip (Kgs.)	7	1,014	7	1,014	7	1,014
Adhesive Sticker (Nos.)	468,074	77,632	381,076	70,562	38,528	6,712
Packing Slip (Nos.)	7,230	6,086	7,230	6,086	7,230	6,086
		885,435		**241,215**		**133,764**

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

	Jul 2016-Jun 2017 (12 Months)		Jan -Jun 2016 (6 Months)		Jan -Dec 2015 (12 Months)	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Cartons (Set)	99,153	13,247,037	107,075	14,133,713	209,653	28,092,295
HDPE Bag (Nos.)	1,348,501	1,220,157	1,310,657	1,179,591	2,712,138	2,463,328
Louis tape (Rolls)	7,082	334,690	8,240	401,540	16,615	814,135
Adhesive Sticker (Nos.)	1,256,648	201,062	1,590,512	294,928	2,909,984	505,697
		15,002,946		**16,009,772**		**31,875,455**

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

	Jul 2016-Jun 2017 (12 Months)		Jan -Jun 2016 (6 Months)		Jan -Dec 2015 (12 Months)	
Item	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**	**Qnt. in Kgs.**	**Value in Taka**
Cartons (Set)	94,908	12,678,071	106,525	14,062,329	213,276	28,548,288
HDPE Bag (Nos.)	1,269,213	1,148,415	1,338,062	1,204,514	2,742,641	2,494,188
Louis tape (Rolls)	7,155	338,248	8,298	404,400	16,574	811,912
Adhesive Sticker (Nos.)	1,169,650	193,992	1,247,964	231,078	3,088,525	538,025
Packing Slip(Nos.)	-	-	-	-	350	295
		14,358,726		**15,902,321**		**32,392,709**

Packing material consumed are fully local purchased.

	Amount in Taka			
	01.07.2016 - 30.06.2017 (12 months)	**01.01.2015 - 30.06.2016 (18 months)**	**01.01.2016 - 30.06.2016 (06 months)**	**01.01.2015 - 31.12.2015 (12 months)**
22.3.Manufacturing Overhead: Tk. 14,615,291				
This consists of as follows:				
Salary and wages	48,234,688	85,150,270	28,764,359	56,385,911
Power & Gas	85,118,883	94,794,433	41,181,174	53,613,259
Indirect Material (Stores & Spares)	32,657,266	86,068,801	29,276,116	56,792,685
Insurance	2,450,463	3,599,148	1,301,778	2,297,370
Other Manufacturing Overhead	4,194,197	14,011,263	2,239,288	11,771,975
	172,655,497	**283,623,913**	**102,762,715**	**180,861,198**

(a) Salary and Wages includes Provident Fund contribution.
(b) The value of imported stores and spares consumed is 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. 23,906,232

This consists of as follows:				
Salaries and Allowances	8,693,759	12,360,051	4,364,364	7,995,687
Repairs & Maintenance	55,692	263,086	45,892	217,194
Entertainment	558,552	785,535	285,198	500,337
Stationery Items	103,676	331,022	70,963	260,059
Books, News Papers & Periodicals	32,920	58,154	14,374	43,780
Medical Expenses	261,310	523,997	293,690	230,307
Renewals, Rates & Registrations	192,880	1,998,516	1,880,016	118,500
Subscription & Membership Fees	1,014,334	1,297,279	472,110	825,169
Travelling and Conveyance	143,340	181,508	95,150	86,358
Telephone, Telex, Fax	156,276	229,252	84,855	144,397
Vehicles Fuel & Maintenance Cost	1,688,585	2,372,371	580,911	1,791,460
Bank Charges & Commission	102,118	244,101	57,775	186,326
Utilities-Electricity, Water & Gas	261,234	24,187	8,427	15,760
Audit Fee	450,000	675,000	225,000	450,000
Independent Directors Fees	100,000	180,000	50,000	130,000
Group Insurance Premium	241,704	348,395	112,000	236,395
A G M Expenses	400,000	1,506,662	600,000	906,662
Security Guard Hire Expenses	148,392	201,582	70,672	130,910
Other Administrative Overhead	10,519	325,535	2,520	323,015
	14,615,291	**23,906,232**	**9,313,917**	**14,592,315**

(a) Salary includes Provident Fund contribution.
(b) The audit fee represents the fees for auditing the accounts of the Company. No other fee was paid to the auditor for any other services.

(c) Remuneration was paid to Independent Director for attending board, Audit Committee and other meetings.

	Amount in Taka			
	01.07.2016 - 30.06.2017 (12 months)	**01.01.2015 - 30.06.2016 (18 months)**	**01.01.2016 - 30.06.2016 (06 months)**	**01.01.2015 - 30.06.2015 (12 months)**

24. Selling Expenses : Tk. 2,899,465

This consists of as follows:

Transport	2,813,000	7,006,450	2,344,400	4,662,050
Market Research	86,465	267,082	82,190	184,892
	2,899,465	**7,273,532**	**2,426,590**	**4,846,942**

25. Finance Cost : Tk. 139,480,416

This consists of as follows:

Interest on Cash Credit	69,663,951	102,271,851	32,571,342	69,700,509
Interest on Long Term Loan	69,816,465	86,610,705	24,746,196	61,864,509
	139,480,416	**188,882,556**	**57,317,538**	**131,565,018**

26. Contribution to Workers' Profit Participation / Welfare Funds :

No contribution is provided as per provisions of the Bangladesh Labour Law, 2006 as there is net loss for the period.

27. Income Tax Expenses : Tk. 1,111,121

This represents current tax expense & consist of:

(i) Current Tax				
Tax for the year	2,442,309	5,341,337	2,408,620	2,932,717
	2,442,309	**5,341,337**	**2,408,620**	**2,932,717**
(ii) Deferred Tax Income Note 14(b)	(1,331,187)	(502,060)	(318,670)	(183,390)
	1,111,121	**4,839,277**	**2,089,950**	**2,749,327**

28. Earnings Per Share (Eps)

This consists of as follows:
The relevant accounting policies have been stated in Note 3.12

(a) Net loss after tax (Numerator)	**(227,459,244)**	**(102,370,632)**	**(32,438,774)**	**(69,931,859)**
(b) Weighted average number of shares in issue (Denominator)	86,712,359	86,712,359	86,712,359	86,712,359
(c) Earning Per Share (EPS)	**(2.62)**	**(1.18)**	**(0.37)**	**(0.81)**

29. Contingent Liabilities

There was no contingent liability as on 30 June, 2017.

30. Capital Expenditure Commitment

(a) There was no capital expenditure commitment but not incurred or provided at 30 June 2017.
(b) There was no material capital expenditure authorized by the Board but not contracted for at 30 June 2017.

31. Un-Availed Credit Facility

There was no credit facility available to the Company under any contract, but not availed of as on 30 June, 2017 and 2016 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.

33. Payments in Foreign Currency

The Company remitted foreign currency in respect of the following:

(a) Payment against imported Raw Material & Spares

01.07.2016-30.06.2017 (12 months)		01.01.2016-30.06.2016 (6 months)		01.01.2015-31.12.2015 (12 months)	
Currency		Currency		Currency	
In US$	In Taka	In US$	In Taka	In US$	In Taka
2,464,068	200,294,103	2,881,890	225,770,703	6,672,866	524,141,969

(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 period.

34. Commission, Brokerage or Discount Against Sales

(a) Distribution commission of Tk. 6,593,235 was incurred and paid during the year 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.

35. Production Capacity, Actual Production and Reason of Shortfall

	Amount in Taka		
	01.07.2016 - 30.06.2017 (12 months)	01.01.2016 - 30.06.2016 (06 months)	01.01.2015 31.12.2015 (12 months)
(a) POY 115/230 Denier (Qty. in tons)			
Installed capacity	8,400	8,400	8,400
Actual Production	2,784	3,062	6,264
(b) DTY 75 (NI) Equivalent Denier (Qty. in tons)			
Installed capacity	8,336	8,336	8,336
Actual Production	2,631	2,876	5,694

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 and Exchange Rules, 1987 are disclosed below :

Basic Salary	4,621,560	2,241,240	4,609,232
House Rent Allowance	2,310,780	1,120,620	2,304,616
Conveyance & Other Allowances	873,960	438,870	1,834,068
Provident Fund Contribution	462,156	224,124	460,923
	8,268,456	**4,024,854**	**9,208,839**

(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.
(d) Board meeting fees of Tk. 240,000/- has paid to the Directors.

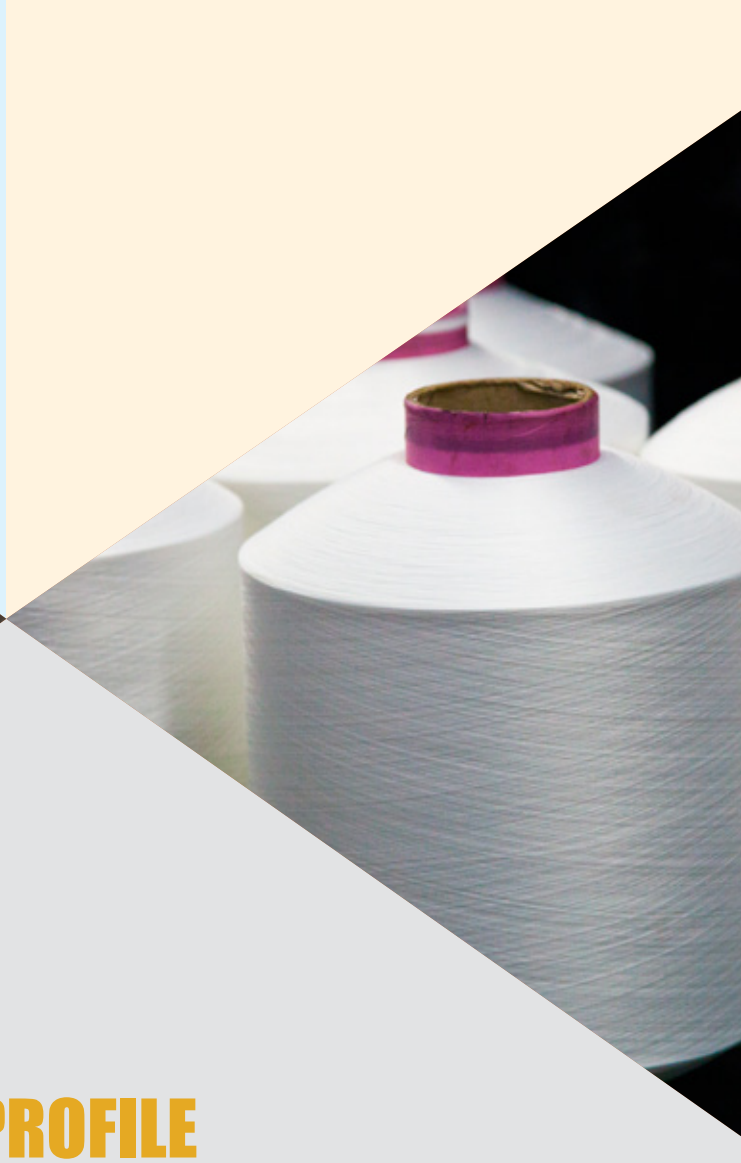
37. Post Closing Events

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

Salman F Rahman
Vice Chairman

Md. Rafiqul Islam FCA
Chief Financial Officer



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

FACTORY & OPERATIONAL HEADQUARTERS
Kabirpur, Savar, Dhaka-1344, Bangladesh
Email: beximsyn@bol-online.com
Website: http://www.beximcosynthetics.com

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, 23 December, 2017 at 1.00 p.m.

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

LEGAL ADVISERS
M/S Huq & Co.
Barristers & Advocates
47/1 Purana Paltan, Dhaka-1000

BANKERS
Sonali Bank Limited
IFIC Bank Limited.

BEXIMCO SYNTHETICS LIMITED
Kabirpur, Savar, Dhaka-1344, Bangladesh
Email : beximsyn@bol-online.com
Website : www.beximcosynthetics.com