



BANGLADESH EXPORT IMPORT COMPANY LIMITED
2011 ANNUAL REPORT

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 constituencies with whom we interact; namely: our employees, our customers, our business associates, our fellow citizens and our shareholders.

MISSION

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CORPORATE INFORMATION

BOARD OF DIRECTORS

A S F Rahman

Chairman &
Managing Director

Salman F Rahman

Vice-Chairman

Iqbal Ahmed

Director

M A Qasem

Director

O K Chowdhury

Director

A B S Rahman

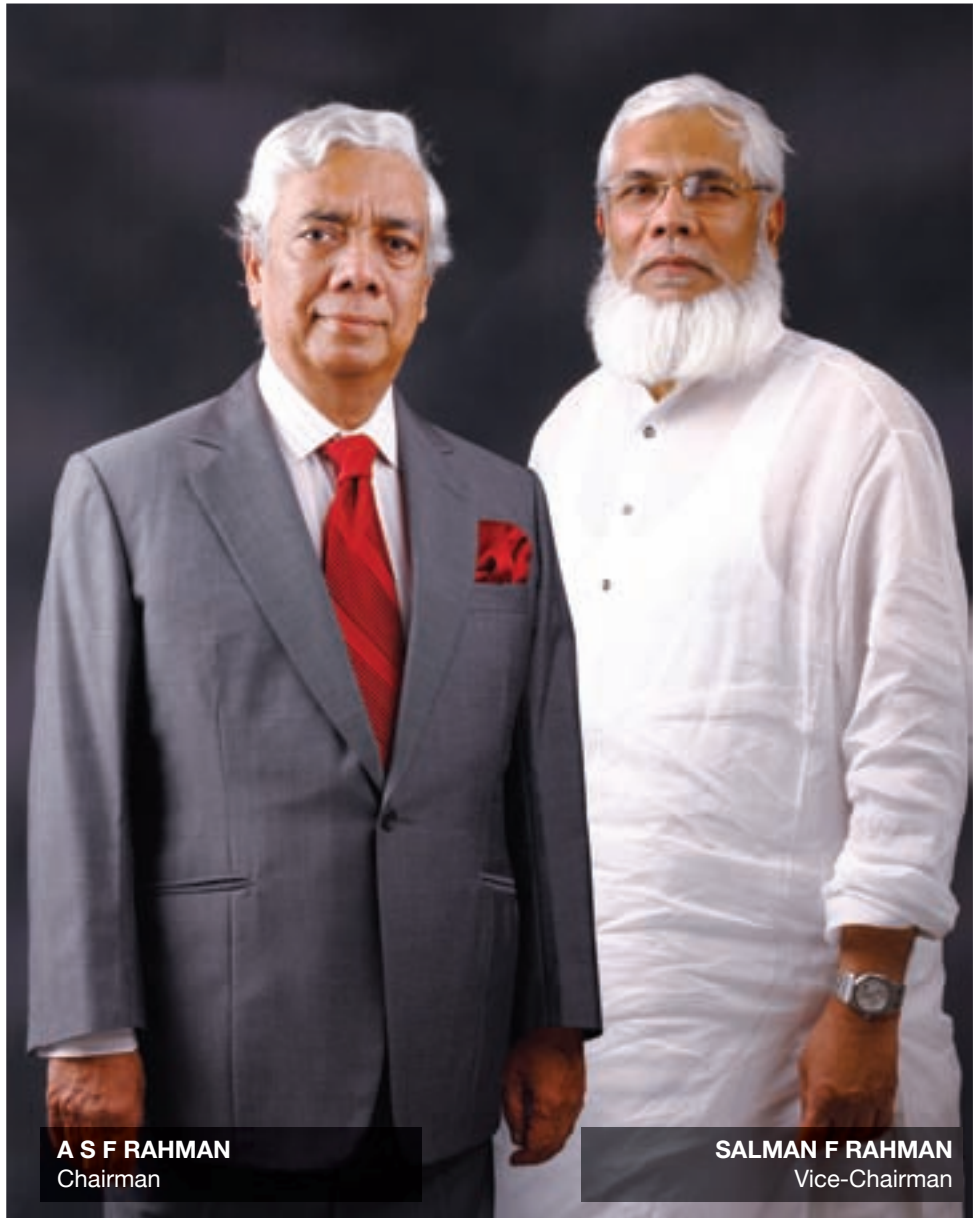
Director

Dr. Abdul Alim Khan

Director

Mohammad Asad Ullah, FCS

Executive Director &
Company Secretary



A S F RAHMAN
Chairman

SALMAN F RAHMAN
Vice-Chairman

KEY OFFICERS

O K Chowdhury
Syed Naved Hussain
Parvez Hassan
Syed Samiul Wadood
Anil Kumar Maheshwari
Ajay Pratap Singh
Md. Luthfor Rahman
Azahar Uddin Ahmed

Director, Group Finance & Corporate Affairs
CEO, Textile Division
CEO, Real Estate & Fisheries Division
CEO, IT Division
Head of MIS, Textile Division
CFO, Textile Division
Group Financial Controller
Head of Internal Audit

Auditors:

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

M/s. Wellers:

Registered Auditor,
Accountants
Stuart House, 55 Catherine Place,
London, SW1E6DY

Legal Advisers:

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

Bankers:

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

Registered Office:

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


NOTICE

Notice of 39th Annual General Meeting

Notice is hereby given that the THIRTY-NINTH ANNUAL GENERAL MEETING of the Shareholders of Bangladesh Export Import Company Ltd. will be held on Saturday, the 29th September, 2012 at 11:00 a.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2011 together with reports of the Auditors and the Directors thereon.
2. To elect Directors.
3. To declare 25% Stock Dividend.
4. To appoint Auditors for the year 2012 and to fix their remuneration.

By order of the Board



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

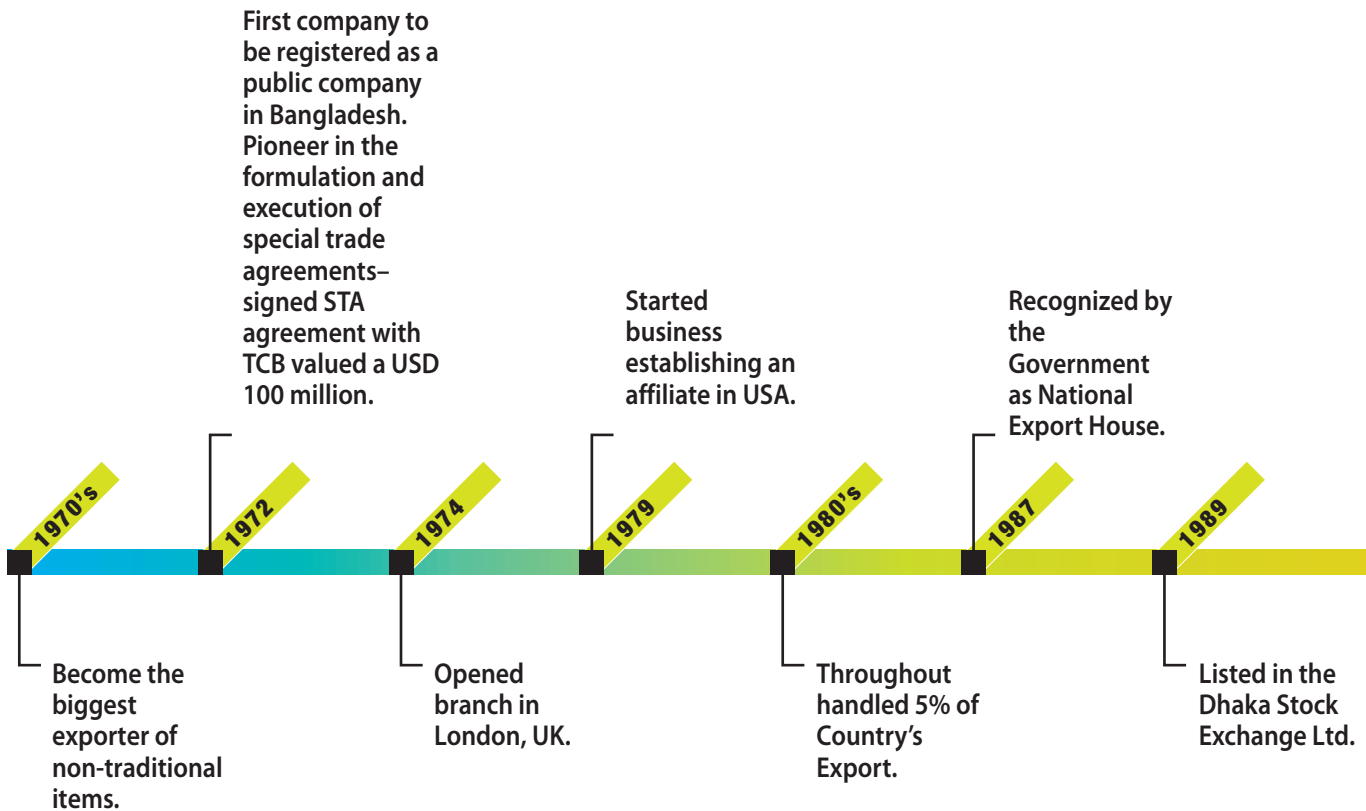
Dated, Dhaka
28 August, 2012

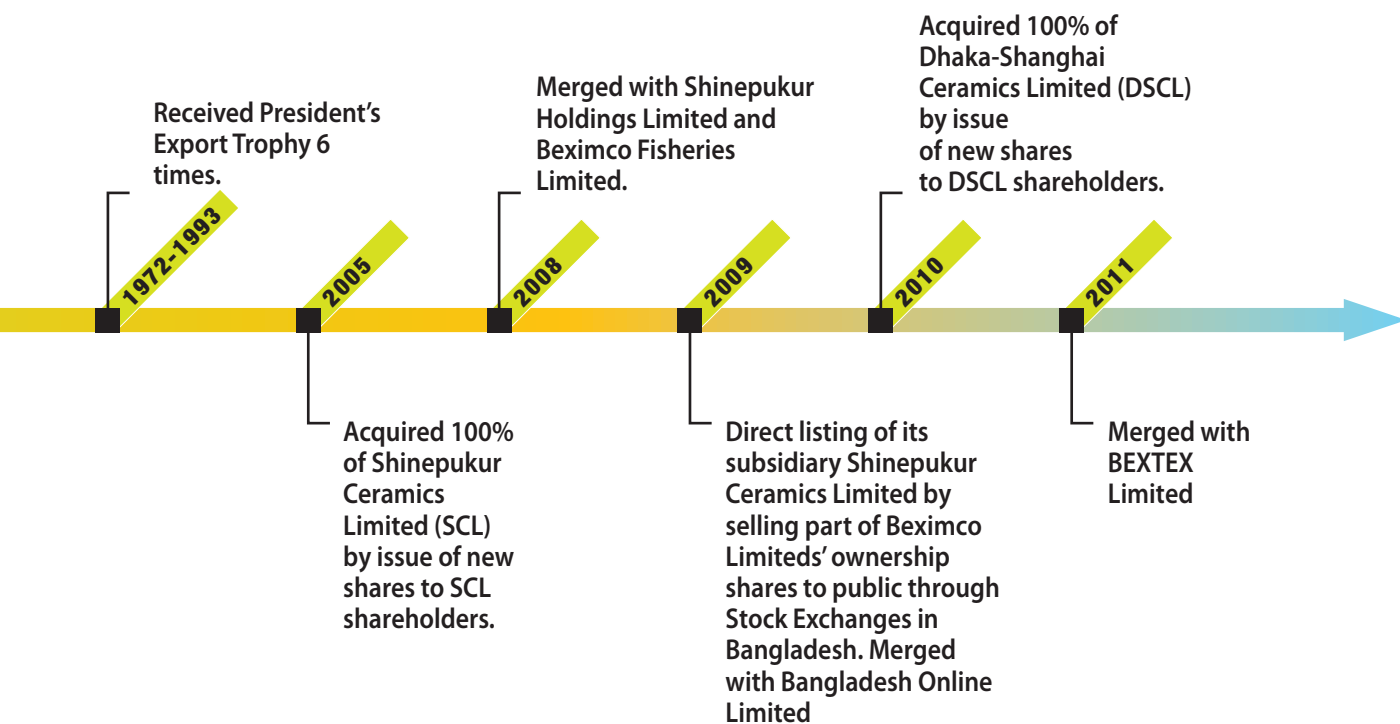
Notes:

- (1) The Shareholders whose names were appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 23 July, 2012, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (2) A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
- (3) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
- (4) No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No.SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.



CHRONOLOGY OF ACHIEVEMENTS





চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ার হোল্ডারগণ,

কোম্পানীর ৩৯তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আমি আপনাদের সকলকে স্বাগত জানাচ্ছি এবং একই সাথে কোম্পানীর ৩৯শে ডিসেম্বর ২০১১-এ সমাপ্ত বছরের নিরীক্ষিত হিসাব এবং সাথে নিরীক্ষিক ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করছি।

আমি আবারও অতি আনন্দের সাথে নিশ্চিত করিতেছি যে, ২০১১ সালে অনুষ্ঠিত অতিরিক্ত সাধারণ সভায় আমাদের শেয়ারহোল্ডারগণ কর্তৃক অনুমোদিত একত্মিকরণ প্রস্তাবটি সুপ্রীম কোর্টের মাননীয় হাইকোর্ট বিভাগ অনুমোদন করেছেন।

এ প্রক্রিয়াটি কার্যকর করায় আমরা কঙ্কিত ফল লাভ করেছি, যা আমার গত বছরের প্রতিবেদনে উল্লেখ করা হয়েছিল। এর অর্থ এই যে, আমরা এখন অর্থনৈতিক ও অন্যান্য ব্যবস্থাপনা জটিলতা মোকাবেলা করার জন্য যথেষ্ট সক্ষমতা সম্পন্ন একটি শক্তিশালী কোম্পানী। মুনাফা বৃদ্ধির লক্ষ্যে যখনই সুযোগ দেখা দেয়, আমাদের বিনিয়োগকৃত শেয়ারগুলির নগদায়নের মাধ্যমে মূলধনী মুনাফা অর্জনের প্রক্রিয়া আমরা অব্যাহত ভাবে চালু রেখেছি।

অর্থনীতি উর্ধ্বমুখী সত্ত্বেও বাজারে ঋণ প্রবাহ হ্রাস অব্যাহত থাকার সাথে সাথে তারল্য সংকটও অপরিবর্তিত আছে যা থেকে আমরাও মুক্ত নই।

বিদ্যুৎ ও গ্যাস সমস্যা এখনও বিরাজমান, তার মধ্য থেকে আমরা যা কাটিয়ে উঠার জন্য কাজ করার সর্বাঙ্গিক প্রচেষ্টা অব্যাহত রাখছি। ২০১২ সালটি বেশ কঠিন বছর বলেই প্রতীয়মান হচ্ছে কেননা যে কোন বছরের তুলনায় এ বছর বাংলাদেশ আরও তীব্রভাবে বিশ্ব মন্দার কবলে পড়েছে।

বছরের পর বছর যাবত সমস্তে অর্জিত সুযোগ গুলি যাতে এই কঠিন সময়ে হারিয়ে না যায় সেটা নিশ্চিত করার প্রচেষ্টা অব্যাহত রাখছি এবং আমরা অতি বিশ্বাসী যে, বিশ্ব দৃশ্যপটের অগ্রগতি হলে আপনার কোম্পানী এর থেকে পরিপূর্ণ সুবিধা নিতে সক্ষম হবে।

সামাজিক প্রতিশ্রুতি

বেক্সিমকো লিমিটেড-এ আমাদের কর্মকাণ্ড সমাজের প্রতি দায়িত্ববোধ দৃষ্টিভঙ্গন থেকে আমরা পরিচালনা করছি বলে বিশ্বাস করি। সেজন্য আমাদের সকল কার্যক্রম প্রধানত সমাজের মঙ্গলের দিকে লক্ষ্য রেখেই সম্পাদিত হয়ে থাকে। সামাজিক অঙ্গীকারের অংশ হিসাবে কোম্পানী সামাজিক গুরুত্ব সম্পন্ন অনুষ্ঠানাদি উপলক্ষে ক্রোড়পত্র প্রকাশনায় সহযোগিতা করে থাকে। বিভিন্ন প্রতিষ্ঠান ও পেশাদারিত্ব প্রতিষ্ঠানের আর্থ-সামাজিক ও সাংস্কৃতিক উন্নয়ন কার্যক্রমে আমরা একান্ত সহযোগিতা ও সমর্থন যুগিয়ে থাকি।

কৃতজ্ঞতা স্বীকার

আমি আমাদের সম্মানিত ক্রেতা, বিক্রেতা, ব্যাংকার, সরবরাহী সংস্থাসমূহ, বিধিবদ্ধ প্রতিষ্ঠান এবং আমাদের ব্যবসা পরিচালনার সাথে যারা জড়িত তাদের সকলকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমি কোম্পানীর শেয়ারহোল্ডারদের প্রতি কৃতজ্ঞ, যাদের সার্বক্ষণিক মূল্যবান সহযোগিতা এবং সমর্থন কোম্পানীকে আজকের এই অবস্থানে এনেছে। আমরা যে সাফল্য অর্জন করেছি, তা সকলের সম্মিলিত প্রচেষ্টারই ফল।

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

X. L. P. Lalunda

এ এস এফ রহমান
চেয়ারম্যান

Chairman's Statement

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 39th Annual General Meeting of your Company and to present you the Audited Accounts for the year ended 31st December 2011 and Auditors' and Directors' report thereon.

Once again I am very happy to confirm that The High Court division of Supreme Court has approved our amalgamation Scheme which you, our shareholders have approved in the EGM in 2011.

This has given us the desired result, which we had executed and mentioned to you in my last year's statement. This means we are now a much stronger company having much higher capability to withstand economic & other management difficulties. To increase our returns we are continuing to look actively to en-cash capital gains from our holdings whenever opportunities arise.

Despite higher growth in the economy credit squeeze & liquidity crisis in the market continues unabated and this has not spared us also.

Power and gas problem are still continuing and we are also trying our best to work around it. 2012 is proving to be much more difficult year as Bangladesh has been affected by the global recession more acutely than before.

We are continuing our efforts to ensure that we do not loose advantages carefully built up over the years during these difficult times, and we are confident that as soon as the global scenario improved your company will be able to take full advantage of that.

Social Commitment

In Beximco, we believe in our responsibilities towards the society we operate in. All our activities are therefore directed to the well being of the society in general. As part of the social commitment, the company sponsors news supplements on important social occasions. We also provide active co-operation and support to different organizations and professional institutions in their socio-cultural development programs.

Acknowledgement

I take this opportunity to express 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 the shareholders for extending at all times, your valuable support and cooperation to bring the company to the level it has reached today. The success we have achieved so far was only possible because of the collective efforts of all concerned.

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

A S F Rahman
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.

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

INTERNAL FINANCIAL CONTROL

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

Management structure - The Company is operating through a well defined management structure headed by Managing Director under whom there are CEOs, Executive Directors, General Managers for various departments and according to hierarchy, various senior and mid level management staffs. The Managing Director and 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 end as on 31st December 2011 stood at seven 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 and other five directors. Other five directors are nominated by Beximco Holdings Limited. The name of the directors appears on page 2. 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.

DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year ended December 31, 2011

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report together with the Audited Accounts of the company for the year ended on 31st December, 2011 and Auditors' Report thereon:

WORKING RESULTS

The Directors are pleased to report that the working results of the company for the year 2011 are as follows:

Taka in million

	For the year 2011	For the year 2010
Net profit before tax	7,793.01	6,949.14
Less: Provision for income tax	628.79	320.04
Net profit after tax	7,164.22	6,629.10
Add: Balance brought forward from previous year	9,244.20	3,442.50
Profit available for appropriation	16,408.42	10,071.60
APPROPRIATION RECOMMENDED		
Stock Dividend (Bonus Share) at 25%	908.91	827.40
Balance carried forward	15,499.51	9,244.20
	16,408.42	10,071.60

DIVIDEND

The Board of Directors has recommended a stock dividend (Bonus share) @ 25% per share of Tk. 10 each for the year 2011, subject to the approval of the Shareholders in the AGM.

DIRECTORS

Mr. O K Chowdhury and Dr. Abdul Alim Khan, 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 as Directors of the Company.

BOARD MEETING AND ATTENDANCE

During the year 12 (twelve) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meetings attended
Mr. A S F Rahman	12
Mr. Salman F Rahman	12
Mr. Iqbal Ahmed	12
Mr. M A Qasem	12
Mr. O K Chowdhury	12
Mr. A B S Rahman	12
Dr. Abdul Alim Khan	12

BOARD AUDIT COMMITTEE

The Company has an Audit Committee, which met four times in 2011 to consider its Annual Financial Statements for the year ended 31st December 2010, 1st quarter ended 31st March 2011, half year ended on 30th June 2011 and 3rd quarter ended on 30th September, 2011.

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to confirm that:

- The financial statements together with the notes thereon have drawn up in conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

Directors' report

(Continued from previous page)

- (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 no significant deviations in operating result compared to last year.
- (h) The summarised key operating and financial data of last five preceding years is annexed as "Comparative Statistics" in the Annual Report.
- (i) The Pattern of shareholding is as followings:

	Name	Shares held
(i)	Parent/Subsidiary/Associated Companies and other related Parties:	
	Beximco Holdings Ltd.	10,594,857
	New Dacca Industries Ltd.	5,134,334
	Beximco Engineering Ltd.	540,800
	Esses Exporters Ltd.	137,901
	Beximco Pharmaceuticals Ltd.	69,640
	Shinepukur Ceramics Ltd.	1,981,432
	Beximco Apparels Ltd.	175,493
(ii)	Directors, Chief Executive Officer	
	Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and Minor children:	
	Mr. A S F Rahman, Managing Director	22,772,169
	Mr. Salman F Rahman, Director	25,482,828
	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

CORPORATES GOVERNANCE COMPLIANCE STATUS REPORT

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

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 appointed as Auditors of the Company in Thirty-eighth Annual General Meeting carried out the audit for the year ended on 31 December, 2011.

M/s. M. J. Abedin & Co. , Chartered Accountants, Auditors of the Company, retire at this meeting and have expressed their willingness to continue in the office for the year 2012.

On behalf of the Board of Directors.



A S F Rahman
Chairman

Dated : 28 April, 2012

COMPLIANCE REPORT

Compliance Report on SEC's Notification

Status of Compliance with the conditions imposed by the SEC's Notification No.
SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February, 2006 issued under Section 2CC of the Securities and Exchange Ordinance, 1969: (Report under Condition No. 5.00)

Condition Title		Compliance status		Explanation for non-compliance with the condition
		Complied	Not complied	
I.1	Board Size	✓		
I.2(i)	Independent Director	✓		
I.2(ii)	Independent Directors' Appointment	✓		
I.3	Chairman & Chief Executive	✓		
I.4(a)	Directors Report on Financial Statements	✓		
I.4(b)	Books of Accounts	✓		
I.4(c)	Accounting Policies	✓		
I.4(d)	IAS applicable in Bangladesh	✓		
I.4(e)	System of Internal Control	✓		
I.4(f)	Going Concern	✓		
I.4(g)	Deviation in Operating Results	✓		
I.4(h)	Key Operating & Financial Data	✓		
I.4(i)	Declaration of Dividend	✓		
I.4(j)	No. of Board Meetings	✓		
I.4(k)	Pattern of Shareholdings	✓		
2.1	CFO, HIA & Company Secretary Appointment	✓		
2.2	Board Meeting Attendance	✓		
3.00	Audit Committee	✓		
3.1(i)	Composition of audit Committee	✓		
3.1(ii)	Audit Committee Members Appointment	✓		
3.1(iii)	Terms of service of Audit Committee	✓		
3.2(i)	Chairman of audit Committee	✓		
3.2(ii)	Audit Committee Chairman's Qualification	✓		
3.3.1(i)	Reporting to the Board of Directors	✓		
3.3.1(ii)(a)	Report of Conflicts of Interest	✓		
3.3.1(ii)(b)	Defect in the Internal Control System	✓		
3.3.1(ii)(c)	Suspected infringement of Laws	✓		
3.3.1(ii)(d)	Any other matter	✓		
3.3.2	Reporting to the Authorities	✓		
3.4	Reporting to the Shareholders	✓		
4.00(i)	Appraisal or Valuation Services	✓		
4.00(ii)	Financial Information System	✓		
4.00(iii)	Book Keeping or other services	✓		
4.00(iv)	Broker dealer services	✓		
4.00(v)	Actuarial services	✓		
4.00(vi)	Internal Audit services	✓		
4.00(vii)	Any other services	✓		

FINANCIALS



AUDITORS' REPORT

TO THE SHAREHOLDERS ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF
BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Introduction

We have audited the accompanying consolidated financial statements of Bangladesh Export Import Company Limited and its subsidiaries (the Group) which comprise the statement of financial position as at 31 December 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes in which are consolidated the financial statements of the same period of its subsidiary companies Shinepukur Ceramics Ltd. and Beximco USA Limited in compliance with the requirements of Bangladesh Accounting Standard 27: Consolidated and Separate Financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

We also report that

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the company and its subsidiaries so far as it appeared from our examination of these books;
- (c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the business of the company and its subsidiaries.

Dated, Dhaka
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	NOTES	AMOUNT IN TAKA	
		31-Dec-11	31-Dec-10
ASSETS			
Non - Current Assets		29,779,687,183	7,909,782,922
Property, Plant and Equipment	5	26,533,072,120	4,504,114,739
Investment In Shares	6	2,416,476,475	3,040,798,689
Deferred Assets		12,246,845	24,493,691
Capital Work in Progress		817,891,743	340,375,803
Current Assets		45,339,106,305	22,659,992,465
Inventories	7	5,787,165,141	4,406,964,821
Debtors	8	22,301,349,217	11,686,784,943
Advances, Deposits and Pre-Payments	9	16,991,382,503	6,269,158,960
Cash and Cash Equivalents	10	259,209,444	297,083,741
Total Assets		75,118,793,488	30,569,775,387
SHAREHOLDERS' EQUITY, NON-CONTROLLING INTEREST AND LIABILITIES			
Shareholders' Equity		44,079,962,117	17,843,954,106
Issued Share Capital	11	3,535,208,570	1,654,795,800
Reserve		23,625,786,188	5,662,834,348
Retained Earnings		16,918,967,359	10,526,323,958
Non-Controlling (Minority) Interest In Subsidiaries	12	1,350,281,988	1,246,083,596
Long Term Loan	13	5,220,136,740	1,078,512,573
Deferred Tax Liability	14	9,965,449	13,892,058
Current Liabilities		24,458,447,194	10,387,333,054
Short Term Loan From Banks and others	15	7,379,102,594	1,931,589,855
Long Term Loan - Current Portion	16	3,424,619,599	879,519,277
Trade and other Payables	17	12,588,303,879	7,149,621,863
Income Tax Payable		1,066,421,122	426,602,059
Total Equity and Liabilities		75,118,793,488	30,569,775,387

The notes are an integral part of the Financial Statements.

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



A S F RAHMAN
Chairman



SALMAN F RAHMAN
Vice Chairman



M A QASEM
Director

Per our report of even date.



M. J. ABEDIN & CO.
Chartered Accountants

Date : 28 April, 2012
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	NOTES	AMOUNT IN TAKA	
		2011	2010
Revenue (Turnover) from net Sales	18	29,339,932,714	18,980,964,619
Cost of Goods Sold	19	(16,260,877,280)	(10,715,521,890)
Gross Operating Profit		13,079,055,434	8,265,442,729
Operating Expenses		(1,450,826,746)	(253,072,253)
Administrative Expenses	20	(1,365,536,627)	(177,621,212)
Selling and Distribution Expenses	21	(75,169,915)	(75,451,041)
Exchange Loss		(10,120,204)	-
Operating Profit		11,628,228,688	8,012,370,476
Financial Expenses	22	(3,219,854,322)	(633,592,074)
Net Profit Before Cont. to WPWF		8,408,374,366	7,378,778,402
Contribution to Workers' Profit Participation / Welfare Fund		(400,398,779)	(15,253,704)
Net Profit Before Income Tax		8,007,975,587	7,363,524,698
Income Tax Expenses	23	(674,985,413)	(379,328,727)
Net Profit after Tax		7,332,990,174	6,984,195,971
Non-Controlling (Minority) Interest in Income		(84,384,072)	(126,623,714)
Net Profit after Non-Controlling (Minority) Interest		7,248,606,102	6,857,572,257
Other Comprehensive Income			
Revaluation Surplus on Property, Plant & Equipments		7,601,395,496	-
Fair Value Gain on Investment in Shares		86,202,955	-
Total Comprehensive Income after minority interest		14,936,204,553	6,857,572,257
EPS (Par Value of Share Tk. 10/=) (Adjusted EPS of 2010)	24	20.50	19.40

The notes are an integral part of the Financial Statements.

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



A S F RAHMAN
Chairman



SALMAN F RAHMAN
Vice Chairman



M A QASEM
Director

Per our report of even date.



M. J. ABEDIN & CO.
Chartered Accountants

Date : 28 April, 2012
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	AMOUNT IN TAKA			
	Share Capital	Retained Earnings	Reserve	Total
At 31 December 2010	1,654,795,800	10,526,323,958	5,662,834,348	17,843,954,106
Net Profit after Tax and Non-Controlling (Minority) Interests for the Year	-	7,248,606,102	-	7,248,606,102
Capital Reserve on Acquisition of Bextex Ltd.	-	-	11,596,705,546	11,596,705,546
Other Comprehensive Income:				
Revaluation Surplus on Property, Plant & Equipments	-	-	7,601,395,496	7,601,395,496
Fair Value Gain on Investment in Shares	-	-	86,202,955	86,202,955
Transactions With Shareholders:				
Issue of Share Capital on Acquisition of Bextex Ltd.	1,072,829,190	-	-	1,072,829,190
Issue of Bonus Shares for the prior Year(2010)	827,397,900	(827,397,900)	-	-
Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco Ltd.	(19,814,320)	-	-	(19,814,320)
Adjustment for Dhaka-Shanghai Ceramics Ltd., as Investment held for sale (Note - 2.08)	-	(28,564,801)	(1,321,352,157)	(1,349,916,958)
As on 31 December 2011	3,535,208,570	16,918,967,359	23,625,786,188	44,079,962,117

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



A S F RAHMAN
Chairman



SALMAN F RAHMAN
Vice Chairman



M A QASEM
Director

Per our report of even date.



M. J. ABEDIN & CO.
Chartered Accountants

Date : 28 April, 2012
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

	AMOUNT IN TAKA	
	2011	2010
Cash Flows From Operating Activities :		
Collection from turnover and other income	24,241,051,836	8,954,502,979
Payments for cost and expenses including interest & tax	(22,476,226,663)	(8,013,344,579)
Net cash Generated From Operating Activities	1,764,825,173	941,158,400
Cash Flows From Investing Activities :		
Capital Work-In-Progress	(477,515,940)	(167,555,177)
Property, Plant and Equipment acquired	(479,208,993)	(318,605,100)
Net Cash Used In Investing Activities	(956,724,933)	(486,160,277)
Cash Flows From Financing Activities :		
Long term loan decreased	(845,974,537)	(313,961,959)
Net Cash Used In Financing Activities	(845,974,537)	(313,961,959)
Increase in Cash And Cash Equivalents	(37,874,297)	141,036,164
Cash And Cash Equivalents at Beginning of the year	297,083,741	156,047,577
Cash And Cash Equivalents at End of the year	Tk. 259,209,444	297,083,741

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



A S F RAHMAN
Chairman



SALMAN F RAHMAN
Vice Chairman



M A QASEM
Director

Per our report of even date.



M. J. ABEDIN & CO.
Chartered Accountants

Date : 28 April, 2012
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

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 31-12-2011, the Company holds 50% shares (50% shares on 31-12-2009) of Shinepukur Ceramics Ltd., a company of Beximco Group engaged in manufacturing and marketing of ceramics tableware.

The company has a branch at London which has a subsidiary in USA named Beximco USA Ltd.

The company has its registered office and operational office at Beximco Corporate Head quarters, 17, Dhanmondi Residential Area, Road No.2, Dhaka - 1205. The London Branch is situated at 12 Barkat House, 116-118 Finchley Road, London NW3 5HT, UK and Beximco USA Ltd. is located at 310, Selvidge Street, Delton, Georgia – 30722, USA.

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 fixed assets which are stated at revalued amount.

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

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

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

(a) Shinepukur Ceramics Ltd. and Beximco USA Ltd. (subsidiaries) 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 BAS: 27 Consolidated and Separate Financial Statements. In respect of the subsidiary undertakings, financial statements for the year ended 31 December 2011 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 unrealised income and expenses arising from intra-group transactions have been eliminated while preparing the consolidated financial statements. Unrealised 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. Unrealised losses were eliminated in the same way as unrealised gains, but only to the extent that there was no evidence of impairment.

(d) Non-Controlling Interest (Minority Interest)

The issued and Paid-up Share Capital of Shinepukur Ceramics Ltd. and Beximco USA Ltd. are Tk. 1,111,274,530 (111,127,453 Shares of Tk. 10/= each) and Tk.18,301,480 (22,600 Shares of US \$ 10/= each) respectively.

2.03 Reporting Framework and Compliance thereof

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

2.04 Presentation of Financial Statements

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

The Financial Statements Comprises:

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

2.05 Reporting Period

The financial statements cover one calendar year from 01 January 2011 to 31 December 2011.

2.06 Authorisation for Issue

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

2.07 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.

2.08 Comparative Information

Comparative information has been disclosed in respect of the year 2010.

The comparative information of 2010 is not comparable with 2011 as the 2011 includes the amounts of Bextex Ltd. merged with the Company in 2011; and excludes the amounts of Dhaka-Shanghai Ceramics Ltd. held for sale in 2011 (in terms of paragraph 6 of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations) but included as a subsidiary in 2010.

2.09 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 BAS 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.

2.10 Statement of Cash Flows

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

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

2.11 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 BAS 24: Related party Disclosures has been disclosed in a separate note to the accounts.

2.12 Events after the Reporting Period

In compliance with the requirements of BAS 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 BAS 18: Revenue, revenue from receipts from customers against sales is recognized when products

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

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 BAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.02.2 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 BAS 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 profit and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.02.4 Software

Software is generally charged off as revenue expenditure. Purchase 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 income statement, 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 BAS 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%
Furniture & Equipment of London Branch	15%

3.03 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

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

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.

3.04 Leased Assets

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

3.05 Investment in Shares

3.05.1 Investment in shares of Beximco USA Ltd. by Beximco London Branch is carried in this statement of financial position at Net Assets by consolidating assets and liabilities thereof.

3.05.2 Investment in other shares being classified as long term assets, are 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.

3.06.1 (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 comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

(b) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of 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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

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 BAS 23: Borrowing Costs.

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

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

3.11 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

(b) Short-term employee benefits

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

(c) Contribution to Workers' Participation/Welfare Funds

This represents 5% of net profit before tax contributed by the Company as per provisions of Bangladesh Labor Law, 2006 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 Bangladesh Accounting Standard (BAS) 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 Bangladesh Accounting Standard (BAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

3.13 Earnings Per Share

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

Basic Earnings (Numerator)

This represents earnings for the 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 (2011)

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 year. However, the Bonus Shares issued during the year 2011 were treated as if they always had been in issue.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

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as at and for the year ended 31 December 2011

Hence, in computing the Basic EPS of 2011, the total number of bonus shares has been considered.

Earlier Year (2010)

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 period reported (2010), and accordingly, in calculating the adjusted EPS of 2010, the total number of shares including the subsequent bonus issue in 2011 has been considered as the weighted Average Number of Shares Outstanding during the year 2010.

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

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 BAS 21: the Effects of Changes in Foreign Exchange Rates. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

4.00 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

4.01 Credit risk

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

4.02 Liquidity risk

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

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

4.03 Market risk

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

(a) Currency risk

As at 31 December 2011 there was no exposure to currency risk as there were no foreign currency transactions made during the year under review.

(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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

5. Property, Plant and Equipment : Tk.26,533,072,120

The details are stated below:

Particulars	Land and Land Development	Building and other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost/Valuation							
At 31 Dec, 2010	4,916,840,985	4,313,606,450	15,015,975,951	547,731,789	154,953,358	2,900,000,000	27,849,108,533
Surplus on Revaluation in 2011	5,034,134,015	1,215,849,791	1,351,411,690	-	-	-	7,601,395,496
Addition in 2011	-	562,400,481	599,498,161	60,823,336	6,487,015	(750,000,000)	479,208,993
At 31 December, 2011	Tk. 9,950,975,000	6,091,856,722	16,966,885,802	608,555,125	161,440,373	2,150,000,000	35,929,713,022
Depreciation							
At 31 Dec, 2010	-	1,107,165,596	7,069,885,273	443,581,576	80,052,113	-	8,700,684,558
Charged in 2011	-	113,310,937	540,642,474	27,547,317	16,480,617	-	697,981,345
At 31 December, 2011	Tk. -	1,220,476,533	7,610,527,747	471,128,893	96,532,730	-	9,398,665,903
Carrying Value							
At 31 December, 2011	Tk. 9,950,975,000	4,871,380,189	9,356,358,055	137,426,232	64,907,643	2,150,000,000	26,531,047,119
Lease Hold Land	2,025,001	-	-	-	-	-	2,025,001
Carrying Value							
At 31 December, 2011	Tk. 9,953,000,001	4,871,380,189	9,356,358,055	137,426,232	64,907,643	2,150,000,000	26,533,072,120

AMOUNT IN TAKA
as at 31-Dec-11 as at 31-Dec-10

6. Investment in Shares: Tk. 2,416,476,475

This consists of as follows:

(i) In Associated undertakings :			
(a)	In Shares of Bextex Ltd.	-	883,411,833
(b)	In 1,772,968 Shares of Beximco Pharmaceuticals Ltd. [Listed company, Market value Tk. 93.60 per share on 29/12/2011]	165,949,805	92,925,550
(c)	In 51,950 Shares of Beximco Synthetics Ltd. [Listed company, Market value Tk. 37.90 per share on 29/12/2011]	1,968,905	1,185,680
(d)	In 11,075 Shares of Tk.100/= each of Beximco Apparels Ltd.	-	1,107,500
(e)	In 10,000 Shares of Tk.100/= each of Beximco Engineering Ltd.	-	1,000,000
(f)	In 49,000 Shares of Tk.100/= each of Gammatech Ltd.	-	4,900,000
(g)	In 856,819 Shares of Tk.100/= each of International Hotel Holdings Ltd.	-	85,681,900
(h)	In 20,000 Shares of Tk.100/= each of International Cements Ltd.	-	2,000,000
(i)	In 40,000 Shares of Tk.100/= each of Shinepukur Hotels Ltd.	-	4,000,000
(j)	In 250,000 Shares of Tk.10/= each of Beximco Zenith Ltd.	-	2,500,000
(ii) Others :			
(a)	In 61,749,948 Shares of Dhaka Shanghai Ceramics Ltd.	617,499,480	-
(b)	In 29,998,000 Shares of Tk.10/= each of GMG Airlines Ltd	299,980,000	299,980,000
(c)	In 8,281,090 Shares of Tk.160/= each against face value of Tk. 10 each of Unique Hotel & Resort Ltd	1,324,974,400	1,600,000,000
(d)	In 2,793 Shares of Tk.100/= each of Investment Corporation of Bangladesh [Listed company, Market value Tk. 1,623.50 per share on 29/12/2011]	4,534,435	38,900
(e)	In 150 Shares of Power Grid Company of Bangladesh Ltd. (Listed Company)	-	40,364
(f)	In 116,949 Shares of IFIC Bank Ltd. (Listed Company)	-	57,610,262
(g)	In 456,945 Shares of Central Depository Bangladesh Ltd.	1,569,450	4,416,700
		2,416,476,475	3,040,798,689

Investment in Dhaka-Shanghai Ceramics Ltd. considered as a subsidiary of the Company until 2010 has now been deemed as an investment held for sale in terms of paragraph 6 of IFRS 5. Non-Current Assets Held for Sale and Discontinued Operations.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

		AMOUNT IN TAKA	
		as at 31-Dec-11	as at 31-Dec-10
7.	Inventories - Tk. 5,787,165,141		
	This represents as follows:		
	Raw Material	707,707,029	432,366,479
	Finished Goods	733,158,394	207,647,505
	Work-In-Process	571,686,068	174,729,359
	Stores and Spares	265,525,656	108,735,182
	Packing Material	53,659,399	51,632,785
	Land	2,773,788,401	2,699,395,577
	Land development and others	191,735,891	190,582,362
	Work in progress	464,895,891	450,704,589
	Fish	10,923,003	84,832,980
	Fish Feed	7,165,503	2,383,875
	PIN Mailers	155,161	155,161
	Jute Yarn (London Branch)	6,764,745	3,798,967
		5,787,165,141	4,406,964,821
8.	Debtors - Tk. 22,301,349,217		
	This is unsecured but considered good.		
9.	Advances, Deposits and Pre-payments : Tk. 16,991,382,503		
	This consists of as follows:		
	(i) Advances:	16,310,217,995	6,230,427,979
	Advance Income Tax	224,906,458	50,863,087
	L/C- Margin	1,541,026,460	79,040,643
	Suppliers	11,946,190	12,130,461
	Trade Fair	5,463,275	4,158,156
	Marketing Expenses	8,714,661	8,714,661
	L/C- Insurance & Commission	1,364,598	2,300,146
	Other Advances	14,516,796,353	6,073,220,825
	(ii) Deposits	642,638,273	38,730,981
	(iii) London Branch	38,526,235	-
		16,991,382,503	6,269,158,960
	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.	Cash and Cash Equivalents: Tk. 259,209,444		
	This consist of as follows:		
	In Hand	24,724,380	15,022,852
	In Current Account with banks	156,449,403	190,745,115
	In STD account with bank	76,016,579	89,765,602
	In fixed deposit and accrued interest with bank	1,746,017	1,485,208
	London Branch	273,065	64,964
		259,209,444	297,083,741

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NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

AMOUNT IN TAKA

as at 31-Dec-11

as at 31-Dec-10

11. Issued Share Capital: Tk.3,535,208,570

(a) Authorised:

1000,000,000 Ordinary Shares of Tk. 10/-each

(b) Issued, Subscribed and Paid-Up:

4,000,000 Ordinary Shares of Tk.10/-each

187,852,044 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 shares of Shinepukur Ceramics Ltd.

12,600,000 Ordinary Shares of Tk. 10/- each issued to the shareholders of Shinepukur Holdings Ltd.

650,000 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fisheries Ltd.

11,909,840 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bangladesh Online Ltd.

9,187,487 Ordinary Shares of Tk. 10/- each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.

107,282,919 Ordinary Shares of Tk. 10/- each issued to the shareholders of Bextex Ltd.

Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco 1,981,432 Ordinary Shares of Tk. 10/- each

Total 353,520,857 Shares of Tk. 10/= each

10,000,000,000

5,000,000,000

40,000,000

40,000,000

1,878,520,440

1,051,122,540

220,199,990

220,199,990

126,000,000

126,000,000

6,500,000

6,500,000

119,098,400

119,098,400

91,874,870

91,874,870

1,072,829,190

-

(19,814,320)

-

3,535,208,570

1,654,795,800

(c) Composition of Shareholding:

2011

No. of Shares

%

2010

No. of Shares

%

Sponsors:

A S F Rahman

Salman F Rahman

Associates

Foreign Investors

General Public & Financial Institutions

22,772,169

6.44%

8,499,736

5.14%

25,482,828

7.21%

8,250,577

4.99%

16,653,025

4.71%

5,169,584

3.12%

28,812,909

8.15%

17,042,942

10.30%

259,799,926

73.49%

126,516,741

76.45%

353,520,857

100.00

165,479,580

100.00

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

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

Share holding Range in number of Shares

Number of holders

% of total holders

Number of Shares

% of Share Capital

1 to 499

138,600

73.44%

22,185,961

6.28%

500 to 5,000

45,676

24.20%

64,373,834

18.21%

5,001 to 10,000

2,493

1.32%

17,461,972

4.94%

10,001 to 20,000

1,043

0.55%

14,693,355

4.16%

20,001 to 30,000

294

0.16%

7,184,490

2.03%

30,001 to 40,000

143

0.08%

4,999,084

1.41%

40,001 to 50,000

75

0.04%

3,391,339

0.96%

50,001 to 100,000

183

0.10%

12,716,311

3.60%

100,001 to 1,000,000

176

0.09%

48,464,665

13.71%

Over 1,000,000

42

0.02%

158,049,846

44.71%

Total :

188,725

100.00

353,520,857

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. 113.00 and Tk. 113.40 per share in the Dhaka and Chittagong Stock Exchanges respectively on 29 December, 2011.

(g) Voting Rights :

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

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as at and for the year ended 31 December 2011

		AMOUNT IN TAKA	
		as at 31-Dec-11	as at 31-Dec-10
12.	Non-Controlling (Minority) Interest In Subsidiaries - Tk. 1,350,281,988		
This consists of as follows:			
As on 01 January 2011		1,246,083,596	
Add: Minority Interest in Income for the Year		84,384,072	
Add: Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco		19,814,320	
		1,350,281,988	
13.	Long Term Loan - Tk. 5,220,136,740		
This represents Loans from:			
Sonali Bank- Project		124,894,280	157,432,561
Sonali Bank- PAD Blocked		1,326,400,661	131,404,703
Sonali Bank- CC Blocked		7,966,848	15,941,240
Sonali Bank-IBP Loan		592,776,801	
Sonali Bank Interest Free		63,858,807	
Sonali Bank-Interest Bearing Block		544,643,788	
Sonali Bank - Term Loan		-	28,849,814
Southeast Bank - Term Loan		167,518,602	124,364,625
Consortium Loan		-	547,106,854
Term Loan (FLIL)		-	13,478,340
First Lease International Ltd. (Lease Obligation)		-	59,934,436
10% Debentures		522,630,764	-
Rupali Bank-Term Loan 1		271,388,000	-
Rupali Bank-Term Loan 2		180,076,000	-
Rupali Bank Interest Free Block		137,906,902	-
Rupali Bank - PAD Segregation		553,594,782	-
Rupali Bank CCP and CCH Segregation		558,220,000	-
Bangladesh Development Bank-Term Loan		69,036,856	-
Bangladesh Development Bank-Interest Block		41,301,596	-
The City Bank Ltd		54,585,000	-
International Leasing and Financial Services Ltd.		3,337,053	-
		5,220,136,740	1,078,512,573

Consortium loan represents term loan received under the consortium of Sonali Bank Ltd. (Lead Bank), Janata Bank and Rupali Bank Ltd.

Term loan (FLIL) represents amount received from First Lease Finance & Investment Ltd.

Nature of security :

- (a) Pursuant to supplementary Lenders' Paripassu Security Sharing Agreement dated 24-06-2004 among Marubeni Corporation, Southeast Bank Ltd., Sonali Bank and Shinepukur Ceramics Ltd., Marubeni Corporation, Southeast Bank Ltd., and Sonali Bank are secured by:
 - (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.
- (b) Consortium loan is secured against 1st (legal mortgage) charge on pari passu basis with the participating banks on 84 acres of land at Gazipur & Gulshan, personal guarantees of Directors, corporate guarantees and mortgage of shares worth Taka 15 crore of associated undertakings.
- (c) Term loan (FLIL) is secured against registered mortgage of project property consisting of 64 Flats with car parking in 2 (two) 9 (nine) storied building constructed on 16 kathas land at Senpara Parbata, Mirpur and personal guarantee of Directors.

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Terms of Repayment :

Sonali Bank Project Loan:

In 41 (Forty one) equal quarterly installments commencing from March 31, 2005.

Sonali Bank PAD Blocked Loan:

In 120 (One hundred twenty) equal monthly installments commencing from January 31, 2005.

Sonali Bank CC Blocked Loan:

In 108 (One hundred eight) equal monthly installments commencing from January 31, 2005.

Consortium loan:

Sonali and Rupali Bank: In thirty six quarterly equal installments with effect from January, 2004

Janata Bank: In thirty six equal installments with effect from January, 2004

Term Loan (FLIL):

In 72 monthly equal installments with effect from January, 2004

Rate of Interest:

Marubeni Corporation:

Japanese long term prime rate (LTPR) + 3% p.a.

Sonali Bank Project Loan:

12.50% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank PAD Blocked Loan:

14% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank CC Blocked Loan:

Rate of Interest - nil

Consortium loan:

16% p. a. payable and chargeable at quarterly rest. This however, may vary following changes in the bank's policies.

Term Loan (FLIL):

20% p. a.

AMOUNT IN TAKA
as at 31-Dec-11 as at 31-Dec-10

14. Deferred Tax Liabilities - Tk. 9,965,449

This is in respect of Shinepukur Ceramics Ltd. and is arrived at as follows.

Opening Balance	13,892,058	12,654,931
Provided/(Adjustment) during the Year	(3,926,609)	1,237,127
	9,965,449	13,892,058

15. Short Term Loan from Banks and Others - Tk. 7,379,102,594

This is secured and consists of as follows:

Sonali Bank- CC (Hypothecation)	1,114,570,759	541,401,159
Sonali Bank- CCP	518,503,948	-
Sonali Bank- LTR	95,526,384	97,317,506
Rupali Bank-Overdraft	1,101,316,702	-
Bank Asia Ltd. - Over Draft	261,010,676	257,160,938
Southeast Bank - LTR	62,495,327	59,929,141
Janata Bank Cah Subsidy	23,626,989	-
Janata Bank- CCH	777,875,872	-
AB Bank- SDB Loan	820,958,848	-
State Bank of India	111,092,284	-
Bank Overdraft	98,701,245	116,377,407
Phoenix Finance and Investment	200,000,000	-
Other Short Term Loan	2,193,423,560	859,403,704
	7,379,102,594	1,931,589,855

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

		AMOUNT IN TAKA	
		as at 31-Dec-11	as at 31-Dec-10
16.	Long Term Loan - Current Portion Tk. 3,424,619,599		
	This consists of as follows:		
	Foreign Currency Loan:		
	Marubeni Corporation	-	163,565,395
	Local Currency Loan:		
	Sonali Bank- Project	31,580,660	25,913,181
	Sonali Bank- PAD Blocked	655,417,852	24,290,734
	Sonali Bank- CC Blocked	7,781,725	7,905,658
	Sonali Bank-IBP Loan	274,007,812	-
	Sonali Bank Interest Free	22,655,710	-
	Sonali Bank-Interest Bearing Block	337,046,814	-
	Sonali Bank - Term Loan	-	89,386,725
	Southeast Bank - Term Loan	17,743,589	20,819,566
	Consortium Loan	751,554,484	389,191,735
	Term Loan (FLIL)	20,704,387	11,527,840
	Lease Obligation	85,272,605	75,783,221
	10% Debentures	281,899,246	71,135,222
	Rupali Bank-Term Loan 1	133,934,333	-
	Rupali Bank-Term Loan 2	92,902,086	-
	Rupali Bank Interest Free Block	39,508,000	-
	Rupali Bank - PAD Block	237,467,556	-
	Rupali Bank CCP and CCH Segregation	287,394,364	-
	Bangladesh Development Bank-Term Loan	12,355,965	-
	Bangladesh Development Bank-Interest Block	17,895,472	-
	City Bank NA-Term Loan	48,151,099	-
	The City Bank Ltd	31,663,114	-
	International Leasing and Financial Services Ltd.	7,737,784	-
	First Lease Finance and Investment Ltd	29,944,942	-
		3,424,619,599	879,519,277
17.	Trade and Other Payables : Tk. 12,588,303,879		
	This consists of as follows:		
	L/C and Others	6,183,000	-
	Creditors for Goods	8,557,615,555	6,705,544,783
	Security Deposit	18,215,000	3,145,000
	Outstanding Export Commission	4,521,572	3,847,097
	Others	4,001,768,752	437,084,983
		12,588,303,879	7,149,621,863
		AMOUNT IN TAKA	
		for the year 2011	for the year 2010
18.	Revenue: Tk. 29,339,932,714		
	Sale of Goods (Net)	28,202,428,378	16,185,482,907
	Dividend Income	10,382,672	129,578
	Exchange Gain/(Loss) (Net)	-	1,325,904
	Commission and other Income	2,012,549	1,943,070
	Capital Gain on Sale of Shares	1,125,109,115	2,792,083,160
		29,339,932,714	18,980,964,619
19.	Cost of Revenue - Tk. 16,260,877,280		
	Table Ware (Shinepukur Ceramics Ltd.)	1,248,024,942	1,558,464,008
	Internet Services & Software	208,656,327	226,020,114
	Shrimp, Fish and Salt (Fisheries Unit)	2,241,542,173	2,043,318,125
	Yarn, Fabrics & Others	12,454,703,449	6,783,880,705
	Jute Yarn and Other Jute Products (London Branch)	107,950,389	103,838,938
		16,260,877,280	10,715,521,890

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

		AMOUNT IN TAKA	
		for the year 2011	for the year 2010
20.	Administrative Expenses: Tk 1,365,536,627		
	Salaries and allowances	545,880,250	59,710,859
	Rent, Rates and Taxes	17,081,550	11,715,132
	Postage, Telegram, Telex and Telephone	16,177,443	4,519,091
	Publicity and advertisement	201,706,600	900,641
	Petrol, Fuel, Electricity, Gas and Water	6,702,568	10,211,427
	Printing and stationery	14,307,008	6,913,205
	Car repairs and maintenance	71,295,089	3,254,682
	Travelling and conveyance	157,192,640	4,043,656
	Repair and Maintenance	37,393,366	5,595,719
	Fees and charges	50,204,172	8,220,320
	Entertainment	14,772,614	2,498,293
	Subscription	4,130,657	4,257,902
	Audit fee	1,463,000	918,000
	Tender document	-	35,000
	Insurance	6,953,392	675,444
	AGM expenses	5,927,299	1,151,158
	Contribution to Provident Fund	512,366	651,877
	General Office Expenses	148,041	1,170,517
	Miscellaneous overhead	42,587,096	924,104
	Depreciation	22,650,507	26,104,322
	Welfare Expenses	3,605,636	1,733,163
	Utilities Expenses	517,576	542,109
	CDBL charges	1,733,495	3,432,430
	Loss on sale & lease back of assets	29,396,927	13,111,188
	London Branch Expenses	1,275,504	5,330,973
	Debtors (Net) Written Off	111,754,837	-
	Training and Conference	166,994	-
		1,365,536,627	177,621,212
21.	Selling and Distribution Expenses Tk. 75,169,915		
	Promotional Expenses	16,823,502	29,336,933
	Distribution Expense	25,622,288	
	Salaries and allowances	16,380,110	21,451,413
	Occupancy Expenses	3,533,504	3,582,140
	Office Expenses	3,367,602	6,950,673
	Communication Expenses	789,413	1,199,759
	Travelling and conveyance	1,517,157	2,108,835
	Transport Expenses	1,969,531	2,530,335
	Welfare Expenses	1,407,648	2,229,726
	Advertisement and Publicity	1,697,767	3,649,929
	Utilities Expenses	552,183	1,085,543
	Showroom Expenses	361,297	320,284
	Handling and Carrying Expenses	776,522	244,296
	Repair and Maintenance	5,900	200,235
	Legal and Professional Fees	187,071	500,931
	General Expenses	20,020	17,890
	Product Research	50,000	42,119
	Training and Conference	108,400	-
		75,169,915	75,451,041

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

		AMOUNT IN TAKA	
		for the year 2011	for the year 2010
22. Financial Expenses : Tk. 3,219,854,322			
Interest on loan from banks and others		2,959,557,424	348,665,126
Bank Charges and Commission		10,098,410	7,353,480
Interest on loan from a related company		240,314,856	246,300,055
Lease Interest		10,483,611	31,753,896
Other Interest Income		(599,979)	(672,877)
London Branch Expenses		-	192,394
		3,219,854,322	633,592,074
23. Income Tax Expenses – Tk. 674,985,413			
Current Tax		733,381,159	422,521,002
Tax Rebate		(69,865,331)	(36,447,106)
Deferred Tax		(3,926,609)	1,237,127
Short/(Excess) Provision of tax for earlier years		15,396,194	(7,982,296)
London Branch Expenses		-	-
		674,985,413	379,328,727
24. 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)		7,248,606,102	6,857,572,257
(b) Weighted average number of shares used for EPS (Note - 3.13)		353,520,857	353,520,857
(c) Basic EPS (a/b)		20.50	19.40

25. Related Party Disclosures :

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

Name of the Related Parties	Nature of transactions	Value of transactions during the year	Balance at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	(26,275,962.00)	165,949,805
Beximco Pharmaceuticals Ltd.	Short Term Loan	1,334,019,856	(2,193,423,560)
Beximco Pharmaceuticals Ltd.	Interest Expenses	240,314,856	-
Beximco Synthetics Ltd.	Investment in Shares	-	1,968,905

Nature of Relationship:

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

26. Segmental Reporting:

Revenue:

Sale of Ceramic Tableware of subsidiary - Shinepukur Ceramics Ltd.

Internet Services & Software sale

Software Export

Fish

Shrimp

Salt

Yarn, Fabric & Others

Sale of Jute Yarn and Other Jute Products

Dividend Income

Exchange Gain / (Loss)

Commission and other Income

Capital gain on sale of shares

Total Revenue

Less: Cost of Revenue

Gross Operating Profit

Less: Expenses

Net Profit / (Loss) before WPPF

Contribution to WPPF/Welfare Fund

Net Profit after Tax

Income Tax Expenses

Net profit after tax

Less: Minority Interest in income

Net profit after tax and minority interest

	Bangladesh Operation	London Operation	USA Operation	TOTAL
Sale of Ceramic Tableware of subsidiary - Shinepukur Ceramics Ltd.	1,901,129,192	-	-	1,901,129,192
Internet Services & Software sale	116,148,627	-	-	116,148,627
Software Export	1,076,467,111	-	-	1,076,467,111
Fish	2,805,789,220	-	-	2,805,789,220
Shrimp	2,193,258,545	-	-	2,193,258,545
Salt	22,306,735	-	-	22,306,735
Yarn, Fabric & Others	19,978,397,405	-	-	19,978,397,405
Sale of Jute Yarn and Other Jute Products	-	108,931,543	-	108,931,543
Dividend Income	10,382,672	-	-	10,382,672
Exchange Gain / (Loss)	-	-	-	-
Commission and other Income	2,012,549	-	-	2,012,549
Capital gain on sale of shares	1,125,109,115	-	-	1,125,109,115
Total Revenue	29,231,001,171	108,931,543	-	29,339,932,714
Less: Cost of Revenue	(16,152,926,891)	(107,950,389)	-	(16,260,877,280)
Gross Operating Profit	13,078,074,280	981,154	-	13,079,055,434
Less: Expenses	(4,669,405,564)	(1,275,504)	-	(4,670,681,068)
Net Profit / (Loss) before WPPF	8,408,668,716	(294,350)	-	8,408,374,366
Contribution to WPPF/Welfare Fund	(400,398,779)	-	-	(400,398,779)
Net Profit after Tax	8,008,269,937	(294,350)	-	8,007,975,587
Income Tax Expenses	(674,985,413)	-	-	(674,985,413)
Net profit after tax	7,333,284,524	(294,350)	-	7,332,990,174
Less: Minority Interest in income	(84,384,072)	-	-	(84,384,072)
Net profit after tax and minority interest	7,248,900,452	(294,350)	-	7,248,606,102

Tk.

27. Contingent Liabilities

There was no sum for which the company is contingently liable as on 31 December 2011.

28. Capital Expenditure Commitment

(a) There was no capital expenditure contracted but not incurred or provided for at 31 December 2011.

(b) There was no material capital expenditure authorized by the Board but not contracted for at 31 December 2011.

29. Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 31 December 2011.

30. Credit Facility Not Availed

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

31. 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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***as at and for the year ended 31 December 2011***32. Events After The Reporting Period**

- (a) On 05-04-2012, the company issued 8,062,820 ordinary shares of tk.10 each for the purpose of acquiring approximately 100% shares of International knitwear and Apparels Ltd., Beximco Fashions Ltd., Crescent Fashion and Design Ltd., and Freshtex Bangladesh (Pvt) Ltd.
- (b) Subsequent to the balance sheet date, the board of directors recommended 25% Bonus Shares (25 Bonus Shares for each 100 Shares held). The dividend (Bonus Shares) proposal is subject to shareholders' approval at the forthcoming annual general meeting. Except the fact as stated above, no circumstances has arisen since the balance sheet date which would require adjustments to, or disclosure in, the financial statements or notes thereto.



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



M A Qasem
Director

Date: 28 April, 2012
Dhaka.

AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS
of
BANGLADESH EXPORT IMPORT COMPANY LIMITED
as at and for the year ended 31 December 2011

BANGLADESH EXPORT IMPORT COMPANY LIMITED

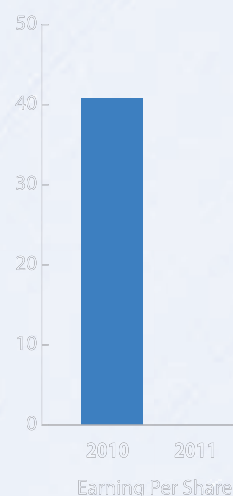
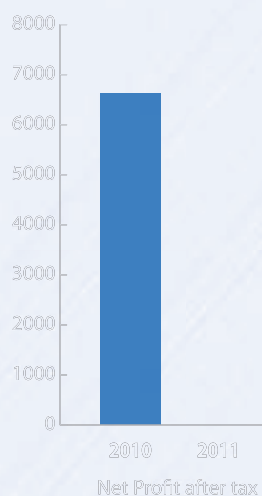
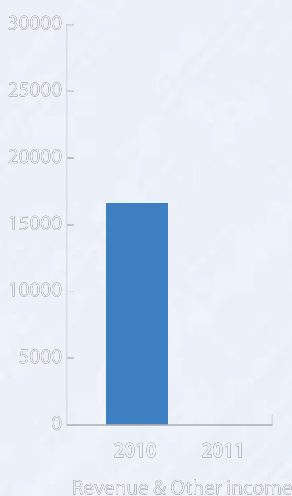
COMPARATIVE STATISTICS

Taka In '000

Particulars	2011	2010	2009	2008	2007
Paid up Capital	3,555,023	1,654,796	942,373	548,849	362,043
Revenue	27,438,488	16,596,875	3,666,996	1,312,403	335,183
Gross Profit	12,425,636	7,439,817	3,445,251	989,458	121,153
Profit Before Income Tax	7,793,010	6,949,140	3,220,810	934,489	70,811
Net Profit after Income Tax	7,164,222	6,629,098	3,208,628	909,947	55,405
Tangible Assets (Gross)	30,024,132	748,361	732,773	267,799	37,308
Cumulative Surplus	16,408,424	10,071,600	4,063,050	1,183,731	328,015
Dividend-both Cash and Stock	25%(B)	50%(B)	60%(B)	10%(C)& 50%(B)	15%(B)
Return on Paid up Capital	202%	401%	340%	166%	15%
Shareholders' Equity	43,426,941	15,556,700	8,560,103	4,777,330	1,136,837
Earning per Share (Taka)	23.73	40.82	34.05	16.58	1.53
Shareholders' Equity Per Share(Taka)	122	94	91	87	31
Number of Shareholders	188,726	97,540	47,825	34,083	8,962
Number of Employees	7,561	204	191	105	21

HIGHLIGHTS

	2011	2010	Change	
			Amount	%
Revenue & Other income (Million Taka)	27,438.49	16,596.87	10,841.62	65.32
Net Profit after tax (Million Taka)	7,164.22	6,629.10	535.12	8.07
Earning Per Share (Tk.)	23.73	40.82	-17.09	-41.87



AUDITORS' REPORT

TO THE SHAREHOLDERS OF

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Introduction

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

We also report that

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- (c) the statement of financial position (Balance Sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the company's business.

Dated, Dhaka
28 April 2012



M.J. ABEDIN & CO
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Notes	AMOUNT IN TAKA	
		31-Dec-11	31-Dec-10
ASSETS			
Non - Current Assets		27,338,164,715	4,209,833,653
Property, Plant and Equipment	4.00	22,040,016,659	300,807,148
Investment in Shares	5.00	4,687,063,432	3,398,843,629
Deferred Assets		12,246,845	24,493,691
Long Term Loan	6.00	598,837,779	485,689,185
Current Assets		43,845,806,435	20,558,951,963
Inventories	7.00	4,895,490,391	3,438,885,111
Trade and Other Receivables	8.00	21,837,347,409	11,043,175,494
Advances, Deposits and Pre-Payments	9.00	16,879,191,971	5,836,093,957
Cash and Cash Equivalents	10.00	233,776,664	240,797,401
Total Assets		71,183,971,150	24,768,785,616
EQUITY AND LIABILITIES			
Shareholders' Equity		43,426,941,360	15,556,700,496
Issued Share Capital	11.00	3,555,022,890	1,654,795,800
Reserves	12.00	23,463,494,402	3,830,304,800
Retained Earnings		16,408,424,068	10,071,599,896
Non - Current Liabilities		4,823,557,468	620,519,630
Long Term Loans - Net of Current Maturity	13.00	4,823,557,468	620,519,630
Current Liabilities		22,933,472,322	8,591,565,490
Long Term Loans - Current Maturity	14.00	3,332,800,907	546,413,611
Short Term Loan	15.00	6,132,727,641	859,403,704
Trade and Other Payables	16.00	13,467,943,774	7,185,748,175
Total Equity and Liabilities		71,183,971,150	24,768,785,616
Net Assets Value Per Share		122.16	93.86

The accompanying notes form an integral part of this financial statement.

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



A S F RAHMAN
Chairman




SALMAN F RAHMAN
Vice Chairman



M A QASEM
Director

Per our report of even date.



M. J. ABEDIN & CO.
Chartered Accountants

Date : 28 April, 2012
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	AMOUNT IN TAKA	
		2011	2010
Revenue	17.00	27,438,488,152	16,596,874,713
Cost of Revenue	18.00	(15,012,852,338)	(9,157,057,882)
Gross Profit		12,425,635,814	7,439,816,831
Operating Expenses		(4,242,975,262)	(490,676,904)
Administrative Expenses	19.00	(1,304,103,590)	(119,617,899)
Selling and Distribution Expenses		(25,622,288)	(18,173,148)
Finance Cost	20.00	(2,913,249,384)	(352,885,857)
Profit before WPPF and Income Tax		8,182,660,552	6,949,139,927
Contribution to WPPF		(389,650,502)	-
Net Profit Before Tax		7,793,010,050	6,949,139,927
Income Tax Expenses	21.00	(628,787,978)	(320,041,656)
Net Profit after tax (NPAT) for the year		7,164,222,072	6,629,098,271
Other Comprehensive Income:			
Revaluation Surplus on Property, Plant & Equipments	4.00	5,988,990,434	-
Fair Value Gain on Investment in Shares	5.00(d)	2,047,493,622	-
Total Comprehensive Income for the year		15,200,706,128	6,629,098,271
EPS based on NPAT (Par Value of Share Tk. 10/=) (Adjusted EPS of 2010)	22.00	23.73	26.71

The accompanying notes form an integral part of this financial statement.

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



A S F RAHMAN
Chairman



SALMAN F RAHMAN
Vice Chairman



M A QASEM
Director

Per our report of even date.



M. J. ABEDIN & CO.
Chartered Accountants

Date : 28 April, 2012
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Amount in Taka			
	Share Capital	Reserves (Note - 12)	Retained Earnings	Total Equity
Balance as on December 2010	1,654,795,800	3,830,304,800	10,071,599,896	15,556,700,496
Net Profit after tax for the year	-	-	7,164,222,072	7,164,222,072
Capital Reserve on Acquisition of Bextex Ltd. (Note - 12.01)	-	11,596,705,546	-	11,596,705,546
Other Comprehensive Income:				
Revaluation Surplus on Property Plant & Equipment (Note - 4)	-	5,988,990,434	-	5,988,990,434
Fair Value Gain on Investment in Shares (Note -5)	-	2,047,493,622	-	2,047,493,622
Transaction with Shareholders:				
Issue of Share Capital on acquisition of Bextex Ltd.	1,072,829,190	-	-	1,072,829,190
Issue of Bonus Shares for the prior year (2010)	827,397,900	-	(827,397,900)	-
Total as at 31-Dec-2011	3,555,022,890	23,463,494,402	16,408,424,068	43,426,941,360

The accompanying notes form an integral part of this financial statement.

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


A S F RAHMAN
 Chairman


SALMAN F RAHMAN
 Vice Chairman


M A QASEM
 Director

Per our report of even date.

Date : 28 April, 2012
 Dhaka.


M. J. ABEDIN & CO.
 Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

	AMOUNT IN TAKA	
	2011	2010
Cash Flows From Operating Activities:	1,133,800,990	432,101,786
Cash Received against Revenues and Others	22,443,810,536	7,152,133,621
Cash paid to Suppliers and Others	(21,310,009,546)	(6,720,031,835)
Cash Flows From Investing Activities:	(376,282,906)	(15,588,314)
Purchase of Property, Plant and Equipment	(376,282,906)	(15,588,314)
Cash Flows From Financing Activities:	(764,538,821)	(313,352,178)
Long Term Loan	(764,538,821)	(313,352,178)
Increase / (Decrease) in Cash and Cash Equivalents	(7,020,737)	103,161,294
Cash and Cash Equivalents at Opening	240,797,401	137,636,107
Cash and Cash Equivalents at Closing	233,776,664	240,797,401
Net Operating Cash Flow Per Share	3.19	2.61

The accompanying notes form an integral part of this financial statement.

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



A S F RAHMAN
Chairman

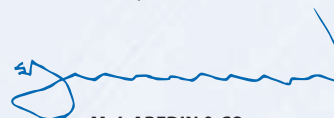


SALMAN F RAHMAN
Vice Chairman



M A QASEM
Director

Per our report of even date.



M. J. ABEDIN & CO.
Chartered Accountants

Date : 28 April, 2012
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

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.

During the year 2011, the company took over, under a Scheme of Amalgamation, erstwhile Bextex Ltd. (Engaged in manufacturing and marketing of high quality Yarn, Woven, Knit and Denim fabric that are consumed by the export oriented garments industries of Bangladesh), a listed company of Beximco Group.

The company has a branch at London which has a subsidiary in USA named Beximco USA Ltd.

The company has its registered office and operational office at Beximco Corporate Head quarters, 17, Dhanmondi Residential Area, Road No.2, Dhaka - 1205. The London Branch is situated at 12 Barkat House, 116-118 Finchley Road, London NW3 5HT, UK and Beximco USA Ltd. is located at 310, Selvidge Street, Delton, Georgia - 30722, USA.

1.02 Principal Activities

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

2.00 Bases of Financial Statements-Its Preparation and Presentation

2.01 Measurement bases

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

2.02 Reporting Framework and Compliance thereof

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

2.03 Presentation of Financial Statements

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

The Financial Statements Comprises:

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

2.04 Reporting Period

The financial statements cover one calendar year from 01 January 2011 to 31 December 2011.

2.05 Authorisation for Issue

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

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 Comparative Information

Comparative information has been disclosed in respect of the year 2010.

The comparative information of 2010 is not comparable with 2011 as the 2011 includes the amount of Bextex Ltd. being acquired by the Company in 2011.

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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 BAS 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 BAS 7: Statement of Cash Flows.

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

2.10 Segmental Reporting

In accordance with the requirements of BAS 14: Segmental Reporting, Information in respect of industry and geographical segments of the company has been disclosed in a separate note.

2.11 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 BAS 24: Related party Disclosures has been disclosed in a separate note to the accounts.

2.12 Events after the Reporting Period

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

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 BAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.02.2 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 BAS 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 profit and loss

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account 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 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 income statement, 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 BAS 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%
Furniture & Equipment of London Branch	15%

3.03 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.

3.04 Leased Assets

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

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

- (i) Investment in shares of Beximco USA Ltd. by Beximco London Branch is carried in this statement of financial position at Net Assets by consolidating assets and liabilities thereof.
- (ii) Investment in shares of listed companies are carried in the statement of financial position at fair value based on DSE quoted price at the year end and the gain thereon were accounted for through other comprehensive income considering it as "Available – for – Sale" financial assets.
- (iii) Investment in other shares is carried in the statement of financial position at cost.

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(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 comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of 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 statement of comprehensive income.

(d) Cash and Cash Equivalents

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

3.05.2 Financial Liability

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

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

3.06 Inventories

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

3.07 Provisions

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

3.08 Borrowing Costs

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

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

3.09 Income Tax Expenses

Current Tax

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

Deferred Tax

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

3.10 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

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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, 2006 and is payable to workers as defined in the said law.

3.11 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (BAS) 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 Bangladesh Accounting Standard (BAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board Directors.

3.12 Earnings Per Share

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

Basic Earnings (Numerator)

This represents earnings for the 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 (2011)

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 year. However, the Bonus Shares issued during the year 2011 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2011, the total number of bonus shares has been considered. Shares issued in consideration of acquisition of Bextex Ltd. are included in the weighted average number of shares from the acquisition date.

Earlier Year (2010)

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 period reported (2010), and accordingly, in calculating the adjusted EPS of 2010, the total number of shares including the subsequent bonus issue in 2011 has been considered as the weighted Average Number of Shares Outstanding during the year 2010.

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

Diluted Earnings Per Share

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

3.13 Foreign Currency Transactions

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 BAS 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.

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4.00 Property, Plant and Equipment : Tk. 22,040,016,659

The details are stated below:

Particulars	AMOUNT IN TAKA						Total
	Land and Land Development	Building and other construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	
Cost/Valuation :							
At 31 December 2010	4,184,203,485	3,487,235,651	12,487,705,987	474,792,183	124,921,814	2,900,000,000	23,658,859,120
Surplus on Revaluation in 2011	4,080,771,515	667,873,930	1,240,344,989	-	-	-	5,988,990,434
Addition in 2011	-	562,400,481	502,294,390	56,291,345	5,296,690	(750,000,000)	376,282,906
At 31 December 2011	8,264,975,000	4,717,510,062	14,230,345,366	531,083,528	130,218,504	2,150,000,000	30,024,132,460
Depreciation :							
At 31 December 2010	-	911,056,644	6,035,045,389	384,227,759	66,570,587	-	7,396,900,379
Charged in 2011	-	97,133,087	455,251,027	23,923,761	12,932,548	-	589,240,423
At 31 December 2011	-	1,008,189,731	6,490,296,416	408,151,520	79,503,135	-	7,986,140,802
Carrying Value							
At 31 December 2011	8,264,975,000	3,709,320,331	7,740,048,950	122,932,008	50,715,369	2,150,000,000	22,037,991,658
Lease Hold Land	2,025,001	-	-	-	-	-	2,025,001
Carrying Value							
At 31 December 2011	8,267,000,001	3,709,320,331	7,740,048,950	122,932,008	50,715,369	2,150,000,000	22,040,016,659

Disclosure on Revaluation:

(a) Details of Revaluation done during the years 1977, 1988 and 2011:

Particulars	Land & Land Development	Building & Other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Total
Increase by re-valuation in 1976-77	104,400	596,220	1,012,500	20,000	1,733,120
Increase by re-valuation in 1987-88	3,717,600	900,273	-	-	4,617,873
Increase by re-valuation in 2011	4,080,771,515	667,873,930	1,240,344,989	-	5,988,990,434
Total Increase by re-valuation	4,084,593,515	669,370,423	1,241,357,489	20,000	5,995,341,427
Original Cost	4,180,381,485	4,048,139,639	12,988,987,877	531,063,528	21,748,572,529
Gross carrying amounts	8,264,975,000	4,717,510,062	14,230,345,366	531,083,528	27,743,913,956

- (b) The revaluation of 2011 was done by an independent valuer Ata Khan & Co., Chartered Accountants, 67 Motijheel C/A, Dhaka -1000, and the valuer have revalued the land, 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. 5,988,990,434.

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5.00 Investment in Shares : Tk. 4,687,063,432

This consists of as follows:

(a) In Associated undertakings :

	as at 31-Dec-11	as at 31-Dec-10
(i) In 55,563,713 Shares of Shinepukur Ceramics Ltd. (Subsidiary Company) (Average cost per share is Tk. 5.59 against face value of Tk. 10.00) {Listed company, Market value Tk. 40.90 per share on 29 December 2011}	2,272,555,862	310,481,970
(ii) In 1,772,968 Shares of Beximco Pharmaceuticals Ltd. (Average Cost price per share is Tk.47.96 against face value of Tk. 10.00) {Listed company, Market value Tk. 93.60 per share on 29 December 2011}	165,949,805	92,925,550
(iii) In Shares of Bextex Ltd, face value of Tk 10 each	-	622,311,629
(iv) In 11,075 Shares of Tk.100/= each of Beximco Apparels Ltd	-	1,107,500
(v) In 10,000 Shares of Tk.100/= each of Beximco Engineering Ltd	-	1,000,000
(vi) In 49,000 Shares of Tk.100/= each of Gammatech Ltd	-	4,900,000
(vii) In 856,819 Shares of Tk.100/= each of Internation Hotel Holdings Ltd.	-	85,681,900
(viii) In 20,000 Shares of Tk.100/= each of Internation Cements Ltd.	-	2,000,000
(ix) In 40,000 Shares of Tk.100/= each of Shinepukur Hotels Ltd.	-	4,000,000
(x) In 250,000 Shares of Tk.10/= each of Beximco Zenith Ltd.	-	2,500,000
	2,438,505,667	1,126,908,549

(b) Others

(i) In 29,998,000 Shares of Tk.10/= each of GMG Airlines Ltd.	299,980,000	299,980,000
(ii) In 8,281,090 Shares of Tk.160/= each against face value of Tk. 10 each of Unique Hotel & Resort Ltd.	1,324,974,400	1,600,000,000
(iii) In 61,749,948 Shares of Dhaka Shanghai Ceramics Ltd.	617,499,480	367,499,480
(iv) In 456,945 Shares of Central Depository Bangladesh Ltd. (Average cost price per share is Tk. 3.43 against face value of Tk. 10.00)	1,569,450	4,416,700
(v) In 2,793 Shares of Investment Corporation of Bangladesh (Average cost price per share is Tk. 13.93 against face value of Tk. 100.00) {Listed company, Market value Tk.1623.50 per share on 29 December 2011}	4,534,435	38,900
	2,248,557,765	2,271,935,080
Total (a + b)	4,687,063,432	3,398,843,629

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

(d) Investment in shares of listed companies as stated in (a) (i) & (a) (ii) and (b) (v) above is arrived at as follows:

	ICB	Shinepukur Ceramics Ltd.	Beximco Pharma-ceuticals Ltd.	Total
At Cost	38,900	310,481,970	85,025,610	395,546,480
Adjustment for change In fair value [Note-3.05.1 (a) (iii)]	4,495,535	1,962,073,892	80,924,195	2,047,493,622
	Tk. 4,534,435	2,272,555,862	165,949,805	2,443,040,102

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

- (e) Investment in subsidiary company Shinepukur Ceramics Ltd. of 55,563,713 shares represents 50.00% of the paid-up capital of the said Company (111,127,453 shares of Tk. 10/ each). The accumulated profit of Shinepukur Ceramics Ltd. as on 31 December 2011 of Tk. 435,167,473 including net profit after tax for the year ended 31 December 2011 of Tk. 168,768,102 as per its audited financial statements for the year ended 31 December, 2011 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.
- (f) Investment in subsidiary company Dhaka-Shanghai Ceramics Ltd. of 61,749,948 shares represents 100% of the paid-up capital of the said Company (61,750,000 shares of Tk. 10/ each).

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6.00 Long Term Loan : Tk. 598,837,779

The Loan was given to Shinepukur Ceramics Ltd. a related company.

This is unsecured and bears interest @ 14% per annum which is repayable after 31 December 2011 as mutually agreed upon.

7.00 Inventories : Tk. 4,895,490,391

This consists of as follows:

	AMOUNT IN TAKA	
	as at 31-Dec-11	as at 31-Dec-10
Land	2,773,788,401	2,699,395,577
Land Development and Others	191,735,891	190,582,362
Work-in-Progress	464,895,891	450,704,589
Fish	10,923,003	84,832,980
Fish Feed	7,165,503	2,383,875
Stores and Spares	171,907,718	7,031,600
PIN Mailers	155,161	155,161
Jute Yarn	6,764,745	3,798,967
Raw Material	370,851,375	-
Work in Process	393,964,584	-
Finished Goods	501,511,516	-
Packing Material	1,826,603	-
	4,895,490,391	3,438,885,111

8.00 Trade and Other Receivables : Tk. 21,837,347,409

This is unsecured but considered good.

9.00 Advances, Deposits and Pre-payments : Tk. 16,879,191,971

This consists of as follows:

Advance Income Tax	201,161,613	12,066,146
Security Deposit	569,155,281	4,113,296
Lease Deposit	7,801,220	7,801,220
Bank Guarantee Margin	37,318,118	285,409
L/C Margin	1,524,589,409	-
Advances against Purchase of Land and Others	14,500,640,095	5,811,827,886
London Branch	38,526,235	-
	16,879,191,971	5,836,093,957

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

10.00 Cash and Cash Equivalents : Tk. 233,776,664

This consist of as follows:

Cash in Hand	15,640,809	2,452,035
In Current Account with banks	143,378,747	156,092,780
In STD Account with banks	73,437,468	81,210,406
In Fixed Deposit and Accrued Interest thereon with a Bank	1,046,575	977,216
London Branch	273,065	64,964
	233,776,664	240,797,401

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		AMOUNT IN TAKA	
		as at 31-Dec-11	as at 31-Dec-10
11.00 Issued Share Capital : Tk. 3,555,022,890			
(a)	Authorised		
	1,000,000,000 Ordinary Shares of Tk. 10/-each	10,000,000,000	5,000,000,000
(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
	187,852,044 Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares	1,878,520,440	1,051,122,540
	22,019,999 Ordinary Shares of Tk.10/-each issued in exchange for acquisition of shares of Shinepukur Ceramics Ltd.	220,199,990	220,199,990
	12,600,000 Ordinary Shares of Tk.10/-each issued to the shareholders of Shinepukur Holdings Ltd.	126,000,000	126,000,000
	650,000 Ordinary Shares of Tk.10/-each issued to the shareholders of Beximco Fisheries Ltd.	6,500,000	6,500,000
	11,909,840 Ordinary Shares of Tk.10/-each issued to the shareholders of Bangladesh Online Ltd.	119,098,400	119,098,400
	9,187,487 Ordinary Shares of Tk.10/-each issued to the shareholders of Dhaka-Shanghai Ceramics Ltd.	91,874,870	91,874,870
	107,282,919 Ordinary Shares of Tk. 10/-each issued to the shareholders of Bextex Ltd.	1,072,829,190	-
	Total 355,502,289 Shares of Tk. 10/= each	3,555,022,890	1,654,795,800

		2011		2010	
		No. of Shares	%	No. of Shares	%
(c)	Composition of Shareholding				
	Sponsor:				
	A S F Rahman	22,772,169	6.41%	8,499,736	5.14%
	Salman F Rahman	25,482,828	7.17%	8,250,577	4.99%
	Associates	18,634,457	5.24%	5,169,584	3.12%
	Foreign Investors	28,812,909	8.10%	17,042,942	10.30%
	General Public & Financial Institutions	259,799,926	73.08%	126,516,741	76.45%
		355,502,289	100.00%	165,479,580	100.00%

- (d) **Distributions Schedule–Disclosures under the Listing Regulations of Stock Exchanges:**
The distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below as a requirement of the "Listing Regulations" of Dhaka and Chittagong Stock Exchanges:

Share holding Range in number of Shares	31-Dec-11			31-Dec-10		
	Shares	holders	% of total holders	Shares	holders	% of total holders
1 to 499	22,185,961	138,600	73.44%	11,010,424	67,684	69.39%
500 to 5,000	64,373,834	45,676	24.20%	34,355,921	27,784	28.48%
5,001 to 10,000	17,461,972	2,493	1.32%	8,555,536	1,169	1.20%
10,001 to 20,000	14,693,355	1,043	0.55%	6,612,357	461	0.47%
20,001 to 30,000	7,184,490	294	0.16%	3,254,683	131	0.13%
30,001 to 40,000	4,999,084	143	0.08%	2,064,307	59	0.06%
40,001 to 50,000	3,391,339	75	0.04%	2,200,155	49	0.05%
50,001 to 100,000	12,716,311	183	0.10%	5,802,312	78	0.08%
100,001 to 1,000,000	48,464,665	176	0.09%	27,859,355	105	0.11%
Over 1,000,000	160,031,278	43	0.02%	63,764,530	20	0.02%
Total	355,502,289	188,726	100.00%	165,479,580	97,540	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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

(f) **Market Price**

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 113.00 and Tk. 113.40 per share in the Dhaka and Chittagong Stock Exchanges on 29 December 2011.

(g) **Voting rights**

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

12.00 Reserves : Tk. 23,463,494,402

This is arrived at as follows:

	Fair Value Gain on Investment in Shares	Capital Reserve on Acquisition	Revaluation Reserve on PPE	Total
As on 01-01-2011	-	3,823,953,807	6,350,993	3,830,304,800
Addition during the year	2,047,493,622	11,596,705,546	5,988,990,434	19,633,189,602
As on 31-12-2011	Tk. 2,047,493,622	15,420,659,353	5,995,341,427	23,463,494,402

12.01 Addition to Capital Reserve on Acquisition in 2011 in relation to acquisition of Bextex Ltd. is arrived at as follows:

Book Value of Net Assets of Bextex Ltd. as on 31-12-2010	12,669,534,736
Less: Face Value of Shares of Bangladesh Export Import Co. Ltd. issued on the said acquisition	(1,072,829,190)
Tk.	11,596,705,546

AMOUNT IN TAKA

as at 31-Dec-11 as at 31-Dec-10

13.00 Long Term Loans - Net of Current Maturity (Secured) : Tk. 4,823,557,468

This is secured and consists of as follows:

10% Debenture	522,630,764	-
Sonali Bank- IBP Loan	592,776,801	-
Sonali Bank- PAD Block	1,230,201,119	-
Sonali Bank- Interest Free	63,858,807	-
Sonali Bank- Interest Bearing Block	544,643,788	-
Rupali Bank- Term Loan 1	271,388,000	-
Rupali Bank- Term Loan 2	180,076,000	-
Rupali Bank Interest Free Block	137,906,902	-
Rupali Bank - PAD Segregation	553,594,782	-
Rupali Bank- CCP and CCH Segregation	558,220,000	-
Bangladesh Development Bank- Term Loan	69,036,856	-
Bangladesh Development Bank- Interest Block	41,301,596	-
The City Bank Ltd	54,585,000	-
International Leasing and Financial Services Ltd.	3,337,053	-
Consortium Loan	-	547,106,854
Term Loan (FLIL)	-	13,478,340
Lease Obligation	-	59,934,436
	4,823,557,468	620,519,630

Consortium loan represents term loan received under the consortium of Sonali Bank Ltd. (Lead Bank), Janata Bank and Rupali Bank Ltd. Term loan (FLIL) represents amount received from First Lease International Ltd.

Nature of Security of Loans

Consortium loan is secured against 1st (legal mortgage) charge on pari passu basis with the participating banks on 84 acrs of land at Gazipur & Gulshan, personal guarantees of Directors, corporate guarantees and mortgage of shares worth Taka 15 crore of associated undertakings.

Term Loan (FLIL) is secured against registered mortgage of project property consisting of 64 Flats with car parking space in 2(two) 9 (nine) storied building constructed on 16 khata land at Senpara Parbata, Mirpur & personal guarantee of Directors.

Terms of Repayment:**Consortium Loan**

Sonali Bank and Rupali Bank: In thirty six quarterly equal installments with effect from January, 2004

Janata Bank: In thirty six equal installments with effect from January, 2004

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

Term Loan (FLIL): In 72 monthly equal installments with effect from January, 2004

Rate of Interest:

Consortium Loan: 16% per annum payable and chargeable at quarterly rest. This however, may vary following changes in the bank's policies.

Term Loan (FLIL): 20% per annum.

Nature of security for other Loans:

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

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

		AMOUNT IN TAKA	
		as at 31-Dec-11	as at 31-Dec-10
14.00	Long Term Loans - Current Maturity (Secured) : Tk. 3,332,800,907		
This is secured and consists of as follows:			
Consortium Loan		751,554,484	389,191,735
Term Loan (FLIL)		20,704,387	11,527,840
10% Debentures		281,899,246	71,135,222
Lease Obligation		84,966,324	74,558,814
Sonali Bank- IBP Loan		274,007,812	-
Sonali Bank- PAD Block		621,011,415	-
Sonali Bank- Interest Free		22,655,710	-
Sonali Bank- Interest Bearing Block		337,046,814	-
Rupali Bank- Term Loan 1		133,934,333	-
Rupali Bank- Term Loan 2		92,902,086	-
Rupali Bank Interest Free Block		39,508,000	-
Rupali Bank - PAD Block		237,467,556	-
Rupali Bank- CCP and CCH Segregation		287,394,364	-
Bangladesh Development Bank- Term Loan		12,355,965	-
Bangladesh Development Bank- Interest Block		17,895,472	-
City Bank NA- Term Loan		48,151,099	-
The City Bank Ltd		31,663,114	-
International Leasing and Financial Services Ltd.		7,737,784	-
First Lease Finance and Investment Ltd.		29,944,942	-
		3,332,800,907	546,413,611

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.

15.00 Short Term Loan : Tk. 6,132,727,641

This consists of as follows:

Secured:

Rupali Bank - Overdraft	1,101,316,702	-
Sonali Bank - CCH	585,929,438	-
Sonali Bank - CCP	518,503,948	-
Statebank of India - CCH	111,092,284	-
Janata Bank - Cash Subsidy	23,626,989	-
Janata Bank - CCH	777,875,872	-
AB Bank- SDB Loan	820,958,848	-

Unsecured:

Beximco Pharmaceuticals Ltd.	2,193,423,560	859,403,704
	6,132,727,641	859,403,704

Loan from Beximco Pharmaceuticals Ltd. represents temporary loan, carrying interest @ 14% per annum, computed on day's product basis. This loan is repayable as and when required by the lender.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

16.00 Trade and Other Payables : Tk. 13,467,943,774

This is made-up as follows:

	AMOUNT IN TAKA	
	as at 31-Dec-11	as at 31-Dec-10
Bank Overdraft	98,701,245	116,377,407
Creditors for Goods	8,549,044,100	6,689,999,963
Provision for Income Tax	948,829,634	320,041,656
Other Current Liabilities	3,822,460,147	6,309,089
Security Deposit from Distributor	15,000,000	-
London Branch	33,908,648	53,020,060
	13,467,943,774	7,185,748,175

17.00 Revenue : Tk. 27,438,488,152

This is made-up as follows:

	AMOUNT IN TAKA	
	for the year 2011	for the year 2010
Sale of Goods (Note - 17.01)	26,301,299,186	13,801,393,001
Dividend Income	10,382,672	129,578
Capital Gain on Sale of Shares	1,124,793,745	2,792,083,160
Commission and Other Income	2,012,549	1,943,070
Exchange Gain / (Loss) (Net)	-	1,325,904
	27,438,488,152	16,596,874,713

17.01 Sale of Goods : Tk. 26,301,299,186

This represents sales of:

(a) Internet Service and Software	116,148,627	160,246,571
(b) Software Export	1,076,467,111	1,075,841,309
(c) Fish	2,805,789,220	1,832,178,695
(d) Shrimp	2,193,258,545	2,378,393,734
(e) Salt	22,306,735	62,502,911
(f) Yarn, Fabrics & Others	19,978,397,405	8,183,880,705
	26,192,367,643	13,693,043,925
(g) Jute Yarn and Other Jute products (London Branch)	108,931,543	108,349,076
	26,301,299,186	13,801,393,001

18.00 Cost of Revenue : Tk. 15,012,852,338

This represents cost of goods sold against sale of:

(a) Internet Service and Software	129,777,327	124,789,576
(b) Other Expenses of Software Export	78,879,000	101,230,538
(c) Shrimp, Fish and Salt	2,241,542,173	2,043,318,125
(d) Yarn, Fabrics & Others	12,454,703,449	6,783,880,705
	14,904,901,949	9,053,218,944
(e) Jute Yarn and Other Jute products (London Branch)	107,950,389	103,838,938
	15,012,852,338	9,157,057,882

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

		AMOUNT IN TAKA	
		for the year 2011	for the year 2010
19.00	Administrative Expenses : Tk 1,304,103,590		
This consists of:			
Salaries and Allowances		527,043,725	37,682,424
Staff Welfare		1,371,115	1,482,066
Postage, Telegram, Telex & Telephone		15,203,864	2,869,297
Publicity and Advertisement		201,706,600	900,641
Petrol, Fuel, Electricity, Gas and Water		4,245,381	3,495,629
Printing and Stationery		14,307,008	5,822,862
Car Repairs and Maintenance		71,295,089	3,254,682
Local Travel		55,000	11,065
Travelling and Conveyance		155,176,462	1,590,032
Debtors (Net) Written Off		95,726,752	-
Repair and Maintenance		37,347,576	4,803,293
Fees and Charges		48,545,283	6,277,115
Entertainment		14,772,614	1,149,793
Rent Rates and Taxes		12,785,866	9,358,960
Subscription		4,130,657	3,901,592
Audit Fee		1,045,000	418,000
Insurance		6,953,392	675,444
AGM Expenses		4,514,026	244,845
Contribution to Provident Fund		512,366	219,760
Training		129,480	-
Miscellaneous Overhead		42,587,096	864,789
Depreciation		12,243,312	14,055,161
CDBL Charges		1,733,495	2,927,630
Loss on Sale & Lease back of Assets		29,396,927	12,246,846
London Branch Expenses		1,275,504	5,330,973
Tender Document		-	35,000
		1,304,103,590	119,617,899
20.00	Finance Cost : Tk. 2,913,249,384		
This consists of as follows:			
Interest on Loan from / to Related Companies (Net)		163,836,292	200,204,368
Interest on Loan from Banks and Others		2,739,177,620	120,937,491
Lease Interest		10,483,611	31,753,896
Bank Interest		(248,139)	(202,292)
London Branch Expenses		-	192,394
		2,913,249,384	352,885,857
21.00	Income Tax Expense : Tk. 628,787,978		
This represents:			
Current Tax Provision for the year		698,653,309	364,471,058
Tax Rebate		(69,865,331)	(36,447,106)
Current Year's Tax		628,787,978	328,023,952
Short/(Excess) provision for the year 2009/2008		-	(7,982,296)
		628,787,978	320,041,656

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

22.00 Basic Earnings per Share (EPS)

The computation of EPS is given below :

	AMOUNT IN TAKA for the year 2011	for the year 2010
(a) Net Profit after Tax for the year	7,164,222,072	6,629,098,271
(b) Weighted average Number of Shares in issue(Note-3.12)	301,860,830	248,219,370
(c) Basic EPS (a/b) (Par Value of Share Tk. 10/=) (Adjusted EPS of 2010)	23.73	26.71

The weighted average number of shares of 2011:

This is arrived at as follows:

	Total no. of shares	No. of months outstanding	Weighted avg. No. of shares
As on 31-12-2010	165,479,580	12	165,479,580
Bonus shares issued	82,739,790	12	82,739,790
	248,219,370		248,219,370
Shares issued against acquisition of Bextex Ltd.	107,282,919	6	53,641,460
	355,502,289		301,860,830

23.00 Segmental Reporting

Revenue:

	Bangladesh Operation	London Operation	USA Operation	TOTAL
Internet Services and Software Sale	116,148,627	-	-	116,148,627
Software Export	1,076,467,111	-	-	1,076,467,111
Fish	2,805,789,220	-	-	2,805,789,220
Shrimp	2,193,258,545	-	-	2,193,258,545
Salt	22,306,735	-	-	22,306,735
Sale of Yarn, Fabrics & Others	19,978,397,405	-	-	19,978,397,405
Sale of Jute Yarn and Other Jute Products	-	108,931,543	-	108,931,543
Dividend Income	10,382,672	-	-	10,382,672
Exchange Gain/(Loss)	-	-	-	-
Commission and Other Income	2,012,549	-	-	2,012,549
Capital Gain on Sale of Shares	1,124,793,745	-	-	1,124,793,745
Total Revenue	27,329,556,609	108,931,543	-	27,438,488,152
Less: Cost of Revenue	(14,904,901,949)	(107,950,389)	-	(15,012,852,338)
Gross Operating Profit	12,424,654,660	981,154	-	12,425,635,814
Less: Administrative Expenses	(1,304,103,590)	-	-	(1,304,103,590)
Selling and Distribution Expenses	(25,622,288)	-	-	(25,622,288)
Finance Cost	(2,913,249,384)	-	-	(2,913,249,384)
Net Profit/(Loss) before WPPF	8,181,679,398	981,154	-	8,182,660,552
Contribution to WPPF	(389,650,502)	-	-	(389,650,502)
Net Profit/(Loss) before Tax	7,792,028,896	-	-	7,793,010,050
Income Tax Expenses	(628,787,978)	-	-	(628,787,978)
Net Profit after Tax	Tk. 7,163,240,917	981,154	-	7,164,222,072

24.00 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 IN TAKA
Name of the Related Parties	Nature of transactions	Value of transactions during the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	(26,275,962)
Beximco Pharmaceuticals Ltd.	Short Term Loan	1,334,019,856
Beximco Pharmaceuticals Ltd.	Interest Expenses	240,314,856
Shinepukur Ceramics Ltd	Investment in Shares	-
Shinepukur Ceramics Ltd	Long Term Loan	113,148,594
Shinepukur Ceramics Ltd	Interest Income	76,478,564
		Receivable/(Payable) at the end of the year
		165,949,805
		(2,193,423,560)
		-
		2,272,555,862
		598,837,779
		-

Nature of Relationship

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

25.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 31 December 2011.

26.00 Capital Expenditure Commitment

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

27.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 31 December 2011.

28.00 Credit Facility Not Availed

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

29.00 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 & Spares: USD 33,504,569 (Equivalent BDT 2,401,300,321).

30.00 Commission, Brokerage or Discount Against Sales

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

31.00 Payments/Perquisites to Directors/Officers

- (a) The aggregate amounts paid / provided during the year in respect of officers of the company as defined on the Securities and Exchange Rules, 1987 are disclosed below :

	AMOUNT IN TAKA	
	for the year 2011	for the year 2010
Basic Salary	80,375,061	14,096,089
House rent allowance	40,972,293	5,946,604
Other allowances and benefits	16,532,248	1,160,083
	137,879,602	21,202,776

- (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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

32.00 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.

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

32.01 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.

32.02 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.

32.03 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

As at 31 December 2011 there was no exposure to currency risk as there were no foreign currency transactions made during the year under review

(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.

33.00 Events after the Reporting Period

- (a) On 05-04-2012, the company issued 8,062,820 ordinary shares of Tk. 10 each for the purpose of acquiring approximately 100% shares of International Knitwear and Apparels Ltd., Beximco Fashions Ltd., Crescent Fashion & Design Ltd. and Freshtex Bangladesh (Pvt) Ltd.
- (b) The board of directors recommended 25% stock dividend of Tk. 10/= each (25% Bonus Shares for each 100 shares held) which is subject to shareholders' approval at the forthcoming annual general meeting.



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman

M A Qasem
Director

Dated, Dhaka
28 April 2012

AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS

of

SHINEPUKUR CERAMICS LIMITED

as at and for the year ended 31 December 2011

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SHINEPUKUR CERAMICS LIMITED

Introduction

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

We also report that:

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

Dated, Dhaka
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

Amount in Taka			
	Notes	31-Dec-11	31-Dec-10
ASSETS			
Non-Current Assets			
		5,536,817,925	3,489,126,921
Property, Plant and Equipment - Carrying Value	4	4,493,055,461	2,886,465,234
Investment in Shares	5	225,870,721	262,285,884
Capital Work in Progress		817,891,743	340,375,803
Current Assets			
		1,617,231,951	1,636,600,076
Inventories	6	891,674,750	845,195,056
Accounts & Other Receivables	7	587,933,889	477,473,540
Advances, Deposits & Prepayments	8	112,190,532	278,773,841
Cash and Cash Equivalents	9	25,432,780	35,157,639
Total Assets			
		7,154,049,876	5,125,726,997
EQUITY AND LIABILITIES			
Shareholders' Equity			
		4,499,760,423	2,731,958,854
Issued Share Capital	10	1,111,274,530	966,325,680
Revaluation Surplus	11	2,953,318,420	1,354,284,953
Retained Earnings		435,167,473	411,348,221
Non-Current Liabilities			
		1,005,382,500	928,724,372
Long Term Loan (Secured) (Net-off Current Maturity)	12	396,579,272	429,143,129
Long Term Loan (Unsecured)	13	598,837,779	485,689,185
Deferred Tax Liability	14	9,965,449	13,892,058
Current Liabilities			
		1,648,906,953	1,465,043,771
Short Term Loan from Banks (Secured)	15	1,147,673,708	955,808,744
Long Term Loan-Current Maturity (Secured)	16	91,818,692	243,718,941
Creditors, Accruals and other Payables	17	291,823,065	166,416,040
Income Tax Payable	18	117,591,488	99,100,046
Total Equity and Liabilities			
		7,154,049,876	5,125,726,997
Net Asset Value Per Share			
		40.49	28.27

The accompanying notes form an integral part of this financial statement.

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



A S F Rahman
Chairman



Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

Amount in Taka			
	Notes	2011	2010
Revenue	19	1,901,444,562	1,926,745,719
Cost of Goods Sold	20	(1,248,024,942)	(1,267,648,737)
Gross Profit		653,419,620	659,096,982
Operating Expenses		(121,100,868)	(88,993,320)
Administrative Expenses	21	(61,433,037)	(38,611,923)
Selling Expenses	22	(49,547,627)	(50,381,397)
Exchange Loss		(10,120,204)	-
Profit from Operations		532,318,752	570,103,662
Finance Cost	23	(306,604,938)	(249,775,873)
Profit before contribution to WPPF		225,713,814	320,327,789
Contribution to Workers' Profit Participation / Welfare Funds		(10,748,277)	(15,253,704)
Net Profit before Tax		214,965,537	305,074,085
Income Tax Expense	24	(46,197,435)	(51,826,714)
Net Profit After Tax (NPAT) for the year		168,768,102	253,247,371
Other Comprehensive Income:			
Revaluation Surplus on Property, Plant and Equipments		1,612,405,062	-
Fair Value Loss on Investment in Shares		(13,371,595)	-
Total Comprehensive Income for the year		1,767,801,569	253,247,371
Earning per share based on NPAT (Adjusted EPS of 2010) Tk.	25	1.52	2.28

The accompanying notes form an integral part of this financial statement.

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



A S F Rahman
Chairman



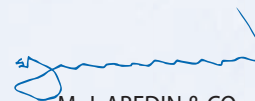
Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2011

Amount in Taka

	Share Capital	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on 31 December 2010	966,325,680	1,354,284,953	411,348,221	2,731,958,854
Net Profit after tax for the year	-	-	168,768,102	168,768,102
Other Comprehensive Income:				
Revaluation Surplus on Property, Plant & Equipment	-	1,612,405,062	-	1,612,405,062
Fair Value Loss on Investment in Shares	-	(13,371,595)	-	(13,371,595)
Transaction with Share Holders:				
Issue of Bonus Shares for the prior year (2010)	144,948,850	-	(144,948,850)	-
Total Balance as on 31 December 2011	1,111,274,530	2,953,318,420	435,167,473	4,499,760,423

The accompanying notes form an integral part of this financial statement.

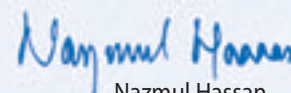
Approved and authorized for issue by the board of directors on 28 April 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman



Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012


M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31 December 2011


	Amount in Taka	
	2011	2010
Cash Flows From Operating Activities:		
Collections from turnover and other income	1,774,197,732	1,810,813,275
Payments for costs, expenses & others	(1,089,611,868)	(1,417,186,680)
Interest Paid	(221,035,344)	(197,793,786)
Income-Tax paid and / or deducted at sources	(26,306,168)	(66,573,115)
Net cash Generated from operating activities	437,244,352	129,259,694
Cash Flows From Investing Activities:		
Property, Plant and Equipment acquired	(102,926,087)	(62,727,624)
Disposal of Asset	-	500,000
Sales of Shares	23,043,568	-
Capital Work in Progress	(477,515,940)	(167,555,177)
Net cash used in investing activities	(557,398,459)	(229,782,801)
Cash Flows From Financing Activities:		
Long Term Loan increase/(decreased)	(81,435,716)	79,064,386
Short Term Loan increased	191,864,964	38,204,890
Net cash Generated from financing activities	110,429,248	117,269,276
Increase/(Decrease) in Cash and Cash Equivalents	(9,724,859)	16,746,169
Cash and Cash Equivalents at the beginning of the year	35,157,639	18,411,470
Cash and Cash Equivalents at the end of the year	25,432,780	35,157,639
Net Operating Cash Flow Per Share	3.93	1.33

The accompanying notes form an integral part of this financial statement.

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



A S F Rahman
Chairman



Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS*as at and for the year ended 31 December 2011***1. The background and activities of the Company****1.1 Status of the Company**

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 Statement – Its 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 year end quoted price of Dhaka Stock Exchange Ltd.

2.2 Reporting Framework and Compliance thereof

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

2.3 Presentation of Financial Statements

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

The Financial Statements Comprises:

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

2.4 Reporting Period

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

2.5 Authorization for Issue

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS*as at and for the year ended 31 December 2011*

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

2.6 Functional and Presentation Currency

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

2.7 Comparative Information

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

Figures for the year 2010 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.8 Use of Estimates and Judgments

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

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

3. Significant Accounting Policies**3.1 Revenue Recognition**

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

Receipts from customers comprise sales price against domestic sales including value added tax paid to the Government of Bangladesh and export sales. However, VAT included in sales is not considered as revenue as it is collected on behalf of customers.

3.2.0 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 BAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2.2 Pre-Operating Expenses and Borrowing Costs

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

3.2.3 Subsequent Expenditure

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS*as at and for the year ended 31 December 2011*

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

3.2.4 Software

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

3.2.5 Disposal of Fixed Assets

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

3.2.6 Depreciation on Fixed Assets

Depreciation is provided on all fixed assets except Land & Land Development at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	2.5% to 5%
Plant and Machinery	5% to 7.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

3.3 Leased Assets

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

3.4 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.

3.4.1 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 year 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

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of 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 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.

3.4.2 Financial Liability

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

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

3.5 Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.6 Inventories

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

3.7 Provisions

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

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS*as at and for the year ended 31 December 2011***3.8 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 prior years.

Provision for taxation for the year ended 31 December 2011 has been made on the basis of the provisions of the Income Tax ordinance 1984 and the Finance Act 2011. Currently the tax rate applicable for listed companies is 27.50 % and there is a 50% exemption of income tax on profit relating to export sales.

Deferred Tax

The company has recognized deferred tax using balance sheet method in compliance with the provisions of BAS 12: Income Taxes. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences (taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

The tax base of assets is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to an entity (the company / SCL) when it recovers the carrying amount of the assets. The tax base of liabilities is their carrying amount, less any amount that will be deductible for tax purposes in respect of the liabilities in future periods. In 2011, deferred tax liability is arrived at by applying the corporate tax rate applicable for listed companies (27.50%) on the temporary taxable differences. Exemption of 50 % income tax on profit relating to export is considered for deferred tax purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and / are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The deferred tax asset / income or liability / expense do not create a legal obligation to, or recoverability from, the income tax authority.

3.9 Interest Income

Interest Income is recognized on accrual basis

3.10 Borrowing Costs

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

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

3.11 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

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

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 Law, 2006 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.

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

3.13 Earnings per Share

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

Basic Earnings (Numerator)

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

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

Current Year (2011)

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

Earlier Year (2010)

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

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

Diluted Earnings per Share

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

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS*as at and for the year ended 31 December 2011***3.14 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 BAS 21: The Effects of Changes in Foreign Exchange Rates. However, as a requirement of the companies Act 1994, exchange loss relating to foreign currency loan has been capitalized to relevant fixed assets being procured under the said obligation.

3.15 Segmental Reporting

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

3.16 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as encouraged by BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.17 Events after the Reporting Period

In compliance with the requirements of BAS 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.

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

4.00 Property, Plant And Equipment : Tk. 4,493,055,461

	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total Taka
Cost or Valuation							
At 31 December 2010	732,637,500	826,370,799	2,528,269,964	50,358,666	22,580,940	30,031,544	4,190,249,413
Revaluation Surplus on Property, Plant & Equipments	953,362,500	547,975,861	111,066,701				1,612,405,062
Addition during the Year	-		97,203,771	2,500,183	2,031,808	1,190,325	102,926,087
As at 31 December 2011	1,686,000,000	1,374,346,660	2,736,540,436	52,858,849	24,612,748	31,221,869	5,905,580,562
Depreciation							
At 31 December 2010	-	196,108,952	1,034,839,884	40,134,185	19,219,632	13,481,526	1,303,784,179
Depreciation for the year	-	16,177,850	85,391,447	2,544,933	1,078,623	3,548,069	108,740,922
As at 31 December 2011	-	212,286,802	1,120,231,331	42,679,118	20,298,255	17,029,595	1,412,525,101
Carrying Amount As at 31 December 2011	1,686,000,000	1,162,059,858	1,616,309,105	10,179,731	4,314,493	14,192,274	4,493,055,461
Carrying Amount As at 31 December 2010	732,637,500	630,261,847	1,493,430,080	10,224,481	3,361,308	16,550,018	2,886,465,234

Assets include Leased Assets of Tk. 7,750,000 at cost and Tk. 1,837,630 at written down value.

Disclosure on Revaluation:

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

	Land & land Development	Building & other Construction	Plant & Machinery	Total Taka
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.

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

		Amount in Taka	
		as at 31-Dec-11	as at 31-Dec-10

5.00 Investment In Shares : Tk. 225,870,721

The basis of valuation is stated in Note 3.4.1 (a).

This consists of Investment in Shares of listed Companies as follows :

(a) In 51,950 (2010: 4,518) Shares of Tk. 10 each Beximco Synthetics Ltd.	1,968,905	1,185,680
(b) In 1,981,432 (2010: 9,448,840) Shares of Tk. 10 each Bangladesh Export Import Co. Ltd.	223,901,816	-
(c) In 9,448,840 Shares of Bextex Ltd.	-	261,100,204
	225,870,721	262,285,884

This is arrived at as follows:

	Beximco Synthetics Ltd.	Beximco Ltd.	Total
At Cost	1,185,680	238,056,636	239,242,316
Adjustment for change in fair value [Note - 3.4.1 (a)]	783,225	(14,154,820)	(13,371,595)
Tk.	1,968,905	223,901,816	225,870,721

6.00 Inventories : Tk. 891,674,750

This represents as follows:

Raw Material & Chemical	336,855,654	324,497,027
Finished Goods	231,646,878	200,152,708
Work-In- Process	177,721,484	174,729,359
Stores & Spares	93,617,938	96,431,802
Packing Material	51,832,796	49,384,160
	891,674,750	845,195,056

7.00 Accounts & Other Receivables : Tk. 587,933,889

This is considered good and is falling due within one year.

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

No amount was due by any associated undertaking.

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	as at 31-Dec-11	as at 31-Dec-10
8.00 Advances, Deposits and Prepayments: Tk. 112,190,532		
This is considered good and consists of as follows:		
Advances	83,826,878	260,598,180
Deposits	28,363,654	18,175,661
	112,190,532	278,773,841
The break -up of advances and prepayments are as follows:		
L/C-Margin	16,437,051	53,226,809
Suppliers	11,946,190	12,130,461
Income Tax (Note -8.1)	23,744,845	29,071,279
Trade Fair	5,463,275	4,158,156
Employees (other than officers)	331,798	448,798
Advance against Construction	14,546,240	145,313,382
Marketing Expenses	8,714,661	8,714,661
L/C-Insurance	643,240	2,300,146
L/C- Commission	721,358	3,506,768
Advance Travel	828,220	827,720
Show Room	450,000	900,000
	83,826,878	260,598,180
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.		
The break -up of deposits is as follows:		
Bank Guarantee Margin	2,755,718	2,755,718
Security Deposit	12,455,760	10,519,402
Lease Deposit	3,518,794	3,518,794
VAT Deposit	9,633,382	1,381,747
	28,363,654	18,175,661
8.01 Advance Income Tax Paid : Tk. 23,744,845		
This has been arrived at :		
Opening Balance	29,071,279	11,335,968
Paid/Deducted during the year under review	23,806,168	17,735,311
	52,877,447	29,071,279
Less : Adjustment made during the year under review for 2009	11,459,513	-
Less : Adjustment made during the year under review for 2010	17,673,089	-
	23,744,845	29,071,279

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	as at 31-Dec-11	as at 31-Dec-10
9.00 Cash And Cash Equivalents : Tk. 25,432,780		
This consists of :		
(a) In Hand	9,083,571	9,177,954
(b) At Banks in :	16,349,209	25,979,685
(i) Current Deposit	13,070,656	20,418,739
(ii) STD	2,579,111	5,052,954
(iii) FDR	699,442	507,992
	25,432,780	35,157,639

10.00 Share Capital : Tk.1,111,274,530

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
45,067,453 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	450,674,530	305,725,680
Total 111,127,453 shares of Tk. 10/- each fully paid-up	1,111,274,530	966,325,680

(c) Statement of Share Position

Name of the Shareholders	31-Dec-11		31-Dec-10	
	No. of Shares	Holding %	No. of Shares	Holding %
Bangladesh Export Import Co.Ltd	55,563,713	50.00	48,316,273	50.00
Directors & Associates	7	-	7	-
ICB including ICB investors Account	4,268,314	3.84	2,514,270	2.60
General Public and Institutions	51,295,419	46.16	45,802,018	47.40
	111,127,453	100.00	96,632,568	100.00

(d) Distribution Schedule:

Share holdings	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	17,299	2,378,575	2.14
500 to 5,000 shares	10,111	14,369,069	12.93
5001 to 10,000 shares	704	5,065,644	4.56
10,001 to 20,000 shares	341	4,703,681	4.23
20,001 to 30,000 shares	110	2,714,505	2.44
30,001 to 40,000 shares	43	1,492,985	1.34
40,001 to 50,000 shares	22	1,006,012	0.91
50,001 to 100,000 shares	46	3,198,589	2.88
100,001 to 1,000,000 shares	48	12,952,786	11.66
Over 1,000,000 shares	6	63,245,607	56.91
	28,730	111,127,453	100.00

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	as at 31-Dec-11	as at 31-Dec-10
11.00 Revaluation Surplus : Tk. 2,953,318,420		
Revaluation Surplus on Property, Plant & Equipment (Note -4)	2,966,690,015	1,354,284,953
Fair Value Loss on Investment in Shares (Note-5)	(13,371,595)	-
	2,953,318,420	1,354,284,953

12.00 Long Term Loan - Secured (Net Off Current Maturity) : Tk. 396,579,272

This represents loans from :

Sonali Bank Ltd. - PAD Blocked Loan	96,199,542	131,404,703
Sonali Bank Ltd. - Project Loan	124,894,280	157,432,561
Sonali Bank Ltd. - CC Blocked Loan	7,966,848	15,941,240
Southeast Bank Ltd. - Term Loan	167,518,602	124,364,625
	396,579,272	429,143,129

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 :

IPDC :

In 12 (Twelve) equal half-yearly installments commencing from October, 1999.

Sonali Bank Project Loan :

In 41 (Forty-one) equal quarterly installments commencing from 31 March 2005.

Sonali Bank PAD Blocked Loan :

In 64 (Sixty-four) equal monthly installments commencing from 31 March 2010, as per revised sanction.

Sonali Bank CC Blocked Loan :

In 108 (One hundred eight) equal monthly installments commencing from 31 January 2005.

Rate of interest :**Sonali Bank Project Loan :**

12.50% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank PAD Block Loan :

14% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank CC Blocked Loan :

Interest Free

13.00 Long Term Loan (Un Secured) : Tk. 598,837,779

This is due to Bangladesh Export Import Company Limited, an associated undertaking.

This Loan is Unsecured and bears interest @ 14% p.a. which is repayable as mutually agreed upon.

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	as at 31-Dec-11	as at 31-Dec-10
14.00 Deferred Tax Liability : Tk. 9,965,449		
This is arrived at as follows:		
Opening Balance	13,892,058	12,654,931
Provided during the year (Note - 24)	(3,926,609)	1,237,127
	9,965,449	13,892,058
15.00 Short Term Loan From Banks : Tk. 1,147,673,708		
This is secured and consists of as follows:		
Sonali Bank Ltd. - CC (H)	528,641,321	541,401,159
Bank Asia Ltd. Over Draft	261,010,676	257,160,938
Sonali Bank Ltd. - LTR	95,526,384	97,317,506
Southeast Bank Ltd. - LTR	62,495,327	59,929,141
Phoenix Finance & Investment	200,000,000	-
	1,147,673,708	955,808,744
16.00 Long Term Loan - Current Maturity Portion : Tk. 91,818,692		
This consists of as follows:		
Foreign Currency Loans :		
Marubeni Corporation (in 2010 J.Yen 185,764,219)	-	163,565,395
Local Currency Loans :	91,818,692	80,153,546
Sonali Bank Ltd. - PAD Blocked	34,406,437	24,290,734
Sonali Bank Ltd. - Project	31,580,660	25,913,181
Sonali Bank Ltd. - CC Blocked	7,781,725	7,905,658
First Lease International Ltd.	306,281	1,224,407
Southeast Bank Ltd. - Term Loan	17,743,589	20,819,566
	91,818,692	243,718,941
17.00 Creditors, Accruals and Other Payables: TK. 291,823,065		
This consists of as follows:		
L/C & Others	6,183,000	-
Creditors for Goods	8,571,455	8,239,003
Security Deposit	3,215,000	3,145,000
Outstanding Export Commission	4,521,572	3,847,097
Employees' Provident Fund	5,172,483	4,001,866
Other Payables	53,282,372	38,232,894
Tax deducted at source	1,519,523	450,805
Bank Interest due	128,776,375	53,305,191
Salary & Wages	25,761,057	21,565,678
Gas & Electricity	54,393,228	33,319,506
Audit Fees	418,000	300,000
Provision of Legal Fees	9,000	9,000
	291,823,065	166,416,040

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	as at 31-Dec-11	as at 31-Dec-10
18.00 Income Tax Payable : Tk. 117,591,488		
This is arrived at as follows :		
Opening Balance	99,100,046	97,348,263
Add: Tax provided in the period (Note - 24)	50,124,044	50,589,587
	149,224,090	147,937,850
Less: Adjustments of Advance Tax (Note-8.1)	(29,132,602)	
Less: Tax paid	(2,500,000)	(48,837,804)
	117,591,488	99,100,046
	Amount in Taka	
	for the year 2011	for the year 2010
19.00 Revenue : Tk. 1,901,444,562		
This is made up as follows :		
A. Local Gross Sales	344,456,914	423,347,985
Value added tax	(44,929,163)	(55,219,299)
Commission	(23,226,061)	(28,594,649)
Net Local Sales	276,301,690	339,534,037
B. Export Sales Less : Freight,C&F and Others Charges	1,604,853,532	1,567,749,633
C. Duty Drawback	19,973,970	19,462,049
D. Capital Gain on Sale of Shares	315,370	-
	1,901,444,562	1,926,745,719
20.00 Cost of Goods Sold : Tk. 1,248,024,942		
This is arrived at as follows:		
Opening WIP	174,729,359	176,073,235
Raw Material Issued (Note- 20.1)	681,727,067	714,454,162
Material available for consumption	856,456,426	890,527,397
Closing WIP	(177,721,484)	(174,729,359)
Consumption	678,734,942	715,798,038
Manufacturing overhead (Note- 20.2)	602,983,014	538,072,719
Cost of production	1,281,717,956	1,253,870,757
Opening Finished Goods	200,152,708	215,961,579
Cost of Goods Available for Sale	1,481,870,664	1,469,832,336
Closing Finished Goods	(231,646,878)	(200,152,708)
Cost of Free Distribution of Sample	(2,198,844)	(2,030,891)
	1,248,024,942	1,267,648,737

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

		Amount in Taka	
		for the year 2011	for the year 2010
20.01 Raw Material Issued :Tk. 681,727,067			
This is arrived at as follows:			
Opening Stock of Raw Material		324,497,027	327,976,606
Purchase of Raw Material		694,085,694	710,974,583
		1,018,582,721	1,038,951,189
Closing Stock of Raw Material		(336,855,654)	(324,497,027)
		681,727,067	714,454,162
20.02 Manufacturing Overhead :TK. 602,983,014			
This consists of as follows :			
Depreciation		98,333,727	95,825,033
Salaries ,Wages,etc		221,495,608	208,314,062
Power & Fuel		92,979,648	78,801,831
Packing Materials		86,925,505	61,808,031
Consumable Store & Spares		49,162,241	58,246,939
Transport Expenses		22,759,499	12,835,467
Office Expenses		7,672,393	5,331,807
Welfare Expenses		11,401,168	6,267,219
Insurance Expenses		3,319,802	3,283,001
Communication Expenses		901,007	511,197
Occupancy Expenses		213,515	236,177
Travelling & Conveyance		961,393	1,403,080
Handling & Carrying Expenses		1,030,016	826,356
Repairs & Maintenance		5,811,492	3,948,371
Legal & Prof. Expenses		-	434,148
Training & Conference		16,000	-
		602,983,014	538,072,719
21.00 Administrative Expenses : TK. 61,433,037			
This consists of as follows :			
Depreciation		10,407,195	10,857,494
Salaries & Allowances		18,836,525	11,991,809
Welfare Expenses		2,234,521	2,165,280
Office Expenses		3,001,444	3,031,368
Transport Expenses		2,457,187	2,420,164
Debtors (Net) written off		16,028,085	-
Legal Fees, Prof. & Others Fees		1,658,889	771,410
AGM Expenses		1,413,273	1,202,513
Communication Expenses		973,579	591,860
Occupancy Expenses		1,294,240	1,280,100
Travelling & Conveyance Expenses		1,961,178	2,442,559
Utilities Expenses		517,576	542,109
Repairs & Maintenance		45,790	91,600
Audit Fees		418,000	300,000
General Expenses		148,041	59,315
Loss on Disposal of Fixed Assets		-	864,342
Training & Conference		37,514	-
		61,433,037	38,611,923

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	for the year 2011	for the year 2010
22.00 Selling & Distribution Expenses : TK. 49,547,627		
This consists of as follows :		
Promotional Expenses	16,823,502	19,382,522
Salaries & Allowances	16,380,110	14,148,676
Advertising & Publicity	1,697,767	1,278,953
Occupancy Expenses	3,533,504	3,582,140
Office Expenses	3,367,602	5,307,042
Transport Expenses	1,969,531	1,413,937
Travelling & Conveyance Expenses	1,517,157	1,463,508
Welfare Expenses	1,407,648	1,309,553
Communication Expenses	789,413	799,969
Utilities Expenses	552,183	628,591
Show Room Expenses	361,297	320,284
Handling & Carrying Expenses	776,522	244,296
Repairs & Maintenance	5,900	61,750
Legal & Professional Fees	187,071	380,167
General Expenses	20,020	17,890
Product Research	50,000	42,119
Training & Conference	108,400	-
	49,547,627	50,381,397
23.00 Finance Cost : Tk. 306,604,938		
This consists of as follows :		
Interest on Loan from Banks & Others	220,379,804	196,743,033
Interest on Long Term Loan from a Related Party	76,478,564	46,095,687
Bank Interest Receipt	(351,840)	(235,147)
Bank Commission & Charges	10,098,410	7,172,300
	306,604,938	249,775,873
24.00 Income Tax Expenses : Tk. 46,197,435		
This represents:		
(a) Current Tax		
Tax for the year under review	34,727,850	50,589,587
Short Provision for the Year 2009	15,396,194	-
Current Tax	50,124,044	50,589,587
(b) Deferred Tax	(3,926,609)	1,237,127
	46,197,435	51,826,714
25.00 Earning Per Share (EPS):		
(a) Earning Attributable to the Ordinary Shareholders (Net Profit After Tax)	168,768,102	253,247,371
(b) Weighted Average number of Ordinary Shares outstanding during the year (Note 3.13)	111,127,453	111,127,453
(c) EPS (Adjusted EPS of 2010) (a/b)	1.52	2.28

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	for the year 2011	for the year 2010
26.00 Payments/Perquisites to Directors and Officers		
(a) Directors		
No amount of money was expended by the company for compensating any member of the board for special services rendered.		
No board meeting attendance fee was paid to the directors of the company.		
(b) Officers		
Managerial Remuneration	38,711,545	33,531,778
Bonus	6,120,938	5,309,198
Perquisites		
Housing	16,423,160	14,219,187
Medical	-	2,271,334
Transport	1,586,439	757,338
	62,842,082	56,088,835

27.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 31 December 2011.

There was no material capital expenditure authorised by the board but not contracted for as on 31 December 2011.

28.00 Contingent Liabilities

There was no sums for which the company is contingently liable as on 31 December 2011.

29.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 31 December 2011.

30.00 Credit Facilities not Availed

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

31.00 Commission, Brokerage Or Discount Against Sales

Selling commission of Tk. 23,226,061 was incurred and paid during the year 2011.

No other commission, brokerage or discount was incurred or paid by the company against sales during the year 2011.

32.00 Related Party Disclosure

Name of Related Party	Nature of Transactions	Value of Transactions During the year	Balance at the year end
Bangladesh Export Import Co. Ltd.	Investment in Shares	(23,043,568)	223,901,816
Beximco Synthetics Ltd.	Investment in Shares	-	1,968,905
Bangladesh Export Import Co. Ltd.	Long Term Loan	113,148,594	598,837,779
Bangladesh Export Import Co. Ltd.	Interest Expenses	76,478,564	123,932,081

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

33.00 Financial Risk Management

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

Credit risk
Liquidity risk
Market risk

Credit risk

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

Liquidity risk

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

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

Market Risk

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

(a) Currency Risk

The company is exposed to currency risk on certain 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 is 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.

34 Events After The Reporting Period

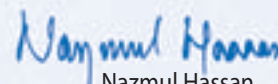
On 28 April 2012 the board of directors recommended 15 % stock dividend (15 Bonus shares for each 100 shares held) which is subject to the shareholder's approval at the forth-coming annual general meeting.



A S F Rahman
Chairman



Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

Dated, Dhaka
28 April 2012

BEIMO

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