

BANGLADESH EXPORT IMPORT COMPANY LIMITED



ANNUAL REPORT 2022-23



MISSION

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

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CORPORATE INFORMATION



From left to right Salman F Rahman, Vice Chairman, A S F Rahman, Chairman

BOARD OF DIRECTORS

Independent Directors

ChairmanA S F RahmanVice ChairmanSalman F RahmanManaging DirectorO K ChowdhuryDirectorsIgbal Ahmed

A B Siddiqur Rahman Reem H. Shamsuddoha Masud Ekramullah Khan Shah Monjurul Hoque

Executive Director & Company Secretary Mohammad Asad Ullah, FCS

KEY OFFICERS

Managing Director

O K Chowdhury

Chief Executive Officers

Ahmed Shahryar Rahman, Textile Division

Syed Samiul Wadood, IT Division
Parvez Hassan, Real Estate & Fisheries Division
Anil Kumar Maheshwari, CFO, Textile Division

Chief Financial Officer

Md. Luthfor Rahman

Head of Internal Audit

Mostafa Zamanul Bahar

Auditors

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

Compliance Auditors

Suraiya Parveen & Associates (Chartered Secretaries) Alim Sky Castle, (2nd Floor), Flat- B3, 3/8 Asad Avenue, Block-A Mohammadpur, Dhaka- 1207

Legal Advisers

M/S. Huq & Co. 47/1, Purana Paltan, Dhaka 1000

Bankers

Sonali Bank Ltd. Rupali Bank Ltd. Jananta Bank Ltd. Agrani Bank Ltd. IFIC Bank Ltd.

Registered Office

Plot No. 24 (New), 17 (Old), Bir Uttam M. A., Rob Sarak, Road No. 2, Dhanmondi, Dhaka 1205

NOTICE OF THE 50TH ANNUAL GENERAL MEETING

BANGLADESH EXPORT IMPORT COMPANY LTD.

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

NOTICE OF THE 50TH ANNUAL GENERAL MEETING

Notice is hereby given that the 50th Annual General Meeting of the Shareholders of **Bangladesh Export Import Company Ltd.** will be held under Virtual Platform on **Thursday, the 28th December, 2023 at 12:30 p.m.** to transact the following business:

AGENDA

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30th June, 2023 together with reports of the Auditors and the Directors thereon.
- 2. To declare 10% cash dividend.
- 3. To elect Directors.

Dated: November 05, 2023

- 4. To approve the re-appointment of Independent Director.
- 5. To appoint Auditors for the year 2023-24 and to fix their remuneration.
- 6. To appoint Corporate Governance Compliance Auditors for the year 2023-24 and to fix their remuneration.

By order of the Board,

(Mohammad Asad Ullah, FCS)

Executive Director & Company Secretary

NOTES:

- The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register
 on the record date i.e. 13 November, 2023, will be entitled to attend at the Annual General Meeting and to
 receive the dividend.
- 2. A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- 3. Annual Report for the year 2022-23 will be sent through e-mail address of the Shareholders and will be available in the Website of the Company at: www.beximco.com
- 4. The Shareholders will join the Virtual AGM through the link https://beximco.bdvirtualagm.com. The Shareholders will be able to submit their questions/comments and vote electronically 24 (Twenty-four) hours before commencement of the AGM and also during the AGM. For logging into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link.
- 5. We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email: monir@beximco.net or mazibur@beximco.net

CHAIRMAN'S STATEMENT



A S F Rahman Chairman

Dear Shareholders,

I take this opportunity to welcome you all on behalf of the Board of Directors to the 50th Annual General Meeting of your Company and to present to you the Audited Accounts for the year 2022–23 and Auditors' and Directors' report thereon.

The business scenario during the year has witnessed a decreasing trend world over due to high inflation in Europe and America. Russia-Ukraine war was already disrupting the markets. Your company also witnessed lower orders and profit for the year 2022-23. There is volatility on the raw material side too.

Textile Division

Your company had heavily invested in modernization and new technology. The company had also made plans for further investment in new technology, expansion and modernization. But considering current business scenario, further plans have been put on hold for a more opportune time.



































Beximco Power Company Limited

Beximco Power Company Limited (BPCL) a subsidiary of your company has emerged as a key player in the renewable energy industry in Bangladesh. In January 2023, BPCL through its subsidiary Teesta Solar Limited (TSL) achieved commercial operations for the largest solar utility scale power plant in the country of 200 MW (AC) capacity. The plant is located at Sundarganj, Gaibandha, was officially inaugurated by the Honorable Prime Minister of Bangladesh on 2nd August, 2023. The plant is connected to the national grid at Rangpur Substation through a 35.35 km long transmission line also built by the company. This plant is designed to produce enough electricity to light more than 200,000 homes.

Another subsidiary of BPCL, Korotoa Solar Limited (KSL), a second solar plant of 30 MW (AC) is currently under construction and will go operation shortly. The plant located at Tetulia upazilla in Panchagarh, Bangladesh and will help support the current challenges of assurance of power within the Panchagarh region.

2022-23 Results & Future Prospects

The Company has witnessed a decrease in Revenue and Profit. Revenue of Taka 66.77 billion compared to previous year's Revenue of Taka 73.36 billion is 8.98% decrease in the year. Net Profit after tax for the year is Taka 7.10 billion as against Taka 12.55 billion of previous year. EPS for the year is 7.92 compared to previous year's EPS of 14.32. This is due to substantial increase in Gas price, declining export and local market demand and slowdown in the global economies, increase of material cost due to disruption in international supply chain for crisis of USD and also Russia & Ukraine War.

Cost of energy has increased substantially with the hefty increase in gas prices. We are exploring alternative sources of energy with low cost. This will partially off sent the impact of increase in gas prices.

To modernize management information system, implementation of a world class web based ERP system is in progress. This will enable availability of up to date information in real time to all stakeholders.

Social Commitment

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

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

Acknowledgement

Human resources being the biggest asset for any organization, I would like to thank all our employees for their dedicated and selfless service to the Company. I would also like to convey my sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with whom the Company interacted in conducting its business. We are grateful to you, our respected shareholders, for extending your valuable support at all times and cooperation to bring the Company to the level it has reached today.

My prayers are with all of your families and yourselves that you remain healthy, safe and well.

Thank you,

A S F Rahman Chairman

Dated: 19 October, 2023

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DIRECTORS' REPORT

to the Shareholders for the year from July 1, 2022 to June 30, 2023

Dear Shareholders.

The Directors have pleasure in submitting hereunder their report together with the Audited Financial Statements of the company for the year July 1, 2022 to June 30, 2023 and Auditors' Report thereon:

Analysis of Operating Performance

Business Outlook - a general overview

Russian-Ukraine war has added to already existing uncertainties of business. Business has been impacted adversely as a result of the war.

With reduced demand from major importing countries, Europe and America, Apparel and fabric market has witnessed lower exports. Though shifting of business from China to Bangladesh helped to some extent, it still could not offset the reduced demand from US and EU. Consequently, the turnover for the year under review has gone down as compared to last year.

There has been all around increase in input prices, including gas prices and raw material prices. Since export market has also shown downward trend, these increase in cost has put pressure on profit margin resulting in reduced profit for the year 2022-23.

Though your company had plans to invest in new technology in fabrics, apparel manufacturing, washing and garment dyeing as well as sustainably initiatives, groundbreaking investments have been deferred for time being and will be taken up at a more opportune time. Digitalizing of the supply chain is continuing with the implementation of world class Web based ERP system.

As always, Beximco continues to focus on 3Ps, People, Planet and Profit. The Profit comes only after people and planet. Our dedicated and skilled team runs operations, supported by latest technologies.

Overall current trend may continue and business may witness further downturn before it picks up pace.

Domestic and Export Sales

As explained above, sales have declined during the year as compared to last year. The downturn may continue for some more time considering current trends.

Profitability

As explained under Operations Review, the combined effect of lower demand, input price increase has impacted profitability adversely. As such, Pretax profit of the Company has decreased compared to last year due to these factors.

Beximco Power Company Limited

Beximco Power Company Limited (BPCL) a subsidiary of your company has emerged as a key player in the renewable energy industry in Bangladesh. In January 2023, BPCL through its subsidiary Teesta Solar Limited (TSL) achieved commercial operations for the largest solar utility scale power plant in the country of 200 MW (AC) capacity. The plant is located at Sundargani, Gaibandha, was officially inaugurated by The Honorable Prime Minister of Bangladesh on 2nd August, 2023. The plant is connected to the national grid at Rangpur Substation through a 35.35 km long transmission line also built by the company. This plant is designed to produce enough electricity to light more than 200,000 homes.

As the largest solar power developer, the company is now intensifying its efforts to extend its project pipeline in support of the country's goal of 10% total electricity generation from renewable sources. All the considered projects are on the basis of a 20 year Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB).

Another subsidiary of BPCL, Korotoa Solar Limited (KSL), a second solar plant of 30 MW (AC) is currently under construction and will go operation shortly. The plant located at Tetulia upazilla in Panchagarh, Bangladesh and will help support the current challenges of assurance of power within the Panchagarh region.

Solar power is an eco-friendly energy solution with enormous potential. Trough technological developments and innovations such as improved energy storage some of the challenges to scale can be overcome. The company considers itself perfectly positioned to unlock the full potential of solar energy in the country.

Working Results

The Directors are pleased to report that the working results of the company for the year ended on June 30, 2023 are as follows:

Taka in million

	For the year 2022-2023	For the year 2021-2022
Net profit before tax	8,317.68	14,785.72
Less: Income tax Expense	1,219.54	2,237.86
Net profit after tax	7,098.14	12,547.86
Add: Balance brought forward from previous period	30,010.60	20,091.70
Profit available for appropriation	37,108.74	32,639.56
Appropriation Recommended:		
Cash Dividend 10%	895.94	2,628.96
Balance carried forward	36,212.80	30,010.60
Total	37,108.74	32,639.56

Dividend

The Board of Directors have recommended a cash dividend @ 10% per share of Tk. 10 each for the year ended on June 30, 2023, subject to the approval of the Shareholders in the Annual General Meeting.

Directors

Retirement and Re-election of Directors

Mr. A S F Rahman and Ms. Reem H Shamsuddoha, Directors of the Company retire by rotation as per Articles 123 and 124 of the Articles of Association of the Company and being eligible offer themselves for re-election.

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

He graduated with honours in physics from the University of Dhaka in 1966 and also studied in the United Kingdom. Mr. Rahman held key positions with many well-reputed organizations, which includes Chairman of IFIC Bank Limited, Director of Industrial Promotion & Development Company Limited, Arab Bangladesh Bank Limited, Pubali Bank Limited and Investment Corporation of Bangladesh. He is currently a member of the Board of Trustees of North South University Foundation, the first private university in Bangladesh.

Ms. Reem H Shamsuddoha had her Bachelor of Science in Business Administration from Fordham University, Gabelli School of Business, New York, USA. She has participated in professional training in Advance Management Program in the University of Hong Kong. She has a wide range of working experience in renowned local and

overseas organization including Daraz, TapFury LLC, International Quality and Productivity Center (IQPC), Opal Financing Group and had Internship experience with ASB Communications and Elida Olsen et CIE of New York. Ms. Reem is a member of the Board of Directors of a number of listed and non-listed companies including Global Voice Holdings Limited, Global Voice Telecom Limited, Beximco IOC Petroleum & Energy Limited and Beximco Pharmaceuticals Ltd.

Re-appointment of the Independent Director

In compliance to the provisions of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated June 03, 2018, the Board of Directors of the Company in its meeting held on Tuesday the 10th October, 2023 has re-appointed Mr. Shah Monjurul Hoque as Independent Director of the Company for a further period of 3 years effective from 18th October, 2023 to 17th October 2026, subject to the approval of Shareholders in the Annual General Meeting. Proposal is placed for the approval of his appointment.

Statutory Auditors

The Directors hereby report that the existing Auditors M/S. M. J. Abedin & Co., Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 who were appointed as Auditors of the Company in Forty Ninth Annual General Meeting carried out the audit for the year 2022-2023.

M/S. M. J. Abedin & Co., Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 the Auditors of the Company retire at this meeting and have expressed their willingness to continue in the office for the year 2023-2024.

Compliance Auditors

Pursuant to code 9.2 of the Codes of Corporate Governance issued by BSEC, Suraiya Parveen & Associates, Chartered Secretaries who were appointed as Compliance Auditors of the Company in the 49th Annual General Meeting of the Company have examined the compliance status to the Corporate Governance Code by the Company for the year ended on 30th June, 2023.

Suraiya Parveen & Associates, Chartered Secretaries, the Compliance Auditors of the Company retire at this meeting and has expressed their willingness to continue in office for the year 2023-24. The Board after due consideration of the proposal made by Audit Committee recommends for reappointment of Suraiya Parveen & Associates, Chartered Secretaries as Compliance Auditors for the year 2023-24.

Board Audit Committee

The Board of Directors of the Company re-constituted Audit Committee comprising the following 3 Members of the Board and Company Secretary as the Secretary of the Committee. The Audit Committee held four meetings to carry out its business as per the provision of Corporate Governance Code issued by BSEC dated 03.06.2018 during the year. The Membership of the Audit Committee together with their attendance at the meeting is given below:

Name of the Member	Representing in the Board	Position in the Committee	Attendance in Meeting
Mr. Shah Monjurul Hoque	Independent Director	Chairman	4
Mr. Iqbal Ahmed	Director	Member	4
Mr. A B Siddiqur Rahman	Director	Member	2
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary	4

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

Nomination and Remuneration Committee (NRC)

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

Name of the Member	Representing in the Board	Position in the Committee	Attendance in Meeting
Mr. Shah Monjurul Hoque	Independent Director	Chairman	1
Mr. Iqbal Ahmed	Director	Member	1
Mr. A B Siddiqur Rahman	Director	Member	1
Mr. Masud Ekramullah Khan	Independent Director	Member	1
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary	1

Board Meeting and Attendance

12 (Twelve) Board Meetings were held during the year 2022–2023. The attendance record of the Directors of the Company are as follows:

Name of Directors	Representing in the Board	Nos. of Meeting Attendend
Mr. A S F Rahman	Chairman	12
Mr. Salman F Rahman	Vice Chairman	12
Mr. Iqbal Ahmed	Director	11
Mr. O K Chowdhury	Managing Director	12
Mr. A B Siddiqur Rahman	Director	12
Ms. Reem H. Shamsuddoha	Director	12
Mr. Masud Ekramullah Khan	Independent Director	12
Mr. Shah Monjurul Hoque	Independent Director	12

Corporate and Financial Reporting

The Directors are pleased to confirm that:

- (a) The financial statements together with the notes thereon have drawn up in conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.
- (b) Proper books of accounts of the company have been maintained.
- (c) Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- (d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- (e) Internal Control System is sound in design and has been effectively implemented and monitored.

- (f) No significant doubts about the ability of the Company to continue as a going concern.
- (g) There is a significant deviation in operating result compared to last year due to higher revenue and oveheads do not increase in proportion to increase in revenue.
- (h) The summarized key operating and financial data of last five preceding years is annexed as "Comparative Statistics" in the Annual Report.
- The related party transactions have been disclosed in preparation of the financial statements (Note # 31).
- (j) The Pattern of share holding is as followings:

	Name	Shares held
(i)	Parent/Subsidiary/Associated Companies and other related Parties:	
	Beximco Holdings Ltd.	55,340,387
	New Dacca Industries Ltd.	12,301,217
	Beximco Engineering Ltd.	1,175,076
	Esses Exporters Ltd.	332,385
	Beximco Pharmaceuticals Ltd.	167,854
	Shinepukur Ceramics Ltd.	2,722,614
	Escorp Apparels Ltd.	422,994
	Pharmatech Chemicals Ltd	925,769
	National Investment & Finance Co. Ltd.	16,988
(ii)	Shareholders who nominated Directors in the Board	
	Absolute Construction and Engineering Ltd.	40,970,624
	NTC A/C GHL	29,886,282
	NTC A/C SAEL	19,012,842
(iii)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head Audit and their spouse and minor children:	d of Internal
	Mr. A S F Rahman, Director	63,204,992
	Mr. Salman F Rahman, Director	70,919,693
	Chief Executive Officer, Spouse and minor children	Nil
	Company Secretary, Spouse and minor children	Nil
	Chief Financial Officer, Spouse and minor children	Nil
	Head of Internal Audit, Spouse and minor children	Nil
(iii)	Executives	Nil
(iv)	Shareholders holding 10% or more Voting interest in the company	Nil

Declaration by CEO & CFO

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

Key Operating and Financial Data

Taka in '000

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018 - 2019
Paid up Capital	8,959,415	8,763,189	8,763,189	8,763,189	8,763,189
Revenue	66,772,686	73,359,401	42,017,157	19,824,795	23,942,599
Gross Profit	16,524,743	23,454,567	14,031,526	6,952,850	7,860,959
Profit Before Income Tax	8,317,683	14,785,720	7,695,803	795,103	1,566,955
Net Profit after Income Tax	7,098,146	12,547,858	6,600,610	446,182	1,426,237
Tangible Assets (Gross)	66,847,700	65,509,884	64,825,323	64,674,038	33,427,749
Cumulative Surplus	37,108,757	32,639,567	23,158,825	16,996,375	16,988,352
Dividend - Cash	10%	30%	35%	5%	5%
Return on Paid up Capital	79%	143%	75%	5%	17%
Shareholders' Equity	85,235,678	79,913,431	68,594,542	60,759,191	61,189,444
Earnings per Share (Taka)	7.92	14.32	7.53	0.51	1.63
Shareholders' Equity Per Share (Taka)	95	91	78	69	70
Number of Shareholders	112,425	91,997	103,145	130,460	134,148
Number of Employees	5,512	5,498	5,455	5,780	6,248

Corporate Governance Compliance Status Report

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

Acknowledgement

The Directors has taken this opportunity to express our sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with whom the company interacted in conducting its business. We are grateful to you, the shareholders, for extending at all times, your valuable support and cooperation.

On behalf of the Board of Directors.

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A S F Rahman Chairman

Dated: 19 October, 2023

CERTIFICATION BY THE CEO AND CFO

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

- (1) The financial statements of the Company for the year ended 30 June 2023 have been prepared in compliance with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgment related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) The company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records to ensure the above;
- (5) Our internal auditors have conducted periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that:

- i) We have reviewed the Financial Statements of the Company for the year ended on 30 June 2023 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.

Ahmed Shahryar Rahman Chief Executive Officer **Md. Luthfor Rahman** Chief Financial Officer

Date: 19 October, 2023

CERTIFICATE ON COMPLIANCE OF CORPORATE **GOVERNANCE GUIDELINES**



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

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

Bangladesh Export Import Company Limited on compliance on the Corporate

We have examined the compliance status to the Corporate Governance Code by Bangladesh Export Import Company Limited for the year ended on 30 June 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and

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

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

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

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

Dhaka, Dated November 17, 2023



For Suraiya Parveen & Associates **Chartered Secretaries**

> Suraiya Parveen, FCS Chief Executive Officer

Alim Sky Castle, (2nd Floor), Flat- B3. 3/38 Asad Avenue, Block-A, Mohammadpur, Dhaka- 1207. Phone: 02 41023157 (Off), Mob: 01911 421998, 01713 110408 Email: suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

COMPLIANCE REPORT ON SEC'S NOTIFICATION

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition	Title		ee Status ("√") riate column)	Remarks
No.		Complied	Not Complied	(If any)
1	BOARD OF DIRECTORS:			
1 (1)	Board's Size [number of Board members to be 5 – 20]	√		
1 (2)	Independent Directors			
1(2) (a)	Independent Director(s) (at least one fifth of total number of directors shall be Independent Director)	√		
1(2)(b)	Independent Director (ID) means a Director			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent(1%) shares of the total paid up shares of the company	√		
1(2)(b)(ii)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds 1% or more shares of the total paidup shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship , whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of the Code	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter In payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the AGM.	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		
1(2)(e)	The tenure of office on an independent director shall be for a period of 3(three) years, which may be extended for 1 tenure only.	✓		
1.3	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable Individual with Integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or member of any national or international chamber of commerce or business association	N/A		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Hear of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company.	N/A		

Condition	I ITIE		ce Status ("√") riate column)	Remarks
No.		Complied	Not Complied	(If any)
1(3)(b)(iii)	Former official of Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree In economics or commerce or business or law	N/A		
1(3)(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law	N/A		
1(3)(b)(v)	Professional who is or was an advocate practicing at least In the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or Equivalent qualification	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the commission	N/A		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director(MD) and/or Chief Executive Officer(CEO) of the company shall be filled by different individuas	√		
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Boards meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
1(5)	The directors' Report to Shareholders	√		
1(5)(i)	industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	✓		Company operates in Trading, Textile, Denim, Knitting, IT, Fisheries & Real Estate. However, in relevant cases market segment performance has been analyzed
1(5)(iii)	Risks and concerns Including internal and external risk factors, threat to sustainability and negative impact on environment	✓		
1(5)(iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss)	√		
1(5)(vi)	Detail discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1(5)(vii)	Statement of utilization of proceeds raised through public issues, rights issues, and/or any other instruments	N/A		
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc	N/A		
1(5)(ix)	Explanation on any significant variance that occurs between quarterly Financial performances and Annual Financial Statements	√		

Condition	Title		ce Status ("√") riate column)	Remarks
No.		Complied	Not Complied	(If any)
1(5)(x)	Statement of remuneration paid to the directors including independent directors	J		No remuneration has been paid to any Director during the period under review except Independent Directors.
1(5)(xi)	Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	Statement that proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	Statement that appropriate accounting policies have been consistently applied In preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5) (xiv)	Statement that IAS or IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1(5)(xv)	Statement that the system in internal control is sound in design and has been effectively Implemented and monitored	√		
1(5)(xvi)	Statement that minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress	✓		
1(5)(xvii)	Statement that there is no significant doubt upon the issuer company's ability to continue a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	✓		
1(5)(xviii)	Explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1(5)(xix)	Statement where key operating and financial data of at least preceding 5 years shall be summarized	√		
1(5)(xx)	Explanation on the reasons if the issuer company has not declared dividend (Cash or stock) for the year	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as Interim dividend	N/A		
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director	√		
1(5)(xxiii)	Report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by	√		
1(5)(xxiii)(a)	parent or subsidiary or associated companies and other related parties	√		
1(5)(xxiii)(b)	Directors, COE, Company Secretary, CFO, Head of Internal Audit and Compliance and their spouses and minor children	√		
1(5)(xxiii)(c)	Executives,	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	√		
1(5)(xxiv)	in case of appointment or reappointment of a director, a disclosure on the following information to the shareholders	√		
1(5)(xxiv)(a)	Brief resume of the director	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas	√		
1(5)(xxiv)(c)	names of company in which the person also holds the directorship and the membership of committees of the Board	√		
1(5)(xxv)	Management's discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements	√		
1(5) (xxv)(b)	changes in accounting policies and estimation, If any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	✓		

Condition	Title		ce Status ("√") riate column)	Remarks
No.		Complied	Not Complied	(If any)
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5 (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe	√		
1(5) (xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e, actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure - A	√		
1(5)(xxvii)	the report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per	√		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, Other Board members and CEO			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee at condition No.6, for the Chairperson of the Board, other board members and CEO of the company	✓		
1(7)(b)	The Code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws; rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers and independency,	✓		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least I (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.	√		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3	MD or CEO, CFO, Head of Internal Audit & Compliance and Company Secretary			
3(1)	Appointment	√		
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and a Head of Internal Audit and Compliance	√		
3(1)(b)	The position of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals	√		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3 (1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, HIAC and CS.	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3(2)	Requirement to attend Board of Directors' Meetings			
3(3)	Duties of MD or CEO and CFO			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		

Condition	Title		ce Status ("√") riate column)	Remarks
No.		Complied	Not Complied	(If any)
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	. ,	√		
5(1)(a)	The company shall have an audit committee as a subcommittee of the Board	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5(1)(c)	The audit committee shall be responsible to the Board; the duties of the audit committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director.	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10(ten) years of such experience	√		
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3(three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1(one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	✓		No such incident was occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	1		No such incident was occurred
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM)	√		
5 (4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee			

Condition	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
No.		Complied	Not Complied	(ir any)
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Monitor internal audit and compliance process to ensure that it is adequately resourced, including approval of the internal audit and compliance, plan and review of the internal audit and compliance report	✓		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	✓		
5(5)(I)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	✓		
5(5)(m)	Oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	√		
5(6)(a)(i)	The audit committee shall report on its activities to the Board	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings if any:			
5(6)(a)(ii) (a)	Report on conflicts of interests	N/A		
5(6)(a)(ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	N/A		
5(6)(a)(ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	N/A		
5(6)(a)(ii) (d)	Any other matter which the audit committee deems necessary shall be disclosed to the Board immediately	√		
5(6)(b)	Reporting to the Authorities: If the audit committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee find that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of six months from the date of first reporting to the Board, whichever is earlier.	N/A		
5(7)	Reporting to the Shareholders and General investors: report on activities carried out by the Audit Committee, including any report made to the Board under condition No. $5(6)(a)(ii)$ above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the issuer company.	√		
	Nomination and Remuneration Committee (NRC)			
6(1)				
6(1)(a)		√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		

Condition	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
No.			Not Complied	
6(1)(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director	√		
6(2)(b)	All members of the Committee shall be non-executive directors	√		
6(2)(c)		√		
6(2)(d)				
6(2)(e)	In case of death, resignation, disqualification or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staffs shall be required or valuable for the Committee	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial Year	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board	√		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	✓		
6(5)(b)(i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
6(5)(b)(i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6(5)(b)(i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		

Condition No.	Title	Compliance Status ("√") in appropriate column)		Remarks
		Complied	Not Complied	(If any)
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	√		
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely	√		
7(1)(i)	appraisal or valuation services or fairness opinions	√		
7(1)(ii)	financial information systems design and implementation	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	broker-dealer services	√		
7(1)(v)	actuarial services	√		
7(1)(vi)	internal audit services or special audit services	√		
7(1)(vii)	any service that the Audit Committee determines	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	any other service that creates conflict of interest	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	1		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		
8(2)	The company shall keep the website functional from the date of Listing	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	✓		

Report of the Audit Committee

for the year ended on 30th June, 2023

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2023.

The Audit Committee Report presented under condition No.5 of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code provides an insight on the functions of the Audit Committee for the year ended on 30th June 2023.

Composition of the Audit Committee

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

Committe Members	Board Members	Position
Mr. Shah Monjurul Hoque	Independent Director	Chairman of the Audit Committee
Mr. Iqbal Ahmed	Non-Executive Director	Member
Mr. A B Siddiqur Rahman	Non-Executive Director	Member
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary of the Audit Committee

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

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

Role of Audit Committee

The Audit Committee performs in coherence and consistency and ensures compliance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review

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

The role of the Audit Committee includes the following:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- Oversee hiring and performance of external Auditors.
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- Review statement of all related party transactions submitted by the management;

- Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. framed/issued by the regulatory authorities have been complied with.
- Other matters as per Terms of Reference (ToR) of the Audit Committee and also as directed by the Board, from time to time.

Authority

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

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

Responsibilities and Duties

The responsibilities and duties of the Audit Committee are:

Financial Reporting

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

Related Party Transactions

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

Audit Committee Reports

> To prepare the annual Audit CommitteeReport

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

Internal Control

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

Internal Audit

- > To be satisfied that the plan, methodology and resource for internal auditing are communicated down through the Company. Specifically:
- > To review the internal audit plans and to be satisfied as to their consistency with the risk management framework used and adequacy of coverage;
- To be satisfied that Internal Audit has the competency and qualifications to complete its mandates and approved audit plans.
- To review status reports from internal audit and ensure that appropriate actions have been taken to implement the audit recommendations;
- To recommend any broader review deemed necessary as a consequence of the issues or concerns identified;
- To ensure that internal audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its activities; and
- > To request and review any special audit which it deems necessary.

External Audit

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

Other Matters

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

Reporting of the Audit Committee

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

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

The Audit Committee further ensures that, in compliance with condition No.5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission dated 3 June 2018 the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 30th June 2023, and they state that:

- (i) They have reviewed the financial statements for the year ended on 30thJune, 2023 and that to the best of their knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of their knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct of the Company's Board of Directors or its Members.

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

Reporting to the Authorities

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

Reporting to the Shareholders and General Investors

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

Meeting Attendance

The Audit Committee met four times during the year ended on 30 June 2023. All the Members were present in all meetings of the Committee.

The Managing Director, Chief Financial Officer, Head of Internal Audit and Compliance of the Company and representatives of the external Auditors had attended the meetings upon invitation by the Audit Committee. From time to time, relevant stakeholders and other senior members of the management have also been invited by the Audit Committee to attend Audit Committee meetings. The Audit Committee met with the external Auditors separately, and with the Internal Auditors, on an annual basis without any Executive

Director being present. The Company Secretary, being the Secretary of the Audit Committee, facilitates the Chairman and other Members for effective functioning of the Committee, as per its terms of reference as well as Corporate Governance Code of BSEC.

Summary of activities and recommendations of the Audit Committee for the year ended on 30th June 2023:

Financial Reporting

In terms of reference, the Committee in its first meeting held on October 24, 2022 reviewed the Annual Financial Statements for the year ended on 30 June 2022. During the meeting the Chief Financial Officer presented the draft annual accounts along with the independent auditors' report to the Committee and briefed the committee regarding the financial performance of the Company.

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

In addition to the above meeting, the Audit Committee met three times during the year ended on 30 June 2023. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 9, 2022, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2022. 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 25, 2023 to review the un-audited second quarter financial Statements of the Company. The Committee being satisfied recommended for issue of the financial statements for the half-year ended on December 31, 2022.

The fourth meeting of the Committee was held on April 27, 2023 to release the un-audited third quarter financial statements of the Company for the quarter ended on March 31, 2023. The detailed review of the financial statements was made by the Committee

and recommended to the Board for approval of the financial statements for release to the Shareholders of the Company.

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

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

Annual Reporting

Reviewed disclosures required by the statement on corporate governance, audit committee report, standards of business conduct, statement on risk management and internal control for the financial year ended on 30th June 2023 for inclusion in the Annual Report, 2022–23, and recommended their adoption to the Board.

External Auditors'

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, considered and made recommendations to the Board on the appointment and remuneration of external Auditors, M/s. M. J. Abedin & Company, Chartered Accountants for the year 2023-2024, subject to the approval of Shareholders in the 50th AGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2023.

Report Authorization

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 19 October 2023.

On behalf of the Audit Committee,

G PP

Shah Monjurul Hoque Chairman

Statement of Corporate Governance

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



Internal Financial Control

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

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

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

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

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

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

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

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

Board Committees

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

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

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

Board structure and procedure - The membership of the board during the year 2022 - 2023 stood at eight directors. All directors are equally accountable as per law to the shareholders for the proper conduct of the business.

The Company's board currently comprises the Chairman, Vice-Chairman, Managing Director and other five directors. The name of the directors appears on page 3. The quorum for the board is at least three directors present in person.

Going Concern

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

Rights and Relations with Shareholders

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

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

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

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

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

Financial Statements



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AUDITOR'S REPORT

AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of **BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES** (the "Group Company"), which comprise the Statement of Financial Position as at 30 June 2023 and Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The Accounting year of the subsidiary companies- Shinepukur Ceramics Limited and Beximco Power Company Limited ends on the same date as of the Company. We have audited the Financial statements of - Shinepukur Ceramics Limited and Beximco Power Company Limited and expressed our unmodified opinion on those statements vide our report dated October 19, 2023.

In our opinion, the accompanying consolidated financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

Risk Our response to the risk

Revenue Recognition

The Company manufactures and sells a number of products and provides numerous services to its customers. The Company has adopted the accounting standard IFRS 15 as accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.

See Note No. 23.00 to the financial statements.

Principal audit procedures:

- Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company.
- Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition.
- Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.
- Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the accounting standard.

Valuation of Property, Plant and Equipment (PPE)

The carrying value of the PPE was Tk. 52,123,626,946 as at 30 June, 2023.

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

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

See Note No. 5.00 to the financial statements.

Our audit included the following procedure:

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

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

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

Valuation of Inventory

The inventory of Tk. 14,236,581,508 as at 30 June, 2023.

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

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

See Note No. 9.00 to the financial statements.

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

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

IT Systems and Controls

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

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

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

Related party transactions

The Company has related party transactions as described in Note No. 33 of the Financial Statements.

We focused on identification of related parties and disclosure of related party transactions in accordance with relevant accounting standards.

Our audit procedures amongst others included the following:

- Evaluated the design and tested the operating and disclosure of related party transactions.
- Evaluated the transactions among the related parties and tested material accounts balances.
- Evaluated the disclosures in the financial statements in compliance with IAS 24.

Contingent Liabilities

The Company is subject to contingent liabilities on account of outstanding letter of credit and letter of bank guarantee as on the date of financial position. Letter of credit is issued for importing raw materials and the bank guarantee issued favoring Titas Gas Transmission and Distribution Company Ltd. The contingent liabilities will be turned to actual liability if and when the beneficiaries perform as per contract or the company fails to perform its obligations.

As per the management judgments there requires no provision against the contingent liabilities as of the date of financial position.

See Note No. 34.00 to the financial statements.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the contingencies process.

We enquired to those charged with governance to obtain their view on the status of the outstanding letter of credit and bank guarantee.

We enquired of the Company's internal legal counsel for the bank guarantee and inspected internal notes and reports. We also reviewed formal confirmations in this regard from external counsel.

We assessed the methodologies on which the provision amounts are required to be recalculated, and tested the completeness and accuracy of the underlying information.

We also assessed the Company's contingent liabilities disclosure.

Other Information

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

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

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

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

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

MManagement is responsible for the preparation and fair presentation of the consolidated financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal controls management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing,

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

as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Comanies Act 1994, The Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

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

Dated: 19 October, 2023

Dhaka

M. J. ABEDIN &CO.

Chartered Accountants

Reg. No: CAF-001-111-

Hasan Mahmood FCA, Partner

Enrollment No: 564

		Amount	in Taka
	Notes	30 June 2023	30 June 2022
ASSETS			
Non-Current Assets		115,347,316,774	104,052,668,928
Property, Plant and Equipment	5.00	52,123,626,946	52,817,380,029
Investment Property	6.00	36,554,552,356	27,536,526,497
Long term Loans to Subsidiaries	7.00	24,872,425,000	22,887,475,000
Investment in Shares	8.00	1,796,712,473	811,287,402
Current Assets		78,152,027,151	79,500,014,715
Inventories	9.00	14,236,581,508	14,409,512,097
Trade and Other Receivables	10.00	23,070,473,037	24,946,540,395
Advances, Deposits and Pre-Payments	11.00	31,582,461,516	31,904,880,364
Due from Related Party	33.00	7,474,996,834	7,474,904,114
Cash and Cash Equivalents	12.00	1,787,514,256	764,177,744
Total Assets		193,499,343,925	183,552,683,643
SHAREHOLDERS' EQUITY, NON-CONTROLLING INTEREST AND LIABILITIES			
Equity attributable to the owners of the company		84,087,422,684	78,114,899,003
Issued Share Capital	13.00	8,932,188,990	8,735,962,640
Reserve		38,049,040,252	36,745,558,748
Retained Earnings		37,106,193,442	32,633,377,614
Non-Controlling (Minority) Interest in Subsidiaries	14.00	2,503,645,332	2,508,370,777
Total Equity		86,591,068,016	80,623,269,780
Non-Current Liabilities		75,629,626,624	63,830,760,028
Long Term Loans - Net off Current Maturity(Secured)	15.00	45,841,394,456	32,385,412,868
Gratuity Payable	16.00	160,139,863	148,659,041
Beximco Green Sukuk Al-Istisna	17.00	28,298,706,400	30,000,000,000
Deferred Tax Liability	18.00	1,329,385,905	1,296,688,119
Current Liabilities		31,278,649,285	39,098,653,835
Short Term Loans from Banks and Others	19.00	6,352,576,061	4,649,882,325
Long Term Loans - Current Maturity (Secured)	20.00	7,373,785,918	18,805,475,332
Due to Related Party	33.00	2,429,835,476	4,098,237,626
Trade and Other Payables	21.00	15,052,578,635	11,481,394,536
Dividend payable/Unclaimed Dividend	22.00	69,873,196	63,664,016
Total Equity and Liabilities		193,499,343,925	183,552,683,643

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:

O K Chowdhury Managing Director

Dated: 19 October 2023

A B Siddiqur Rahman

Director

Md. Luthfor Rahman **Chief Financial Officer**

As per our separate report of even date annexed.

M. J. ABEDIN & CO.

Chartered Accountants

Reg No: CAF-001-111

Hasan Mahmood FCA ,Partner Enrollment No: 564 DVC: 2310230564AS595823

Dhaka.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

		Amoun	t in Taka
	Notes	01.07.2022-30.06.2023	01.07.2021-30.06.2022
Revenue (Turnover) from net Sales	23.00	68,818,896,002	75,078,765,062
Cost of Goods Sold	24.00	(52,001,023,129)	(51,338,236,195)
Gross Operating Profit		16,817,872,873	23,740,528,867
Operating Expenses		(1,522,369,437)	(1,630,955,348)
Administrative Expenses	25.00	(1,327,391,923)	(1,421,445,072)
Selling and Distribution Expenses	26.00	(194,977,514)	(209,510,276)
Operating Profit		15,295,503,436	22,109,573,518
Finance Cost	27.00	(6,479,155,721)	(6,505,041,458)
Net Profit before Contribution to WPPF		8,816,347,715	15,604,532,060
Contribution to Workers' Profit Participation / Welfare Fund		(424,295,347)	(749,687,778)
Net Profit before Income Tax		8,392,052,368	14,854,844,283
Income Tax (Expenses)/Income	28.00	(1,272,960,440)	(2,280,892,249)
Net Profit after Tax		7,119,091,928	12,573,952,034
Non-Controlling (Minority) Interest in Loss/ (Income)		(17,319,463)	(25,611,185)
Net Profit after tax and Non-Controlling (Minority) Interest		7,101,772,464	12,548,340,849
Other Comprehensive Income			
Adjustment for Fair Value Gain/(Loss) on Investment in Shares		(201,574,600)	(72,411,142)
Capital gain on Conversion of Beximco Green Sukuk Al-Istisna		1,505,056,105	-
Total Comprehensive Income after Minority Interest		8,405,253,969	12,475,929,706
EPS (Per Value of Share Tk. 10/=)	29.00	7.95	14.36

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:

O K Chowdhury Managing Director A B Siddiqur Rahman Director

Md. Luthfor Rahman Chief Financial Officer

As per our separate report of even date annexed.

Dated: 19 October 2023

Dhaka.

M. J. ABEDIN & CO. **Chartered Accountants**

Reg No: CAF-001-111

Hasan Mahmood FCA ,Partner Enrollment No: 564

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

As at 30 June 2023

	Amount in Taka							
Particulars	Share Capital	Retained Earnings	Reserve	Total	Non-Controlling (Minority) Interest in Subsidiaries	Total Equity		
As on 01 July 2022	8,735,962,640	32,633,377,614	36,745,558,748	78,114,899,003	2,508,370,777	80,623,269,780		
Shares Issued on Conversion of Beximco Green Sukuk Al-Istisna	196,226,350	-	-	196,226,350	-	196,226,350		
Net Profit after Tax and Non-Controlling (Minority) Interest for the year	-	7,101,772,464	-	7,101,772,464	17,319,463	7,119,091,928		
Other Comprehensive Income:								
Fair Value Gain/(Loss) on Investment in Shares	-	-	(201,574,600)	(201,574,600)	-	(201,574,600)		
Capital gain on Conversion of Beximco Green Sukuk Al-Istisna	-	-	1,505,056,105	1,505,056,105	-	1,505,056,105		
Transactions with Shareholders:								
Payment of Cash Dividend	-	(2,628,956,637)	-	(2,628,956,637)	(22,044,909)	(2,651,001,546)		
As on 30 June 2023	8,932,188,990	37,106,193,442	38,049,040,252	84,087,422,684	2,503,645,332	86,591,068,016		

As at 30 June 2022

	Amount in Taka						
Particulars	Share Capital	ital Retained Earnings Reserve Total		Non-Controlling (Minority) Interest in Subsidiaries	Total Equity		
As on 01 July 2021	8,735,962,640	23,152,152,842	36,817,969,890	68,706,085,373	2,251,130,349	70,957,215,722	
Net Profit after Tax and Non-Controlling (Minority) Interest for the year	-	12,548,340,849	-	12,548,340,849	25,611,185	12,573,952,034	
Addition Non-Controlling Interest for the Year	-	-	-	-	250,000,000	250,000,000	
Other Comprehensive Income:							
Fair Value Gain/(Loss) on Investment in Shares	-	-	(72,411,142)	(72,411,142)	-	(72,411,142)	
Transactions with Shareholders:							
Payment of Cash Dividend	-	(3,067,116,077)	-	(3,067,116,077)	(18,370,757)	(3,085,486,833)	
As on 30 June 2022	8,735,962,640	32,633,377,614	36,745,558,748	78,114,899,003	2,508,370,777	2,508,370,777	

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:

O K Chowdhury Managing Director **A B Siddiqur Rahman** Director

Md. Luthfor Rahman Chief Financial Officer

As per our separate report of even date annexed.

Dated: 19 October 2023

Dhaka.

M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

Hasan Mahmood FCA ,Partner Enrollment No: 564

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

		Amount in Taka		
	Notes	01.07.2022-30.06.2023	01.07.2021-30.06.2022	
Cash Flows from Operating Activities :				
Collection from turnover and other income		70,694,963,360	78,678,788,014	
Payments for cost and expenses including interest & tax		(65,738,766,289)	(77,189,533,956)	
Net Cash Used in Operating Activities	32.00	4,956,197,070	1,489,254,057	
Cash Flows from Investing Activities:				
Acquisition of Property, Plant and Equipment		(1,355,388,908)	(745,939,257)	
(Increase)/Decrease Long term Loans to Subsidiaries		(1,984,950,000)	(22,887,475,000)	
Net Cash Used in Investing Activities		(3,340,338,908)	(23,633,414,257)	
Cash Flows from Financing Activities:				
Increase in loan		3,726,985,910	1,561,385,810	
Related Party Transaction		(1,668,494,870)	12,084,613	
Increase/(Decrease)Issuance of Beximco Green Sukuk Al-Istisna'a		(1,701,293,600)	30,000,000,000	
Shares Issued on Conversion of Beximco Green Sukuk Al-Istisna		196,226,350	-	
Capital gain on Conversion of Beximco Green Sukuk Al-Istisna		1,505,056,105	-	
Interest on Long Term Loan and Others		-	(5,870,999,549)	
Dividend Paid		(2,651,001,546)	(3,085,486,833)	
Net Cash Generated From Financing Activities		(592,521,651)	22,616,984,040	
Increase/(Decrease) in Cash and Cash Equivalents		1,023,336,512	472,823,840	
Cash and Cash Equivalents at Beginning of the year		764,177,744	291,353,904	
Effect of Exchange Rate Changes on Cash & Cash Equivalents	32.00		-	
Cash and Cash Equivalents at End of the year		1,787,514,256	764,177,744	
Net Operating Cash Flow Per Share	31.00	5.55	1.70	

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:

OK Chowdhury Managing Director A B Siddigur Rahman Director

Md. Luthfor Rahman **Chief Financial Officer**

As per our separate report of even date annexed.

Dated: 19 October 2023

Dhaka.

M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

Hasan Mahmood FCA ,Partner Enrollment No: 564

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

1.00 The background and activities of the Company

1.01 **Status of the Company**

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

On 30-06-2023, the Company holds 50% shares (50% shares on 30-06-2022 of Shinepukur Ceramics Ltd., a company of Beximco Group engaged in manufacturing and marketing of ceramics tableware.

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

1.02 **Principal Activities**

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

2.00 **Bases of Financial Statements-Its Preparation and Presentation**

2.01 Measurement bases

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

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

(a) Shinepukur Ceramics Ltd., Beximco Power Co. Ltd. and Bangladesh Export Import Co. Ltd. (the Parent)

The financial statements of subsidiaries have been consolidated with those of Bangladesh Export Import Co. Ltd. in accordance with IFRS 10: Consolidated Financial Statements. In respect of the subsidiary undertakings, financial statements for the year ended 30 June 2023 have been used to draw up these financial statements.

(b) Subsidiary

Subsidiary is an entity controlled by the parent company. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(c) Transactions eliminated on consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions have been eliminated while preparing the consolidated financial statements. Unrealized gains arising from transactions with equity account of investees have been eliminated against the investment to the extent of the parent company's interest in the investee. Unrealized losses were eliminated in the same way as unrealized gains, but only to the extent that there was no evidence of impairment.

(d) Non-Controlling Interest (Minority Interest)

Non-Controlling Interest represents minority's share of subsidiary's net assets.

Reporting Framework and Compliance thereof 2.03

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders."

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

 $The Company \ also \ complied \ with \ the \ requirements \ of following \ laws \ and \ regulations \ from \ various \ Government \ bodies:$

Bangladesh Securities and Exchange Rules, 2020;

The Income Tax Act 2023;

The VAT and SD Act 2012 with subsequent amendments;

The VAT and SD Rules, 2016 with subsequent amendments;

The Labour Law, 2006 with subsequent amendments in 2013; and

Others as applicable.

2.04 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a Consolidated statement of financial position as at 30 June 2023;
- (b) a Consolidated statement of profit or loss and other comprehensive income for the year from 01 July 2022 to 30 June 2023;
- (c) a Consolidated statement of changes in equity for the year from 01 July 2022 to 30 June 2023;
- (d) a Consolidated statement of cash flows for the year from 01 July 2022 to 30 June 2023; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.05 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 19 October 2023.

2.06 Functional and Presentation Currency

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

2.07 Reporting Period and Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2022 to 30th June 2023).

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

2.08 Use of Estimates and Judgments

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

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

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

2.09 Statement of Cash Flows

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

The cash generating from operating activities has been reported using the *Direct Method* as the benchmark treatment of *IAS 7* whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.10 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by *IAS 24: Related Party Disclosures* has been disclosed in a separate note to the accounts.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

Events after the Reporting Period 2.11

In compliance with the requirements of IAS 10: Events after the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

3.00 **Significant Accounting Policies**

3.01 **Revenue Recognition**

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

Cash dividend income on investment in shares is recognized on approval of said dividend in the annual general meeting / Board meeting of relevant company. Stock dividend income (Bonus Shares) is not considered as revenue.

3.02 **Property, Plant and Equipment**

3.02.1 Recognition and Measurement

Property, plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In terms of paragraph 29 of IAS 16: Property, Plant and Equipment, the Company has chosen "Revaluation Model" for the measurement of Lands, Buildings and Plant and Machinery; and "Cost Model" for the measurement of Furniture and Fixtures and Vehicles. In terms of paragraph 31 of the aforesaid IAS, after recognition as an asset, the aforesaid items of property, plant and equipment whose fair value can be measured reliably has been carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made after every three years to ensure that the carrying amount does not differ materially from that which has been determined using fair value at the end of the reporting period.

3.02.2 Pre-Operating Expenses and Borrowing Costs

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

3.02.3 Subsequent Expenditure

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

3.02.4 Software

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

3.02.5 Disposal of Fixed Assets

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

3.02.6 Depreciation on Fixed Assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on all fixed assets except land at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	2.5% - 10%
Plant and Machinery	1.5% - 15%
Furniture, Fixture & Equipment	10% - 20%
Transport & Vehicle	20%

3.03 Investment Property

This represents Land & Building held by the company for capital appreciation and/or rental income. The Company has applied IAS 40, "Investment Property" and has adopted "fair value model".

3.04 Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.05 Investment in Shares

- **3.05.1** Investment in shares of Bangladesh Export Import Company Limited is carried in this statement of financial position at *Net Assets* by consolidating assets and liabilities thereof.
- **3.05.2** Investment in shares of listed companies are carried in the statement of financial position at fair value based on DSE quoted price at the Period end and the gain/loss thereon were accounted for through other comprehensive income considering it as "Available for Sale" financial assets.

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

3.06 Financial Instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

3.06.1 Financial Assets

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

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

(a) Accounts Receivables

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

(b) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

(c) Cash and Cash Equivalents

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

3.06.2 Financial Liability

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

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

3.07 **Inventories**

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

3.08 **Provision**

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

3.09 **Borrowing Costs**

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

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

3.10 **Income Tax Expenses**

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

Deferred Tax

Deferred tax is recognised in compliance with IAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

3.11 **Employee Benefits**

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

The company's employee benefits include the following:

Defined Contribution Plan (Provident Fund) (a)

The company contributes to a registered provident fund scheme (defined contribution plan) for employees of the company eligible

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their basis salary to the provident fund and the company also makes equal contribution.

(b) Short-term employee benefits

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

(c) Contribution to Workers' Participation/Welfare Funds

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

3.12 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of *International Accounting Standard (IAS) 1 (Revised 2009): Presentation of Financial Statements.* Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of *International Accounting Standard (IAS) 10: Events After The Reporting Period,* because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

3.13 Earnings Per Share

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

Basic Earnings (Numerator)

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

Weighted Average Number of Shares in Issue (Denominator)

Current Year

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

Earlier Periods

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

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

Diluted Earnings Per Share

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

3.14 Foreign Currency Translations

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of *IAS 21: The Effects of Changes in Foreign Exchange Rates*. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

4.00 Financial risk management

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

- · Credit risk
- · Liquidity risk
- Market risk

4.01 Credit risk

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

4.02 Liquidity risk

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

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

4.03 Market risk

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

(a) Currency risk

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

(b) Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

5. Property, Plant and Equipment: Tk. 52,123,626,946

The details are stated below:

As at 30 June 2023								
	Amount in Taka							
Particulars	Land and Land Development	Building and Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total	
Cost / Valuation								
At 30 June 2022	14,943,271,661	12,956,048,222	29,783,644,093	1,174,920,819	345,237,980	14,167,439,365	73,370,562,140	
Addition during the year	1,201,000	937,065,496	1,446,601,681	191,751,281	28,769,450	_	2,605,388,908	
Transferred in & Capitalized	-	-	-	-	-	(1,250,000,000)	(1,250,000,000)	
At 30 June 2023	14,944,472,661	13,893,113,718	31,230,245,774	1,366,672,100	374,007,430	12,917,439,365		
Depreciation	, , , , , , , , , , , , , , , , , , , ,	.,,	. , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, , , , , ,	, , , , , , , , , , , , , , , , , , , ,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
At 30 June 2022	-	3,982,463,012	15,490,485,343	816,859,628	263,374,128	-	20,553,182,110	
Charged during the year	-	462,240,629	1,481,917,689	82,883,729	22,099,944	-	2,049,141,992	
At 30 June 2023	-	4,444,703,641	16,972,403,032	899,743,358	285,474,072	-	22,602,324,102	
Carrying Value At 30 June 2023	14,944,472,661	9,448,410,077	14,257,842,742	466,928,742	88,533,358	12,917,439,365	52,123,626,946	
		<u> </u>		!				
As at 30 June 2022								
				Amount in Taka				
Particulars	Land and Land Development	Building and Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total	
Cost / Valuation								
At 30 June 2021	15,128,313,564	11,886,371,852	28,808,910,687	1,123,174,133	340,212,239	5,069,267,421	72,356,249,896	
Addition during the year	-	1,069,676,370	974,733,406	51,746,686	6,677,795	-	2,102,834,257	
Disposal during the year	-	-	-	-	(1,652,054)	-	(1,652,054)	
Adjustment	(185,041,903)	-	-	-	-	-	(185,041,903)	
Transferred in & Capitalized	-	-	-	-	-	(901,828,056)	(901,828,056)	
At 30 June 2022	14,943,271,661	12,956,048,222	29,783,644,093	1,174,920,819	345,237,980	14,167,439,365	73,370,562,140	
Depreciation								
At 30 June 2021	-	3,545,586,589	14,012,224,791	753,179,975	244,589,807	-	18,555,581,161	
Charged during the year	-	436,876,423	1,478,260,551	63,679,654	20,434,132	-	1,999,250,760	
Adjustment for Assets disposed off	-	-	-	-	(1,649,811)	-	(1,649,811)	
At 30 June 2022	-	3,982,463,012	15,490,485,343	816,859,628	263,374,128	-	20,553,182,110	
Carrying Value	14,943,271,661	8,973,585,210	14,293,158,750	358,061,190	81,863,852	14 167 439 365	52,817,380,029	

As at and for the year ended 30 June 2023

	_	Amount	
	-	As a 30 June 2023	30 June 2022
00 Investm	ent Property : Tk. 36,554,552,356		
This repre	sents Land & Building held by the company for capital appreciation and/or rental income	e and is arrived as follows:	
Opening Addition	Balance during the year	27,536,526,497 9,018,025,859	16,277,763,848 11,258,762,649
		36,554,552,356	27,536,526,497
However, Tower, 86	sents Land & Building held by the company for capital appreciation and/or rental income during the year ended 30 June 2016, a revaluation was done by an independent valuer S Bir Uttam C R Datta Road (312, Sonargaon), Level 10, Hatirpool, Dhaka-1205, and the valu 2016, following "current cost method".	hiraz Khan Basak & Co., Ch	
00 Long te	rm Loans to Subsidiaries : Tk. 24,872,425,000		
This cons	sts of as follows:		
	eesta Solar Limited (TSL) orotoa Solar Limited (KSL)	21,388,525,000 3,483,900,000	19,686,175,000 3,201,300,000
	_	24,872,425,000	22,887,475,000
(a) In 3, Marl (b) In 68 per s	ociated undertakings: 189,926 Shares of Beximco Pharmaceuticals Ltd. (Face value of Tk. 10.00) [Listed company set value Tk. 146.20 per share on 30 June 2023] 3,246 Shares of Beximco Synthetics Ltd. (Face value of Tk. 10.00) [Average cost price hare is Tk. 8.40 per share face value of Tk. 10.00] 0,000 Shares of Teesta Solar Co. Ltd. (Face value of Tk. 10.00)	, 466,367,181 573,266 8,000,000	493,162,560 573,266 8,000,000
(d) In 800 (ii) Other	0,000 Shares of Korotoa Co. Ltd. (Face value of Tk. 10.00)	8,000,000	8,000,000
(f) ln 12 [Ma	Shares of Jamuna Oil Ltd. (Face value of Tk. 10.00) [Listed company, rket value Tk. 179.60 per share on 30 June 2023]	-	2,126
[Ave	71,181 shares of Central Depository Bangladesh Ltd. rage cost price per share is Tk. 2.74 against face value of Tk.10] .008,090 Shares of Bangladesh Shipping Corporation (Face value of Tk. 10.00) (Cost price	1,569,450	1,569,450
	hare Tk. 148.23) {Listed company, Market value Tk. 126.40 per share on 30 June 2023}	1,012,222,576	
		1,796,712,473	811,287,402
	ries : Tk. 14,236,581,508		
	sents as follows: I Estate Business)	438,617,879	430,661,634
	ion work in progress (Real Estate Business)	294,356,691	307,706,637
	elopment and Others (Real Estate Business)	54,106,491	41,156,379
Work in P		1,965,032,907	1,936,310,817
Raw Mate		9,955,109,036	10,214,027,183
Stores an		297,665,828	280,676,341
Finished (1,221,541,894	1,176,403,313
Fish & Shr		10 1 1 1 705	3,838,746
Packing N Fish Feed	naterials –	10,144,785 6,000	17,972,797 758,250
		14,236,581,508	14,409,512,097

As at and for the year ended 30 June 2023

Amount in Taka
As at
30 June 2023 30 June 2022

10.00 Trade and Other Receivables: Tk. 23,070,473,037

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

11.00 Advances, Deposits and Pre-payments: Tk. 31,582,461,516

This consists of as follows:

This consist of as follows:

(i) Advances:	31,459,769,822	31,766,803,924
Advance Income Tax L/C Margin & Others Other Advances	1,963,879,075 323,293,716 29,172,597,031	1,008,128,712 161,292,510 30,597,382,702
(ii) Deposits	122,691,694	138,076,441
	31,582,461,516	31,904,880,364

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

12.00 Cash and Cash Equivalents: Tk. 1,787,514,256

In Hand	22,391,792	11,974,377
In Current Account with banks	1,660,981,629	548,388,669
In STD account with banks	85,313,583	185,728,904
In fixed deposit and accrued interest with bank	18,827,252	18,085,794
	1,787,514,256	764,177,744

13.00 Issued Share Capital: Tk. 8,932,188,990

(a) Authorised: 3,000,000,000 Ordinary Shares of Tk. 10/-each	30,000,000,000	30,000,000,000
	30,000,000,000	30,000,000,000
(b) Issued, Subscribed and Paid-Up: 4,000,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	40,000,000	40,000,000
700,605,814(30.06.2022: 700,605,814) Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares 22,019,999 Ordinary Shares of Tk.10/-each issued in exchange for acquisition of	7,006,058,140	7,006,058,140
shares of Shinepukur Ceramics Ltd.	220,199,990	220,199,990
149,693,066 Ordinary Shares of Tk. 10/- each issued to the shareholders of different companies	1,496,930,660	1,496,930,660
19,622,635 Ordinary Shares of Tk. 10/-each issued against Beximco Green Sukuk Al-Istisna.		
(Conversion of Beximco Green Sukuk Al-Istisna to Ordinary Share)	196,226,350	-
Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco 2,722,615 Ordinary Shares of Tk. 10/- each.	(27,226,150)	(27,226,150)
Total 873,596,264 Shares of Tk. 10/= each	8,932,188,990	8,735,962,640

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

	30 Jun	30 June 2023		2022
(c) Composition of Shareholding:	No. of Shares	% of Total Holders	No. of Shares	% of Total Holders
Sponsors:				
A S F Rahman	63,204,992	7.08%	63,204,992	7.24%
Salman F Rahman	70,919,693	7.94%	70,919,693	8.12%
Associates	73,405,284	8.22%	73,405,284	8.40%
Shareholders who nominated Directors in the Board	89,869,748	10.06%	89,869,748	10.29%
Foreign Investors	8,157,639	0.91%	6,618,945	0.76%
Institutions	286,291,550	32.05%	252,404,208	28.89%
General Public	301,369,993	33.74%	317,173,394	36.31%
	893,218,899	100%	873,596,264	100%

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

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

Share holding Range in number of Shares	Number of holders	% of total holders	Number of Shares	% of Share Capital
1 to 499	74,508	66.27%	9,764,274	1.09%
500 to 5,000	30,643	27.26%	50,722,978	5.68%
5,001 to 10,000	3,513	3.12%	25,788,295	2.89%
10,001 to 20,000	1,841	1.64%	26,518,071	2.97%
20,001 to 30,000	621	0.55%	15,336,337	1.72%
30,001 to 40,000	300	0.27%	10,588,299	1.19%
40,001 to 50,000	221	0.20%	10,207,857	1.14%
50,001 to 100,000	378	0.34%	27,233,426	3.05%
100,001 to 1,000,000	328	0.29%	92,459,554	10.35%
Over 1,000,000	71	0.06%	624,599,808	69.93%
Total:	112,424	100%	893,218,899	100%

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.

Market Price:

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 115.60 and Tk. 115.60 per share in the Dhaka and Chittagong Stock Exchanges on 30 June 2023.

Voting Rights:

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

As at and for the year ended 30 June 2023

	Amount	in Taka
	Asa	nt
	30 June 2023	30 June 2022
00 Non-Controlling (Minority) Interest in Subsidiaries : Tk. 2,503,645,332		
This represents minority's share of subsidiary's net assets.		
00 Long Term Loans - Net off Current Maturity(Secured) : Tk. 45,841,394,456		
This represents Loans from:		
Sonali Bank Ltd Long Term (Block-Interest Bearing)- New	13,098,562,992	9,588,000,00
Rupali Bank Ltd Long Term Loan (12 Years)	8,669,832,924	4,193,620,00
Janata Bank Ltd Long Term Loan (12 Years)	7,216,002,479	8,916,313,38
Agrani Bank Ltd- Demand Ioan Principal	4,199,134,035	1,925,680,5
National Bank Ltd Long Term (12 years) Loan General LD -1293	1,497,771,813	1,040,640,0
Exim Bank Ltd-LD1936318294	3,231,015,569	2,801,971,8
AB Bank Ltd- Term Loan - 463	469,725,354	413,603,10
United Commercial Bank Ltd	3,053,933,733	3,362,108,3
Phoenix Finance & Investment Ltd Term Loan	70,425,061	143,475,6
AB Bank Ltd- Term Loan - 465	1,046,629,834	
BIFFL	862,620,061	
ING Bank	2,425,740,601	
	45,841,394,456	32,385,412,86

Nature of security:

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

Terms of Repayment:

Phonix Finance & Investment

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

Rates of Interest:

Phonix Finance & Investment

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

16.00 Gratuity Payable: Tk. 160,139,863

Less: Conversion to Ordinary Shares	14,325,223	10,594,320
Beximco Green Sukuk Al Istisna	148,659,041	138,496,316
Beximco Green Sukuk Al-Istisna: Tk. 28,298,706,400		
Closing Balance	160,139,863	148,659,041
Less: Payment during the year	(2,844,401)	(431,595)
	162,984,264	149,090,636
Add: Addition during the year	14,325,223	10,594,320
Opening Balance	148,659,041	138,496,316
	Add: Addition during the year Less: Payment during the year Closing Balance Beximco Green Sukuk Al-Istisna: Tk. 28,298,706,400 Beximco Green Sukuk Al Istisna	Opening Balance 148,659,041 Add: Addition during the year 14,325,223 162,984,264 Less: Payment during the year (2,844,401) Closing Balance 160,139,863 Beximco Green Sukuk Al-Istisna : Tk. 28,298,706,400 Beximco Green Sukuk Al Istisna 148,659,041

Beximco Green Sukuk Al-Istisna'a:

This represents convertible/redeemable & asset backed BEXIMCO GREEN SUKUK AL-ISTISNA for a total of BDT 30 Billion of which 50% (BDT 15 billion) has been offered through Private Placement, 25% (BDT 7.5 billion) offered to existing shareholders and the rest 25% (BDT 7.5 billion) offered to the public through Initial Public Offer (IPO).

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

Return/Benefit:

i) Base rate at 9%:

Investors will get guaranteed 9% secured annual return.

ii) Profit Margin Rate:

In addition, the Sukuk is participative which means an additional 10% of the difference between the base rate (9%) and the annual dividend that Beximco Ltd will declare in a specific year will be added to the base rate.

Conversion Option:

Green-Sukukholders shall have the option to convert gradully up to 100% of their respective investment in the Green Sukuk Al Istisna into ordinary shares of BEXIMCO Ltd. within 5 years as follows:

- i. Maximun 20% convertible at the option of the Green-Sukukholders per year;
- ii) Conversion option can be exercised at a multiple of 5%, i.e. 5%, 10%, 15% and 20%;
- iii) Unexercised options of conversion of last year can be exercised in the following year as well, along with the current year's options.
- iv) If any Sukukholder does not exercise the Conversion Option in full or in part during the tenure of the Sukuk, the remaining amount of the Sukuk will be redeemable at maturity in one bullet payment.

Conversion Rate:

Conversion rate to be determined at a 25% discounted rate on the 20 days Weighted Average Market Price prior to the record date of the Dhaka Stock Exchange (DSE).

Record Date:

The record date to exercise the conversion option and thereby convert BEXIMCO Green-Sukuk Al Istisna into ordinary shares of BEXIMCO Limited shall be twelve (12) months after the relevant Issuance Date and the said date shall be the record date for the subsequent years till maturity.

Credit Enhancement:

Beximco Ltd shall provide Corporate Guarantee for the payment obligations of the Beneficiaries to the Beximco Green Sukuk Al Istisna Trust (SPV) securing ultimately the Final redemption Payments to the Sukukholders.

18.00 Deferred Tax Liability: Tk. 1,329,385,905

	(a) Deferred Tax Liability is arrived at as follows:		
	Book Value of Depreciable PPE	22,817,745,785	22,473,830,662
	Less : Tax base WDV of PPE	(10,086,883,698)	(11,219,593,641)
	Un-absorbed portion of Depreciation Benefit	(2,271,064,170)	(2,268,604,582)
	Taxable Temporary Difference	10,459,797,917	8,985,632,439
	Effective Tax Rate	13%	14%
	Closing Deferred Tax Liabilities	1,329,385,905	1,296,688,119
	(b) Deferred Tax Expense is arrived at as follows:		
	Closing Deferred Tax Liabilities	1,329,385,905	1,296,688,119
	Opening Deferred Tax Liabilities	(1,296,688,119)	(1,221,575,513)
		32,697,786	75,112,606
19.00	Short Term Loans From Banks and Others Tk. 6,352,576,061		
	This is secured and consists of as follows:		
	Secured:		
	Janata Bank Ltd CCH	2,040,539,529	1,997,594,906
	Exim Bank Ltd CCH (01)	1,114,551,150	1,023,250,575
	Exim Bank Ltd CCH (02)	534,625,175	545,674,983
	Janata Bank LtdCash subsidy loan	915,416,870	248,602,000
	Sonali Bank Ltd CC (H) (Secured)	524,201,805	536,082,481
	Sonali Bank Ltd LTR (Secured)	196,629,926	134,045,472
	Sonali Bank Ltd W.C Under Stimulus Package Industries (Covid-19 Loan)	-	132,131,908
	Janata Bank Ltd FBN	1,000,611,606	-
	Unsecured:		
	New Dacca Industries Ltd. (Interest Free)	26,000,000	32,500,000
		6,352,576,061	4,649,882,325

As at and for the year ended 30 June 2023

		Amount in Taka	
		Asa	at
_		30 June 2023	30 June 2022
20.00 L	ong Term Loans - Current Maturity (Secured) Tk. 7,373,785,918		
T	This consists of as follows:		
S	Sonali Bank Ltd Long Term (Block-Interest Bearing)- New	2,256,000,000	5,851,292,734
R	Rupali Bank Ltd Long Term Loan (12 Years)	1,268,160,000	3,751,217,277
J	anata Bank Ltd Long Term mLoan (12 Years)	1,144,551,213	759,961,840
A	Agani Bank Ltd- Demand Ioan Principal	310,400,000	575,586,285
N	National Bank Ltd Long Term (12 years) Loan General LD - 1293	260,160,000	693,884,074
Е	xim Bank Ltd-LD1936318294	648,679,172	727,172,577
A	AB Bank Ltd- Term Loan - 463	110,753,524	184,519,432
А	AB Bank Ltd- Term Loan - 465	254,226,308	1,154,637,952
L	United Commercial Bank Ltd	595,063,909	840,527
Р	Phoenix Finance & Investment Ltd Term Loan	220,527,876	165,903,327
R	Rupali Bank Ltd Long Term Ioan - IDCP	-	2,079,362,358
Α	Agrani Bank Ltd- Demand Ioan Interest	-	395,328,819
Α	Agrani Bank Ltd- Intestrial Credit project	-	1,487,508,293
A	Agrani Bank Ltd- Intestrial Credit project Interest	-	295,119,477
Е	xim Bank Ltd LD2108820251	-	486,951,138
A	AB Bank Ltd- Term Loan - 464	-	126,450,817
В	Bank Asia Ltd Term Loan	-	69,738,405
В	BIFFL	96,418,916	-
11	NG Bank	208,845,000	
		7,373,785,918	18,805,475,332
1.00 T	Trade and Other Payables: Tk. 15,052,578,635		
Т	his consists of as follows:		
C	Creditors for Goods	5,775,801,236	4,922,180,895
lı	ncome Tax Payables	1,761,308,413	2,877,520,993
C	Other Current Liabilities	7,493,778,985	3,659,502,648
S	Security Deposit from Distributor	21,690,000	21,190,000
		15,052,578,635	11,480,394,537

22.00 Dividend payable/Unclaimed Dividend: Tk. 69,873,196

The Cash Dividend declared for the year 2021-2022 were approved by the shareholders in the Annual General Meeting held on December 22, 2022. The Dividend Payable/Unclaimed dividend as on June 30,2023 consists of Tk. 6,209,180 payable for the year 2022-23 and the balance Tk. 63,664,016 for the prior years unclaimed to date.

23.00 Revenue: Tk. 68,818,896,002

This is made-up as follows:		
Sale of Goods (Net)	68,775,345,471	75,042,136,317
Commission and Other Income	8,088,038	15,766,938
Dividend Income	36,776,860	22,121,987
Capital (Loss)/Gain on Sale of Shares	(1,314,367)	(1,260,180)
	68,818,896,002	75,078,765,062

As at and for the year ended 30 June 2023

		Amount in Taka	
		01.07.2022-30.06.2023	o1.07.2021-30.06.2022
24.00	Cont of Coods Sold -TV E2 001 022 120	01.07.2022-30.00.2023	01.07.2021-30.00.2022
24.00	Cost of Goods Sold : TK. 52,001,023,129		
	This represents cost of goods sold against sale of:		
	Yarn, Fabrics & Others (Including depreciation of Tk. 1,917,050,835)	49,912,921,775	49,589,181,691
	Table Ware Shinepukur Ceramics Ltd. (Including depreciation of Tk. 113,187,203)	1,753,080,017	1,433,402,447
	IT Support Service and Software (Including depreciation of Tk. 8,069,900) Shrimp and Fish (Including depreciation of Tk. 1,420,258)	315,301,509 19,719,828	303,619,806
	Similip and rish (including depreciation of Tk. 1,420,236)		12,032,251
		52,001,023,129	51,338,236,195
25.00	Administrative Expenses : Tk. 1,327,391,923		
	This Consists of as follows:		
	Salaries and Allowances	884,537,596	936,910,403
	Car Repairs and Maintenance	22,200	46,081,301
	Fees and Charges	29,272,399	38,903,583
	Repairs and Maintenances	75,858,138	67,269,609
	Rent, Rates and Taxes	56,519,571	159,405,145
	Travelling and Conveyance	70,121,258	34,440,648
	Miscellaneous Overhead	34,149,892	25,486,913
	Postage, Telegram, Telex & Telephone	23,711,924	22,006,674
	Entertainment	9,838,630	15,280,688
	Depreciation	9,413,796	9,008,358
	Insurance	1,998,136	1,505,947
	Petrol, Fuel, Electricity, Gas and Water	63,323,005	2,206,178
	Printing and Stationery	21,361,393	7,972,261
	Publicity and Advertisement	6,307,917	3,148,288
	Staff Welfare	210,241	33,163,602
	AGM Expenses	1,800,075	750,866
	Audit Fee	3,295,000	3,047,500
	Subscription Contribution to Provident Found	26,675,721	6,672,744
	Contribution to Provident Fund	222,678	333,435
	Training General Office Expenses	126,887 8,625,465	196,920 7,654,009
	Concide Cinece Expenses	1,327,391,923	1,421,445,072
26.00	Selling and Distribution Expenses: Tk. 194,977,514		
	This consists of as follows:		
	Salaries & Allowances	158,523,924	181,548,541
	Promotional Expenses	10,002,001	8,507,169
	Occupancy Expenses	7,969,457	5,331,237
	Office Expenses	3,410,738	1,903,299
	Transport Expenses	2,354,176	2,911,560
	Travelling & Conveyance Expenses	8,760,496	8,163,081
	Communication Expenses	341,267	490,878
	Show Room Expenses	294,523	250,061
	Handling & Carrying Expenses	293,560	19,630
	Legal & Professional Fees	750,587	384,820
	Product Research	2,276,785	-
		194,977,514	209,510,276

As at and for the year ended 30 June 2023

		Amount in Taka	
		As	
		01.07.2022-30.06.2023	01.07.2021-30.06.202
7.00	Finance Cost: Tk. 6,479,155,721		
	This Consists of as follows:		
	Interest on Loan from Banks and Others	5,000,849,268	5,273,638,249
	Bank Charges and Commission	209,814,665	210,167,176
	Rental Expenses of Sukuk(Net)-Note-27.01 Issue Expenses of Sukuk	1,268,491,788 -	747,525,000 273,711,033
		6,479,155,721	6,505,041,458
7.01	Rental Expenses of Sukuk (Net)		
	This Consists of as follows:		
	Financial expenses Under Green Sukuk Transactions	3,253,441,788	1,740,000,000
	Less: Rental Income from TSL	(1,695,150,000)	(847,575,000)
	Less : Rental Income from KSL	(275,400,000)	(137,700,000)
	Less: Agency commission from TSL & KSL	(14,400,000) 1,268,491,788	(7,200,000) 747,525,000
		1,200,491,700	747,323,000
8.00	Income Tax Expenses : Tk. 1,272,960,440		
	This Consists of as follows:	4 242 252 442	
	Provision for the year Excess Provision for the Previous Years	1,319,859,443	2,283,478,553
	Deferred Tax (Income) / Expenses [Note-18.(b)]	(79,596,789) 32,697,786	(77,698,910) 75,112,606
	Deferred Tax (Income) / Expenses [Note-10.(D)]	1,272,960,440	2,280,892,249
	Dutie Francisco (FDC)		
9.00	Basic Earnings per Share (EPS)		
	The computation of EPS is given below: (a) Net Profit for the year after tax and Non-controlling (minority interest)	7,101,772,464	12,548,340,849
	(b) Weighted average number of shares used for EPS (Note - 3.13)	893,218,899	873,596,264
	(c) Basic EPS (a/b)	7.95	14.36
0.00	Net Asset Value Per Share		
0.00	Total Assets	193,499,343,925	183,552,683,643
0.00		193,499,343,925 106,908,275,909	
0.00	Total Assets		102,929,413,863 80,623,269,780
0.00	Total Assets Less: Total Liabilities Total Equity	106,908,275,909 86,591,068,016	102,929,413,863 80,623,269,780
	Total Assets Less: Total Liabilities Total Equity Number of Ordinary Shares of Tk. 10 each at Financial Position date	106,908,275,909 86,591,068,016 893,218,899	102,929,413,863 80,623,269,780 873,596,264
	Total Assets Less: Total Liabilities Total Equity Number of Ordinary Shares of Tk. 10 each at Financial Position date Net Asset Value Per Share Net Operating Cash Flows Per Share (NOCFPS) Net cash flows from operating activities	106,908,275,909 86,591,068,016 893,218,899	102,929,413,863 80,623,269,780 873,596,264
	Total Assets Less: Total Liabilities Total Equity Number of Ordinary Shares of Tk. 10 each at Financial Position date Net Asset Value Per Share Net Operating Cash Flows Per Share (NOCFPS)	86,591,068,016 893,218,899 96.94	102,929,413,863 80,623,269,780 873,596,264 92.29

As at and for the year ended 30 June 2023

Amount in Taka		
As a	at	
01.07.2022-30.06.2023	01.07.2021-30.06.2022	

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

Net Profit After Tax	7,119,091,928	12,573,952,034
Adjustments for noncash items, non operating items and for the net changes in opreating accruals:		
Depreciation	2,049,141,992	1,999,250,760
(Increase)/Decrease in Investment in Shares	(1,186,999,642)	-
Increase/(Decrease) Deferred Tax Liability	32,697,786	75,112,606
(Increase)/Decrease in Inventories	172,930,589	(4,106,314,327)
Transfer to Investment Property	(9,018,025,859)	(11,258,762,649)
(Increase)/ Decrease in Trade and Other receivables	1,876,067,358	3,600,022,952
(Increase)/ Decrease in Avances, Deposits and Pre-payments	322,418,849	(3,428,080,597)
Increases/(Decreases) in Creditors and Other Payables	853,620,342	(1,347,058,504)
Increases/(Decreases) Accruals	2,717,563,727	(2,511,388,905)
Unclaimed Dividend/Dividend Paid	6,209,180	11,358,415
Increases/(Decreases) Gratuity Payable	11,480,822	10,162,725
Finacial Expenses	-	5,870,999,549
Net cash flows from operating activites	4,956,197,070	1,489,254,057

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

33.00 Related Party Disclosures

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

(a)	Due from Related Parties	Nature of transactions	Closing Balance as on 30.06.2023	Closing Balance as on 30.06.2022
	Teesta Solar Ltd.	Current Account	6,842,571,112	6,842,478,392
	Korotoa Solar Ltd.	Current Account	632,425,722	632,425,722
			7,474,996,834	7,474,904,114

(b)	Due from Related Parties	Nature of transactions	Closing Balance as on 30.06.2023	Closing Balance as on 30.06.2022
	Beximco Holdings Ltd.	Current Account	2,429,835,476	4,098,237,626
			2,429,835,476	4,098,237,626

This is unsecured and interest free.

(c)	Name of the Related Parties	Nature of transactions	Value of transactions during the year	Balance at the end of the year
	Beximco Pharmaceuticals Ltd.	Investment in Shares	-	466,367,181
	Teesta Solar Limited (TSL)	Loan	1,702,350,000	21,388,525,000
	Korotoa Solar Limited (KSL)	Loan	282,600,000	3,483,900,000
	Teesta Solar Limited (TSL)	Investment in Shares	-	8,000,000
	Korotoa Solar Limited (KSL)	Investment in Shares	-	8,000,000
	Beximco Synthetics Ltd.	Investment in Shares	-	573,266

Nature of Relationship

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

34.00 Contingent Liabilities

This consists of as follows:

(a)	Outstanding letter of credit	81,323,312	96,804,152
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(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)

94,979,832	110,460,672
13,656,520	13,656,520

35.00 Capital Expenditure Commitment

- (a) There was no capital expenditure contracted but not incurred or provided for at 30 June 2023.
- (b) There was no material capital expenditure authorized by the board but not contracted for at 30 June 2023.

36.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 30 June 2023.

37.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 30 June 2023 other than trade credit available in the ordinary course of business.

38.00 Benefit to Directors

During the year under review

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

39.00 Events After The Reporting Period

Subsequent to the Statement of Financial Position date, the directors recommended 10% cash dividend (i.e. Tk.1.00 per share) for the year ended 30 June 2023 which is subject to shareholders' approval at the forthcoming Annual General Meeting.

No circumstance have arisen since this statement of financial position date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

A B Siddigur Rahman

O K Chowdhury
Managing Director

Director

Md. Luthfor Rahman Chief Financial Officer

Dated: 19 October 2023 Dhaka.

AUDITOR'S REPORT

AND AUDITED FINANCIAL STATEMENTS OF

BANGLADESH EXPORT IMPORT COMPANY LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **BANGLADESH EXPORT IMPORT COMPANY LIMITED** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

Risk	Our response to the risk
Revenue Recognition	
The Company manufactures and sells a number of products and provides numerous services to its customers. The Company has adopted the accounting standard IFRS 15 as accordingly has reviewed its sales contracts for determining the principles for recognizing revenue. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.	 Principal audit procedures: Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company. Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition. Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition. Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the accounting standard.

Valuation of Property, Plant and Equipment (PPE)

The carrying value of the PPE was Tk. 46,962,289,958 as at 30 June, 2023.

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

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

See Note No. 4 to the financial statements.

Our audit included the following procedure:

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

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

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

Valuation of Inventory

The inventory of Tk. 13,446,786,226 as at 30 June, 2023.

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

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

See Note No. 8 to the financial statements

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

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

Related party transactions

The Company has related party transactions as described in Note No. 30 of the Financial Statements.

We focused on identification of related parties and disclosure of related party transactions in accordance with relevant accounting standards.

Our audit procedures amongst others included the following:

- Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions.
- Evaluated the transactions among the related parties and tested material accounts balances.
- Evaluated the disclosures in the financial statements in compliance with IAS 24.

IT Systems and Controls

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

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

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

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal controls management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

To the Shareholders of BANGLADESH EXPORT IMPORT COMPANY LIMITED

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, The Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

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

Date: 19 October, 2023 Dhaka M.J. ABEDIN & CO. Chartered Accountants Reg No: CAF-001-111

Hasan Mahmood FCA, Partner Enrollment No: 564

		Amount in Taka		
	Notes	30 June 2023	30 June 2022	
ASSETS				
Non - Current Assets		114,911,297,159	104,166,740,811	
Property, Plant and Equipment - Carrying Value	4.00	46,962,289,958	47,559,484,060	
Investment Property	5.00	36,554,552,356	27,536,526,497	
Investment in Shares	6.00	6,522,029,845	6,183,255,254	
Long term Loans to Subsidiaries	7.00	24,872,425,000	22,887,475,000	
Current Assets		67,052,996,697	70,677,296,167	
Inventories	8.00	13,446,786,226	13,577,733,734	
Trade and Other Receivables	9.00	22,994,754,879	24,832,572,886	
Advances, Deposits and Pre-Payments	10.00	28,872,117,497	31,541,407,135	
Cash and Cash Equivalents	11.00	1,739,338,096	725,582,412	
Total Assets		181,964,293,857	174,844,036,978	
EQUITY AND LIABILITIES				
Shareholders' Equity		85,235,678,262	79,913,431,121	
Issued Share Capital	12.00	8,959,415,140	8,763,188,790	
Reserves	13.00	39,167,506,135	38,510,675,080	
Retained Earnings		37,108,756,987	32,639,567,251	
Non - Current Liabilities		75,317,589,623	63,457,153,296	
Long Term Loans - Net-off Current Maturity (Secured)	14.00	45,770,969,395	32,241,937,254	
Beximco Green Sukuk Al-Istisna'a	15.00	28,298,706,400	30,000,000,000	
Deferred Tax Liability	16.00	1,247,913,828	1,215,216,042	
Current Liabilities		21,411,025,973	31,473,452,561	
Long Term Loans - Current Maturity (Secured)	17.00	7,153,258,042	18,569,833,600	
Short Term Loans	18.00	5,605,744,330	3,815,122,464	
Trade and Other Payables	19.00	8,583,387,948	9,025,533,751	
Dividend payable/Unclaimed Dividend	20.00	68,635,653	62,962,746	
Total Equity and Liabilities		181,964,293,857	174,844,036,978	

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

Approved and authorised for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board:

Ó K Chowdhury Managing Director

Dated: 19 October 2023

Dhaka.

A B Siddigur Rahman

Director

Md. Luthfor Rahman **Chief Financial Officer**

As per our separate report of even date annexed.

M. J. ABEDIN & CO.

Chartered Accountants Reg No: CAF-001-111

Hasan Mahmood FCA ,Partner Enrollment No: 564

	Notes	Amount in Taka		
		01.07.2022-30.06.2023	01.07.2021-30.06.2022	
Revenue	21.00	66,772,685,696	73,359,401,035	
Cost of Revenue	22.00	(50,247,943,112)	(49,904,833,748)	
Gross Profit		16,524,742,584	23,454,567,287	
Operating Expenses		(1,377,098,867)	(1,495,336,359)	
Administrative Expenses	23.00	(1,248,058,370)	(1,345,623,131)	
Selling and Distribution Expenses		(129,040,497)	(149,713,228)	
Operating Profit		15,147,643,717	21,959,230,928	
Finance Cost	24.00	(6,411,308,070)	(6,428,837,902)	
Profit before WPPF and Income Tax		8,736,335,647	15,530,393,026	
Contribution to WPPF		(418,653,122)	(744,672,655)	
Net Profit before Tax		8,317,682,525	14,785,720,371	
Income Tax (Expense)/Income	25.00	(1,219,536,152)	(2,237,862,403)	
Net Profit after Tax (NPAT) for the year		7,098,146,373	12,547,857,969	
Other Comprehensive Income:				
Fair Value Gain/ (Loss) on Investment in Shares		(848,225,050)	1,838,147,091	
Capital gain on Conversion of Beximco Green Sukuk Al-Istisna		1,505,056,105	-	
		7,754,977,428	14,386,005,060	
EPS based on NPAT (Adjusted EPS)	26.00	7.92	14.32	

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

Approved and authorised for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board:

O K Chowdhury Managing Director A B Siddiqur Rahman Director

As per our separate report of even date annexed.

Md. Luthfor Rahman

Chief Financial Officer

Dated: 19 October 2023

Dhaka.

M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

Hasan Mahmood FCA, Partner Enrollment No: 564 DVC: 2310230564AS595823

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Amount in Taka			
	Share Capital	Reserves (Note - 13.00)	Retained Earnings	Total Equity
As on 01 July 2022	8,763,188,790	38,510,675,080	32,639,567,251	79,913,431,121
Shares Issued on Conversion of Beximco Green Sukuk Al-Istisna	196,226,350	-	-	196,226,350
Capital gain on Conversion of Beximco Green Sukuk Al-Istisna	-	1,505,056,105	-	1,505,056,105
Net Profit after tax for the year ended 30 June 2023	-	-	7,098,146,373	7,098,146,373
Other Comprehensive Income:				
Fair Value Gain on Investment in Shares (Note-13.00)	-	(848,225,050)	-	(848,225,050)
Transaction with Shareholders: Payment of 30% Cash Dividend for the prior year (2021-2022)	-	-	(2,628,956,637)	(2,628,956,637)
As on 30 June 2023	8,959,415,140	39,167,506,135	37,108,756,987	85,235,678,262
Number of Shares				895,941,514
Net Assets Value Per Share (Note: 27.00)				95.14
As on 01 July 2021	8,763,188,790	36,672,527,989	23,158,825,358	68,594,542,137
Net Profit after tax for the year ended 30 June 2022	-	-	12,547,857,969	12,547,857,969
Other Comprehensive Income:				_
Fair Value Loss on Investment in Shares (Note-13)	-	1,838,147,091	-	1,838,147,091
Transaction with Shareholders:				
Payment of 35% Cash Dividend for the prior year (2020-2021)	-	-	(3,067,116,077)	(3,067,116,077)
As on 30 June 2022	8,763,188,790	38,510,675,080	32,639,567,251	79,913,431,121
Number of Shares				876,318,879
Net Assets Value Per Share (Note: 27.00)				91.19

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

Approved and authorised for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board:

OK Chowdhury Managing Director A B Siddigur Rahman Director

Md. Luthfor Rahman **Chief Financial Officer**

As per our separate report of even date annexed.

Dated: 19 October 2023

Dhaka.

M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

Hasan Mahmood FCA ,Partner Enrollment No: 564

		Amount in Taka			
	Notes	01.07.2022-30.06.2023	01.07.2021-30.06.2022		
Cash Flows From Operating Activities:	29.00	3,062,410,946	1,368,801,932		
Cash Received against Revenue and Others Cash Paid to Suppliers and Others		68,610,503,703 (65,548,092,757)	76,886,907,066 (75,518,105,133)		
Cash Flows From Investing Activities:		(3,322,765,929)	(23,572,035,909)		
Acquisition of Property, Plant and Equipment (Increase)/Decrease Long term Loans to Subsidiaries		(1,337,815,929) (1,984,950,000)	(684,560,909) (22,887,475,000)		
Cash Flows From Financing Activities:		1,274,110,667	22,674,811,260		
Increase in Loan Increase/(Decrease)Issuance of Beximco Green Sukuk AI-Istisna'a Shares Issued on Conversion of Beximco Green Sukuk AI-Istisna Capital gain on Conversion of Beximco Green Sukuk AI-Istisna Interest on long term Loan and others Dividend Paid		3,903,078,449 (1,701,293,600) 196,226,350 1,505,056,105 - (2,628,956,637)	1,612,926,886 30,000,000,000 - (5,870,999,549) (3,067,116,077)		
Increase/(Decrease) in Cash and Cash Equivalents		1,013,755,684	471,577,284		
Cash and Cash Equivalents at Opening Effect of Exchange Rate Changes on Cash & Cash Equivalents	29.00	725,582,412 -	254,005,128		
Cash and Cash Equivalents at Closing	11.00	1,739,338,096	725,582,412		
Net Operating Cash Flow Per Share	28.00	3.42	1.56		

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

Approved and authorised for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board:

Managing Director

A B Siddiqur Rahman Director

As per our separate report of even date annexed.

Md. Luthfor Rahman

Chief Financial Officer

Dated: 19 October 2023

Dhaka.

M. J. ABEDIN & CO.

Chartered Accountants Reg No: CAF-001-111

Hasan Mahmood FCA ,Partner Enrollment No: 564

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

1.00 The background and activities of the Company

1.01 Status of the Company

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

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

1.02 Principal Activities

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

1.03 The Subsidiaries

Shinepukur Ceramics Limited, a subsidiary company of Bangladesh Export Import Company Limited was incorporated in Bangladesh as a private company, limited by shares, on 26 January 1997 under the Companies Act, 1994 as a Private Limited Company and launched its manufacturing operation in 1999. The Company was converted into a Public Limited Company on 7 May 2008. Authorised capital of Taka 5,000,000,000 divided into 500,000,000 ordinary shares of Taka 10 each and paid up capital of Taka 1,469,660,550. Bangladesh Export Import Company Limited hold 50% (73,483,009 shares) shares of Shinepukur Ceramics Limited. The registered office of the company is located at 17 Dhanmondi R/A, Road-2, Dhaka-1205.

Beximco Power Company Limited, a subsidiary company of Bangladesh Export Import Company Limited was incorporated in Bangladesh as a private company, limited by shares, on 25 October 2009 under the Companies Act, 1994 vide Certificate of incorporation No-C-80290/09. Authorised capital of Taka 10,000,000,000 divided into 1000,000,000 ordinary shares of Taka 10 each and paid up capital of Taka 1,000,000,000. Bangladesh Export Import Company Limited hold 75% shares of Beximco Power Company Limited. The registered office of the company is located at 17 Dhanmondi R/A, Road-2, Dhaka-1205.

2.00 Bases of Financial Statements-Its Preparation and Presentation

2.01 Measurement bases

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

2.02 Reporting Framework and Compliance thereof

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders."

The Company also complied with the requirements of following laws and regulations from various Government bodies:

Bangladesh Securities and Exchange Rules, 2020;

The Income Tax Act, 2023

The VAT and SD Act 2012 with subsequent amendments;

The VAT and SD Rules, 2016 with subsequent amendments;

The Labour Law, 2006 with subsequent amendments in 2013; and

Others as applicable.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

2.03 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a statement of financial position as at 30 June 2023;
- (b) a statement of profit or loss and other comprehensive income for the year from 01 July 2022 to 30 June 2023;
- (c) a statement of changes in equity for the year from 01 July 2022 to 30 June 2023;
- (d) a statement of cash flows for the year from 01 July 2022 to 30 June 2023; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.04 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 19 October 2023.

2.05 Functional and Presentation Currency

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

2.06 Reporting Period and Comparative Information

The financial Statements have been prepared for 12 (Twelve) months (from 1st July 2022 to 30th June 2023).

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

2.07 Use of Estimates and Judgments

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

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

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

2.08 Statement of Cash Flows

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

The cash generating from operating activities has been reported using the *Direct Method* as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.09 Related Party Disclosures

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

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

2.10 Events after the Reporting Period

In compliance with the requirements of IAS 10: Events after the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

3.00 **Significant Accounting Policies**

3.01 **Revenue Recognition**

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

Cash dividend income on investment in shares is recognized on approval of said dividend in the annual general meeting / Board meeting of relevant company. Stock dividend income (Bonus Shares) is not considered as revenue.

3.02 **Property, Plant and Equipment**

3.02.1 Recognition and Measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In terms of paragraph 29 of IAS 16: Property, Plant and Equipment, the Company has chosen "Revaluation Model" for the measurement of Lands, Buildings and Plant and Machinery; and "Cost Model" for the measurement of Furniture and Fixtures and Vehicles. In terms of paragraph 31 of the aforesaid IAS, after recognition as an asset, the aforesaid items of property, plant and equipment whose fair value can be measured reliably has been carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made after every three years to ensure that the carrying amount does not differ materially from that which has been determined using fair value at the end of the reporting period.

3.02.2 Pre-Operating Expenses and Borrowing Costs

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

3.02.3 Subsequent Expenditure

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

3.02.4 Software

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

3.02.5 Disposal of Property, Plant and Equipment

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

3.02.6 Depreciation on Property, Plant and Equipment

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on all fixed assets except land at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction 2% - 10% Plant and Machinery 5%-15% Furniture, Fixture & Equipment 10% - 20% Transport & Vehicle 20%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

3.03 Investment Property

This represents Land & Building held by the company for capital appreciation and/or rental income. The Company has applied IAS 40, "Investment Property" and has adopted "fair value model".

3.04 Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.05 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

3.05.1 Financial assets

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

(a) Investment in Shares

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

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

(b) Accounts Receivables

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

(c) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

(d) Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

3.05.2 Financial Liability

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

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

3.06 **Inventories**

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

3.07 **Provisions**

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

3.08 **Borrowing Costs**

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

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

3.09 **BEXIMCO Green Sukuk Al-Istisna'a**

Bangladesh Export Import Company Limited(Beximco) as Originator initiated the process of issuance of shariah compliant Green Sukuk named as "BEXIMCO GREEN-SUKUK AL ISTISNA" for a total of BDT 30 Billion (thirty billion taka only) under Bangladesh Securities and Exchange Commission (Investment Sukuk) Rules, 2019 & Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021) of which 50% (BDT 15 billion) has been offered through Private Placement, 25% (BDT 7.5 billion) offered to existing shareholders and the rest 25% (BDT 7.5 billion) of the Green Sukuk offered to the public through Initial Public Offer (IPO).

"The Commission" gave its consent through a letter reference No. BSEC/CI/Sukuk/IPO-316/2021/445 dated July 08, 2021 and the Shariah Supervisory Board formed by the Originator ("Beximco-SSB") issued Shariah pronouncement on July 07, 2021 of the issuance of Beximco Green-Sukuk:

Asset-backed Islamic Securities

This Sukuk is asset backed green Sukuk with a value of BDT 30 billion equivalent Assets (specific Solar Machineries and Textile Machineries) which will be transferred to the Beximco Green Sukuk Trust (SPV).

The purpose of the Green Sukuk issue under Public Offer will be the construction of Solar Projects of Teesta Solar Limited of BDT 18.84 billion and Korotoa Solar Limited of BDT 3.06 billion, the two subsidiaries of BEXIMCO Power Company Limited; financing and refinancing (noninterest bearing) of machinery and equipment required for the expansion of textile division of BEXIMCO Limited of BDT 8.10 billion under Public Offer approval from Bangladesh Securities and Exchange Commission.

3.10 **Income Tax Expenses**

Current Tax

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

Deferred Tax

Deferred tax is recognised in compliance with IAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

3.11 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

(b) Short-term employee benefits

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

(c) Contribution to Workers' Participation/Welfare Funds

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

3.12 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of *International Accounting Standard (IAS) 1 (Revised 2009): Presentation of Financial Statements.* Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of *International Accounting Standard (IAS)* 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

3.13 Earnings Per Share

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

Basic Earnings (Numerator)

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

Weighted Average Number of Shares in Issue (Denominator)

Current year

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

Earlier periods

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

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

Diluted Earnings per Share

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

3.14 **Foreign Currency Translations**

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of IAS 21: the Effects of Changes in Foreign Exchange Rates. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

3.15 **Statement of Cash Flows**

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as encouraged by IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

Events after the Reporting Period 3.16

In compliance with the requirements of IAS 10: Events after the Reporting Period, post balance sheet events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

4.00 Property, Plant and Equipment - Carrying Value: Tk. 46,962,289,958

The details are stated below:

As at 30 June 2023							
				Amount in Taka			
Particulars	Land and Land Development	Building and other construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost /Valuation :							
At 30 June 2022	13,246,242,158	11,076,806,270	26,064,904,744	1,084,377,483	325,180,555	13,712,372,422	65,509,883,632
Total addition during the year	1,201,000	924,242,967	1,441,851,231	191,751,281	28,769,450	-	2,587,815,929
Total Transferred & Capitalized	-	-	-	-	-	(1,250,000,000)	(1,250,000,000)
At 30 June 2023	13,247,443,158	12,001,049,237	27,506,755,975	1,276,128,764	353,950,005	12,462,372,422	66,847,699,561
Depreciation :							
At 30 June 2022	-	3,448,919,729	13,527,004,123	730,303,557	244,172,164	-	17,950,399,572
Total charged during the year	-	428,277,599	1,402,717,303	82,086,277	21,928,852	-	1,935,010,031
At 30 June 2023	-	3,877,197,328	14,929,721,426	812,389,834	266,101,016	-	19,885,409,603
Carrying Value :							
At 30 June 2023	13,247,443,158	8,123,851,909	12,577,034,549	463,738,930	87,848,989	12,462,372,422	46,962,289,958
As at 30 June 2022							
				Amount in Taka			
Particulars	Land and Land Development	Building and other construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost /Valuation :							
At 30 June 2021	13,246,242,158	10,021,853,969	25,136,825,617	1,032,630,797	318,502,760	15,069,267,422	64,825,322,723
Total addition during the year		1,054,952,301	928,079,127	51,746,686	6,677,795	-	2,041,455,909
Total Transferred & Capitalized	_	_	_	_	-	(1,356,895,000)	(1,356,895,000)
At 30 June 2022	13,246,242,158	11,076,806,270	26,064,904,744	1,084,377,483	325,180,555	13,712,372,422	65,509,883,632
Depreciation :							
At 30 June 2021	-	3,046,548,400	12,131,452,070	667,620,718	223,951,897	-	16,069,573,085
Total charged during the year	-	402,371,329	1,395,552,053	62,682,838	20,220,267	-	1,880,826,487
At 30 June 2022	-	3,448,919,729	13,527,004,123	730,303,557	244,172,164	-	17,950,399,572
Carrying Value :							

354,073,926

13,246,242,158 7,627,886,541 12,537,900,621

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

At 30 June 2022

Particulars	Amount in Tk.
Increase by re-valuation in 1977	1,733,120
Increase by re-valuation in 1988	4,617,873
Increase by re-valuation in 2011	5,988,990,434
Increase by re-valuation in 2013	2,133,194,757
Total increase by re-valuation	8,128,536,184
Original Cost	38,833,753,774
Gross carrying amounts	46,962,289,958

81,008,391 13,712,372,422 47,559,484,060

		Amount	Amount in Taka		
		As a	As at		
		30 June 2023	30 June 2022		
5.00	Investment Property: Tk. 16,277,763,848				
	This consists of as follows:				
	Opening Balance	27,536,526,497	16,277,763,848		
	Addition during the year	9,018,025,859	11,258,762,649		
		36,554,552,356	27,536,526,497		

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

No revaluation was done during the year under review.

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

Investment in Shares: Tk. 6,522,029,845 6.00

A. This consists of as follows:

(a) In Associated undertakings:

otal=(a+b)	6,522,029,845	6,183,255,254
	1,313,772,026	301,551,576
(vii) In 8,008,090 Shares of Bangladesh Shipping Corporation (Face value of Tk. 10.00)(Cost price per share Tk. 148.23) {Listed company, Market value Tk. 126.40 per share on 30 June 2023}	1,012,222,576	-
(vi) In 571,181 Shares of Central Depository Bangladesh Ltd. (Average cost price per share is Tk. 2.74 against face value of Tk. 10.00)	1,569,450	1,569,450
(v) In 32,997,800 Shares of GMG Airlines Ltd. (Average cost price per share is Tk. 9.091 against face value of Tk.10.00)	299,980,000	299,980,000
(iv) In 12 Shares of Jamuna Oil Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 179.60 per share on 30 June 2023}	-	2,126
(b) Others	5,208,257,820	5,881,703,678
(iii) In 2,530 Shares of Beximco Synthetics Ltd. (Face value of Tk. 10.00) {Average cost price per share is Tk. 8.40 per share against face value of Tk.10.00}	21,252	21,252
(iii) (a) In 75,000,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)(b) Share Money Deposit against 83,210,000 Shares of Beximco Power Co. Ltd. (Face value of Tk. 10.00)	750,000,000	750,000,000
(ii) In 3,189,926 Shares of Beximco Pharmaceuticals Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 146.20 per share on 30 June 2023}	466,367,181	493,162,560
(i) In 73,483,009 Shares of Shinepukur Ceramics Ltd. (Subsidiary Company-50% Shares) (Face value of Tk. 10.00) {Listed company, Market value Tk. 43.00 per share on 30 June 2023}	3,159,769,387	3,806,419,866

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

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

(a) Investment in subsidiary company Shinepukur Ceramics Ltd. of 73,483,009 shares represents 50.00% of the paid-up capital of the said

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

Company (146,966,055 shares of Tk. 10/ each). The accumulated profit of Shinepukur Ceramics Ltd. as on 30 June 2023 of Tk. 23,497,070 including net profit after tax for the year ended 30 June 2023 of Tk. 59,693,519 as per its audited financial statements for the year ended 30 June, 2023 is being carried forward to the next year's accounts of the said subsidiary company and has not been dealt with in or for the purpose of the accounts of Bangladesh Export Import Company Limited.

(b) Investment in subsidiary company Beximco Power Ltd. of 75,000,000 shares represents 75.00% of the paid-up capital of the said Company (100,000,000 shares of Tk. 10/ each). The Company has not gone into commercial operation.

		Amount in Taka As at		
		30 June 2023	30 June 2022	
7.00	Long term Loans to Subsidiaries: Tk. 24,872,425,000			
	This consists of as follows:			
	Loan to Teesta Solar Limited (TSL)	21,388,525,000	19,686,175,000	
	Loan to Korotoa Solar Limited (KSL)	3,483,900,000	3,201,300,000	
		24,872,425,000	22,887,475,000	

As per the loan Agreement, Beximco Limited has provided an interest-free loan to TSL and KSL for a period of 15 years. The repayment will start after one month from the date of commissioning .TSL and KSL will pay to Beximco LTD. for rental Tk.141,262,500 and Tk. 22,950,000 per month respectively for 60 months.

8.00 Inventories: Tk. 13,446,786,226

This consists of as follows:

Land (Real Estate Business)	438,617,879	430,661,634
Construction work in progress (Real Estate Business)	294,356,691	307,706,637
Land Development and Others (Real Estate Business)	54,106,491	41,156,379
Work in Process	1,716,617,738	1,656,334,983
Raw Materials	9,729,264,163	10,006,846,436
Stores and Spares	208,304,616	198,665,902
Finished Goods	1,005,137,976	930,583,592
Fish & Shrimp	-	3,838,746
Packing Materials	374,675	1,181,175
Fish Feed	6,000	758,250
	13,446,786,226	13,577,733,734

9.00 Trade and Other Receivables: Tk. 22,994,754,879

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

10.00 Advances, Deposits and Pre-payments: Tk. 28,872,117,497

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Advances against Purchase of Land and Others	26,724,193,855	30,408,281,217
L/C Margin	218,296,245	96,355,847
Advance Income Tax	1,760,065,065	857,465,683
Security Deposit	65,208,565	91,803,185
Other Advances	63,154,049	63,801,485
Bank Guarantee Margin	41,199,718	23,699,718
	28,872,117,497	31,541,407,135

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

			Amount	in Taka
			As a	nt
			30 June 2023	30 June 2022
11.00	Cas	h and Cash Equivalents : Tk. 1,739,338,096		
	This	consist of as follows:		
	Casl	n in Hand	22,357,058	11,933,433
	In C	urrent Account with Banks	1,643,812,152	533,281,460
	In S	TD Account with Banks	70,884,704	178,190,079
	In Fi	xed Deposit and Accrued Interest thereon with a Bank	2,284,182	2,177,439
			1,739,338,096	725,582,412
12.00	Issu	ed Share Capital : Tk. 8,959,415,140		
	(a)	Authorised		
		3,000,000,000 Ordinary Shares of Tk. 10/-each	30,000,000,000	30,000,000,000
	(b)	Issued, Subscribed and Paid-up		
		4,000,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	40,000,000	40,000,000
		700,605,814 (2020:700,605,814) Ordinary Shares of Tk.10/-each issued		
		as fully paid-up bonus shares	7,006,058,140	7,006,058,140
		22,019,999 Ordinary Shares of Tk.10/-each issued in exchange for acquisition of		
		shares of Shinepukur Ceramics Ltd.	220,199,990	220,199,990
		149,693,066 Ordinary Shares of Tk. 10/- each issued to the shareholders of different companies	1,496,930,660	1,496,930,660
		19,622,635 Ordinary Shares of Tk. 10/-each issued against Beximco Green Sukuk Al-Istisna.		
			404004050	
		(Conversion of Beximco Green Sukuk Al-Istisna to Ordinary Share)	196,226,350	

Composition of Shareholding (c)

Sponsor:

A S F Rahman Salman F Rahman Associates

Shareholders who nominated Directors in the Board Foreign Investors

Institutions General Public

30-June-202	3	30-June-2022	2
No. of Shares	%	No. of Shares	%
63,204,992	7.05%	63,204,992	7.21%
70,919,693	7.92%	70,919,693	8.09%
73,405,284	8.19%	73,405,284	8.38%
89,869,748	10.03%	89,869,748	10.26%
8,157,639	0.91%	6,618,945	0.76%
286,291,550	31.96%	252,404,208	28.80%
304,092,608	33.94%	319,896,009	36.50%
895,941,514	100%	876,318,879	100%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

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

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

		30-June-23			30-June-22		
Share holding Range in number of Shares		Number of		Number of			
5.14.135	Shares	Holders	% of total holding	Shares	Holders	% of total holding	
	•						
1 to 499	9,764,274	74,508	1.09%	7,177,376	65,164	0.82%	
500 to 5,000	50,722,978	30,643	5.66%	35,017,609	21,945	4.00%	
5,001 to 10,000	25,788,295	3,513	2.88%	16,928,127	2,320	1.93%	
10,001 to 20,000	26,518,071	1,841	2.96%	16,909,236	1,191	1.93%	
20,001 to 30,000	15,336,337	621	1.71%	10,535,423	422	1.20%	
30,001 to 40,000	10,588,299	300	1.18%	6,786,351	193	0.77%	
40,001 to 50,000	10,207,857	221	1.14%	7,052,881	152	0.80%	
50,001 to 100,000	27,233,426	378	3.04%	21,499,737	297	2.45%	
100,001 to 1,000,000	92,459,554	328	10.32%	71,696,220	259	8.18%	
Over 1,000,000	627,322,423	72	70.02%	682,715,919	54	77.91%	
Total	895,941,514	112,425	100.00%	876,318,879	91,997	100.00%	

(e) Option on un issued shares

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

(f) Market Price

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 115.60 and Tk. 115.60 per share in the Dhaka and Chittagong Stock Exchanges on 30 June 2023.

(g) Voting rights

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

13.00 Reserves: Tk. 39,167,506,135

	Amount in Tk.						
This is arrived at as follows:	Fair Value Gain/ (Loss) on Investment in Shares	Capital Reserve	Revaluation Reserve on PPE	Revaluation Reserve on Investment property	Total		
As on 30-06-2021	1,449,059,071	-	8,128,536,184	11,674,273,381	36,672,527,989		
Addition/(Adjustment) during the year (Note-13.01)	1,838,147,091	-	-	-	1,838,147,091		
As on 30-06-2022	3,287,206,162	-	8,128,536,184	11,674,273,381	38,510,675,080		
Addition/(Adjustment) during the year (Note-13.01)	(848,225,050)	1,505,056,105	-	-	656,831,055		
As on 30-06-2023	2,438,981,112	1,505,056,105	8,128,536,184	11,674,273,381	39,167,506,135		

As at and for the year ended 30 June 2023

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

	Amount	in Taka
	As a	at
	30 June 2023	30 June 2022
Long Term Loans - Net-off Current Maturity (Secured) : Tk. 45,770,969,395		
This is secured and consists of as follows:		
Sonali Bank Ltd Long Term (Block-Interest Bearing)-New	13,098,562,992	9,588,000,000
Rupali Bank Ltd Long Term Loan (12 Years)	8,669,832,924	4,193,620,000
Janata Bank Ltd Long Term Loan (12 Years)	7,216,002,479	8,916,313,388
Agrani Bank Ltd- Demand Ioan Principal	4,199,134,035	1,925,680,57
National Bank Ltd Long Term (12 years) Loan General LD -1293	1,497,771,813	1,040,640,000
Exim Bank Ltd-LD1936318294	3,231,015,569	2,801,971,862
AB Bank Ltd- Term Loan -463	469,725,354	413,603,100
United Commercial Bank Ltd	3,053,933,733	3,362,108,32
AB Bank Ltd- Term Loan -465	1,046,629,834	
BIFFL	862,620,061	
ING Bank	2,425,740,601	
	45,770,969,395	32,241,937,25

Nature of security:

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

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

15.00 Beximco Green Sukuk Al-Istisna: Tk. 28,298,706,400

This is secured and consists of as follows:

Less: Conversion to Ordinary Shares	30,000,000,000 (1,701,293,600)	30,000,000,000
	28,298,706,400	30,000,000,000

Beximco Green Sukuk Al-Istisna'a:

This represents convertible/redeemable & asset backed BEXIMCO GREEN SUKUK AL-ISTISNA for a total of BDT 30 Billion of which 50% (BDT 15 billion) has been offered through Private Placement, 25% (BDT 7.5 billion) offered to existing shareholders and the rest 25% (BDT 7.5 billion) offered to the public through Initial Public Offer (IPO).

Return/Benefit:

i) Base rate at 9%:

Investors will get guaranteed 9% secured annual return.

ii) Profit Margin Rate:

In addition, the Sukuk is participative which means an additional 10% of the difference between the base rate (9%) and the annual dividend that Beximco Ltd will declare in a specific year will be added to the base rate.

Conversion Option:

Green-Sukukholders shall have the option to convert gradully up to 100% of their respective investment in the Green Sukuk Al Istisna into ordinary shares of BEXIMCO Ltd. within 5 years as follows:

- i. Maximun 20% convertible at the option of the Green-Sukukholders per year;
- ii) Conversion option can be exercised at a multiple of 5%, i.e. 5%, 10%, 15% and 20%;

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

- iii) Unexercised options of conversion of last year can be exercised in the following year as well, along with the current year's options.
- iv) If any Sukukholder does not exercise the Conversion Option in full or in part during the tenure of the Sukuk, the remaining amount of the Sukuk will be redeemable at maturity in one bullet payment.

Conversion Rate:

Conversion rate to be determined at a 25% discounted rate on the 20 days Weighted Average Market Price prior to the record date of the Dhaka Stock Exchange (DSE).

Record Date:

The record date to exercise the conversion option and thereby convert BEXIMCO Green-Sukuk Al Istisna into ordinary shares of BEXIMCO Limited shall be twelve (12) months after the relevant Issuance Date and the said date shall be the record date for the subsequent years till maturity.

Credit Enhancement:

Beximco Ltd shall provide Corporate Guarantee for the payment obligations of the Beneficiaries to the Beximco Green Sukuk Al Istisna Trust (SPV) securing ultimately the Final redemption Payments to the Sukukholders.

		Amount	in Taka
		Asa	at
-		30 June 2023	30 June 2022
16.00	Deferred Tax Liability : Tk. 1,247,913,828		
	(a) Deferred Tax Liability is arrived at as follows:		
	Book Value of Depreciable PPE	21,252,474,379	20,812,000,275
	Less: Tax base WDV of PPE	(10,737,125,925)	(10,514,609,331
	Un-absorbed portion of Depreciation Benefit	(2,196,981,286)	(2,196,981,286
	Taxable Temporary Difference	8,318,367,167	8,100,409,658
	Effective Tax Rate	15%	15%
	Closing Deferred Tax Liabilities	1,247,913,828	1,215,216,042
	(b) Deferred Tax Expense is arrived at as follows:		
	Closing Deferred Tax Liabilities	1,247,913,828	1,215,216,04
	Opening Deferred Tax Liabilities	1,215,216,042	1,140,103,436
	Deferred Tax (Income) / Expense	32,697,786	75,112,600
17.00	Long Term Loans - Current Maturity (Secured): Tk. 7,153,258,042		
	This is secured and consists of as follows:		
	Sonali Bank Ltd Long Term (Block-Interest Bearing)- New	2,256,000,000	5,851,292,734
	Rupali Bank Ltd Long Term Loan (12 Years)	1,268,160,000	3,751,217,27
	Janata Bank Ltd Long Term mLoan (12 Years)	1,144,551,213	759,961,84
	National Bank Ltd Long Term (12 years) Loan General LD - 1293	260,160,000	693,884,07
	Exim Bank Ltd-LD1936318294	648,679,172	727,172,57
	AB Bank Ltd- Term Loan - 463	110,753,524	184,519,43
	AB Bank Ltd- Term Loan - 465	254,226,308	1,154,637,95
	United Commercial Bank Ltd	595,063,909	840,52
	Rupali Bank Ltd Long Term Ioan - IDCP	-	2,079,362,35
	Agrani Bank Ltd- Demand Ioan Interest	-	395,328,81
	Agrani Bank Ltd- Intestrial Credit project	-	1,487,508,29
	Agrani Bank Ltd- Intestrial Credit project Interest	-	295,119,47
	Exim Bank Ltd LD2108820251	-	486,951,13
	AB Bank Ltd- Term Loan - 464	-	126,450,81
	BIFFL INC Pank	96,418,916	
	ING Bank	208,845,000	40.840.000.400
		7,153,258,042	18,569,833,600

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

Amount in Taka

	Amount i	n Taka
	As a	t
	30 June 2023	30 June 2022
18.00 Short Term Loan : Tk. 5,605,744,330		
This consists of as follows:		
Secured Loans from Banks		
Janata Bank Ltd CCH	2,040,539,529	1,997,594,906
Exim Bank Ltd CCH (01)	1,114,551,150	1,023,250,575
Exim Bank Ltd CCH (02)	534,625,175	545,674,983
Janata Bank LtdCash subsidy loan	915,416,870	248,602,000
Janata Bank Ltd FBN	1,000,611,606	-
	5,605,744,330	3,815,122,464
19.00 Trade and Other Payables: Tk. 8,583,387,948		
This is made-up as follows:		
Creditors for Goods	5,667,532,449	4,832,811,849
Income Tax Payables	1,600,128,918	2,769,492,480
Other Current Liabilities	1,300,726,581	1,408,229,422
Security Deposit from Distributor	15,000,000	15,000,000
	8,583,387,948	9,025,533,751

20.00 Dividend payable/unclaimed Dividend: Tk. 68,635,653

The Cash Dividend declared for the year 2021-2022 were approved by the shareholders in the Annual General Meeting held on December 22, 2022. The Dividend Payable/Unclaimed dividend as on June 30, 2023 consists of Tk. 5,672,907 payable for the year 2022-23 and the balance Tk. 62,962,746 for the prior years unclaimed to date.

		Amount	in Taka
		01.07.2022-30.06.2023	01.07.2021-30.06.2022
21.00	Revenue: Tk. 66,772,685,696		
	This is made-up as follows:		
	Sale of Goods (Note - 21.01)	66,716,346,897	73,327,080,985
	Dividend Income	50,653,920	30,963,590
	Capital Gain/(Loss) on Sale of Shares	(1,314,367)	(1,260,180)
	Other Income	6,999,246	2,616,640
		66,772,685,696	73,359,401,035
21.01	Sale of Goods: Tk. 66,716,346,897		
	This represents sales of:		
	(a) Yarn, Fabrics & Others	66,330,558,641	72,937,942,170
	(b) IT Supprt Service	280,307,605	303,858,757
	(c) Software Sale	81,242,863	73,452,533
	(d) Fish & Shrimp	24,237,788	11,827,525
		66,716,346,897	73,327,080,985
22.00	Cost of Revenue : Tk. 50,247,943,112		
	This represents cost of goods sold against sale of:		
	(a) Yarn, Fabrics & Others (Including depreciation of Tk. 1,917,050,835)	49,912,921,775	49,589,181,691
	(b) IT Support Service and Software (Including depreciation of Tk. 8,069,900)	315,301,509	303,619,806
	(c) Shrimp and Fish (Including depreciation of Tk. 1,420,258)	19,719,828	12,032,251
		50,247,943,112	49,904,833,748

		Amount	in Taka
		01.07.2022-30.06.2023	01.07.2021-30.06.202
23.00	Administrative Expenses : Tk. 1,248,058,370		
	This consists of:		
	Salaries and Allowances	829,260,036	880,949,228
	Car Repairs and Maintenance	-	46,081,301
	Fees and Charges	27,065,245	36,333,833
	Repairs and Maintenances	75,858,138	66,325,908
	Rent, Rates and Taxes	56,519,571	159,040,737
	Travelling and Conveyance	64,892,287	30,168,326
	Miscellaneous Overhead	32,257,997	25,486,913
	Postage, Telegram, Telex & Telephone	22,586,385	
			21,351,448
	Entertainment	9,802,704	15,280,688
	Depreciation	8,469,038	7,828,473
	Insurance	1,855,549	1,411,082
	Petrol, Fuel, Electricity, Gas and Water	63,323,005	2,206,178
	Printing and Stationery	21,350,717	7,972,261
	Publicity and Advertisement	4,307,917	2,148,288
	Staff Welfare	191,762	33,163,602
	AGM Expenses	992,732	486,766
	Audit Fee	2,300,000	2,185,000
	Subscription	26,675,721	6,672,744
	Contribution to Provident Fund	222,678	333,435
	Training	126,887	196,920
	Halling	1,248,058,370	1,345,623,131
24.00	Finance Cost: Tk. 6,411,308,070		
	This consists of as follows:		
	Interest on Loan from Banks and Others	4,936,834,565	5,293,798,724
	Bank Charges	205,981,717	113,803,145
	Rental Expenses of Sukuk(Net)-Note-24.01	1,268,491,788	747,525,000
	Issue Expenses of Sukuk		273,711,033
24.01	Rental Expenses of Sukuk(Net)	6,411,308,070	6,428,837,902
	This is made-up as follows:		
	Financial expenses Under Green Sukuk Transactions	3,253,441,788	1,740,000,000
	Less : Rental Income from TSL	(1,695,150,000)	(847,575,000)
	Less : Rental Income from KSL	(275,400,000)	(137,700,000)
	Less: Agency commission from TSL & KSL	(14,400,000)	(7,200,000)
	Less. Agency commission from 13L & NSL	1,268,491,788	747,525,000
25.00	Income Tax Expense/(Income): Tk. 1,219,536,152		
	This represents:		
	(a) Current Tax:		
		1 266 425 155	2 240 440 700
	Provision for the year	1,266,435,155	2,240,448,706
	Short/(Excess) Provision for the year	(79,596,789)	(77,698,910)
	(b) Deferred Tax (Income) / Expenses (Note-16.b)	32,697,786	75,112,607

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

1) U/S 163(5) 0.60% on Gross Receipts (turnover).

2)U/S 163 (2) (KHA): Non Refundable TDSs

- i) Tax deducted at source (TDS) on supply of goods u/s 89, ITA 2023
- ii) Tax deduction at source (TDS) on Export Sales u/s-123, ITA 2023
- iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023
- iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023
- 3) Refundable TDSs on imported materials U/S 120 of ITA 2023
- 4) Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023
- 5) Current year's provision for income tax expenses has therefore, been made as per U/S 163 (2) (gha) & 183 of ITA 2023.

		Amount	in Taka
		01.07.2022-30.06.2023	01.07.2021-30.06.202
26.00	Basic Earnings Per Share (EPS)		
	The computation of EPS is given below :		
	(a) Net Profit after Tax for the year	7,098,146,373	12,547,857,969
	(b) Weighted Avarage Number of Shares Outstanding (Note-3.13)	895,941,514	876,318,879
	(c) Basic EPS (a/b) (Par Value of Share Tk. 10/=) (Adjusted EPS)	7.92	14.32
27.00	Net Asset Value Per Share		
	Total Assets	181,964,293,857	174,844,036,978
	Less: Total Liabilities	(96,728,615,596)	(94,930,605,857)
	Total Equity	85,235,678,261	79,913,431,121
	Number of Ordinary Shares of Tk. 10 each at Financial Position date	895,941,514	876,318,879
	Net Asset Value Per Share	95.14	91.19
8.00	Net Operating Cash Flows Per Share (NOCFPS)		
	Net cash flows from operating activities	3,062,410,946	1,368,801,932
	Number of Ordinary Shares of Tk. 10 each at Financial Position date	895,941,514	876,318,879
	Net operating cash flows per share (NOCFPS)	3.42	1.56
29.00	Reconciliation of Net profit with cash flows from operating activities.:		
	Net Profit After Tax	7,098,146,373	12,547,857,969
	$Adjust ments \ for \ noncash \ items, non \ operating \ items \ and \ for \ the \ net \ changes \ in \ opreating \ accrusing \ accrusing$	uals:	
	Depreciation	1,935,010,031	1,880,826,487
	Finance Cost	-	5,870,999,549
	Increase/(Decrease) Deferred Tax Liability	32,697,786	75,112,606
	(Increase)/Decrease in Inventories	130,947,508	(4,151,097,748)
	Transfer to Investment Property	(9,018,025,859)	(11,258,762,649)
	Sale of Share	2,155	-
	Investment in Share	(1,187,001,797)	-
	(Increase)/ Decrease in Trade and Other receivables	1,837,818,007	3,527,506,031
	(Increase)/ Decrease in Avances, Deposits and Pre-payments	2,669,289,638	(3,365,282,183)
	Increases/(Decreases) in Creditors and Other Payables	834,720,600	(1,254,930,084)
	Increases/(Decreases) Accruals	(1,276,866,404)	(2,523,040,596)
	Unclaimed Dividend/Dividend Paid	5,672,907	19,612,551
	Net cash flows from operating activites	3,062,410,946	1,368,801,932
	There was no Unrealised Foreign exchange gain or Loss during the year.		

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

30.00 Related Party Transactions

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

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

		Amount	t in Taka
Name of the Related Parties	Nature of transactions	Value of transactions during the year	Receivable / (Payable) at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	466,367,181
Shinepukur Ceramics Ltd	Investment in Shares	-	3,159,769,387
Beximco Synthetics Ltd.	Investment in Shares	-	21,252
Beximco Power Co. Ltd.	Share Money Deposit	-	832,100,000
Beximco Power Co. Ltd.	Investment in Shares	-	750,000,000

Nature of Relationship

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

31.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 30 une 2023.

32.00 Capital Expenditure Commitment

- (a) There was no capital expenditure contracted but not incurred or provided for at 30 une 2023.
- (b) There was no material capital expenditure authorized by the Board but not contracted for at 30 une 2023.

33.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 30 une 2023.

34.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed of as on 30 June 2023 other than trade credit available in the ordinary course of business.

35.00 Payments in Foreign Currency

- (a) As the company has no loan in foreign currency, no loan and interest was remitted during the year.
- (b) No dividend was remitted in foreign currency, during the year.
- (c) No other expenses including royalty, technical expert and professional advisory fee, etc. was incurred or paid by the company in foreign currency during the year.
- (d) Payment against Imported Raw Material, Machinery & Spares: USD96,978,167 (Equivalent BDT 10,182,707,535).

36.00 Commission, Brokerage or Discount Against Sales

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

37.00 Payments/Perquisites to Managers & Directors

(a) The aggregate amounts paid / provided during the year in respect of managers and directors of the company as defined on the Securities and Exchange Rules, 2020 are disclosed below:

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

Particulars	Amount	in Taka
Particulars	01.07.2022 - 30.06.2023	01.07.2021 - 30.06.2022
Basic Salary	196,893,433	183,934,250
House rent allowance	59,068,070	45,552,658
Other allowances and benefits	70,381,653	35,123,948
	326,343,156	264,610,856

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

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

	Yarn Wo			Woven Fabric								
Spi	indles	,	n Lbs (16's valent)	Lo	oms	Output Cap	acity (Lm.)	Knit Fabric (Qı	ıantityIn Kgs.)	Looms	Denim Fabric (C	Capacity in Lm.)
No. of Spindles installed	No. of Spindles Actually Operated	Installed Capacity	Actual Production	No. of looms Installed	No. of looms Actually Operated	Installed Capacity	Actual Production	Installed Capacity	Actual Production	No. of looms Installed	Installed Capacity	Actual Production
120,320	120,320	78,070,500	68,823,061	293	293	67,873,000	65,324,876	9,000,000	8,206,348	110	42,000,000	40,369,824

Reason for Shortfall: Production as per market demand.

39.00 Disclosure on Operating Segments

Perticulars	Textile division	Other divisions	Total
External revenue	66,330,558,641	442,127,055	66,772,685,696
Intra-segment revenue	-	-	-
Total revenue	66,330,558,641	442,127,055	66,772,685,696
Depreciation	1,917,050,835	17,959,196	1,935,010,031
Operating expenses	1,218,522,388	158,576,479	1,377,098,867
Finance costs	6,411,148,534	159,536	6,411,308,070
Segment profit before tax	56,783,836,884	265,431,844	57,049,268,728
Segment assets	156,124,996,406	25,839,297,451	181,964,293,857
Segment liabilities	95,259,493,154	1,469,122,442	96,728,615,596

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

40.00 Financial Risk Management

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

40.01 Credit Risk

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

40.02 Liquidity Risk

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

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

40.03 Market Risk

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

(a) Currency Risk

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

(b) Interest Rate Risk

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

41.00 Events after the Reporting Period

- (a) Subsequent to the Statement of Financial Position date, the directors recommended 10% cash dividend (i.e. Tk. 1.00 per share) for the year ended 30 June 2023 which is subject to shareholders' approval at the forthcoming Annual General Meeting.
- (c) Except the above fact, no circumstances have arisen since this statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.

O K Chowdhury

Managing Director

A B Siddiqur Rahman Director Md. Luthfor Rahman Chief Financial Officer

Dated: 19 October 2023

Dhaka.

AUDITOR'S REPORT

AND AUDITED FINANCIAL STATEMENTS OF

SHINEPUKUR CERAMICES LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As at and for the year ended 30th June 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shinepukur Ceramics Limited (the "Company"), which comprise the statement of financial position as at 30 June 2023, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, The Securities and Exchange Rules, 2020 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

Risk Our response to the risk

Principal audit procedures:

Revenue Recognition

At year end the company reported total revenue of Tk. 2,058,998,574.

The company manufactures and sells a number of products for customers. The company sales contracts for determining the principles for recognizing revenue in accordance with accounting standard IFRS 15. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.

entered into by the company

Evaluated the design of internal controls to identification of performance obligations and

Obtained an understanding of the various revenue streams and nature of sales contracts

- determining timing of revenue recognition.
- Selected a sample of contract and though inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.
- Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.

See Note No: (3.1 & 18.00) to financial statements

Valuation of inventory

The company had inventory of Tk. 789,795,282. As at 30 June, 2023 held in factory and showroom. Inventories are carried at the lower of cost and net realisable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.

Since the values of inventory are significant to the financial statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.

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

- Evaluating the design and implementation of key inventory controls operating across the factory and showroom.
- Attending Inventory counts and reconciling the count results to the inventory listing to the test the completeness of data.
- Reviewing the requirement of inventory provisioning and action there upon by the management.

Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.

See Note No: (3.5 & 6.00) to the financial statements

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As at and for the year ended 30th June 2023

Valuation of Property, Plant and equipment (PPE)

The carrying value of the PPE was Tk. 4,706,270,043 as at June, 2023.

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

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

Our audit included the following procedures:

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

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

IT systems and controls

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

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

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

See Note No: (2.8) to the financial statements

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with, International Financial Reporting Standards (IFRSs), the Companies Act 1994, The Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As at and for the year ended 30th June 2023

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1994 and The Securities and Exchange Rules, 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, and the other applicable laws and regulations, we also report the following:

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

Dated, Dhaka 19 October 2023 M. J. ABEDIN & CO.
Chartered Accountants

Reg No : CAF-001-111

, Hasan Mahmood FCA, Partner

Enrollment No: 564 DVC: 2310230564AS891552

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Amount i	n Taka
	Notes	30-June-2023	30-June-2022
ASSETS			
Non-Current Assets		5,021,556,236	5,156,776,337
Property, Plant and Equipment - Carrying Value	4.00	4,706,270,043	4,802,829,025
Investment in Shares	5.00	315,286,193	353,947,312
Current Assets		1,194,221,705	1,207,687,549
Inventories	6.00	789,795,282	831,778,363
Accounts & Other Receivables	7.00	75,718,158	113,967,509
Advances, Deposits & Prepayments	8.00	303,720,482	238,173,229
Cash and Cash Equivalents	9.00	24,987,783	23,768,448
Total Assets		6,215,777,941	6,364,463,886
EQUITY AND LIABILITIES			
Shareholders' Equity		4,610,163,214	4,633,220,631
Issued Share Capital	10.00	1,469,660,550	1,469,660,550
Revaluation Surplus on Property, Plant and Equipment	11.00	2,966,690,015	2,966,690,015
Fair Value Gain on Investment in Shares		150,315,579	188,976,698
Retained Earnings		23,497,070	7,893,368
Non-Current Liabilities		312,037,001	373,606,732
Long Term Loans - Net-off Current Maturity (Secured)	12.00	70,425,061	143,475,614
Gratuity Payable	13.00	160,139,863	148,659,041
Deferred Tax Liability	14.00	81,472,077	81,472,077
Current Liabilities		1,293,577,726	1,357,636,523
Short Term Loans from Banks & Other	15.00	746,831,731	834,759,861
Long Term Loans-Current Maturity (Secured)	16.00	220,527,876	235,641,732
Creditors, Accruals and Other Payables	17.00	324,980,576	286,533,660
Unclaimed dividend	29.00	1,237,543	701,270
Total Equity and Liabilities		6,215,777,941	6,364,463,886

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board.

Igbal Ahmed Director

O K Chowdhury, FCA Director

Mohammed Humayun Kabir FCA

Chief Executive

Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka 19 October 2023 M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

Hasan Mahmood FCA, Partner Enrollment No: 564

DVC: 2310230564AS891552

	Amount in		
	Notes	01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
Revenue	18.00	2,058,998,574	1,722,741,566
Cost of Goods Sold	19.00	(1,753,080,017)	(1,433,402,447)
Gross Profit		305,918,557	289,339,119
Other Income	20.00	8,345,613	10,277,835
Operating Expenses		(127,987,080)	(118,144,562)
Administrative Expenses Selling & Distribution Expenses	21.00 22.00	(62,050,063) (65,937,017)	(58,347,514) (59,797,048)
Profit from Operations		186,277,090	181,472,392
Finance Cost	23.00	(67,790,364)	(76,154,801)
Profit before WPPF		118,486,726	105,317,591
Workers' Profit Participation Fund		(5,642,225)	(5,015,123)
Net Profit Before Tax		112,844,501	100,302,468
Income Tax Income/(Expense)	24.00	(53,150,982)	(42,322,545)
Net Profit After Tax for the year		59,693,519	57,979,923
Earning Per Share	25.00	0.41	0.39

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:

Iqbal Ahmed

Director

O K Chowdhury, FCA

Director

Mohammed Humayun Kabir FCA

Chief Executive

Jesmin Ara Mitu

Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka 19 October 2023 M. J. ABEDIN & CO.

Chartered Accountants Reg No: CAF-001-111

Hasan Mahmood FCA,Partner

Enrollment No: 564

DVC: 2310230564AS891552

	_	Amount in Taka		
Particulars	Notes	01.07.2022- 30.06.2023	01.07.2021- 30.06.2022	
Net Profit /(Loss) After Tax for the year		59,693,519	57,979,923	
Fair Value Gain/(Loss) on Investment in Shares	5.00	(38,661,119)	109,721,524	
Total Comprehensive Income/(Loss) for the year	-	21,032,400	167,701,446	

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

		Amount in Taka							
Particulars	Share Capital	Revaluation Surplus on PPE	Fair Value Gain/(Loss) on Investment in Shares	Retained Earnings	Total Equity				
Balance as on 1 July 2022	1,469,660,550	2,966,690,015	188,976,698	7,893,368	4,633,220,631				
Net Profit after tax for the year ended 30 June 2023	-	-	-	59,693,519	59,693,519				
Fair Value (Loss) on Investnment in Shares (Note-5)	-	-	(38,661,119)	-	(38,661,119)				
Cash Dividend				(44,089,817)	(44,089,817)				
Total Balance as on 30 June 2023	1,469,660,550	2,966,690,015	150,315,579	23,497,070	4,610,163,214				
Number of Shares					146,966,055				
Net Assets Value (NAV) Per Share (Note: 26)					31.37				
Balance as on 1 July 2021	1,469,660,550	2,966,690,015	79,255,174	(13,345,041)	4,502,260,698				
Net Profit after tax for the year ended 30 June 2022	-	-	-	57,979,923	57,979,923				
Fair Value Gain on Investnment in Shares (Note-5)	-	-	109,721,524	-	109,721,524				
Cash Dividend	-	-	-	(36,741,514)	(36,741,514)				
Total Balance as on 30 June 2022	1,469,660,550	2,966,690,015	188,976,698	7,893,368	4,633,220,631				
Number of Shares					146,966,055				
Net Assets Value (NAV) Per Share (Note: 26)					31.53				

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:

Iqbal Ahmed Director

O K Chowdhury, FCA Director

Mohammed Humayun Kabir FCA

Chief Executive

Jesmin Ara Mitu

Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka 19 October 2023 M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

Hasan Mahmood FCA, Partner Enrollment No: 564

DVC: 2310230564AS891552

		Amount i	n Taka
	Notes	01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
Cash Flows From Operating Activities:			
Collections from turnover and other income		2,105,593,538	1,805,536,322
Payments for costs, expenses & others		(1,749,453,183)	(1,544,126,038)
Interest Paid		(64,014,703)	(72,109,302)
Income-Tax paid and /or deducted at sources		(53,150,982)	(42,322,545)
Net cash generated from operating activities	27.00	238,974,670	146,978,437
Cash Flows From Investing Activities:			
Property, Plant and Equipment acquired		(17,572,979)	(61,378,348)
Net cash used in investing activities		(17,572,979)	(61,378,348)
Cash Flows From Financing Activities:			
Increase/(Decrease) in Loan		(176,092,539)	(51,541,076)
Dividend Payment		(44,089,817)	(36,741,514)
Net cash generated from financing activities		(220,182,356)	(88,282,590)
Increase/(Decrease) in Cash and Cash Equivalents		1,219,335	(2,682,501)
Cash and Cash Equivalents at the beginning of the year		23,768,448	26,450,949
Effect of exchange rate changes on cash and cash equivalents	27.00	-	-
Cash and Cash Equivalents at the end of the year	9.00	24,987,783	23,768,448
Net Operating Cash Flows Per Share	28.00	1.63	1.00

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

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board.

Iqbal Ahmed Director O K Chowdhury, FCA Director

tor Chief Ex

Mohammed Humayun Kabir FCA
Chief Executive

Jesmin Ara Mitu Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka 19 October 2023 M. J. ABEDIN & CO. Chartered Accountants Reg No: CAF-001-111

Hasan Mahmood FCA,Partner Enrollment No: 564

Enrollment No: 564 DVC: 2310230564AS891552

As at and for the year ended 30 June 2023

1 The background and activities of the Company

1.1 Status of the Company

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

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

1.2 Principal Activities

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

2 Bases of Financial Statements – Preparation and Presentation

2.1 Measurement Bases

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

2.2 Reporting Framework and Compliance thereof

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as listed entities with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994, the Securities and Exchange Rules 2020. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

2.3 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a statement of financial position as at 30 June 2023;
- (b) a statement of profit or loss and other comprehensive income for the year ended from 01 July 2022 to 30 June 2023;
- (c) a statement of changes in equity for the year ended from 01 July 2022 to 30 June 2023;
- (d) a statement of cash flows for the year ended from 01 July 2022 to 30 June 2023; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 19 October 2023.

2.5 Functional and Presentation Currency

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

2.6 Reporting Period and Comparative Information

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2022 to 30th June 2023).

Figures for the year ended 30 June 2022 have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the reported result of operation, Earnings Per Share, Net Asset Value Per Share & Net Operating Cash Flow Per Share in the financial statement.

2.7 Use of Estimates and Judgments

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

As at and for the year ended 30 June 2023

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors prescribes that the effects of the revision of accounting estimates has to be recognized in the period in which the estimates are revised. Accordingly, adjustment in estimated cost of land & land Development of Taka-1,697,029,503 has been recognized during the year.

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

2.8 IT system and control

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

3. Significant Accounting Policies

3.1 Revenue Recognition

In compliance with the requirements of IFRS 15: Revenue, revenue from receipts from customers against sales is recognized when all performance obligation have been satisfied. Receipts from customers comprise sales price against export sales and domestic sales.

Export sales are considered as revenue at FOB value. Usually export sales are transacted in FOB basis. Where export sales are carried out other than at FOB price, additional costs are added to FOB price, accordingly those added costs (Ocean Freight, Commission Payable, Cost of Insurance etc.) if any, are net off to arrive at FOB value of the said export sales in order to be uniformed in revenue recognition.

3.2 Property, Plant and Equipment

3.2.1 Recognition and Measurement

Property, plant and equipment (including assets acquired under finance lease) are capitalized at cost of acquisition and subsequently stated at cost revalued amount less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2.2 Pre-Operating Expenses and Borrowing Costs

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

3.2.3 Subsequent Expenditure

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

3.2.4 Software

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

3.2.5 Disposal of PPE

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

3.2.6 Depreciation on PPE

Depreciation is provided on all fixed assets except Land & Land Development at the following rates on reducing balance basis over

As at and for the year ended 30 June 2023

the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	2.5%
Plant and Machinery	4.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

3.3 Financial Instruments

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

3.3.1 Financial Assets

(a) Investment in Shares

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

(b) Accounts Receivable

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

(c) Advances and Deposits

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

Deposits are measured at payment value.

(d) Cash and Cash Equivalents

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

3.3.2 Financial Liability

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

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

3.4 Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.5 Inventories

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

As at and for the year ended 30 June 2023

3.6 Provisions

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

3.7 Income Tax Expenses

Current Tax

Applicable Income Tax Rate is 22.50% on taxable income. However, there are provisions for minimum tax u/s 163 of Income Tax Act 2023. Provision for current tax has been made considering the minimum tax payable which is higher than tax would be payable under regular assessment.

Deferred Tax

Deferred tax is recognised in compliance with IAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

3.8 Interest Income

Interest Income is recognized on accrual basis.

3.9 Employee Benefits

The company maintains both contribution plan and defined benefit plan for its eligible permanent employees.

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

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

(b) Defined Benefits Plan (Gratuity)

Employees are entitled to gratuity benefit after completion of minimum five years of services in the company. The gratuity is calculated on the latest applicable basic pay and is payable at the rate of one-month basic pay for every completed year of service.

(c) Short-term Employee Benefits

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

(d) Contribution to Workers' Participation/Welfare Funds

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

(e) Group Insurance Scheme

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

3.10 Proposed Dividend

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

3.11 Earnings per Share

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

Basic Earnings (Numerator)

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

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

Current Year

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

Earlier Periods

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

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

Diluted Earnings per Share

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

3.12 **Foreign Currency Transactions**

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

The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: The Effects of Changes in Foreign Exchange Rates. However, as a requirement of the companies Act 1994, exchange loss relating to foreign currency loan has been capitalized to relevant fixed assets being procured under the said obligation.

Statement of Cash Flows 3.13

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

3.14 **Events after the Reporting Period**

In compliance with the requirements of IAS 10: Events after the Reporting Period, post balance sheets events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

As at and for the year ended 30 June 2023

4.00 Property, Plant and Equipment-Carrying Value: Tk. 4,706,270,043

As	at	30	June	2023
,,,	4	-	Julic	

	Amount in Taka							
Particulars	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total	
Cost or Valuation:	·			•				
At 1st July 2022	1,697,029,503	1,879,241,952	3,718,739,350	59,387,466	31,155,868	20,057,425	7,405,611,564	
Addition during the year	-	12,822,529	4,750,450	-	-	-	17,572,979	
At 30 June 2023	1,697,029,503	1,892,064,481	3,723,489,800	59,387,466	31,155,868	20,057,425	7,423,184,543	
Depreciation:								
At 1st July 2022	-	533,543,284	1,963,481,219	57,008,662	29,547,410	19,201,964	2,602,782,539	
Depreciation for the year	-	33,963,030	79,200,386	475,761	321,692	171,092	114,131,961	
At 30 June 2023	-	567,506,314	2,042,681,605	57,484,423	29,869,101	19,373,056	2,716,914,500	
Carrying Amount:								
As at 30 June 2023	1,697,029,503	1,324,558,167	1,680,808,195	1,903,043	1,286,767	684,369	4,706,270,043	

As at 30 June 2022

			Am	ount in Taka			
Particulars	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 1st July 2021	1,882,071,406	1,864,517,883	3,672,085,071	59,387,466	31,155,868	21,709,479	7,530,927,173
Adjustment (Note-2.7)	185,041,903	-	-	-	-	-	185,041,903
Addition during the year	-	14,724,069	46,654,279	-	-	-	61,378,348
Disposal During the year	-	-	-	-	-	1,652,054	1,652,054
At 30 June 2022	1,697,029,503	1,879,241,952	3,718,739,350	59,387,466	31,155,868	20,057,425	7,405,611,564
Depreciation:							
At 1st July 2021	-	499,038,190	1,880,772,721	56,413,961	29,145,295	20,637,909	2,486,008,076
Depreciation for the year	-	34,505,094	82,708,498	594,701	402,115	213,865	118,424,273
Adjustment for Disposal	-	-	-	-	-	1,649,811	1,649,811
At 30 June 2022	-	533,543,284	1,963,481,219	57,008,662	29,547,410	19,201,964	2,602,782,539
Carrying Amount:							
As at 30 June 2022	1,697,029,503	1,345,698,668	1,755,258,130	2,378,804	1,608,458	855,461	4,802,829,025

Disclosure on Revaluation:

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

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

⁽b) M/S G.K. Adjusters Ltd. (Insurance Surveyors, Loss Adjusters, Controllers, Consultants and Valuers) of Chand Mansion (5th floor), 66, Dilkusha Commercial Area, was involved to carry out the revaluation of 2004.

⁽c) SF Ahmed & Co, Chartered Accountants, House 25, Road 13A, Block - D, Banani, Dhaka - 1213 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2008, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,161,818,681.

⁽d) Ata Khan & Co, Chartered Accountants, 67 Motijheel Commercial Area, Dhaka - 1000 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2011, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,612,405,062.

As at and for the year ended 30 June 2023

						Amount in Taka	
						As at	
					30 June 20	23 3	0 June 2022
5.00	Investment in Shares : Tk. 315,286,19	93					
	The basis of valuation is stated in Note 3.3.1 (a						
	This consists of Investment in Shares of listed	•	ows:				
	(a) In 65,716 (30.06.2022: 65,716) Shares of	•		e Tk. 10.00),			
	(Listed company, Market value Tk. 8.40 p	er share on 30 Jui	ne 2023)		552	,014	552,014
	(b) In 2,722,614 (30.06.2022: 2,722,614) Sha						
	(Face value Tk. 10.00),(Listed company, I	Market value Tk. 1	15.60 per share o	on 30 June 2023)	314,734	,178	353,395,297
					315,286	.193	353,947,312
his is a	arrived at as follows:						
			30.06.2023			30.06.2022	
		Beximco	Beximco		Beximco	Beximco	
		Synthetics Ltd.	Ltd.	Total	Synthetics Ltd.	Ltd.	Total
Open	ing Balance	552,014	252 205 207	353,947,312	552,014	243,673,774	244,225,788
		332,014	353,395,297	333,947,312	332,014	243,073,774	244,223,700
Adjus	stment for Sales during the year	-	-	-		-	
		552,014	353,395,297	353,947,312	552,014	243,673,774	244,225,78
	Quoted Price on year end	552,014	314,734,178	315,286,193	552,014	353,395,297	353,947,31
Fair \	/alue Gain/(Loss) on Investment in Shares	-	(38,661,119)	(38,661,119)	-	109,721,523	109,721,52
	Raw Material & Chemical Packing Material Stores & Spares Work-in-process Finished Goods				225,844 9,770 89,361 248,415 216,403	,110 ,212 ,169	207,180,747 16,791,622 82,010,439 279,975,834 245,819,721
					789,795	.282	831,778,363
7.00	Accounts & Other Receivables : Tk. 7	5.718.158					
	This is considered good and is falling due with						
	No amount was due by the directors (includir	,	ctor) managing	agent managers	and other officer	s of the company	and any of the
	severally or jointly with any other person.	ig Managing Dire	ctor), managing	agent, managers	and other officer	s of the company	and any or the
	No amount was due by any associated undert	aking.					
3.00	Advances, Deposits & Prepayments :	Tk. 303,720,48	32				
	This is considered good and consists of as follo	ows:					
	Advances (Note - 8.01)				246,237	,353	191,899,973
	Deposits (Note - 8.02)				57,483	,129	46,273,256
0.01	Advances Th 246 227 252				303,720	482	238,173,229
3.01	Advances : Tk. 246,237,353						
	This represents as follows: L/C-Margin & Others				41,297	.753	40,218,022
	Advance Income Tax (Note - 8.01.01)				203,814	•	150,663,028
	Advance income tax (Note - 6.01.01)						
	Employees (other than officers)				495	,314	172,559
					495	,314 ,276	

As at and for the year ended 30 June 2023

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

No amount was due by any associated undertaking.

Advances to employees (other than officers) are realisable from monthly salary in installments.

			Amount in Taka		
			As a	t	
			30 June 2023	30 June 2022	
8.01.01	Adva	ance Income Tax : Tk. 203,814,010			
	This	has been arrived at:			
	Ope	ning Balance	150,663,028	108,340,483	
	Less	Adjustment during the year (Note 17.01)	53,150,982	42,322,545	
	Clos	sing Balance	203,814,010	150,663,028	
8.02	Dep	osits : Tk. 57,483,129			
	This	represents as follows:			
	VAT	Deposit	43,319,150	32,109,277	
	Secu	urity Deposit	11,408,261	11,408,261	
	Bank	k Guarantee Margin	2,755,718	2,755,718	
			57,483,129	46,273,256	
9.00	Cas	h and Cash Equivalents: Tk. 24,987,783			
	This	consists of :			
	(a)	In Hand:	16,076	30,786	
	(b)	At Banks in :	24,971,707	23,737,662	
		(i) Current Account	8,495,549	14,148,558	
		(ii) STD Account	14,428,879	7,538,825	
		(iii) FDR Account	2,047,279	2,050,279	
			24,987,783	23,768,448	
10.00	Issu	ued Share Capital : Tk. 1,469,660,550			
	This	represents :			
	(a)	Authorised:			
		500,000,000 Ordinary Shares of Tk.10/-each	5,000,000,000	5,000,000,000	
	(b)	Issued, subscribed and paid -up:			
		66,060,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	660,600,000	660,600,000	
		61,736,571 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	617,365,700	617,365,700	
		19,169,485 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	191,694,850	191,694,850	
		Total 146,966,055 shares of Tk. 10/- each fully paid-up	1,469,660,550	1,469,660,550	
	(c)	Statement of Share Position:			

Name of the Shareholders	30-June-23		30-June-22	
	No. Of Shares	Holding %	No. Of Shares	Holding %
Bangladesh Export Import Co.Ltd.	73,483,009	50.00%	73,483,009	50.00%
Sponsors & Directors	4	0.00%	4	0.00%
Institutions	10,798,786	7.35%	7,410,436	5.04%
General Public	62,684,256	42.65%	66,072,606	44.96%
	146,966,055	100%	146,966,055	100%

As at and for the year ended 30 June 2023

(d) Distribution Schedule:

Share holdings		30-June-2023			
	No. of Shareholders	No.of Shares	Holding %		
Less than 500 shares	9,407	1,442,224	0.98		
500 to 5,000 shares	8,172	13,904,860	9.46		
5001 to 10,000 shares	1,076	8,235,510	5.60		
10,001 to 20,000 shares	604	8,792,595	5.98		
20,001 to 30,000 shares	212	5,361,025	3.65		
30,001 to 40,000 shares	99	3,440,306	2.34		
40,001 to 50,000 shares	87	4,066,649	2.77		
50,001 to 100,000 shares	110	8,118,207	5.52		
100,001 to 1,000,000 shares	90	20,121,670	13.69		
Over 1,000,000 shares	1	73,483,009	50.00		
Total	19,858	146,966,055	100		

(e) Market Price:

The shares of the Company are listed with the Dhaka and Chittagong Stock Exchanges and was quoted respectively at Tk. 43.00 on 30 June 2023 & 30 June 2022 per shares in the Dhaka Stock Exchange and Chittagong Stock Exchange Tk. 51.80 per shares.

(f) Option on unissued shares:

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

(g) Voting Rights:

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

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

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

		Amount	n Iaka	
			As at	
		30 June 2023	30 June 2022	
12.00	Long Term Loans- Net-Off Current Maturity (Secured): Tk. 70,425,061	_		
	This represents loans from:			
	Bank Asia Ltd Term Loan	-	-	
	Phoenix Finance & Investment Ltd Term Loan	70,425,061	143,475,614	
		70,425,061	143,475,614	

Nature of Security:

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

Terms of Repayment:

Bank Asia Ltd. - Term Loan:

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

Phonix Finance & Investment:

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

Rate of interest:

Bank Asia Ltd. - Term Loan:

8% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Phonix Finance & Investment:

11% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

As at and for the year ended 30 June 2023

	As a	+
		•
	30 June 2023	30 June 2022
3.00 Gratuity Payable : Tk. 160,139,863		
This is arrived at as follows:		
Opening Balance Add: Addition during the year	148,659,041 14,325,223	138,496,316 10,594,320
······································	162,984,264	149,090,636
Less: Payment during the year	(2,844,401)	(431,595)
Closing Balance	160,139,863	148,659,041
4.00 Deferred Tax Liability : Tk. 81,472,077		
Deferred Tax Liability is arrived at as follows: Opening Deferred Tax Liabilities Deferred Tax Expense /(Income): 14.02	81,472,077 -	81,472,077 -
Closing Deferred Tax Liabilities	81,472,077	81,472,077
4.01 Deferred Tax liability is arrived at as follows		
Year end WDV of PPE including revalued amount Less: Revalued amount of Building, Plant & Machinery Less: Land and Land Development at Revalued amount	4,706,270,043 (1,443,969,135) (1,697,029,503)	4,802,829,025 (1,443,969,135) (1,697,029,503)
Year end WDV of PPE excluding revalued amount	1,565,271,406	1,661,830,387
Year end tax base WDV of PPE	650,242,227	704,984,311
Taxable Temporary Difference Applicable Tax Rate	915,029,179 17%	956,846,077 16%
Deferred Tax Liability before unabsorbed tax depreciation benefit Less: Unabsorbed tax depreciation benefit	155,554,960 (74,082,883)	153,095,372 (71,623,295)
Closing deferred Tax Liability	81,472,077	81,472,077
1.02 Deferred Tax Expense is arrived at as follows		
Closing Balance of Deferred Tax Liability	81,472,077	81,472,077
Opening Balance of Deferred Tax Liability	(81,472,077)	81,472,077
	<u> </u>	

Deferred Tax Expense for the year

Deferred Tax Expense for the year: SCL is a listed company and as per ITA 2023, tax rate for FY2022-'23 (AY 2023-'24) is 12% on income from Export sales and 20% on income from domestic sales. However, the tax authorities may increase the tax rate to 22.5% from 20% on income from domestic sales on the plea that the SCL has not met the conditions in this regard. Accordingly for deferred tax calculation, applicable tax rate has been considered at 17% based on the calculation as shown below:

A) Calculation of Ratio on Export & Domestic Sales:

Total Sales	2,058,998,574	100%
Domestic Sales	961,400,528	47%
Export Sales	1,097,598,047	53%

As at and for the year ended 30 June 2023

			As at	
		30 June 2023	30 June 2022	
	B) Calculation of Applicable Tax Rate :			
	On Export Sales	0.53x12%	6.40%	
	On Domestic Sales	0.47x22.5%	10.51%	
	Applicable Tax Rate		17%	
	Since current year's tax expenses under regular assessment is estimated to be adjustment of the 'Temporary Differences' arisen from accounting and tax of 'unabsorbed' during the year. The temporary differences, therefore, do not hen provision for deferred tax Expense/(Income) is applicable for the year FY	lepreciation. In other words, the amount of tave any bearing on the provisions for curren	emporary differences rem	
.00	Short Term Loans From Banks & Other: Tk. 746,831,731	_		
	This is secured and consists of as follows:			
	Sonali Bank Ltd CC (H) (Secured)	524,201,805	536,082,48	
	Sonali Bank Ltd LTR (Secured)	196,629,926	134,045,47	
	Sonali Bank Ltd W.C Under Stimulus Package Industries (Covid-19 Loan) New Dacca Industries Ltd. (Unsecured interest Free)	26,000,000	132,131,90 32,500,00	
	New Daced Industries Etd. (Offseedred Interest Free)	746,831,731	834,759,86	
		7-10,651,751		
00	Long Term Loans - Current Maturity (Secured): Tk. 220,527,8	76		
	This consists of as follows:			
	Bank Asia LtdTerm Loan	-	69,738,40	
	Phoenix Finance & Investment Ltd Term Loan	220,527,876	165,903,32	
		220,527,876	235,641,73	
00		_		
	This consists of as follows:			
	Gas & Electricity	27,122,334	12,578,45	
	Creditors for Goods	85,906,936	80,951,99	
	Income Tax Payable (Note-17.01)	161,179,495	108,028,51	
	Salary & Wages	33,978,428	58,862,89	
	Provident Fund Employee	1,431,319	4,168,86	
	Interest due		4,985,35	
	Security Deposit	6,690,000	7,190,00	
	WPPF Payable	6,714,111	8,077,82	
	TDS Payable	657,968	500,11	
	Group Insurance Payable	379,986	384,64	
	Audit Fees Payable	920,000	805,00	
1	·	324,980,576	286,533,66	
)1	Income Tax Payable : Tk. 161,179,495	324,980,576	286,533,66	
)1	Income Tax Payable: Tk. 161,179,495 This is arrived at as follows:	<u> </u>		
01	Income Tax Payable : Tk. 161,179,495	324,980,576 108,028,513 53,150,982	286,533,66 65,705,96 42,322,54	

Amount in Taka

As at and for the year ended 30 June 2023

		Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
18.00	Revenue :Tk. 2,058,998,574		
	This is made up as follows:	1,097,598,047	1,030,822,830
	A. Export Sales	1,007,786,647	962,928,830
	Export Sales (Cash Subsidy) B. Local Sales	89,811,400	67,894,000
		948,878,846	684,232,502
	Distributors Institutional	665,817,324 165,053,734	451,969,525 141,900,176
	Show Room	10,664,783	9,320,256
	Factory Sales	107,343,005	81,042,545
	,	12,521,682	7,686,234
	C. Scrap Sales	2,058,998,574	1,722,741,566
9.00	Cost of Goods Sold : Tk. 1,753,080,017		
	This is arrived at as follows:		
	Raw Material Issued (Note- 19.01) Opening WIP	672,842,417 279,975,834	544,235,067 275,774,295
	Material available for consumption Closing WIP	952,818,251 (248,415,169)	820,009,362 (279,975,834)
	Consumption Manufacturing overhead (Note- 19.03)	704,403,082 1,019,261,132	540,033,528 887,092,485
	Cost of production Opening Finished Goods Adjustment for Mould & Sagger	1,723,664,214 245,819,721 -	1,427,126,013 363,105,082 (111,008,927)
	Cost of Goods Available for Sale Closing Finished Goods	1,969,483,935 (216,403,918)	1,679,222,168 (245,819,721)
	Cost of Goods Sold	1,753,080,017	1,433,402,447
19.01	Raw Material Issued: Tk. 672,842,417		
	This is arrived at as follows:		
	Opening Stock of Raw Material	207,180,747	141,900,236
	Purchased of Raw Material	691,506,543	609,515,578
	Closing Stock of Raw Material	898,687,290 (225,844,873)	751,415,814 (207,180,747)
	Raw Material Issued	672,842,417	544,235,067
9.02	Quantity Information	Quantity in KG	Quantity in KG
	Opening Stock of Raw Materials in Quantity Add: Purchase fo Raw Materials in Quantity	1,814,517 9,800,298	1,375,371
	Availabe for Use	11,614,815	9,581,587 10,956,958
	Less: Raw Material Issued in Quantity	9,849,139	9,142,441

As at and for the year ended 30 June 2023

The company manufactures tableware of different shapes, designs and sizes (more than three thousand) using both solid and liquid inputs, and therefore quantification of the WIP and the finished goods in weight with accuracy is very difficult. Similarly, packing's materials are used in small/large boxes of (printed or unprinted) cartoon paper in different sizes/pieces, quantification in weight of which are not practicable.

	Amount in Taka	
	01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
19.03 Manufacturing Overhead: Tk. 1,019,261,132		
This consists of as follows:		
Wages,etc	444,967,575	407,353,834
Depreciation	113,187,203	117,244,388
Packing Materials	134,747,801	158,279,773
Power & Fuel (Note-19.03.01)	229,014,909	111,787,897
Consumable Stores & Spares	60,859,301	55,637,346
Transport Expenses	13,290,516	12,284,361
Office Expenses	15,902,100	17,710,939
Insurance Expense	2,897,013	3,535,826
Communication Expenses	494,197	799,333
Handling & Carrying Expenses	3,900,516	2,458,788
	1,019,261,132	887,092,485
19.03.1 Power & Fuel: Tk. 229,014,904		
This consists of as follows:		
Gas Bill-Titas Gas	208,835,022	100,001,009
Electricity Bill	12,474,334	6,096,877
Fuel & Lubricant	7,705,548	5,690,012
	229,014,904	111,787,897
20.00 Other Income: Tk. 7,771,305		
This consists of as follows:		
Dividend Income	8,167,842	9,529,149
Misc.Income-Employees' Provident Fund Forfeiture Account	-	43,323
Interest received	167,251	179,216
Misc Income-Transport & Vehicle Sale	-	403,757
Misc. Income	10,520	122,390
	8,345,613	10,277,835
21.00 Administrative Expenses: Tk. 62,050,063		
This consists of as follows :		
Salaries & Allowances	41,821,110	41,861,021
Depreciation	944,758	1,179,885
Office Expenses	8,534,131	7,582,709
Transport Expenses	4,424,011	3,593,603
Legal, Professional & Others Fees	740,250	715,750
AGM Expenses	807,343	264,100
Communication Expenses	1,125,539	655,226
Occupancy Expenses	91,334	71,300
Conveyance Expenses	780,492	675,219
Audit Fee	920,000	805,000
Handling & Carrying Expenses	1,861,095	943,701
	62,050,063	58,347,514

being higher than the minimum tax.

As at and for the year ended 30 June 2023

		Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
2.00	Selling & Distribution Expenses : Tk. 65,937,017		
1	his consists of as follows :		
F	Promotional Expenses	10,002,001	8,507,169
9	falaries & Allowances	29,483,427	31,835,313
(Occupancy Expenses	7,969,457	5,331,237
	ransport Expenses	2,354,176	2,911,560
	Office Expenses	3,410,738	1,903,29
	Communication Expenses	341,267	490,87
	ravelling & Conveyance Expenses	8,760,496	8,163,08
	how Room Expenses	294,523	250,06
	landling & Carrying Expenses	293,560	19,63
	egal & Prof.Expenses	750,587	384,820
F	Product Research & Sample	2,276,785	
		65,937,017	59,797,048
.00 F	inance Cost : Tk. 67,790,364		
1	his consists of as follows:		
	nterest on Loan from Banks & Others	64,014,703	72,109,30
E	Bank Commission & Charges	3,775,661	4,045,49
	<u> </u>	67,790,364	76,154,80
4.00 I	ncome Tax Expenses/(Income): Tk. 53,150,982		
	his represents: a) Current Tax:		
,		F2 1F0 002	42 222 545
	Tax for the year under review	53,150,982	42,322,545
-	b) Deferred Tax (Income) / Expenses Note- 14.02	-	
1	otal (a+b)	53,150,982	42,322,545
	Current Tax: There are laws for minimun tax payable. Minimum Tax payable by the Company is	calculated as followes:	
	1) U/S 163(5) 0.60% on Gross Receipts (turnover+other income)	12,404,065	
	2) U/S 163 (2) (KHA):	21,496,667	
		1 150 2/2	
	i) Tax deducted at source(TDS) on supply of goods u/s 89, ITA 2023	1,152,343	
	i) Tax deducted at source(TDS) on supply of goods u/s 89, ITA 2023 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023	9,729,616	
	ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023	9,729,616	
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 	9,729,616 8,981,140 1,633,568 21,496,667	
	ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023	9,729,616 8,981,140 1,633,568	
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023 5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above) 	9,729,616 8,981,140 1,633,568 21,496,667	
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023 5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above) 6) Estimated Tax liability U/S 183 of ITA 2023 (regular assessment): 	9,729,616 8,981,140 1,633,568 21,496,667 10,083,802 31,580,469	
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023 5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above) 	9,729,616 8,981,140 1,633,568 21,496,667 10,083,802 31,580,469	the refund of the exc
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023 5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above) 6) Estimated Tax liability U/S 183 of ITA 2023 (regular assessment): 	9,729,616 8,981,140 1,633,568 21,496,667 10,083,802 31,580,469 increased GP to avoid	the refund of the exc
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023 5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above) 6) Estimated Tax liability U/S 183 of ITA 2023 (regular assessment): Tax authorities assess the tax liability adding arbitrarily disallowed expenditures, payables and 	9,729,616 8,981,140 1,633,568 21,496,667 10,083,802 31,580,469 increased GP to avoid the year as follows:	the refund of the exc
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023 5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above) 6) Estimated Tax liability U/S 183 of ITA 2023 (regular assessment): Tax authorities assess the tax liability adding arbitrarily disallowed expenditures, payables and TDSs. Therefore, estimated tax liability at is considered atleast equal to total TDSs made during i) Non Refundable TDSs as shown in 2 above 	9,729,616 8,981,140 1,633,568 21,496,667 10,083,802 31,580,469 sincreased GP to avoid the year as follows: 21,496,667	the refund of the exc
	 ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023 iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023 iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023 3) Higher of 1 & 2 above 4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023 5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above) 6) Estimated Tax liability U/S 183 of ITA 2023 (regular assessment): Tax authorities assess the tax liability adding arbitrarily disallowed expenditures, payables and TDSs. Therefore, estimated tax liability at is considered atleast equal to total TDSs made during 	9,729,616 8,981,140 1,633,568 21,496,667 10,083,802 31,580,469 increased GP to avoid the year as follows:	the refund of the exc

As at and for the year ended 30 June 2023

Deffered Tax(Income) / **Expenditure:** Since current year's tax expenses under regular assessment is estimated to be equal to the total amount b) of tax deducted at sources, there is no room for adjustment of the 'Temporary Differences' between accounting & tax depreciation. In other words, the temporary differences do not yield any benefit to or necessitate any recovery from the provisions against current year's tax expenses. Under such situation, no provision for deffered tax expenses/(income) is made for the year 2022-2023.

			Amount in Taka	
			01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
25.00	Basi	c Earnings Per Share (EPS)		
	(a)	Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	59,693,519	57,979,923
	(b)	Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.11)	146,966,055	146,966,055
	(c)	EPS (a/b)	0.41	0.39

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

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

26.00 Net Asset Value (NAV) per share

Total Assets Less: Total Liabilities	6,215,777,941 (1,605,614,727)	6,364,463,886 (1,731,243,255)
Net Assets	4,610,163,214	4,633,220,631
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
Net Asset Value (NAV) per share	31.37	31.53

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

Net profit after tax	59,693,519	57,979,923
Adjustments for noncash items, non-operating items and for the net changes in operating	accruals	
Depreciation	114,131,961	118,424,273
(Increases)/Decreases in Inventories	41,983,081	44,783,421
(Increases)/Decreases in Accounts & Other Receivables	38,249,351	72,516,921
(Increases)/Decreases in Advances	(54,337,380)	(30,615,368)
(Increases)/Decreases in Deposits	(11,209,873)	(29,183,046)
Increases/(Decreases) in Creditors for goods and Other Payables	58,105,923	(100,487,967)
Increases/(Decreases) Accruals	(19,659,007)	11,651,691
Increases/(Decreases) Gratuity Payable	11,480,822	10,162,725
Increases/(Decreases) Unclaimed dividend	536,273	(8,254,136)
	238,974,670	146,978,437

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

28.00 Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities	238,974,670	146,978,437
Number of Ordinary Shares of Tk. 10 each at Financial Position date	146,966,055	146,966,055
Net Operating Cash Flows Per Share (NOCFPS)	1.63	1.00

As at and for the year ended 30 June 2023

			Amount in Taka		
			01.07.2022- 30.06.2023	01.07.2021- 30.06.2022	
29.00	Unc	laimed dividend			
	(a)	The dividend payable/unclaimed dividend as on 30 June 2023 consists of:			
		i) FY 2021-2022	538,717	-	
		i) FY 2020-2021	341,027	343,471	
		ii) FY 2019-2020	357,799	357,799	
			1,237,543	701,270	

- (i) The Cash Dividend @3% declared for the year 2021-2022 were approved by the shareholders in the Annual General Meeting held on 22 December, 2022.
- (ii) The Cash Dividend @2.5% declared for the year 2020-2021 were approved by the shareholders in the Annual General Meeting held on 23 December, 2021.
- (b) The Cash Dividend @2% declared for the year 2019-2020 were approved by the shareholders in the Annual General Meeting held on 19 December, 2020

The unclaimed dividend which was included in Creditors and Other Payables in the prior period has been reclassified in this financial statement.

30.00 Payments / Perquisites to Directors and Officers

(a) Directors

During the year no amount of money was expended by the company for compensating any member of the board for special services rendered. During the year no board meeting attendance fee was paid to the directors of the company.

(b) During the year 2022-2023 an amount of Taka 7,200,000 paid as CEO's remuneraion (FY 2021-22 was Tk. 7,300,000).

(c) Officers:

Managerial Remuneration	77,836,468	67,990,968
Bonus	8,530,056	8,408,318
Perquisites:		
Housing	20,446,644	19,102,496
Transport	4,309,716	3,981,336
	111,122,884	99,483,118

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

	From 01 July 2022 to 30 June 2023			ı	rom 01 July 202	1 to 30 June 2022	!	
	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization
Porcelain	16,600,000	12,195,518	4,404,482	73.47%	16,600,000	11,829,049	4,770,951	71.26%
Bone China	5,400,000	3,798,274	1,601,726	70.34%	5,400,000	3,479,174	1,920,826	64.43%

Reason for Shortfall: Production is usual made as per market demand. However erratic or no Gas pressure affected the production during the FY2022-'23.

32.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 30 June 2023.

There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2023.

As at and for the year ended 30 June 2023

		Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
33.00	Contingent Liabilities		
	This consists of as follows:		
	(a) Outstanding letter of credit-	81,323,312	96,804,152
	US\$	56,972,176	70,579,255
	EUR	12,751,642	14,735,717
	JPY	11,599,494	4,682,161
	GBP	-	6,807,019
	(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and		
	distribution Company Ltd)	13,656,520	13,656,520
		94,979,832	110,460,672

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

34.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 30 June 2023.

35.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2023 under any contract, other than trade credit available in the ordinary course of business.

36.00 Related Party Disclosure

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30 June 2023		
Bangladesh Export Import Co. Ltd.	Investment in Shares	(38,661,119)	314,734,178		
Beximco Synthetics Ltd.	Investment in Shares	-	552,014		
Due to Related Party:					
New Dacca Industries Limited	Short Term Loan	6,500,000	26,000,000		

37.00 Financial Risk Management

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

- i) Credit risk
- ii) Liquidity risk
- iii) Market Risk

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing

As at and for the year ended 30 June 2023

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 forigne exchange rates and interest will affect the companys

income or the vale of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable peramiters

(a) Currency Risk

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

Exposure to Currency Risk

Foreign Currency Denominated Assets	30-June-23		30-June-22	
Trade Debtors- Foreign	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
US\$	598,002	64,210,472	1,157,309	107,169,640
EURO	98,582	11,507,686	38,508	3,661,433
Total		75,718,158		110,831,074

All foreign currency denominated asset (trade debtors) were realised subsequently.

There was no foreign currency denominated outstanding liabilities as on the reporting date.

(b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There is no foreign currency loan which is subject to floating rates of interest. During FY 2022-'23 interest rate on local currecy borrowing remain fixed at the rate of 9% per annum. Local loans are, therefore, not affected by fluctuations in interest rates. However, Bangladesh Bank has introduced a floating interest rate policy based on Six monthly average rate for treasury (SMART) Bills plus a corridor of 3% effective from July 2023, which may cause increase in the interest rate on local currecy borrowing in future. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

(c).(1) Risk(s) from Pandemic (Covid -19):

The virus known as Covid-19, has affected the economy of Bangladesh in general and the operations of the company in particular. As per general order of the Govt. of Bangladesh, the offices including production facilities of the company were closed down for 66 days during FY 2019-20 from March 25,2020 to May 31,2020 and for 60 days in FY 2020-21 during April-May 2021. Even beyond these closed down period, due to Covid-19, the operational activities of the company could not be continued in full scale. During July-September 2021 in FY 2021-22 operations of the company were affected on account of following reasons:

- (i) Non presence in work place(s) by the employees fearing infection from the virus and due to restrictions in plying public transports.
- (ii) Non opening /functioning of domestic market/Shops/Retail Stores due to Govt.restriction and/or non showing up of customers.

As at and for the year ended 30 June 2023

(c).(2) Impact(s) and management of consequence of pandemic (Covid-19)

- (i) Disruptions in international supply chain(s)
- (ii) Declining of export demand due to slowdown in the world economies.
- (iii) Covid 19 disrupted the movements of goods, increased voyage time and freight charges.
- (iv) Increased production cost due to higher importing material cost and lower export affected the liquidity of the company.
- (v) The company had to avail the additional CC hypo loan in January 2022 to overcome the liquidity constraints originated from Covid-19 in FY 2020-21. The additional CC hypo loan, has been fully repaid by June 2023.

(D) Post-pendamic Scenarios and Impact of R-U war-

Higher Energy Cost, devaluation of Taka and erratic/no pressure of Gas in supply line pushed up the production cost:

During the aftermath of the pandemic (Covid - 19) and R-U war energy price increased substancially in the Global Market. Cost of imported materials also increased due to devaluation of TAKA. Rationing of Gas & Electricity is affecting the company as if a double edged sword; it not only causes higher energy cost but also causing lower production and increasing process loss. As a result the cost of production has been increased.

38.00 39.00 Foreign Exchange Received against Collection from Export Sales:

		01.07.2022-30	.06.2023	01.07.2021-3	0.06.2022
		Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:					
	US\$	238,421	24,369,046	337,517	28,979,408
	Euro	54,782	6,350,638	48,330	4,851,839
	JP¥	11,430,400	9,249,092	9,912,130	7,593,120
	Total		39,968,776		41,424,367
Import of Raw & Packing Material :					
,	US\$	3,490,753	362,861,946	4,204,263	362,632,487
	Euro	1,155,868	129,596,720	832,337	81,796,502
	JP¥	48,552,005	38,001,229	47,849,193	36,730,249
	GBP	303,171	39,175,019	385,646	45,198,618
			569,634,914		526,357,856
	Total		594,003,960		555,337,264

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

39.00 Foreign Exchange Received against Collection from Export Sales:

	01.07.2022-3	01.07.2022-30.06.2023		0.06.2022
	Amount in Foreign Currency	Fallivalent in 1k.		Equivalent in Tk.
US\$	8,500,921	857,987,085	9,219,509	813,874,783
EURO	1,705,397	200,686,425	1,614,406	168,200,290
Total		1,058,673,509		982,075,073

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

40.00 Events After The Reporting Period

- a) The Board of Directors recommended 3% cash dividend (i.e TK.0.30 per share) for the year 2022-23. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- b) No circumstance have arisen since this statement of financial position date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

Iqbal AhmedDirector

O K Chowdhury, FCA Director Mohammed Humayun Kabir FCA Chief Executive

Jesmin Ara Mitu
Head of Finance & Accounts

Dated, Dhaka 19 October 2023

AUDITOR'S REPORT

AND AUDITED FINANCIAL STATEMENTS OF

BEXIMCO POWER COMPANY LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BEXIMCO POWER COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Beximco Power Company Limited** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2023 and Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994.

Basis for Opinion

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

Emphasis of Matters

As disclosed in Note - 09 of the financial statement, share money deposit has not been converted to share capital within 6 months as per FRC notification no. 146/FRC/Adm./circular/2020/01 dated 11 February 2020. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BEXIMCO POWER COMPANY LIMITED

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

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

19 October, 2023 Dhaka M. J. ABEDIN & CO. Chartered Accountants Reg. No.: CAF-001-111

Hasan Mahmood FCA, Partner

Enrollment No: 564 DVC: 2311020564AS174948

		Amount i	n Taka
	Notes	30-June-2023	30-June-2022
ASSETS			
Non-Current Assets		471,066,944	471,066,944
Capital Work in Progress		455,066,944	455,066,944
Investment in Shares	5	16,000,000	16,000,000
Current Assets		9,904,808,748	7,615,030,999
Advance, Deposits and Prepayments	6	2,406,623,537	125,300,000
Due from Related Party	10	7,474,996,834	7,474,904,114
Cash & Cash Equivalents	7	23,188,377	14,826,885
Total Assets		10,375,875,692	8,086,097,943
EQUITY AND LIABILITIES			
Shareholders' Equity		1,801,881,832	1,818,584,894
Issued Share Capital	8	1,000,000,000	1,000,000,000
Share Money Deposit	9	832,100,000	832,100,000
Retained Earnings		(30,218,168)	(13,515,106)
Current Liabilities		8,573,993,860	6,267,513,049
Due to Related Party	10	2,429,835,476	4,098,237,626
Creditors and Other Payables	11	6,144,158,384	2,169,275,423
Total Equity & Liabilities		10,375,875,692	8,086,097,943

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

Director

19 October, 2023 Dhaka.

M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

As per our separate report of even date annexed.

Hasan Mahmood FCA, Partner

Enrollment No: 564

DVC: 2311020564AS174948

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

		Amount in Taka		
	Notes	2022 - 2023	2021 - 2022	
Revenue		-	-	
Cost of Goods Sold		-	-	
Gross Profit		-	-	
Interest Income		911,021	4,715,378	
Operating Expenses				
Administrative Expenses	12	(17,283,490)	(17,474,427)	
Loss From Operations		(16,372,469)	(12,759,049)	
Finance Cost	13	(57,287)	(48,755)	
Net Loss before tax		(16,429,756)	(12,807,804)	
Income Tax Expenses		(273,306)	(707,302)	
Net Loss after tax for the year		(16,703,062)	(13,515,106)	
Other Comprehensive Income for the year		-	-	
Total Comprehensive Loss for the year		(16,703,062)	(13,515,106)	

The accompanying notes form an integral part of these Financial Statements.

Director

19 October, 2023 Dhaka.

Director

As per our separate report of even date annexed.

M. J. ABEDIN & CO.

Chartered Accountants Reg No: CAF-001-111

Hasan Mahmood FCA, Partner

Enrollment No: 564

DVC: 2311020564AS174948

for the year ended 30 June 2023

	Amount in Taka			
Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on 1 July 2022	1,000,000,000	832,100,000	(13,515,106)	1,818,584,894
Net Profit / (Loss) for the year	-	-	(16,703,062)	(16,703,062)
Balance as on 30 June 2023	1,000,000,000	832,100,000	(30,218,168)	1,801,881,832

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Amount in Taka				
Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total	
Balance as on 1 July 2021	1,000,000,000	832,100,000	-	1,832,100,000	
Net Profit / (Loss) for the year	-	-	(13,515,106)	(13,515,106)	
Balance as on 30 June 2022	1,000,000,000	832,100,000	(13,515,106)	1,818,584,894	

Director

Director

As per our separate report of even date annexed.

19 October, 2023 Dhaka.

M. J. ABEDIN & CO.

Chartered Accountants Reg No: CAF-001-111

Hasan Mahmood FCA, Partner

Enrollment No: 564

DVC: 2311020564AS174948

	Amount in Taka		
	01-July-22 to 30-June-23	01-July-21 to 30-June-22	
Cash Flows From Operating Activities:			
Collections from turnover and other income etc.	911,021	4,715,378	
Payments for costs, expenses & others	1,676,275,934	(12,114,876)	
Interest & charges paid	(57,287)	(48,755)	
Income-Tax paid and/or deducted at sources	(273,306)	(707,302)	
Net cash generated from operating activities	1,676,856,362	(8,155,555)	
Cash Flows From Investing Activities:			
Cash Flows From Financing Activities:			
Purchase of Property, Plant and Equipment	-	-	
Net cash used in investing activities	-	-	
Cash Flows from Financing Activities:			
Related Party Transaction	(1,668,494,870)	12,084,613	
Net cash Generated from financing activities	(1,668,494,870)	12,084,613	
Increase/(Decrease) in Cash and cash Equivalents	8,361,492	3,929,058	
Cash and Cash Equivalents at the beginning of the year	14,826,885	10,897,827	
Cash and Cash Equivalents at the end of the year	23,188,377	14,826,885	

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

Director

Director

As per our separate report of even date annexed.

M. J. ABEDIN & CO. **Chartered Accountants** Reg No: CAF-001-111

Hasan Mahmood FCA, Partner

Enrollment No: 564

DVC: 2311020564AS174948

19 October, 2023

Dhaka.

BEXIMCO POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

1 The background and activities of the Company

1.1 Status of the Company

Beximco Power Company Limited is a private limited company incorporated in Bangladesh on 25 October 2009 under the Companies Act, 1994. Reg. No.-C-80290/09. The registered office of the company is located at 17 Dhanmondi R/A, Road-2, Dhaka-1205 and has not launched its Commercial operation yet.

1.2 Principal Activities

The company is engaged in activities of Generated power as captive power generation and small, medium or bulk power producer by there own power plant by setting up Gas Fired Power Plant, Coal Best Power Plant, Hydro Power Station, Barge Mounted Power Plant or Solar Power Plant, Fuel Based Power Plant or Reciprocal Power Plant.

To built develop, install, set up power plants in Bangladesh and to sell the generated power commercially to any person or to any legal entity in Bangladesh and acquire fuel or GAS required for such power generation from home and abroad.

2 Bases of Financial Statements – Preparation and Presentation

2.1 Measurement Bases

The financial statements have been prepared on the Historical Cost.

2.2 Reporting Framework and Compliance thereof

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards with effect from 02 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

2.3 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a Statement of Financial Position as at the end of the year June 30, 2023;
- (b) a Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2023;
- (c) a Statement of Changes in Equity for the year ended June 30, 2023;
- (d) a Statement of Cash Flows for the year ended June 30, 2023; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Reporting Period

The financial statements cover a year from 1 July 2022 to 30 June 2023.

2.5 Functional and Presentation Currency

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

2.6 Comparative Information

Comparative information has been disclosed in respect of the year ended 30 June 2022 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year financial statements.

Figures for the year ended 30 June 2022 have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

BEXIMCO POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

2.7 Use of Estimates and Judgments

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

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing IASs. IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors prescribes that the effects of the revision of accounting estimates has to be recognized in the period in which the estimates are revised.

3. Significant Accounting Policies

3. (a) 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. (b) Cash and Cash Equivalents

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

3. (c) Financial Liability

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

Financial liabilities include payable for expenses and other current liabilities.

3. (d) 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.

4. Statement of Cash Flows

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

The cash generating from operating activities has been reported using the Direct Method as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

As at and for the year ended 30 June 2023

		Amount	in Taka
		Asa	at
		30 June 2023	30 June 2022
5.00	Investment in Shares: Tk. 16,000,000		
	Investment in Shares (80% shares of Teesta Solar Ltd.)	8,000,000	8,000,000
	Investment in Shares (80% shares of Korotoa Solar Ltd.)	8,000,000	8,000,000
		16,000,000	16,000,000
5.00	Advance, Deposits and Prepayments: Tk. 2,406,623,537		
	Advance against Land	96,254,750	102,800,000
	Bank Guarantee Margin	22,500,000	22,500,000
	Advance to Employees Advance for Harirampur & Other Project	3,745,250 30,776,945	-
	Other Advances	2,253,346,592	-
		2,406,623,537	125,300,000
7.00	Cash & Cash Equivalents: Tk. 23,188,377		
	Cash in Hand	18,658	10,158
	Fixed Deposit	14,495,791	13,858,076
	Cash at Bank in Current Accounts: (Note-7.01)	8,673,928	958,651
		23,188,377	14,826,885
.01	Cash at Bank in Current Accounts : Tk. 8,673,928		
	IFIC Bank Ltd.	8,346,483	626,880
	NBL	211,590	213,270
	DBBL Padma Bank Ltd.	35,705	38,006
	Раста Бапк Цс.	80,150 8,673,928	958,651
3.00	Issued Share Capital : Tk. 1,000,000,000	0,073,720	730,031
	Issued Share Capital:		
	1,000,000,000 Ordinary Shares of Tk. 10/- each	10,000,000,000	10,000,000,000
	Issued, Subscribed and Paid-up capital: 100,000,000 Ordinary shares of Tk. 10/- each		
	fully paid up in cash.	1,000,000,000	1,000,000,000
		1,000,000,000	1,000,000,000
.00	Share Money Deposit: Tk. 832,100,000		
	Received from Bangladesh Export Import Company Ltd.	832,100,000	832,100,000
		832,100,000	832,100,000

Share money deposit has not been converted to share capital within 6 months as per FRC notification no. 146/FRC/Adm./circular/2020/01 dated 11 February 2020.

As at and for the year ended 30 June 2023

10.00 Related Party Disclosures:

Due from Related Parties	Nature of transactions	Closing Balance as on 30.06.2023	Closing Balance as on 30.06.2022
Teesta Solar Ltd.	Current Account	6,842,571,112	6,842,478,392
Korotoa Solar Ltd.	Current Account	632,425,722	632,425,722
		7,474,996,834	7,474,904,114

Due from Related Parties	Nature of transactions	Closing Balance as on 30.06.2023	Closing Balance as on 30.06.2022
Beximco Holdings Ltd.	Current Account	2,429,835,476	4,098,237,626
		2,429,835,476	4,098,237,626

This is unsecured and interest free.

11.00 Creditors and Other Payables: Tk. 6,144,158,384

Others Payable	2,160,800,872	2,160,800,872
Goods and Services	22,361,851	8,417,051
Liabilities for Expenses	3,960,920,661	-
Audit Fee Payable	75,000	57,500
	6,144,158,384	2,169,275,423

		Amount in Taka		
		2022 - 2023	2021 - 2022	
12.00	Administrative Expenses : Tk. 17,283,490			
	OSalary & Allowances	13,456,450	14,100,154	
	Consultancy Fees	-	1,854,000	
	Advertisement	2,000,000	1,000,000	
	Income Tax	1,466,904	364,408	
	Insurance Premium	142,587	94,865	
	Audit Fee	75,000	57,500	
	Conveyance	24,468	3,500	
	Car Repair & Maintenance	22,200	-	
	Staff Welfare	18,479	-	
	Printing & Stationery	10,676	-	
	Computer Accessories	5,800	-	
	Entertainment	35,926	-	
	CSR	25,000	-	
		17,283,490	17,474,427	
13.00	Finance Cost.: Tk. 57,287			
	Bank Charges	57,287	48,755	
		57,287	48,755	

BEXIMCO POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

14.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 30 June 2023.

15.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 30 June 2023.

19 October, 2023 Dhaka.

NOTES



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Established in 1965 the **BEXIMCO Group has** expanded dramatically over the past 58 years and is today the largest and most diversified industrial conglomerate in Bangladesh. Employing 75,000 people including 2,720 qualified professionals and dealing in a wide variety of consumer and service oriented products for domestic and global markets, in textiles, chemicals and pharmaceuticals, real estate, ceramics, jute, trading, it, media & energy.

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