



Bangladesh Export Import Company Limited



Mission

A white sailboat with a large white sail is sailing on a blue sea under a clear blue sky. The sailboat is positioned in the lower half of the frame, moving towards the right. The sail is fully deployed and catches the wind. The horizon is visible in the distance, and the water has a slight ripple. The sky is a uniform light blue.

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.

Contents

• Corporate Information	2
• Notice of 41 st Annual General Meeting	4
• Chairman's Statement	6
• Directors' Report	8
• Corporate Governance Compliance Status Report	11
• Certificate on Compliance of Corporate Governance Guidelines	14
• Audit Committee Report	15
• Statement of Corporate Governance	16
• Auditors' Report to the Shareholders on the Consolidated Financial Statements of Bangladesh Export Import Co. Ltd. and its Subsidiaries	20
• Consolidated Statement of Financial Position of Bangladesh Export Import Co. Ltd. and its Subsidiaries	21
• Consolidated Statement of Comprehensive Income of Bangladesh Export Import Co. Ltd. and its Subsidiaries	22
• Consolidated Statement of Changes in Equity of Bangladesh Export Import Co. Ltd. and its Subsidiaries	23
• Consolidated Statement of Cash Flows of Bangladesh Export Import Co. Ltd. and its Subsidiaries	24
• Notes to the Consolidated Financial Statements of Bangladesh Export Import Co. Ltd. and its Subsidiaries	25
• Auditors' Report to the Shareholders of Bangladesh Export Import Co. Ltd.	43
• Statement of Financial Position of Bangladesh Export Import Co. Ltd.	44
• Statement of Comprehensive Income of Bangladesh Export Import Co. Ltd.	45
• Statement of Changes in Equity of Bangladesh Export Import Co. Ltd.	46
• Statement of Cash Flows of Bangladesh Export Import Co. Ltd.	47
• Notes to the Financial Statements of Bangladesh Export Import Co. Ltd.	48
• Shinepukur Ceramics Ltd. — Accounts	65

Corporate Information



A S F RAHMAN, Chairman & Managing Director

SALMAN F RAHMAN, Vice Chairman

Board of Directors :	A S F Rahman	Chairman & Managing Director
	Salman F Rahman	Vice Chairman
	Iqbal Ahmed	Director
	O K Chowdhury	Director
	A B S Rahman	Director
	Barrister Faheemul Huq	Independent Director
	Mohammad Asad Ullah, FCS	Executive Director & Company Secretary
Key Officers :	O K Chowdhury	Director, Group Finance & Corporate Affairs
	Syed Naved Hussain	Chief Executive Officer, Textile Division
	Parvez Hassan	Chief Executive Officer, Real Estate & Fisheries Division
	Syed Samiul Wadood	Chief Executive Officer, IT Division
	Anil Kumar Maheshwari	Head of MIS, Textile Division
	Ajay Pratap Singh	Chief Financial Officer, Textile Division
	Md. Luthfor Rahman	Chief Financial Officer
	Azahar Uddin Ahmed	Head of Internal Audit
Auditors :	M/s. M. J. Abedin & Co., National Plaza (3 rd Floor), 109, Bir Uttam C. R. Datta Road, Dhaka 1205	
Compliance Auditor :	SARashid & Associates (Chartered Secretaries), Noakhali Tower, (10th Floor, 11-F), 55/B Purana Paltan, Dhaka 1000	
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	

CONDOLENCE MESSAGE



Late Dr. Abdul Alim Khan

We are deeply shocked at the sad demise of **Dr. Abdul Alim Khan**, former Director of Bangladesh Export Import Company Limited, who passed away on September 29, 2013 at 3.00 am (*inna lillahi-wa-inna-illahi rajjun*).

We are also deeply shocked at the sad demise of **Mr. M A Qasem**, Director of Bangladesh Export Import Company Limited, who passed away on April 19, 2014 at 11.15 am at the United Hospital, Dhaka (*inna lillahi-wa-inna-illahi rajjun*).

The Board of Directors of Beximco recalls with appreciation and gratitude their contributions towards the establishment and growth of Beximco. We have no words to console their nearest and dearest ones at this moment. We extend our deepest sympathy and sincerest condolences to the bereaved members of their families.

We pray to the Almighty Allah to grant them Jannah and salvation of the departed soul and to give the members of their families the strength to withstand the irreparable loss with courage and fortitude.

Late Mr. M A Qasem

**Board of Directors and all the Employees
of BANGLADESH EXPORT IMPORT COMPANY LIMITED**

Notice

Bangladesh Export Import Company Limited

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

NOTICE OF THE FORTY-FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-First Annual General Meeting of the Shareholders of Bangladesh Export Import Company Ltd. will be held on Saturday, the 21st June, 2014 at 3:30 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2013 together with reports of the Auditors and the Directors thereon.
2. To elect Director.
3. To declare 15% Stock Dividend.
4. To appoint Auditors for the year 2014 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board,



(MOHAMMAD ASAD ULLAH, FCS)

Executive Director & Company Secretary

Dated : 8 May, 2014

NOTES:

- (1) The Record Date of the Company shall be on 18 May, 2014.
- (2) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 18 May, 2014, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (3) A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- (4) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
- (5) **No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No.SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.**



চেয়ারম্যানের প্রতিবেদন



শ্রী শেরহোন্দারগঞ্জ,

কোম্পানীর ৪১তম বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আমি আপনাদের সকলকে স্বাগত জানাচ্ছি এবং একই সাথে কোম্পানীর ৩১শে ডিসেম্বর ২০১৩-এ সমাপ্ত বছরের নিরীক্ষিত হিসাব এবং সাথে নিরীক্ষিত ও পরিচালকবৃন্দের প্রতিবেদন উপস্থাপন করছি।

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 সর্বাত্মক প্রচেষ্টা অব্যাহত রাখছি। ২০১৪ সালটি বেশ কঠিন বছর বলেই প্রতীয়মান হচ্ছে কেননা যে কোন বছরের তুলনায় এ বছর বাংলাদেশ আরও তীব্রভাবে বিশ্ব মন্দার কবলে পড়েছে। এছাড়া বছরের শেষ দিকে বিরাজমান রাজনৈতিক অস্থিরতা ও কর্মকাণ্ড আমাদের ব্যবসায়িক পরিবেশকে পুরোপুরিভাবেই অস্থিতিশীল করে দিয়েছে, যা আমাদেরকে এবং সর্বোপরি পুরো জাতিকে এখনও ভোগাচ্ছে।

বছরের পর বছর যাবত সযত্নে 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

বেল্লিমকো লিমিটেড-এ আমাদের কর্মকাণ্ড সমাজের প্রতি দায়িত্ববোধের দৃষ্টিকোণ 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। কোম্পানী তার উৎপাদন স্থান এবং ইন্ডাস্ট্রিয়াল পার্কের আশেপাশে অবস্থিত বেশ কিছু বিদ্যালয়ে নিয়মিত সহায়তা দিয়ে যাচ্ছে।

কৃতজ্ঞতা স্বীকার

আমি আমাদের সম্মানিত ক্রেতা, বিক্রেতা, ব্যাংকার, সরকারী 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 শ্রতাকাজ্ঞীকে আন্তরিক ধন্যবাদ জানাই এবং ভবিষ্যতে তাদের অব্যাহত সমর্থন ও সহযোগিতা আশা করি।

X. K. D. Lalmon

এ এস এফ রহমান

চেয়ারম্যান

তারিখ: ২৯শে এপ্রিল, ২০১৪

Chairman's Statement

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 41st Annual General Meeting of your Company, and to present you the Audited Accounts for the year ended 31st December 2013 and Auditors' and Directors' report thereon.

The credit squeeze and liquidity crisis in the market continues unabated and this has not spared us also.

Power and Gas problem are still continuing and we are trying our best to work around it. 2014 is proving to be much more difficult year as Bangladesh has been affected by the global recession more acutely than before. Moreover the political turmoil at the end of the year completely destabilised our business environment which is still affecting us and the whole nation.

We are continuing our efforts to ensure, that we do not lose advantages built up over the years during these difficult times, and we are confident that as soon as the global scenario improves 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 cooperation and support to different organizations and

professional institutions in their sociocultural development programs. The Company helps to run many Schools in and around its production sites and Industrial Park.

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

A S F Rahman
Chairman

Dated: 29 April, 2014

Directors' Report to the Shareholders

For the year ended December 31, 2013

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, 2013 and Auditors' Report thereon:

Working Results

The Directors are pleased to report that the working results of the company for the year 2013 are as follows:

	<i>Taka in million</i>	
	For the year 2013	For the year 2012
Net profit before tax	522.95	2,298.30
Less: Provision for income tax	168.54	608.88
Net profit after tax	354.41	1,689.42
Add: Balance brought forward from previous year	16,507.25	15,499.51
Profit available for appropriation	16,861.66	17,188.93
Appropriation Recommended		
Stock Dividend (Bonus Share) at 15%	783.94	681.68
Balance carried forward	16,077.72	16,507.25
	16,861.66	17,188.93

Dividend

The Board of Directors have recommended a stock dividend (Bonus share) @15% per share of Tk. 10 each for the year 2013, subject to approval of the Shareholders in the AGM.

Analysis of Operating Performance

Business Outlook – a general overview

Negative local as well as international news of political disorder and the negative international press after the tragedy of the Rana Plaza, over the last one year we now see a relatively brighter future and good growth for Bangladesh in general and Beximco in particular.

Under the new Zero Tolerance Compliance requirements both building and fire safety will be a central focus. Most marginal players and many buying houses exploiting them will disappear. An industry consolidation will take place, and full service vertical manufactures like Beximco with world class facilities and standards will be the main beneficiaries.

We feel that in spite of all the problems, Bangladesh has a long term competitive advantage, and extensive needlework experience, which cannot be easily substituted by any other country in the near future. RMG is definitely a sector which is highly beneficial for the Bangladeshi workers.

Jeffry Sachs, a leading authority, and academic of Columbia University puts it aptly when he says, "The Bangladesh garment industry presents for the first time a ladder to lead large numbers of Bangladeshis, particularly women towards higher levels of income, skills and independence".

The net revenue of Textile Division decreased compared to 2012, net revenue of Fisheries Unit decreased substantially as the cultivation were in small scale due to fears of viruses, IT Division's sale decreased compared to 2012 as there were few export sale of software, net revenue of Real Estate Division is slightly increased compared to 2012 and net revenue of Trading Division decreased due to loss on sale of Investment.

Domestic and Export Sales

Net sales of the Company had decreased from Tk. 24,459.60 millions to Tk. 21,692.96 millions resulting into a net decrease in sales by 11.31%, of which export sales increased by 29.97% and local sales decreased by 53.89%.

Profitability

Pre tax profit of the Company decreased due to lower sale which was impacted by political turmoil and economic slowdown / stagnancy in the importing countries.

Directors

Mr. M A Qasem died on 19.04.2014 and the Board of Directors recalled with appreciation and gratitude for his contribution towards the establishment and growth of the Company.

Retirement and Re-election of Directors

Mr. Iqbal Ahmed, Director of the Company retires by rotation as per Articles 123 and 124 of the Articles of Association of the Company and being eligible offer himself for re-election.

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 Fortieth Annual General Meeting carried out the audit for the year ended on 31 December, 2013.

M/s. M. J. Abedin & Co. , Chartered Accountants, National Plaza (3rd floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 the Auditors of the Company retire at this meeting and have expressed their willingness to continue in the office for the year 2014.

Board Audit Committee

Barrister Faheemul Huq	Chairman
Mr. Iqbal Ahmed	Member
Mr. O K Chowdhury, FCA	Member
Mr. Mohammad Asad Ullah, FCS	Secretary

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

Board Meeting and Attendance

During the year 14 (fourteen) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting Attended
Mr. A S F Rahman	14
Mr. Salman F Rahman	14
Mr. Iqbal Ahmed	14
Mr. M A Qasem	14
Mr. O K Chowdhury	13
Mr. A B S Rahman	14
Dr. Abdul Alim Khan	1
Barrister Faheemul Huq	13

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.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.

- No significant doubts about the ability of the Company to continue as a going concern.
- There is no significant deviations in operating result compared to last year.
- The summarised key operating and financial data of last five preceding years is annexed as "Comparative Statistics" in the Annual Report.
- The related party transactions have been disclosed in preparation of the financial statements (Note # 24).
- The Pattern of share holding is as followings:

Name	Shares held
(i) Parent/Subsidiary/Associated Companies and other related Parties:	
Beximco Holdings Ltd.	15,112,669
New Dacca Industries Ltd.	7,331,604
Beximco Engineering Ltd.	700,800
Esses Exporters Ltd.	198,232
Beximco Pharmaceuticals Ltd.	100,107
Shinepukur Ceramics Ltd.	1,867,211
Beximco Apparels Ltd.	252,270
(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	37,694,613
Mr. Salman F Rahman, Director	42,295,557
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

Key Operating and Financial Data

Taka In '000

Particulars	2013	2012	2011	2010	2009
Paid up Capital	5,226,248	4,544,564	3,555,023	1,654,796	942,373
Revenue	21,692,955	24,459,599	27,438,488	16,596,875	3,666,996
Gross Profit	7,602,425	8,719,338	12,425,636	7,439,817	3,445,251
Profit Before Income Tax	522,952	2,298,296	7,793,010	6,949,140	3,220,810
Net Profit after Income Tax	354,416	1,689,416	7,164,222	6,629,098	3,208,628
Tangible Assets (Gross)	32,529,678	30,157,548	30,024,132	748,361	732,773
Cumulative Surplus	16,861,659	17,188,927	16,408,424	10,071,600	4,063,050
Dividend-both Cash and Stock	15%(B)	15%(B)	25%(B)	50%(B)	60%(B)
Return on Paid up Capital	7%	37%	202%	401%	340%
Shareholders' Equity	49,268,675	45,332,071	43,426,941	15,556,700	8,560,103
Earning per Share (Taka)	0.68	3.73	23.73	40.82	34.05
Shareholders' Equity Per Share(Taka)	94	100	122	94	91
Number of Shareholders	200,809	181,593	188,726	97,540	47,825
Number of Employees	7,942	7,852	7,561	204	191

Corporate Governance Compliance Status Report

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

Acknowledgement

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

On behalf of the Board of Directors.



A S F Rahman

Chairman

Dated: 29 April, 2014

Corporate Governance Compliance Status Report

Annexure-I

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

(Report under Condition No. 7.00)

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

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (x)	Remuneration to directors including IDs	√		No remuneration has been paid to any Director during 2013 except Independent Director.
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results	√		
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend	--	--	N/A
1.5 (xx)	Number of Board meetings and attendance of directors	√		
1.5 (xxi)	Pattern of shareholding (along with name wise details) by-			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director,			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
2	CFO, HEAD OF INTERNAL AUDIT AND CS			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	AUDIT COMMITTEE			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month	√		
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		

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

S. Abdur Rashid FCS

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

Chartered Secretary in Practice

Private Practice Certificate No.: 003

Phone # 01726-533 655, 01193-095 297

E-mail : sarashid12000@yahoo.com

SARashid & Associates **(Chartered Secretaries)**

Noakhali Tower (10th Floor, 11-F)

55/B Purana Paltan, Dhaka-1000, Bangladesh

E-mail : sarashidnasso@gmail.com

Certificate on Compliance of Corporate Governance Guidelines

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

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Bangladesh Export Import Company Limited** ("the Company") for the year ended 31 December 2013. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission ("BSEC").

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

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



S. Abdur Rashid FCS



Dhaka, 29 May 2014

Audit Committee Report

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year 2013.

The Board of Directors of Bangladesh Export Import Company Ltd. has constituted an Audit Committee in terms of the conditions of Bangladesh Securities and Exchange Commission's(BSEC) Guidelines which is appended with the Compliance Report and also enclosed with the Directors' Report. The Committee comprise of Barrister Faheemul Huq, Mr. O. K. Chowdhury, FCA and Mr. Iqbal Ahmed, of whom Barrister Faheemul Huq is an Independent Director and also the Chairman of the Committee. Mr. Mohammad Asad Ullah, FCS, Company Secretary, function as the Secretary of the Committee. The Audit Committee is appointed by the main Board and all the Members are Non-Executive Directors. All Members of the Audit Committee are financially literate and are able to analysis and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee.

The Role of Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and, when appropriate, make recommendations to the main Board on business risk, internal controls and compliance. The committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control system are in place to identify and contain business risk and that the Company's business is conducted in a proper and economically sound manner.

The role of the Audit Committee includes the following:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control and Risk Management process.
- Oversee hiring and performance of external Auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.
- To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc framed/issued by the regulatory authorities have been complied with.
- Other matters as per Terms Of Reference(TOR) of the Audit Committee.

Authority

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

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

Main Activities and recommendations of the Audit Committee in 2013

The Audit Committee met four times during the year 2013. All the Members were present in all meetings of the Committee.

The Committee held its first meeting of 2013 on April 20, to review the Audited Financial Statements of the Company for the year ended December 31, 2012. Detail discussions on the financial statements were held with the representatives of the Management of the Company. No material audit observation that warrants for Board's attention was noted. The Committee, therefore, recommended for onward submission of the Audited Financial Statements to the Board for its approval.

The second meeting of the Committee was held on May 12, 2013 prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on March 31, 2013. The Committee reviewed the financial progress during the first quarter and examined in detail and recommended the same for approval by the Board to release to the Shareholders of the Company.

The third meeting of 2013 was held on July 28, 2013 to review the un-audited half-yearly financial Statements of the Company. The Committee being satisfied recommended for issue of the financial statements for the half-year ended on June 30, 2013.

The fourth meeting of the Committee was held on October 28, 2013 to release of the un-audited third quarter financial statements of the Company for the quarter ended September 30, 2013. The detailed review of the financial statements was made by the Committee and recommended to the Board for approval of the financial statements for release to the Shareholders of the Company.

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

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

External Auditors

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, considered and made recommendations to the Board on the appointment and remuneration of external Auditors, M/s. M. J. Abedin & Company, Chartered Accountants for the year 2014, subject to the approval of shareholders in the 41st AGM of the Company, who had carried out the audit of the Company for the year 2013.



Barrister Faheemul Huq

Chairman, Audit Committee

Date: 20 April, 2014

Statement of Corporate Governance

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

Internal Financial Control

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

Management structure - The Company is operating through a well defined management structure headed by 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 2013 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 four directors. Other four directors are nominated by Beximco Holdings Limited. The name of the directors appears on page 3. The quorum for the board is at least three directors present in person.

Going Concern

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

Rights and Relations with Shareholders

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

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

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

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

The background is a vibrant blue with a perspective view of a grid. Overlaid on the grid are numerous strings of binary code (0s and 1s) in a lighter blue color, creating a sense of depth and digital data. A bright, circular lens flare effect is visible in the upper left corner, adding a dynamic, high-tech feel to the image.

financials

AUDITORS' REPORT
AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF
BANGLADESH EXPORT IMPORT COMPANY LTD AND ITS SUBSIDIARIES
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

Independent Auditors' Report

To The Shareholders on the Consolidated Financial Statements of

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

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 2013, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

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 give a true and fair view of the financial position of the company as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

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



M. J. Abedin & Co.
Chartered Accountants

29 April 2014
Dhaka.

An independent member firm of
MOORE STEPHENS
INTERNATIONAL LIMITED

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position

As at 31 December 2013

	Notes	Amount in Taka	
		31-Dec-13	31-Dec-12
ASSETS			
Non - Current Assets		34,734,019,464	28,978,551,480
Property, Plant and Equipment	5.00	28,297,113,649	26,678,282,933
Investment Property	6.00	4,861,534,600	-
Investment in Shares	7.00	1,575,371,215	2,300,268,547
Current Assets		61,689,765,981	53,929,765,740
Inventories	8.00	3,419,868,729	5,272,013,600
Trade and Other Receivables	9.00	25,385,848,676	27,952,031,320
Advances, Deposits and Pre-Payments	10.00	32,789,199,980	20,540,344,731
Cash and Cash Equivalents	11.00	94,848,596	165,376,089
Total Assets		96,423,785,445	82,908,317,220
SHAREHOLDERS' EQUITY, NON-CONTROLLING INTEREST AND LIABILITIES			
Shareholders' Equity		50,232,598,794	44,910,707,039
Issued Share Capital	12.00	5,207,576,310	4,525,890,960
Reserve		27,613,578,456	22,640,203,138
Retained Earnings		17,411,444,028	17,744,612,941
Non-Controlling (Minority) Interest in Subsidiaries	13.00	2,243,933,295	2,272,231,025
Long Term Loan	14.00	13,727,774,635	5,004,654,398
Deferred Tax Liability	15.00	6,430,371	8,456,579
Current Liabilities		30,213,048,350	30,712,268,179
Short Term Loan from Banks and others	16.00	12,479,616,071	10,696,589,777
Long Term Loan - Current Portion	17.00	10,806,655,874	4,721,832,063
Trade and Other Payables	18.00	6,926,776,405	15,293,846,339
Total Equity and Liabilities		96,423,785,445	82,908,317,220

The notes are an integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board :



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 29 April 2014
Dhaka.



M. J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	Notes	Amount in Taka	
		2013	2012
Revenue (Turnover) from net Sales	19.00	23,397,522,358	26,401,949,595
Cost of Goods Sold	20.00	(15,317,426,160)	(17,008,574,161)
Gross Operating Profit		8,080,096,198	9,393,375,434
Operating Expenses		(1,054,061,233)	(1,089,110,688)
Administrative Expenses	21.00	(980,523,992)	(1,012,567,692)
Selling and Distribution Expenses	22.00	(73,537,241)	(76,542,996)
Operating Profit		7,026,034,965	8,304,264,746
Loss on Sale of Shares		(6,191,823)	(19,649,764)
Financial Expenses	23.00	(6,499,816,108)	(5,687,513,338)
Net Profit Before Contribution to WPPF		520,027,034	2,597,101,644
Contribution to Workers' Profit Participation / Welfare Fund		(26,147,591)	(123,671,507)
Net Profit Before Income Tax		493,879,443	2,473,430,137
Income Tax Expenses	24.00	(151,264,571)	(693,729,245)
Net Profit after Tax		342,614,872	1,779,700,892
Non-Controlling (Minority) Interest in Loss/ (Income)		5,900,785	(45,142,540)
Net Profit after Non-Controlling (Minority) Interest		348,515,657	1,734,558,352
Other Comprehensive Income			
Revaluation Surplus on Property, Plant & Equipments		2,133,194,757	-
Revaluation Surplus on Investment Property		3,080,453,840	-
Adjustment for Fair Value Loss on Investment in Shares		(796,152,604)	(107,635,133)
Total Comprehensive Income after minority interest		4,766,011,650	1,626,923,219
EPS (Per Value of Share Tk. 10/=)	25.00	0.67	3.33

The notes are an integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board :



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 29 April 2014
Dhaka.



M. J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

Amount in Taka

	Share Capital	Retained Earnings	Reserve	Total
As at 31 December 2012	4,525,890,960	17,744,612,941	22,640,203,138	44,910,707,039
Net Profit after Tax and Non-Controlling (Minority) Interest for the Year	-	348,515,657	-	348,515,657
Other Comprehensive Income:				
Revaluation Surplus on PPE	-	-	2,133,194,757	2,133,194,757
Revaluation Surplus on Investment Property	-	-	3,080,453,840	3,080,453,840
Adjustment for Fair Value loss on Investment in Shares	-	-	(796,152,604)	(796,152,604)
Excess of Fair Value over book value on consolidation	-	-	555,879,325	555,879,325
Transactions with Shareholders:				
Issue of Bonus Shares for the prior Year(2012)	681,684,570	(681,684,570)	-	-
Adjustment for Shinepukur Ceramics Ltd's investments with Beximco Ltd.	780	-	-	780
As on 31 December 2013	5,207,576,310	17,411,444,028	27,613,578,456	50,232,598,794

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board:



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 29 April 2014
Dhaka.



M. J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	Amount in Taka	
	2013	2012
Cash Flows From Operating Activities:		
Collection from turnover and other income	26,083,901,347	20,751,267,492
Payments for cost and expenses including interest & tax	(25,882,000,962)	(20,481,279,168)
Net Cash Generated From Operating Activities	201,900,385	269,988,324
Cash Flows From Investing Activities:		
Sale of shares (SCL)	9,497,805	(39,127,960)
Property, plant and equipment acquired	(258,432,056)	(109,211,377)
Net Cash Used In Investing Activities	(248,934,251)	(148,339,337)
Cash Flows From Financing Activities:		
Long term loan decreased	(23,493,627)	(215,482,342)
Net Cash Used In Financing Activities	(23,493,627)	(215,482,342)
Decrease in Cash And Cash Equivalents	(70,527,493)	(93,833,355)
Cash and Cash Equivalents at Beginning of the year	165,376,089	259,209,444
Cash and Cash Equivalents at End of the year	94,848,596	165,376,089

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board :



A S F Rahman
Chairman




Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 29 April 2014
Dhaka.



M. J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

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 31-12-2013, the Company holds 50% shares (50% shares on 31-12-2012) 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 property, plant and equipments which are stated at revalued amount, investment in shares of listed companies are carried at fair value based on the year end quoted price of Dhaka Stock Exchange Ltd. & investment property are valued at fair value.

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

(a) Shinepukur Ceramics Ltd. 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 2013 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)

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

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 2013

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 2013;
- (b) a statement of comprehensive income for the year 2013;
- (c) a statement of changes in equity for the year 2013;
- (d) a statement of cash flows for the year 2013; 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 2013 to 31 December 2013.

2.06 Authorisation for Issue

The financial statements have been authorized for issue by the Board of Directors on 29 April 2014.

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 2012 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 2012 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

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.

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

3.02.2 Pre-Operating Expenses and Borrowing Costs

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

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 Investment Property

The Company has applied, effective from 31 December 2013, BAS 40, "Investment Property" in the recognition, measurement and disclosure of investment property. Accordingly, property (land or a building—or part of a building—or both) held by the Company to earn rentals or for capital appreciation or both, so long included in its inventories have been recognised as "investment property"; and after recognition, has adopted "fair value method" in terms of paragraph 30 read together with paragraph 5 of the aforesaid BAS.

3.04 Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

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

3.05 Leased Assets

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

3.06 Investment in Shares

3.06.1 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.

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

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

3.07 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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

3.07.1 Financial Assets

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

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

(a) Accounts Receivables

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

3.07.2 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.

3.08 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.

3.09 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.

3.10 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 Income Tax Expenses

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

3.12 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.

3.13 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.

3.14 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 (2013)

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 2013 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2013, the total number of bonus shares has been considered.

Earlier Year (2012)

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 (2012), and accordingly, in calculating the adjusted EPS of 2012, the total number of shares including the subsequent bonus issue in 2013 has been considered as the weighted Average Number of Shares Outstanding during the year 2012.

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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

3.15 Foreign Currency Translations

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of 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 2013 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 2013

5.00 Property, Plant and Equipment : Tk. 28,297,113,649

The details are stated below:

Amount in Taka

Particulars	Land and Land Development	Building and other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost/Valuation							
At 31 December 2012	9,951,429,503	6,464,839,462	17,006,406,614	639,416,407	215,960,373	2,617,891,743	36,895,944,102
Surplus on Revaluation in 2013	3,922,136,000	(227,571,528)	(1,561,369,715)	-	-	-	2,133,194,757
Addition in 2013	10,575,000	358,358,287	1,007,994,007	23,437,077	599,400	(1,142,531,715)	258,432,056
At 31 December, 2013	13,884,140,503	6,595,626,221	16,453,030,906	662,853,484	216,559,773	1,475,360,028	39,287,570,915
Depreciation							
At 31 Dec, 2012	-	1,359,929,955	8,245,323,840	492,706,779	120,713,096	-	10,218,673,670
Charged in 2013	-	157,778,716	573,008,093	21,842,874	19,153,913	-	771,783,596
At 31 December, 2013	-	1,517,708,671	8,818,331,933	514,549,653	139,867,009	-	10,990,457,266
Carrying Value							
At 31 December, 2013	13,884,140,503	5,077,917,550	7,634,698,973	148,303,831	76,692,764	1,475,360,028	28,297,113,649
At 31 December, 2012	9,952,442,004	5,104,909,507	8,761,082,774	146,709,628	95,247,277	2,617,891,743	26,678,282,933

Amount in Taka

as at 31-Dec-13 as at 31-Dec-12

6.00 Investment Property : Tk. 4,861,534,600

Investment Property (Land at cost) (Transferred from Inventories) (Note-3.03)
Surplus on revaluation made during the year

1,781,080,760	-
3,080,453,840	-
4,861,534,600	-

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
7.00 Investment in Shares : Tk. 1,575,371,215		
This consists of as follows:		
(i) In Associated undertakings:		
(a) In 2,505,072 Shares of Beximco Pharmaceuticals Ltd. [Listed company, [Market value Tk. 47.20 per share on 30/12/2013]	118,239,399	121,768,312
(b) In 68,246 Shares of Beximco Synthetics Ltd. [Listed company, [Market value Tk. 24.30 per share on 30/12/2013]	1,139,711	1,507,620
(c) In 999,800 Shares of Tk.100/= each of International Knitweare and Apparels Ltd. (Cost price per share is Tk. 26.50)	26,494,700	26,494,700
(d) In 1,744,490 Shares of Tk.100/= each of Beximco Fashions Ltd. (Cost price per share is Tk. 13.60)	23,725,060	23,725,060
(e) In 999,800 Shares of Tk.100/= each of Crescent Fashions and Design Ltd. (Cost price per share is Tk. 24.90)	24,895,020	24,895,020
(f) In 158,888 Shares of Tk.100/= each of Freshtex Bangladesh Ltd. (Cost price per share is Tk. 34.70)	5,513,420	5,513,420
(ii) Others:		
(a) In 42,278,206 Shares of Tk.10/= each Dhaka Shanghai Ceramics Ltd.	422,782,060	586,624,500
(b) In 32,997,800 Shares of Tk.10/= each of GMG Airlines Ltd.	299,980,000	299,980,000
(c) In 8,281,153 Shares of Tk. 10/= each of Unique Hotel & Resort Ltd Market value Tk. 78.00 per share on 30/12/13	645,929,934	1,201,834,529
(d) In 3,491 Shares of Tk.100/= each of Investment Corporation of Bangladesh [Listed company, Market value Tk. 1,461 per share on 30/12/2013]	5,100,351	5,265,301
(e) In 11 Shares of Jamuna Oil Ltd. (Listed Company) Market value Tk. 191.80 per share on 30/12/13	2,110	1,090,635
(f) In 571,181 shares of Central Depository Bangladesh Ltd. Avg. cost price per share is Tk.2.74 against face value of Tk.10	1,569,450	1,569,450
	1,575,371,215	2,300,268,547

8.00 Inventories : Tk. 3,419,868,729

This represents as follows:

Raw Material	540,123,983	567,042,110
Finished Goods	420,119,532	416,327,319
Construction work in progress	337,810,656	336,062,366
Other direct Expense	32,641,501	21,079,929
Work-In-Process	588,754,828	644,708,867
Stores and Spares	274,975,672	281,346,544
Packing Material	54,987,390	47,115,819
Land	959,189,655	2,749,600,738
Land Development and others	207,049,653	190,996,746
Fish & Shrimp	4,049,232	10,581,237
Fish Feed	95,515	46,823
Tea Seed Cake	-	7,031,600
Jute Yarn (London Branch)	71,112	73,502
	3,419,868,729	5,272,013,600

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

9.00 Trade and Other Receivables - Tk. 25,385,848,676

This is unsecured but considered good.

10.00 Advances, Deposits and Pre-payments : Tk. 32,789,199,980

This consists of as follows:

(i) Advances:	32,661,935,840	20,421,048,758
Advance Income Tax	115,610,280	75,570,838
L/C- Margin	286,704,338	868,459,624
Suppliers	1,384,948	7,895,865
Trade Fair	4,715,657	5,196,553
Marketing Expenses	8,712,141	8,714,661
L/C- Insurance & Commission	2,990,612	2,773,706
Other Advances	32,241,817,864	19,452,437,511
(ii) Deposits	90,450,605	81,245,488
(iii) London Branch	36,813,535	38,050,485
	32,789,199,980	20,540,344,731

This is unsecured but considered good.

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

No amount was due by the associated undertakings.

11.00 Cash and Cash Equivalents : Tk. 94,848,596

This consist of as follows:

In Hand	41,528,208	58,534,015
In Current Account with banks	29,991,326	30,076,739
In STD account with bank	21,120,740	74,668,082
In fixed deposit and accrued interest with bank	1,940,510	1,820,442
London Branch	267,812	276,811
	94,848,596	165,376,089

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

12.00 Issued Share Capital : Tk. 5,207,576,310

This consist of as follows:

(a) Authorised:

1,000,000,000 Ordinary Shares of Tk. 10/-each

10,000,000,000

10,000,000,000

(b) Issued, Subscribed and Paid-Up:

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

40,000,000

40,000,000

346,911,778 Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares

3,469,117,780

2,787,433,210

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

1,072,829,190

2,649,470 Ordinary Shares of Tk. 10/- each issued to the shareholders of International Knitwear & Apparels Ltd.

26,494,700

26,494,700

2,372,506 Ordinary Shares of Tk. 10/- each issued to the shareholders of Beximco Fashions Ltd.

23,725,060

23,725,060

2,489,502 Ordinary Shares of Tk. 10/- each issued to the shareholders of Crescent Fashions & Design Ltd.

24,895,020

24,895,020

551,342 Ordinary Shares of Tk. 10/- each issued to the shareholders of Freshtex Bangladesh Ltd.

5,513,420

5,513,420

Adjustment for Shinepukur Ceramics Ltd.'s Investment with Beximco 1,867,212 Ordinary Shares of Tk. 10/- each

(18,672,120)

(18,672,900)

Total 520,757,631 Shares of Tk. 10/= each

5,207,576,310

4,525,890,960

(c) Composition of Shareholding:

	2013		2012	
	No. of Shares	%	No. of Shares	%
Sponsors:				
A S F Rahman	37,694,613	7.24	32,777,925	7.24
Salman F Rahman	42,295,557	8.12	36,778,746	8.13
Associates	23,695,681	4.54	22,602,320	4.99
Foreign Investors	44,514,714	8.55	34,132,903	7.54
ICB including ICB Investors' Account	31,688,419	6.09	49,898,577	11.03
General Public & Financial Institutions	340,868,647	65.46	276,398,625	61.07
	520,757,631	100	452,589,096	100

(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	126,651	63.07	19,876,636	3.82
500 to 5,000	64,550	32.15	99,415,129	19.09
5,001 to 10,000	5,423	2.70	37,779,807	7.25
10,001 to 20,000	2,475	1.23	34,008,831	6.53
20,001 to 30,000	657	0.33	15,856,622	3.04
30,001 to 40,000	342	0.17	11,816,872	2.27
40,001 to 50,000	167	0.08	7,432,378	1.43
50,001 to 100,000	285	0.14	19,663,513	3.78
100,001 to 1,000,000	227	0.11	55,806,109	10.72
Over 1,000,000	31	0.02	219,101,733	42.07
Total :	200,808	100	520,757,630	100

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

(e) Option on Unissued Shares :

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

(f) Market Price :

The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 32.20 and Tk. 32.10 per share in the Dhaka and Chittagong Stock Exchanges respectively on 30 December, 2013.

(g) Voting Rights :

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

13.00 Non-Controlling (Minority) Interest in Subsidiaries : Tk. 2,243,933,295

This represents minority's share of subsidiary's net assets.

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

14.00 Long Term Loan : Tk. 13,727,774,635

This represents Loans from:

Sonali Bank- Project	41,970,046	92,160,306
Sonali Bank- PAD Blocked	817,378,490	1,082,486,481
Sonali Bank- Demand loan on PAD	2,713,529,499	-
Sonali Bank-IBP Loan	386,593,566	489,685,183
Sonali Bank Interest Free	27,368,060	45,613,434
Sonali Bank-Interest Bearing Block	377,061,084	460,852,436
Southeast Bank - Term Loan	75,408,304	137,795,943
National Bank Ltd.-Term Loan 1	306,785,329	336,201,834
National Bank Ltd.-Term Loan 2	426,083,643	448,513,564
10% Debentures	180,525,324	348,420,509
Rupali Bank-Term Loan 1	187,884,000	229,636,000
Rupali Bank-Term Loan 2	124,668,000	152,372,000
Rupali Bank Interest Free Block	95,490,000	116,686,902
Rupali Bank - PAD Segregation	386,460,000	468,426,354
Rupali Bank CCP and CCH Segregation	383,257,926	472,340,000
Rupali Bank Ltd. - Forced Loan 1	42,614,539	-
Rupali Bank Ltd. - Forced Loan 2	477,946,916	-
Bangladesh Development Bank-Term Loan	45,836,856	57,436,856
Bangladesh Development Bank-Interest Block	30,101,596	35,701,596
The City Bank Ltd	6,065,000	30,325,000
Janata Bank -Demand Loan BBLC	1,692,526,521	-
Janata Bank-Demand Loan Cash 1	3,289,131,624	-
Janata Bank-Demand Loan Cash 2	1,424,156,663	-
Bank Asia Ltd. - Term Loan	188,931,649	-
	13,727,774,635	5,004,654,398

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

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 :

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.

Bank Asia Ltd. - Term Loan :

In 54 (Fifty-four) equal monthly installments commencing from 31 December 2013, as per revised sanction.

Southeast Bank Ltd. - Term Loan :

In 47 (Forty-seven) equal monthly installments commencing from 31 July 2012, as per revised sanction.

Sonali Bank Project Loan:

15% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank PAD Blocked Loan:

16% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Bank Asia Ltd. - Term Loan :

15.50% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Southeast Bank Ltd. - Term Loan :

18 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

15.00 Deferred Tax Liabilities : Tk. 6,430,371

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

Opening Balance	8,456,579	9,965,449
Deferred Tax Income for the Year	(2,026,208)	(1,508,870)
	6,430,371	8,456,579

16.00 Short Term Loan from Banks and Others : Tk. 12,479,616,071

This is secured and consists of as follows:

Sonali Bank- CC (Hypothecation)	3,579,719,862	3,312,599,997
Sonali Bank- CCP	-	517,049,181
Sonali Bank- LTR	80,531,628	99,626,686
Rupali Bank-Overdraft	1,458,905,320	1,283,235,306
Bank Asia Ltd. - Over Draft	-	278,476,501
Southeast Bank - LTR	51,953,529	60,273,798
Janata Bank Cahn Subsidy	36,983,941	1,461,847
Janata Bank- CCH	1,041,999,544	1,039,389,281
Janata Bank Ltd. - SBLC	2,436,000,000	-
AB Bank Ltd.	392,500,000	-
AB Bank- Time Loan	-	982,176,508
State Bank of India-CCH	122,372,656	122,520,130
Bank Overdraft	-	93,927,563
Phoenix Finance and Investment Ltd.	252,266,430	219,254,653
Other Short Term Loan	3,026,383,161	2,686,598,326
	12,479,616,071	10,696,589,777

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
17.00 Long Term Loan (Current Portion) Tk. 10,806,655,874		
This consists of as follows:		
Local Currency Loan:		
Sonali Bank- Project	98,767,853	47,716,132
Sonali Bank- PAD Blocked	872,284,147	877,525,367
Sonali Bank- CC Blocked	99,999	7,795,823
Sonali Bank-IBP Loan	338,753,350	354,995,817
Sonali Bank Interest Free	17,746,457	31,201,083
Sonali Bank-CCP & CCH Segregation	391,759,985	443,741,171
Agrani Bank- Demand Loan	2,295,999,749	-
Southeast Bank - Term Loan	76,660,764	49,726,581
Consortium Loan	50,049,239	641,166,618
Term Loan (FLIL)	21,572,496	21,572,496
Lease Obligation	167,831,887	138,786,457
10% Debentures	689,293,677	482,410,986
Rupali Bank-Term Loan 1	253,445,999	230,184,899
Rupali Bank-Term Loan 2	169,698,424	153,738,385
Rupali Bank Interest Free Block	64,824,902	60,728,000
Rupali Bank - PAD Block	585,198,422	472,960,536
Rupali Bank CCP and CCH Segregation	566,894,218	428,571,299
Rupali Bank Ltd.- Forced Loan	1,077,989,826	-
Bangladesh Development Bank-Term Loan	11,600,000	22,138,681
Bangladesh Development Bank-Interest Block	13,155,954	11,900,833
The City Bank Ltd	43,383,388	70,348,859
National Bank Ltd.-Term Loan 1	182,380,852	82,812,020
National Bank Ltd.-Term Loan 2	207,062,616	91,810,020
ABBL- Time Loan	679,380,175	-
Exim Bank -Forced Loan	1,831,100,389	-
Bank Asia Ltd. - Term Loan	99,721,106	-
	10,806,655,874	4,721,832,063

18.00 Trade and Other Payables :Tk. 6,926,776,405

This consists of as follows:

L/C and Others	677,346	5,688,050
Creditors for Goods	4,963,326,422	8,348,626,490
Security Deposit	18,315,000	18,295,000
Outstanding Export Commission	8,335,397	5,013,893
Others	1,936,122,240	6,916,222,906
	6,926,776,405	15,293,846,339

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	for the year 2013	for the year 2012
19.00 Revenue : Tk. 23,397,522,358		
Sale of Goods (Net)	23,169,750,350	26,065,041,392
Dividend Income	23,844,379	12,948,867
Commission and other Income	14,201,979	284,506,672
Capital Gain on Sale of Shares	189,725,650	39,452,664
	23,397,522,358	26,401,949,595
20.00 Cost of Revenue : TK. 15,317,426,160		
Table Ware (Shinepukur Ceramics Ltd.)	1,226,896,190	1,268,312,998
Internet Services & Software	173,676,983	146,021,340
Shrimp, Fish and Salt (Fisheries Unit)	32,755,833	1,167,495,858
Land	19,271,031	-
Yarn, Fabrics & Others	13,864,826,123	14,390,350,266
Jute Yarn and Other Jute Products (London Branch)	-	36,393,699
	15,317,426,160	17,008,574,161
21.00 Administrative Expenses : Tk. 980,523,992		
Salaries and Allowances	571,573,190	496,535,399
Rent, Rates and Taxes	17,004,928	19,182,908
Postage, Telegram, Telex and Telephone	17,375,126	17,252,927
Publicity and Advertisement	483,790	3,355,545
Petrol, Fuel, Electricity, Gas and Water	5,650,738	8,931,111
Printing and Stationery	8,895,969	6,709,044
Car Repairs and Maintenance	114,943,742	103,970,136
Travelling and Conveyance	67,201,922	133,043,689
Repair and Maintenance	38,264,428	35,973,244
Fees and Charges	14,623,996	23,059,097
Entertainment	6,288,424	14,154,819
Subscription	4,527,097	1,897,355
Audit Fee (Including VAT @ 15%)	2,070,000	1,840,000
Insurance	21,738,551	10,814,731
AGM Expenses	3,862,998	3,778,431
Contribution to Provident Fund	660,120	544,188
General Office Expenses	3,208,238	53,490
Miscellaneous Overhead	48,080,807	70,807,429
Depreciation	19,236,088	21,023,622
Welfare Expenses	12,811,455	4,422,091
Utilities Expenses	654,113	596,697
CDBL Charges	546,207	16,782,771
Loss on Sale & Lease Back of Assets	-	12,246,846
London Branch Expenses	228,855	5,339,103
Training and Conference	593,210	253,019
	980,523,992	1,012,567,692

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	for the year 2013	for the year 2012
22.00 Selling and Distribution Expenses : Tk. 73,537,241		
Promotional Expenses	18,605,027	16,979,379
Distribution Expense	22,470,026	24,777,811
Salaries and Allowances	17,054,528	15,600,197
Occupancy Expenses	3,153,600	4,835,738
Office Expenses	2,353,631	3,285,736
Communication Expenses	977,492	792,819
Travelling and Conveyance	2,110,194	2,585,554
Transport Expenses	2,377,248	2,298,443
Welfare Expenses	1,966,101	1,700,773
Advertisement and Publicity	321,895	1,885,922
Utilities Expenses	654,113	596,698
Showroom Expenses	706,714	577,776
Handling and Carrying Expenses	156,135	395,670
Repair and Maintenance	28,800	30,850
Legal and Professional Fees	403,758	128,560
General Expenses	-	5,720
Product Research	48,000	49,000
Training and Conference	-	16,350
Lease Rental	149,979	-
	73,537,241	76,542,996
23.00 Financial Expenses : Tk. 6,499,816,108		
Interest on Loan from Banks and Others	5,003,783,354	5,269,770,184
Bank Charges and Commission	1,036,116,820	9,356,852
Interest on Loan from a Related Company	460,034,836	396,744,766
Lease Interest	-	11,794,023
Other Interest Income	(118,902)	(152,487)
	6,499,816,108	5,687,513,338
24.00 Income Tax Expenses : Tk. 151,264,571		
Current Tax Expenses	32,264,277	386,085,697
Deferred Tax Income (SCL)	(2,026,208)	(1,508,870)
Short Provision of Tax for Earlier years	121,026,502	309,152,418
	151,264,571	693,729,245
25.00 Basic Earnings per Share (EPS)		
The computation of EPS is given below :		
(a) Net Profit for the year (after tax and Non-controlling (minority) interest	348,515,657	1,734,558,352
(b) Weighted average number of shares used for EPS (Note - 3.14)	520,757,631	520,757,631
(c) Basic EPS (a/b)	0.67	3.33

BANGLADESH EXPORT IMPORT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Financial Statements

As at and for the year ended 31 December 2013

26.00 Related Party Disclosures

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

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	-	118,239,399
Beximco Pharmaceuticals Ltd.	Short Term Loan & interest Expense	460,034,835	(3,026,383,161)
Beximco Synthetics Ltd.	Investment in Shares	-	42,251

Nature of Relationship

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

27.00 Contingent Liabilities

There was no sum for which the company is contingently liable as on 31 December 2013.

28.00 Capital Expenditure Commitment

(a) There was no capital expenditure contracted but not incurred or provided for at 31 December 2013.

(b) There was no material capital expenditure authorized by the Board but not contracted for at 31 December 2013.

29.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 31 December 2013.

30.00 Credit Facility Not Availed

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

31.00 Benefit to Directors

During the year under review

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

32.00 Events After The Reporting Period

Subsequent to the balance sheet date, the board of directors recommended 15% Bonus Shares (15 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



Md. Luthfor Rahman
Chief Financial Officer

Date: 29 April 2014
Dhaka.

AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF
BANGLADESH EXPORT IMPORT COMPANY LIMITED
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

Independent Auditors' Report To The Shareholders of **BANGLADESH EXPORT IMPORT COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Bangladesh Export Import Company Limited, which comprise the Statement of Financial Position as at 31 December 2013, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

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



M. J. Abedin & Co.
Chartered Accountants

29 April 2014
Dhaka.

An independent member firm of
MOORE STEPHENS
INTERNATIONAL LIMITED

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Statement of Financial Position

As at 31 December 2013

	Notes	Amount in Taka	
		31-Dec-13	31-Dec-12
ASSETS			
Non - Current Assets		31,276,598,243	26,012,075,301
Property, Plant and Equipment	4.00	23,194,466,672	21,476,387,788
Investment Property	5.00	4,861,534,600	-
Investment in Shares	6.00	2,919,012,820	4,036,849,734
Long Term Loan	7.00	301,584,151	498,837,779
Current Assets		59,916,953,429	52,191,122,306
Inventories	8.00	2,507,226,322	4,426,954,193
Trade and Other Receivables	9.00	24,648,434,345	27,156,387,545
Advances, Deposits and Pre-Payments	10.00	32,680,932,502	20,458,414,350
Cash and Cash Equivalents	11.00	80,360,260	149,366,218
Total Assets		91,193,551,672	78,203,197,607
EQUITY AND LIABILITIES			
Shareholders' Equity		49,268,674,841	44,496,762,408
Issued Share Capital	12.00	5,226,248,430	4,544,563,860
Reserves		27,180,767,407	22,763,271,414
Retained Earnings		16,861,659,004	17,188,927,134
Non - Current Liabilities	13.00	13,406,391,224	4,708,464,767
Long Term Loans - Net of Current Maturity	14.00	13,406,391,224	4,708,464,767
Current Liabilities		28,518,485,607	28,997,970,432
Long Term Loans - Current Maturity	15.00	10,483,962,891	4,578,589,681
Short Term Loan	16.00	11,515,144,622	9,418,866,465
Trade and Other Payables	17.00	6,519,378,094	15,000,514,286
Total Equity and Liabilities		91,193,551,672	78,203,197,607
Net Assets Value Per Share		94.27	97.91

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

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board :



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.



M. J. Abedin & Co.
Chartered Accountants

Dated : 29 April 2014
Dhaka.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Statement of Comprehensive Income

For the year ended 31 December 2013

	Notes	Amount in Taka	
		2013	2012
Revenue	18.00	21,692,955,124	24,459,598,843
Cost of Revenue	19.00	(14,090,529,970)	(15,740,261,163)
Gross Profit		7,602,425,154	8,719,337,680
Operating Expenses		(7,053,325,752)	(6,306,126,486)
Administrative Expenses	20.00	(923,946,469)	(958,460,565)
Selling and Distribution Expenses		(22,470,026)	(24,777,811)
Finance Cost	21.00	(6,106,909,257)	(5,322,888,110)
Profit before WPPF and Income Tax		549,099,402	2,413,211,194
Contribution to WPPF		(26,147,591)	(114,914,818)
Net Profit Before Tax		522,951,811	2,298,296,376
Income Tax Expenses	22.00	(168,535,371)	(608,880,540)
Net Profit after tax (NPAT) for the year		354,416,440	1,689,415,836
Other Comprehensive Income:			
Revaluation Surplus on PPE		2,133,194,757	-
Revaluation Surplus on investment property		3,080,453,840	-
Fair Value Loss on Investment in Shares		(796,152,604)	(700,222,988)
Total Comprehensive Income for the year		4,771,912,433	989,192,848
EPS based on NPAT (Adjusted EPS of 2012)	23.00	0.68	3.23

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

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board :



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 29 April 2014
Dhaka.



M. J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Statement of Changes in Equity

For the year ended 31 December 2013

Amount in Taka

	Share Capital	Reserve (Note 13)	Retained Earnings	Total Equity
As on 31 December 2012	4,544,563,860	22,763,271,414	17,188,927,134	44,496,762,408
Net Profit after tax for the year	-	-	354,416,440	354,416,440
Other Comprehensive Income:				
Revaluation Surplus on PPE	-	2,133,194,757	-	2,133,194,757
Revaluation Surplus on investment property	-	3,080,453,840	-	3,080,453,840
Fair Value Loss on Investment in Shares	-	(796,152,604)	-	(796,152,604)
Transaction with Shareholders:				
Issue of Bonus Shares for the prior year (2012)	681,684,570	-	(681,684,570)	-
As on 31 December 2013	5,226,248,430	27,180,767,407	16,861,659,004	49,268,674,841

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

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board :



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 29 April 2014
Dhaka.



M. J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Statement of Cash Flows

For the year ended 31 December 2013

	Amount in Taka	
	2013	2012
Cash Flows From Operating Activities :	125,429,962	164,097,361
Cash Received against Revenues and Others	24,200,908,324	19,140,558,707
Cash paid to Suppliers and Others	(24,075,478,362)	(18,976,461,346)
Cash Flows From Investing Activities:	(238,935,988)	(133,415,106)
Purchase of Property, Plant and Equipment	(238,935,988)	(133,415,106)
Cash Flows From Financing Activities:	44,500,068	(115,092,701)
Increase /(Decrease) in Loan	44,500,068	(115,092,701)
Decrease in Cash and Cash Equivalents	(69,005,958)	(84,410,446)
Cash and Cash Equivalents at Opening	149,366,218	233,776,664
Cash and Cash Equivalents at Closing	80,360,260	149,366,218
Net Operating Cash Flow Per Share	0.24	0.36

Approved and authorised for issue by the board of directors on 29 April 2014 and signed for and on behalf of the board :



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

As per our separate report of even date annexed.

Dated : 29 April 2014
Dhaka.



M. J. Abedin & Co.
Chartered Accountants

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

1.00 The background and activities of the Company

1.01 Status of the Company

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

The company has 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, investment in shares of listed companies are carried at fair value based on the year end quoted price of Dhaka Stock Exchange Ltd. & investment property are valued at fair value.

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 2013;
- (b) a statement of comprehensive income for the year 2013;
- (c) a statement of changes in equity for the year 2013;
- (d) a statement of cash flows for the year 2013; 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 2013 to 31 December 2013.

2.05 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 29 April 2014.

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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

2.07 Comparative Information

Comparative information has been disclosed in respect of the year 2012 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 2012 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.08 Use of Estimates and Judgments

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

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

2.11 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 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.

In terms of paragraph 29 of BAS 16: Property, Plant and Equipment, the Company has chosen "Revaluation Model" for the measurement of Lands, Buildings and Plant and Machinery; and "Cost Model" for the measurement of Furniture and Fixtures and Vehicles. In terms of paragraph 31 of the aforesaid BAS, after recognition as an asset, the aforesaid items of property, plant and

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

equipment whose fair value can be measured reliably has been carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made after every three years to ensure that the carrying amount does not differ materially from that which has been determined using fair value at the end of the reporting period.

3.02.2 Pre-Operating Expenses and Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing cost considering the requirement of 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 repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the 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 Investment Property

The Company has applied, effective from 31 December 2013, BAS 40, "Investment Property" in the recognition, measurement and disclosure of investment property. Accordingly, property (land or a building—or part of a building—or both) held by the Company to earn rentals or for capital appreciation or both, so long included in its inventories have been recognised as "investment property"; and after recognition, has adopted "fair value method" in terms of paragraph 30 read together with paragraph 5 of the aforesaid BAS.

3.04 Impairment

(a) Financial Assets

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

(b) Non-Financial Assets

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

3.05 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.

3.06 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.

3.06.1 Financial assets

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

(a) Investment in Shares

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

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

(b) Accounts Receivables

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

3.06.2 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

Notes to the Financial Statements

As at and for the year ended 31 December 2013

3.08 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.

3.09 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 an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

(b) Short-term employee benefits

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

(c) Contribution to Workers' Participation/Welfare Funds

This represents 5% of net profit before tax contributed by the Company as per provisions of Bangladesh Labor Law, 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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

Weighted Average Number of Shares In Issue (Denominator)

Current Year (2013)

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 2013 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2013, the total number of bonus shares has been considered.

Earlier Year (2012)

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 (2012), and accordingly, in calculating the adjusted EPS of 2012, the total number of shares including the subsequent bonus issue in 2013 has been considered as the weighted Average Number of Shares Outstanding during the year 2012.

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 Translations

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. The assets and liabilities denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange difference is charged off as revenue expenditure in compliance with the provisions of 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 Property, Plant and Equipment : Tk. 23,194,466,672

The details are stated below:

Amount in Taka

Particulars	Land and Land Development	Building and other Construction	Plant & Machinery	Furniture, Fixture & Equipment	Vehicle	Capital Work in Progress	Total
Cost/Valuation:							
At 31 December 2012	8,264,975,000	5,089,172,538	14,261,692,816	556,968,706	184,738,504	1,800,000,000	30,157,547,564
Surplus on Revaluation in 2013	3,922,136,000	(227,571,528)	(1,561,369,715)	-	-	-	2,133,194,757
Addition in 2013	-	357,532,500	1,000,913,619	22,449,597	599,400	(1,142,559,128)	238,935,988
At 31 December 2013	12,187,111,000	5,219,133,510	13,701,236,720	579,418,303	185,337,904	657,440,872	32,529,678,309
Depreciation:							
At 31 December 2012	-	1,117,793,789	7,037,698,103	425,835,339	100,845,046	-	8,682,172,277
Charged in 2013	-	128,119,958	489,506,127	18,530,126	16,883,149	-	653,039,360
At 31 December 2013	-	1,245,913,747	7,527,204,230	444,365,465	117,728,195	-	9,335,211,637
Carrying Value:							
At 31 December 2013	12,187,111,000	3,973,219,763	6,174,032,490	135,052,838	67,609,709	657,440,872	23,194,466,672
At 31 December 2012	8,265,987,501	3,971,378,749	7,223,994,713	131,133,367	83,893,458	1,800,000,000	21,476,387,788

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

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

Particulars	Total
Increase by re-valuation in 1976-77	1,733,120
Increase by re-valuation in 1987-88	4,617,873
Increase by re-valuation in 2011	5,988,990,434
Increase by re-valuation in 2013	2,133,194,757
Increase by revaluation	8,128,536,184
Original Cost	23,558,363,349
Gross carrying amounts	Tk. 31,686,899,533

The revaluation of 2013 was done by an independent valuer Ata Khan & Co., Chartered Accountants, 67 Motijheel C/A, Dhaka -1000, and the valuer has revalued the land, buildings and plant & machinery of the Company as of 31 December 2013, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 2,133,194,757.

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

5.00 Investment in Property: Tk. 4,861,534,600

Investment Property (Land at cost) (Transferred from Inventories) (Note-3.03)	1,781,080,760	-
Surplus on revaluation made during the year	3,080,453,840	-
	4,861,534,600	-

The revaluation was done by an independent valuer Ata Khan & Co., Chartered Accountants, 67 Motijheel C/A, Dhaka -1000, and the valuer has revalued the said land of the Company as of 31 December 2013, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 3,080,453,840.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

		Amount in Taka	
		as at 31-Dec-13	as at 31-Dec-12
6.00 Investment in Shares : Tk. 2,919,012,820			
This consists of as follows:			
(a) In Associated undertakings:			
(i) In 73,483,009 Shares of Shinepukur Ceramics Ltd. (Subsidiary Company-50% Shares) (Face value of Tk. 10.00) {Listed company, Market value Tk. 18.30 per share on 30 December 2013}	1,344,739,065	1,738,032,917	
(ii) In 2,505,072 Shares of Beximco Pharmaceuticals Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 47.20 per share on 30 December 2013}	118,239,399	121,768,312	
(iii) In 999,800 Shares -costs per share is Tk. 26.50 against face value of Tk. 100/= each of International Knitwear & Apparels Ltd.	26,494,700	26,494,700	
(iv) In 1,744,490 Shares -costs per share is Tk. 13.60 against face value of Tk.100/= each of Beximco Fashions Ltd.	23,725,060	23,725,060	
(v) In 999,800 Shares - costs per share is Tk. 24.90 against face value of Tk. 100/= each of Crescent Fashions & Design Ltd.	24,895,020	24,895,020	
(vi) In 158,888 Shares - Costs per share is Tk. 34.70 against face value of Tk.100/= each of Freshtex Bangladesh Ltd.	5,513,420	5,513,420	
(vii) In 2,530 Shares of Beximco Synthetics Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 16.70 per share on 31 December 2013}	42,251	55,890	
	1,543,648,915	1,940,485,319	
(b) Others:			
(i) In 8,281,153 Shares of Unique Hotel & Resort Ltd.(Face value of Tk. 10.00) {Listed company, Market value Tk.78.00 per share on 30 December 2013}	645,929,934	1,201,834,529	
(ii) In 3,491 Shares of Investment Corporation of Bangladesh (Face value of Tk. 100.00) {Listed company, Market value Tk. 1,461 per share on 30 December 2013}	5,100,351	5,265,301	
(iii) In 11 Shares of Jamuna Oil Ltd. (Face value of Tk. 10.00) {Listed company, Market value Tk. 191.80 per share on 30 December 2013}	2,110	1,090,635	
(iv) In 32,997,800 Shares of GMG Airlines Ltd. (Average cost price per share is Tk. 9.09 against face value of Tk.10.00)	299,980,000	299,980,000	
(v) In 571,181 Shares of Central Depository Bangladesh Ltd. (Average cost price per share is Tk. 2.74 against face value of Tk. 10.00)	1,569,450	1,569,450	
(vi) In 42,278,206 Shares of Tk.10/= each of Dhaka Shanghai Ceramics Ltd.	422,782,060	586,624,500	
	1,375,363,905	2,096,364,415	
Total=(a+b)	2,919,012,820	4,036,849,734	

(c) The basis of valuation is stated in Note 3.06.1(a).

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

(d) Investment in subsidiary company Shinepukur Ceramics Ltd. of 73,483,009 shares represents 50.00% of the paid-up capital of the said Company (146,966,055 shares of Tk. 10/ each). The accumulated profit of Shinepukur Ceramics Ltd. as on 31 December 2013 of Tk. 155,264,942 including net loss after tax for the year ended 31 December 2013 of Tk. 11,801,568 as per its audited financial statements for the year ended 31 December, 2013 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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

7.00 Long Term Loan: Tk. 301,584,151

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 2013 as mutually agreed upon.

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

8.00 Inventories : Tk. 2,507,226,322

This consists of as follows:

Land	959,189,655	2,749,600,738
Land Development and Others	207,049,653	190,996,746
Other Direct Expense	32,641,501	21,079,929
Construction work in progress	337,810,656	336,062,366
Fish & Shrimp	4,049,232	10,581,237
Fish Feed	95,515	46,823
Tea Seed Cake	-	7,031,600
Stores and Spares	202,509,484	192,191,106
Jute Yarn	71,112	73,502
Raw Material	181,053,456	250,397,795
Work in Process	404,292,993	469,410,153
Finished Goods	172,975,409	197,674,175
Packing Material	5,487,656	1,808,023
	2,507,226,322	4,426,954,193

9.00 Trade and Other Receivables : Tk. 24,648,434,345

This is unsecured but considered good.

10.00 Advances, Deposits and Pre-payments : Tk. 32,680,932,502

This consists of as follows:

Advance Income Tax	77,804,282	55,054,897
Security Deposit	52,816,401	53,061,507
Lease Deposit	7,801,220	7,801,219
Bank Guarantee Margin	876,316,174	804,982,851
L/C Margin	272,889,287	853,009,502
Advances against Purchase of Land and Others	31,356,491,603	18,646,453,889
London Branch	36,813,535	38,050,485
	32,680,932,502	20,458,414,350

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.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

11.00 Cash and Cash Equivalents : Tk. 80,360,260

This consist of as follows:

Cash in Hand	34,259,808	52,302,843
In Current Account with banks	25,795,617	25,262,398
In STD Account with banks	18,795,955	70,403,166
In Fixed Deposit and Accrued Interest thereon with a Bank	1,241,068	1,121,000
London Branch	267,812	276,811
	80,360,260	149,366,218

12.00 Issued Share Capital : Tk. 5,226,248,430

(a) Authorised:

1,000,000,000 Ordinary Shares of Tk. 10/-each	10,000,000,000	10,000,000,000
---	-----------------------	-----------------------

(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
346,911,778 Ordinary Shares of Tk.10/-each issued as fully paid-up bonus shares	3,469,117,780	2,787,433,210
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	1,072,829,190
2,649,470 Ordinary Shares of Tk. 10/-each issued to the shareholders of International Knitwear & Apparels Ltd.	26,494,700	26,494,700
2,372,506 Ordinary Shares of Tk. 10/-each issued to the shareholders of Beximco Fashions Ltd.	23,725,060	23,725,060
2,489,502 Ordinary Shares of Tk. 10/-each issued to the shareholders of Crescent Fashions & Design Ltd.	24,895,020	24,895,020
551,342 Ordinary Shares of Tk. 10/-each issued to the shareholders of Freshtex Bangladesh Ltd.	5,513,420	5,513,420
Total 522,624,843 Shares of Tk. 10/= each	5,226,248,430	4,544,563,860

(c) Composition of Shareholding:

	2013		2012	
	No. of Shares	%	No. of Shares	%
Sponsors:				
A S F Rahman	37,694,613	7.21	32,777,925	7.21
Salman F Rahman	42,295,557	8.09	36,778,746	8.09
Associates	25,562,893	4.89	22,602,320	4.97
Foreign Investors	44,514,714	8.52	36,000,193	7.92
ICB including ICB Investors' Account	31,688,419	6.06	49,898,577	10.98
General Public & Institutions	340,868,647	65.22	276,398,625	60.82
	522,624,843	100	454,456,386	100

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

(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-13 Number of			31-Dec-12 Number of		
	shares	holders	% of total holders	shares	holders	% of total holders
1 to 499	19,876,636	126,651	63.07	18,154,509	119,364	65.73
500 to 5,000	99,415,129	64,550	32.14	79,376,367	56,032	30.86
5,001 to 10,000	37,779,807	5,423	2.70	24,912,703	3,571	1.97
10,001 to 20,000	34,008,831	2,475	1.23	20,674,407	1,483	0.82
20,001 to 30,000	15,856,622	657	0.33	10,165,948	410	0.23
30,001 to 40,000	11,816,872	342	0.17	6,374,781	184	0.10
40,001 to 50,000	7,432,378	167	0.08	4,294,202	95	0.05
50,001 to 100,000	19,663,513	285	0.14	14,669,710	211	0.12
100,001 to 1,000,000	55,806,110	227	0.11	55,705,333	202	0.11
Over 1,000,000	220,968,945	32	0.02	220,128,426	41	0.02
Total	522,624,843	200,809	100	454,456,386	181,593	100

(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. 32.20 and Tk. 32.10 per share in the Dhaka and Chittagong Stock Exchanges on 30 December 2013.

(g) Voting rights

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

13.00 Reserves : Tk. 27,180,767,407

This is arrived at as follows:

	Fair Value Gain/ (Loss) on Investment of Shares	Capital Reserve	Revaluation Reserve on PPE	Revaluation Reserve on Investment property	Total
As on 01-01-2013	1,347,270,634	15,420,659,353	5,995,341,427	-	22,763,271,414
Addition/(Adjustment) during the year (Note-13.01)	(796,152,604)	-	2,133,194,757	3,080,453,840	4,417,495,993
As on 31-12-2013	551,118,030	15,420,659,353	8,128,536,184	3,080,453,840	27,180,767,407

13.01 (a) Addition to Revaluation on Property, Plant & Equipment and Investment Property represent surplus on revaluation during the year.

(b) Adjustment to Fair Value of investment in shares represents loss on revaluation of shares of listed companies at quoted price on the balance sheet date.

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
14.00 Long Term Loans - Net off Current Maturity (Secured) : Tk. 13,406,391,224		
This is secured and consists of as follows:		
10% Debenture	180,525,324	348,420,509
Sonali Bank Ltd.- IBP Loan	386,593,566	489,685,183
Sonali Bank Ltd.- PAD Block	802,305,078	1,016,253,099
Sonali Bank Ltd.- Demand loan on PAD	2,713,529,499	-
Sonali Bank Ltd.- Interest Free	27,368,060	45,613,434
Sonali Bank Ltd.- Interest Bearing Block	377,061,084	460,852,436
Rupali Bank Ltd.- Term Loan 1	187,884,000	229,636,000
Rupali Bank Ltd.- Term Loan 2	124,668,000	152,372,000
Rupali Bank Ltd.- Interest Free Block	95,490,000	116,686,902
Rupali Bank Ltd. - PAD Segregation	386,460,000	468,426,354
Rupali Bank Ltd. - Forced Loan 1	42,614,539	-
Rupali Bank Ltd. - Forced Loan 2	477,946,916	-
Rupali Bank Ltd.- CCP and CCH Segregation	383,257,926	472,340,000
Bangladesh Development Bank Ltd.- Term Loan	45,836,856	57,436,856
Bangladesh Development Bank Ltd.- Interest Block	30,101,596	35,701,596
The City Bank Ltd	6,065,000	30,325,000
National Bank Ltd.-Term Loan 1	306,785,329	336,201,834
National Bank Ltd.-Term Loan 2	426,083,643	448,513,564
Janata Bank -Demand Loan BBLC	1,692,526,521	-
Janata Bank-Demand Loan Cash 1	3,289,131,624	-
Janata Bank-Demand Loan Cash 2	1,424,156,663	-
	13,406,391,224	4,708,464,767

Nature of security :

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

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

15.00 Long Term Loans - Current Maturity (Secured) : Tk. 10,483,962,891

This is secured and consists of as follows:

Consortium Loan	50,049,239	641,166,618
Term Loan (FLIL)	21,572,496	21,572,496
10% Debentures	689,293,677	482,410,986
Lease Obligation	167,831,887	138,786,457
Sonali Bank Ltd.- IBP Loan	338,753,350	354,995,817
Sonali Bank Ltd.- PAD Block	824,840,886	839,521,521
Sonali Bank Ltd.- Interest Free	17,746,457	31,201,083
Sonali Bank Ltd.- CCP & CCH Segregation	391,759,985	443,741,171
Agrani Bank- Demand Loan	2,295,999,749	-
Rupali Bank Ltd.- Term Loan 1	253,445,999	230,184,899
Rupali Bank Ltd.- Term Loan 2	169,698,424	153,738,385
Rupali Bank Ltd.- Interest Free Block	64,824,902	60,728,000
Rupali Bank Ltd. - PAD Block	585,198,422	472,960,536
Rupali Bank Ltd.- CCP and CCH Segregation	566,894,218	428,571,299
Rupali Bank Ltd.- Forced Loan	1,077,989,826	-
Bangladesh Development Bank Ltd.- Term Loan	11,600,000	22,138,681
Bangladesh Development Bank Ltd.- Interest Block	13,155,954	11,900,833
City Bank NA Ltd.- Term Loan	43,383,388	-
The City Bank Ltd	-	70,348,859
ABBL- Time Loan	679,380,175	-
National Bank Ltd.- Term Loan 1	182,380,852	82,812,020
National Bank Ltd.- Term Loan 2	207,062,616	91,810,020
Exim Bank -Forced Loan	1,831,100,389	-
	10,483,962,891	4,578,589,681

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.

16.00 Short Term Loan : Tk. 11,515,144,622

This consists of as follows:

Secured:

Rupali Bank Ltd. - Overdraft	1,458,905,320	1,283,235,306
Sonali Bank Ltd. - CCH	3,000,000,000	2,786,435,886
Janata Bank Ltd. - SBLC (M Bank, Dubai)	-	517,049,181
State Bank of India - CCH	122,372,656	122,520,130
Janata Bank Ltd. - Cash Subsidy	36,983,941	1,461,847
Janata Bank Ltd. - CCH	1,041,999,544	1,039,389,281
Janata Bank Ltd. - SBLC (M Bank, Dubai)	2,436,000,000	-
AB Bank Ltd.- (Noor I Bank)	392,500,000	-
AB Bank Ltd.- Time Loan	-	982,176,508

Unsecured:

Beximco Pharmaceuticals Ltd.	3,026,383,161	2,686,598,326
	11,515,144,622	9,418,866,465

Loan from Beximco Pharmaceuticals Ltd. represents temporary loan, carrying interest @ 16.5% for 2013, 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 2013

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12

17.00 Trade and Other Payables : Tk. 6,519,378,094

This is made-up as follows:

Bank Overdraft	-	93,927,563
Creditors for Goods	4,950,025,368	7,578,630,796
Provision for Income Tax	1,171,912,017	1,374,429,964
Other Current Liabilities	345,288,250	5,914,740,507
Security Deposit from Distributor	15,000,000	15,000,000
London Branch	37,152,459	23,785,456
	6,519,378,094	15,000,514,286

	Amount in Taka	
	for the year 2013	for the year 2012

18.00 Revenue : Tk. 21,692,955,124

This is made-up as follows:

Sale of Goods (Note - 18.01)	21,477,305,636	24,122,690,640
Dividend Income	23,844,379	12,948,867
Capital Gain on Sale of Shares	189,725,650	39,452,664
Other Income	2,079,459	284,506,672
	21,692,955,124	24,459,598,843

18.01 Sale of Goods : Tk. 21,477,305,636

This represents sales of:

(a) Internet Service	119,312,942	128,938,862
(b) Software Sale	968,132,840	90,345,684
(c) Fish , Shrimp & Salt	25,033,297	2,612,946,714
(d) Land	24,187,628	-
(e) Yarn, Fabrics & Others	20,340,638,929	21,253,736,458
	21,477,305,636	24,085,967,718
(f) Jute Yarn and Other Jute products (London Branch)	-	36,722,922
	21,477,305,636	24,122,690,640

19.00 Cost of Revenue : Tk. 14,090,529,970

This represents cost of goods sold against sale of:

(a) Internet Service and Software (Including depreciation of Tk. 8,050,297)	173,676,983	146,021,340
(b) Land	19,271,031	-
(c) Shrimp, Fish and Salt (Including depreciation of Tk.1,589,305)	32,755,833	1,167,495,858
(d) Yarn, Fabrics & Others (Including depreciation of Tk. 635,678,934)	13,864,826,123	14,390,350,266
	14,090,529,970	15,703,867,464
(e) Jute Yarn and Other Jute products (London Branch)	-	36,393,699
	14,090,529,970	15,740,261,163

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

	Amount in Taka	
	for the year 2013	for the year 2012
20.00 Administrative Expenses : Tk. 923,946,469		
This consists of:		
Salaries and Allowances	550,908,924	474,478,285
Staff Welfare	5,812,930	1,349,466
Postage, Telegram, Telex & Telephone	17,375,126	16,442,975
Publicity and Advertisement	483,790	3,355,545
Petrol, Fuel, Electricity, Gas and Water	5,650,738	5,879,351
Printing and Stationery	8,895,969	6,709,044
Car Repairs and Maintenance	114,943,742	103,970,136
Local Travel	30,000	2,150
Travelling and Conveyance	58,120,270	130,967,635
Repair and Maintenance	38,231,578	35,946,044
Fees and Charges	13,088,996	22,072,038
Entertainment	6,288,424	14,154,819
Rent Rates and Taxes	15,815,806	13,539,167
Subscription	4,527,097	1,897,355
Audit Fee (Including VAT @ 15%)	1,380,000	1,265,000
Insurance	21,738,551	10,814,731
AGM Expenses	2,855,565	1,322,239
Contribution to Provident Fund	660,120	544,188
Training	568,310	253,019
Miscellaneous Overhead	48,074,647	70,807,429
Depreciation	7,720,824	8,321,229
CDBL Charges	546,207	16,782,771
Loss on Sale & Lease back of Assets	-	12,246,846
London Branch Expenses	228,855	5,339,103
	923,946,469	958,460,565
21.00 Finance Cost : Tk. 6,106,909,257		
This consists of as follows:		
Interest on Loan from / to Related Companies (Net)	355,347,576	312,907,477
Interest on Loan from Banks and Others	4,725,209,029	2,428,942,460
Lease Interest	-	11,794,023
Bank Charge	1,026,352,652	2,569,244,150
	6,106,909,257	5,322,888,110
22.00 Income Tax Expense : Tk. 168,535,371		
This represents:		
Provision for the year	23,741,441	358,413,425
Short provision for the earlier's Years	144,793,930	250,467,115
	168,535,371	608,880,540
23.00 Basic Earnings per Share (EPS)		
The computation of EPS is given below :		
(a) Net Profit after Tax for the year	354,416,440	1,689,415,836
(b) Number of Shares in issue(Note-3.13)	522,624,843	522,624,843
(c) Basic EPS (a/b) (Par Value of Share Tk. 10/=) (Adjusted EPS of 2012)	0.68	3.23

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

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:

Name of the Related Parties	Nature of transactions	Amount in Taka	
		Value of transactions during the year	Receivable / (Payable) at the end of the year
Beximco Pharmaceuticals Ltd.	Investment in Shares	-	118,239,399
Beximco Pharmaceuticals Ltd.	Short Term Loan & Interest Expense	460,034,835	(3,026,383,161)
Shinepukur Ceramics Ltd	Investment in Shares	-	1,344,739,065
Shinepukur Ceramics Ltd	Long Term Loan	197,253,628	301,584,151
Shinepukur Ceramics Ltd	Interest Income	104,687,260	62,426,975
Beximco Synthetics Ltd.	Investment in Shares	-	42,251

Nature of Relationship

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

25.00 Contingent Liabilities

There was no sum for which the Company is contingently liable as on 31 December 2013.

26.00 Capital Expenditure Commitment

(a) There was no capital expenditure contracted but not incurred or provided for at 31 December 2013.

(b) There was no material capital expenditure authorized by the Board but not contracted for at 31 December 2013.

27.00 Claims Not Acknowledged As Debt

There was no claim against the Company not acknowledge as debt as on 31 December 2013.

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 2013 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 12,257,475 (Equivalent BDT 968,340,513).

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 2013	for the year 2012
Basic Salary	111,892,190	114,416,987
House rent allowance	59,641,226	57,918,928
Other allowances and benefits	21,544,562	24,219,606
	193,077,978	196,555,521

BANGLADESH EXPORT IMPORT COMPANY LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2013

(b) During the year under review:

- (i) No compensation was allowed by the company to the Managing Director of the company;
- (ii) No amount of money was spent by the company for compensating any member of the Board for special service rendered; and
- (iii) No board meeting attendance fee was paid to the directors of the Company except to the independent director of Tk. 90,000.

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 2013 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) Subsequent to the Statement of Financial Position date, the board of directors recommended 15% stock dividend of Tk. 10/= each (15 Bonus Shares for each 100 shares held) which is subject to shareholders' approval at the forthcoming Annual General Meeting.
- (b) Except the above fact, no circumstances have arisen since this statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.



A S F Rahman
Chairman

Date: 29 April 2014
Dhaka.



Salman F Rahman
Vice Chairman



Md. Luthfor Rahman
Chief Financial Officer

AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF
SHINEPUKUR CERAMICS LIMITED
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

Independent Auditors' Report

to the Shareholders of Shinepukur Ceramics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shinepukur Ceramics Limited, which comprise the Statement of Financial Position as at 31 December 2013, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

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

Dhaka, 29 April, 2014


M. J. ABEDIN & CO.
Chartered Accountants

An independent member firm of
MOORE STEPHENS
INTERNATIONAL LIMITED

SHINEPUKUR CERAMICS LIMITED

Statement of Financial Position

as at 31 December 2013

	Notes	Amount in Taka	
		31-Dec-2013	31-Dec-2012
ASSETS			
Non-Current Assets		5,163,868,663	5,323,600,351
Property, Plant and Equipment - Carrying Value	4	4,284,727,821	4,384,003,402
Investment in Shares	5	61,221,686	121,705,206
Capital Work in Progress		817,919,156	817,891,743
Current Assets		1,710,385,576	1,796,412,804
Inventories	6	912,642,408	845,059,407
Accounts & Other Receivables	7	674,987,355	853,413,145
Advances, Deposits & Prepayments	8	108,267,477	81,930,381
Cash and Cash Equivalents	9	14,488,336	16,009,871
Total Assets		6,874,254,239	7,120,013,155
EQUITY AND LIABILITIES			
Shareholders' Equity		4,487,866,589	4,544,462,049
Issued Share Capital	10	1,469,660,550	1,277,965,700
Revaluation Surplus on Property, Plant and Equipment	11	2,966,690,015	2,966,690,015
Fair Value loss on Investment in Shares		(103,748,918)	(58,955,026)
Retained Earnings		155,264,942	358,761,360
Non-Current Liabilities		629,397,933	803,483,989
Long Term Loan - Net-off Current Maturity(Secured)	12	321,383,411	296,189,631
Long Term Loan (Unsecured)	13	301,584,151	498,837,779
Deferred Tax Liability	14	6,430,371	8,456,579
Current Liabilities		1,756,989,717	1,772,067,117
Short Term Loan from Banks (Secured)	15	964,471,449	1,183,795,749
Long Term Loan-Current Maturity (Secured)	16	322,692,983	143,242,382
Creditors, Accruals and Other Payables	17	469,825,285	445,028,986
Total Equity and Liabilities		6,874,254,239	7,120,013,155
Net Asset Value Per Share		30.54	35.56

The notes are an integral part of the Financial Statements.

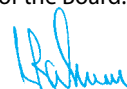
Approved and authorized for issue by the Board of Directors on 29 April, 2014 and signed for and on behalf of the Board:



A S F Rahman
Chairman



Salman F Rahman
Vice-Chairman



Md. Luthfor Rahman
Executive Director

Per our report of even date.

29 April, 2014, Dhaka.



M. J. Abedin & Co.
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

Statement of Comprehensive Income

for the year ended as at 31 December 2013

	Notes	Amount in Taka	
		2013	2012
Revenue	18	1,704,567,234	1,942,350,752
Cost of Goods Sold	19	(1,226,896,190)	(1,268,312,998)
Gross Profit		477,671,044	674,037,754
Operating Expenses		(107,644,738)	(105,872,312)
Administrative Expenses	20	(56,577,523)	(54,107,127)
Selling and Distribution Expenses	21	(51,067,215)	(51,765,185)
Profit from Operations		370,026,306	568,165,442
Loss on Sale of Shares		(6,191,823)	(19,649,764)
Finance Cost		(392,906,851)	(364,625,228)
Profit/(Loss) before contribution to WPPF	22	(29,072,368)	183,890,450
Contribution to Workers' Profit Participation / Welfare Funds		-	(8,756,688)
Net (Loss) / Profit before Tax		(29,072,368)	175,133,762
Income Tax Income/(Expense)		17,270,800	(84,848,705)
Net (Loss) / Profit After Tax for the year	23	(11,801,568)	90,285,057
Other Comprehensive Income:			
Fair Value Loss on Investment in Shares	5	(44,793,892)	(45,583,431)
Total Comprehensive (Loss) / Profit for the year		(56,595,460)	44,701,626
Earning per share (Adjusted EPS of 2012) Tk.	24	(0.08)	0.61

The notes are an integral part of the Financial Statements.

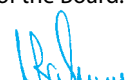
Approved and authorized for issue by the board of directors on 29 April, 2014 and signed for and on behalf of the Board:



A S F Rahman
Chairman



Salman F Rahman
Vice-Chairman



Md. Luthfor Rahman
Executive Director

Per our report of even date.

29 April, 2014, Dhaka.



M. J. Abedin & Co.
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

Statement of Changes in Equity

for the year ended as at 31 December 2013

Particulars	Share Capital	Revaluation Surplus on PPE	Fair Value Loss on Investment in Shares	Amount in Taka	
				Retained Earnings	Total Equity
Balance as on 31 December 2012	1,277,965,700	2,966,690,015	(58,955,026)	358,761,360	4,544,462,049
Net Loss after tax for the year	-	-	-	(11,801,568)	(11,801,568)
Other Comprehensive Income:					
Fair Value Loss on Investment in Shares (Note - 5)	-	-	(44,793,892)	-	(44,793,892)
Transaction with Share Holders:					
Issue of Bonus Shares for the prior year (2012)	191,694,850	-	-	(191,694,850)	-
Total Balance as on 31 December 2013	1,469,660,550	2,966,690,015	(103,748,918)	155,264,942	4,487,866,589

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

Approved and authorized for issue by the board of directors on 29 April 2014 and signed for and on behalf of the Board:



A S F Rahman
Chairman



Salman F Rahman
Vice-Chairman



Md. Luthfor Rahman
Executive Director

Per our report of even date.

29 April, 2014, Dhaka.



M. J. Abedin & Co.
Chartered Accountants

SHINEPUKUR CERAMICS LIMITED

Statement of Cash Flows

for the year ended as at 31 December 2013

	Amount in Taka	
	2013	2012
Cash Flows From Operating Activities :		
Collections from turnover and other income	1,882,993,023	1,676,871,496
Payments for costs, expenses & others	(1,213,006,959)	(1,124,027,465)
Interest Paid	(402,285,732)	(402,474,727)
Short Term Loan (decreased)	(143,939,852)	(1,900,347)
Income-Tax paid and /or deducted at sources	(47,290,057)	(71,152,032)
Net cash Generated from operating activities	76,470,423	77,316,925
Cash Flows From Investing Activities:		
Property, Plant and Equipment acquired	(19,468,655)	(14,924,231)
Sale of Shares	9,497,805	39,127,960
Capital Work in Progress	(27,413)	-
Net cash (used in) / generated from investing activities	(9,998,263)	24,203,729
Cash Flows From Financing Activities:		
Decrease in Loan	(67,993,695)	(110,943,563)
Net cash used in financing activities	(67,993,695)	(110,943,563)
Decrease in Cash and Cash Equivalents	(1,521,535)	(9,422,909)
Cash and Cash Equivalents at the beginning of the year	16,009,871	25,432,780
Cash and Cash Equivalents at the end of the year	14,488,336	16,009,871
Net Operating Cash Flow Per Share	0.52	0.61

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

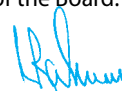
Approved and authorized for issue by the board of directors on 29 April 2014 and signed for and on behalf of the Board:



A S F Rahman
Chairman



Salman F Rahman
Vice-Chairman



Md. Luthfor Rahman
Executive Director

Per our report of even date.

29 April, 2014, Dhaka.



M. J. Abedin & Co.
Chartered Accountants

Notes to the Financial Statements

as at and for the year ended 31 December 2013

1. The background and activities of the Company

1.1. Status of the Company

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

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

1.2. Principal Activities

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

2. Bases of Financial Statements-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 2013;
- (b) a Statement of comprehensive income for the year 2013;
- (c) a statement of changes in equity for the year 2013;
- (d) a statement of cash flows for the year 2013; 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 2013 to 31st December 2013.

2.5. Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 29 April 2014.

2.6. Functional and Presentation Currency

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

Notes to the Financial Statements

as at and for the year ended 31 December 2013

2.7. Comparative Information

Comparative information has been disclosed in respect of the year 2012 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 2012 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 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

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.

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2013

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 & Fixtures	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.

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 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) Advances and Deposits

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.

Notes to the Financial Statements

as at and for the year ended 31 December 2013

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.

3.8. Income Tax Expense

Current Tax

As the company incurred net loss, minimum tax of 0.50% of revenue has been provided u/s 16CCC of Income Tax Ordinance 1984.

Deferred Tax

The company has recognized deferred tax using balance sheet method in compliance with the provisions of BAS 12: Income Taxes.

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

Notes to the Financial Statements

as at and for the year ended 31 December 2013

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 and the company also makes equal contribution.

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

(b) Defined Benefits Plan (Gratuity)

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

(c) Short-term Employee Benefits

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

(b) Contribution to Workers' Profit 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

No dividend has been proposed for the year 2013.

3.13 Earning Per Share (EPS)

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

Basic Earnings (Numerator)

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

Notes to the Financial Statements

as at and for the year ended 31 December 2013

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

Current Year (2013)

The Bonus Shares issued during the year 2013 were treated as if they always had been in issue. Hence, in computing the basic EPS of 2013, the total number of shares including the said bonus shares has been considered as the Weighted Average number of Shares outstanding during the year 2013.

Earlier Year (2012)

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 (2012), and accordingly, in calculating the adjusted EPS of 2012, the total number of shares including the subsequent bonus issue in 2013 has been considered as the Weighted Average Number of Shares outstanding during the year 2012.

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

Diluted Earnings Per Share

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

3.14 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 2013

4. Property, Plant and Equipment: Tk. 4,284,727,821

Particulars	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total Taka
Cost or Valuation							
At 31 December 2012	1,686,454,503	1,375,666,924	2,744,713,798	54,897,336	27,550,363	31,221,869	5,920,504,793
Addition during the Year	10,575,000	825,787	7,080,388	605,930	381,550	-	19,468,655
At 31 December, 2013	1,697,029,503	1,376,492,711	2,751,794,186	55,503,266	27,931,913	31,221,869	5,939,973,448
Depreciation							
At 31 December, 2012	-	242,136,166	1,207,625,737	45,122,761	21,748,677	19,868,050	1,536,501,391
Depreciation for the year	-	29,658,758	83,501,966	2,076,101	1,236,647	2,270,764	118,744,236
At 31 December, 2013	-	271,794,924	1,291,127,703	47,198,862	22,985,324	22,138,814	1,655,245,627
Carrying Amount							
At 31 December, 2013	1,697,029,503	1,104,697,787	1,460,666,483	8,304,404	4,946,589	9,083,055	4,284,727,821
Carrying Amount							
At 31 December, 2012	1,686,454,503	1,133,530,758	1,537,088,061	9,774,575	5,801,686	11,353,819	4,384,003,402

Assets include Leased Assets of Tk. 7,750,000 at cost and Tk. 1,194,459 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 2013

5. Investment In Shares : Tk. 61,221,686

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

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

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
(a) In 65,716 (2012: 59742) Shares of Tk. 10 each Beximco Synthetics Ltd.	1,097,460	1,451,730
(B) In 1,867,212 (2012: 1,867,290) Shares of Tk. 10 each Bangladesh Export Import Co. Ltd.	60,124,226	120,253,476
	61,221,686	121,705,206

This is arrived at as follows:

	Beximco Synthetics Ltd.	Beximco Ltd.	Total
At Cost as on 31.12.12	1,451,730	120,253,476	121,705,206
Adjustment for Sales during the year 2013	-	(15,689,628)	(15,689,628)
	1,451,730	104,563,848	106,015,578
Quoted Price on 31.12.13	1,097,460	60,124,226	61,221,686
Fair Value Loss on Investment in Shares in 2013	(354,270)	(44,439,622)	(44,793,892)

6. Inventories : Tk. 912,642,408

This represents as follows:

Raw Material & Chemical	359,070,527	316,644,315
Finished Goods	247,144,124	218,653,144
Work-In- Process	184,461,835	175,298,714
Stores & Spares	72,466,188	89,155,438
Packing Material	49,499,734	45,307,796
	912,642,408	845,059,407

7. Accounts & Other Receivables : Tk. 674,987,355

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.

Notes to the Financial Statements

as at and for the year ended 31 December 2013

8. Advances, Deposits & Prepayments: Tk. 108,267,477

This is considered good and consists of as follows:

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
Advances	78,434,493	61,547,619
Deposits	29,832,984	20,382,762
	108,267,477	81,930,381

The break -up of advances and prepayments are as follows:

L/C-Margin	13,815,051	15,450,122
Suppliers	1,384,948	7,895,865
Income Tax (Note -8.01)	37,805,998	20,515,941
Trade Fair	4,715,656	5,196,553
Employees (other than officers)	8,296,114	296,798
Advance against Construction	353,753	343,753
Marketing Expenses	8,712,141	8,714,661
L/C-Insurance	659,738	323,532
L/C- Commission	2,330,874	2,450,174
Advance Travel	360,220	360,220
	78,434,493	61,547,619

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	11,388,261	11,313,261
Earnest Money Deposit	-	122,500
Lease Deposit	3,518,794	3,518,794
VAT Deposit	12,170,211	2,672,489
	29,832,984	20,382,762

8.1 Advance Income Tax Paid : Tk. 37,805,998

This has been arrived at :

Opening Balance	20,515,941	23,744,845
Add : Adjustment of Excess Credit by DCT for the years 2009 & 2010	-	61,323
Paid / Deducted during the year under review	17,290,057	20,515,941
	37,805,998	44,322,109
Less : Adjustment made during the year under review for 2011	-	23,806,168
	37,805,998	20,515,941

Notes to the Financial Statements

as at and for the year ended 31 December 2013

9. Cash And Cash Equivalents : Tk. 14,488,336	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
This consists of :		
(a) Cash in Hand	7,268,400	6,231,172
(b) At Banks in :	7,219,936	9,778,699
(i) Current Deposit	4,195,709	4,814,341
(i) STD	2,324,785	4,264,916
(ii) FDR	699,442	699,442
	14,488,336	16,009,871

10. Share Capital : Tk.1,469,660,550

This represents :

(a) Authorized :		
500,000,000 ordinary shares of Tk. 10/- each	5,000,000,000	5,000,000,000
(b) Issued, Subscribed and paid-up :		
66,060,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	660,600,000	660,600,000
61,736,570 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	617,365,700	450,674,530
19,169,485 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	191,694,850	166,691,170
Total 146,966,055 shares of Tk. 10/- each fully paid-up	1,469,660,550	1,277,965,700

(c) Statement of Share Position:

Name of the Shareholders	31-Dec-2013		31-Dec-2012	
	No. of Shares	Holding %	No. of Shares	Holding %
Bangladesh Export Import Co.Ltd	73,483,009	50.00	63,898,269	50.00
Directors & Associates	7	-	7	-
ICB including ICB investors' Account	12,748,072	8.67	9,021,773	7.06
General Public and Institutions	60,734,967	41.33	54,876,521	42.94
	146,966,055	100.00	127,796,570	100.00

Notes to the Financial Statements

as at and for the year ended 31 December 2013

(d) Distribution Schedule:

Share holdings	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	18,728	2,388,948	1.63
500 to 5,000 shares	10,216	16,320,787	11.11
5001 to 10,000 shares	1,022	7,310,600	4.97
10,001 to 20,000 shares	461	6,552,381	4.46
20,001 to 30,000 shares	148	3,638,625	2.48
30,001 to 40,000 shares	73	2,479,336	1.69
40,001 to 50,000 shares	42	1,889,531	1.29
50,001 to 100,000 shares	69	4,650,267	3.16
100,001 to 1,000,000 shares	60	16,532,441	11.25
Over 1,000,000 shares	3	85,203,139	57.97
	30,822	146,966,055	100.00

11. Revaluation Surplus On Property, Plant and Equipment : Tk. 2,966,690,015

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

12. Long Term Loan - Secured (Net-Off Current Maturity) : Tk. 321,383,411

This represents loans from :

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
Sonali Bank Ltd. - PAD Blocked Loan	15,073,412	66,233,382
Sonali Bank Ltd. - Project Loan	41,970,046	92,160,306
Bank Asia Ltd. - Term Loan	188,931,649	-
Southeast Bank Ltd. - Term Loan	75,408,304	137,795,943
	321,383,411	296,189,631

Notes to the Financial Statements

as at and for the year ended 31 December 2013

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 :

Sonali Bank Ltd. - Project Loan :

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

Sonali Bank Ltd. - PAD Blocked Loan :

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

Bank Asia Ltd. - Term Loan :

In 54 (Fifty-four) equal monthly installments commencing from 31 December 2013, as per revised sanction.

Southeast Bank Ltd. - Term Loan :

In 47 (Forty-seven) equal monthly installments commencing from 31 July 2012, as per revised sanction.

Rate of interest :

Sonali Bank Ltd. - Project Loan :

15 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank Ltd. - PAD Block Loan :

16% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Bank Asia Ltd. - Term Loan :

15.50% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Southeast Bank Ltd. - Term Loan :

18 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.

13. Long Term Loan (Unsecured) : Tk. 301,584,151

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.

14. Deferred Tax Liability : Tk. 6,430,371

This is arrived at as follows:

	Amount in Taka	
	as at 31-Dec-13	as at 31-Dec-12
Opening Balance	8,456,579	9,965,449
Deferred Tax Income for the year (Note - 23)	(2,026,208)	(1,508,870)
	<u>6,430,371</u>	<u>8,456,579</u>

Notes to the Financial Statements

as at and for the year ended 31 December 2013

		Amount in Taka	
		as at 31-Dec-13	as at 31-Dec-12
15.	Short Term Loan From Banks : Tk. 964,471,449		
This is secured and consists of as follows:			
Sonali Bank Ltd. - CC (H)		579,719,862	526,164,111
Bank Asia Ltd. - Over Draft		-	278,476,501
Sonali Bank Ltd. - LTR		80,531,628	99,626,686
Southeast Bank Ltd. - LTR		51,953,529	60,273,798
Phoenix Finance & Investment Ltd.		252,266,430	219,254,653
		964,471,449	1,183,795,749
16.	Long Term Loan - Current Maturity Portion (Secured) : Tk. 322,692,983		
This consists of as follows:			
Sonali Bank Ltd. - PAD Blocked	47,443,261	38,003,846	
Sonali Bank Ltd. - Project	98,767,853	47,716,132	
Sonali Bank Ltd. - CC Blocked	99,999	7,795,823	
Bank Asia Ltd. - Term Loan	99,721,106	-	
Southeast Bank Ltd. - Term Loan	76,660,764	49,726,581	
	322,692,983	143,242,382	
17.	Creditors, Accruals and Other Payables: TK. 469,825,285		
This is unsecured and represents creditors for:			
L/C & Others	677,346	5,688,050	
Creditors for Goods	13,301,054	6,917,017	
Security Deposit	3,315,000	3,295,000	
Outstanding Export Commission	8,335,397	5,013,893	
Employees' Provident Fund	36,241,412	7,598,670	
Other Payables	87,814,113	68,033,327	
Income Tax Payable (Note - 17.01)	84,323,535	129,568,127	
Tax at source (Employee tax)	2,062,512	1,315,124	
Interest due	62,426,975	81,570,024	
Salary & Wages	38,391,464	28,227,629	
Gas & Electricity	132,154,533	107,218,125	
Audit Fee (Including VAT @15%)	690,000	575,000	
Provision for Legal Fees	9,000	9,000	
Group Insurance Payable	82,944	-	
	469,825,285	445,028,986	

Notes to the Financial Statements

as at and for the year ended 31 December 2013

		Amount in Taka	
		as at 31-Dec-13	as at 31-Dec-12
17.1 Income Tax Payable : Tk. 84,323,535			
This is arrived at as follows :			
Opening Balance		129,568,127	117,591,488
Add: Tax provided for the year (Note - 23)		8,522,836	86,357,575
		138,090,963	203,949,063
Less: Adjustments for earlier years' tax		(23,767,428)	(23,806,168)
Less: Tax paid		(30,000,000)	(50,574,768)
		84,323,535	129,568,127
18. Revenue : Tk. 1,704,567,234		for the year 13	for the year 12
This is made-up as follows :			
A. Local Gross Sales		198,009,608	298,289,470
Value added tax		(29,701,441)	(38,907,321)
Commission		(16,815,832)	(18,830,483)
Net Local Sales		151,492,335	240,551,666
B. Export Sales Less : Freight,C&F and Others Charges		1,540,952,379	1,687,152,110
C. Duty Drawback		12,122,520	14,646,976
		1,704,567,234	1,942,350,752
19. Cost of Goods Sold : Tk. 1,226,896,190			
This is arrived at as follows:			
Opening WIP		175,298,714	177,721,484
Raw Material Issued (Note- 19.01)		663,584,171	672,701,891
Material available for consumption		838,882,885	850,423,375
Closing WIP		(184,461,835)	(175,298,714)
Consumption		654,421,050	675,124,661
Manufacturing overhead (Note- 19.02)		601,883,719	582,708,727
Cost of production		1,256,304,769	1,257,833,388
Opening Finished Goods		218,653,144	231,646,878
Cost of Goods Available for Sale		1,474,957,913	1,489,480,266
Closing Finished Goods		(247,144,123)	(218,653,144)
Cost of Free Distribution of Sample		(917,600)	(2,514,124)
		1,226,896,190	1,268,312,998

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2013

19.01 Raw Material Issued :Tk. 663,584,171

This is arrived at as follows:

	Amount in Taka	
	for the year 13	for the year 12
Opening Stock of Raw Material	316,644,315	336,855,654
Purchase of Raw Material	706,010,383	652,490,552
	1,022,654,698	989,346,206
Closing Stock of Raw Material	(359,070,527)	(316,644,315)
	663,584,171	672,701,891

19.02 Manufacturing Overhead : Tk. 601,883,719

This consists of as follows :

Depreciation	107,228,972	111,273,897
Salaries ,Wages,etc	228,459,920	229,768,968
Power & Fuel	83,759,786	82,250,037
Packing Materials	77,836,523	68,471,474
Consumable Store & Spares	42,364,520	39,979,460
Transport Expenses	30,991,407	22,412,226
Office Expenses	5,617,503	5,276,802
Welfare Expenses	13,445,127	10,479,663
Insurance Expenses	4,629,539	4,079,547
Communication Expenses	900,816	901,086
Occupancy Expenses	358,790	275,328
Travelling & Conveyance	1,788,499	1,221,970
Handling & Carrying Expenses	371,355	701,202
Repairs & Maintenance	3,973,393	5,585,272
Lease Rental	149,979	-
General Expenses	7,590	-
Training & Conference	-	31,795
	601,883,719	582,708,727

SHINEPUKUR CERAMICS LIMITED

Notes to the Financial Statements

as at and for the year ended 31 December 2013

20. Administrative Expenses : TK. 56,577,523	Amount in Taka	
	for the year 13	for the year 12
This consists of as follows :		
Depreciation	11,515,264	12,702,393
Salaries & Allowances	20,664,266	22,057,114
Welfare Expenses	6,998,525	3,072,625
Office Expenses	3,169,493	4,485,989
Transport Expenses	4,943,634	3,051,760
Legal Fees, Prof. & Others Fees	1,535,000	987,059
AGM Expenses	1,007,433	2,456,192
Communication Expenses	1,703,679	809,952
Occupancy Expenses	1,189,122	1,155,602
Travelling & Conveyance Expenses	2,404,339	2,076,054
Utilities Expenses	654,113	596,697
Repairs & Maintenance	32,850	27,200
Audit Fee	690,000	575,000
General Expenses	38,745	53,490
Training & Conference	24,900	-
Handling & Carrying Expenses	6,160	-
	56,577,523	54,107,127

21. Selling & Distribution Expenses : TK. 51,067,215

This consists of as follows :

Promotional Expenses	18,605,027	16,979,379
Salaries & Allowances	17,054,528	15,600,197
Advertising & Publicity	321,895	1,885,922
Occupancy Expenses	3,153,600	4,835,738
Office Expenses	2,353,631	3,285,736
Transport Expenses	2,377,248	2,298,443
Travelling & Conveyance Expenses	2,110,194	2,585,554
Welfare Expenses	1,966,101	1,700,773
Communication Expenses	977,492	792,819
Utilities Expenses	654,113	596,698
Show Room Expenses	706,714	577,776
Handling & Carrying Expenses	156,135	395,670
Repairs & Maintenance	28,800	30,850
Legal & Professional Fees	403,758	128,560
General Expenses	-	5,720
Product Research	48,000	49,000
Training & Conference	-	16,350
Lease Rental	149,979	-
	51,067,215	51,765,185

Notes to the Financial Statements

as at and for the year ended 31 December 2013

		Amount in Taka	
		for the year 13	for the year 12
22. Finance Cost : Tk. 392,906,851			
This consists of as follows :			
Interest on Loan from Banks & Others		278,574,325	271,583,574
Interest on Long Term Loan from a Related Party		104,687,260	83,837,289
Bank Interest Receipt		(118,902)	(152,487)
Bank Commission & Charges		9,764,168	9,356,852
		392,906,851	364,625,228
23. Income Tax (Income)/Expenses : Tk. 17,270,800			
This represents:			
(i) Current Tax			
Tax for the year under review		8,522,836	27,672,272
(Excess) / Short Provision for earlier years		(23,767,428)	58,685,303
Current Tax		(15,244,592)	86,357,575
(ii) Deferred Tax Income		(2,026,208)	(1,508,870)
		(17,270,800)	84,848,705
24. Earnings Per Share (EPS)			
(a) Earning Attributable to the Ordinary Shareholders (Net Profit After Tax)		(11,801,568)	90,285,057
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.13)		146,966,055	146,966,055
(c) EPS (Adjusted EPS of 2012) (a/b)		(0.08)	0.61
25. 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 except the Independent Director of Tk. 120,000.			
(b) Officers			
Managerial Remuneration		43,805,768	43,012,785
Bonus		6,981,860	6,801,035
Perquisites			
Housing		19,371,464	18,065,476
Transport		1,838,756	1,792,676
		71,997,848	69,671,972

Notes to the Financial Statements

as at and for the year ended 31 December 2013

26. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 31 December 2013.
There was no material capital expenditure authorised by the board but not contracted for as on 31 December 2013.

27. Contingent Liabilities

There was no sums for which the company is contingently liable as on 31 December 2013.

28. Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 31 December 2013.

29. Credit Facilities not Availed

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

30. Commission, Brokerage Or Discount Against Sales

Selling commission of Tk. 16,815,832 was incurred and paid during the year in 2013.

No other commission, brokerage or discount was incurred or paid by the company against sales during the year 2013.

31. 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	15,689,628	60,124,226
Beximco Synthetics Ltd.	Investment in Shares	-	1,097,460
Bangladesh Export Import Co. Ltd.	Long Term Loan	197,253,628	301,584,151
Bangladesh Export Import Co. Ltd.	Interest Expenses	104,687,260	62,426,975

32. 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

Notes to the Financial Statements

as at and for the year ended 31 December 2013

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.

33. Events after the Reporting Period

No circumstances have arisen since this statement of Financial Position date which would require adjustments to, disclosure in, the financial statements or notes thereto.



A S F Rahman
Chairman



Salman F Rahman
Vice-Chairman



Md. Luthfor Rahman
Executive Director

Dhaka
29 April, 2014

BANGLADESH EXPORT IMPORT COMPANY LIMITED

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

PROXY FORM

I/We of being a member of BANGLADESH EXPORT IMPORT COMPANY LIMITED hereby appoint Mr./Mrs./Miss of as my Proxy to attend and vote for me on my behalf at the 41st Annual General Meeting of the Company to be held on Saturday the 21st June, 2014 at 3:30 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur and at any adjournment thereof.

As witness my hand this day of June, 2014.

Signed by the said in presence of.....

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



.....
(Signature of witness)

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

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

Signature verified

.....
Authorized Signatory

BANGLADESH EXPORT IMPORT COMPANY LIMITED

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

SHAREHOLDERS' ATTENDANCE SLIP

I hereby record my attendance at the 41st Annual General Meeting being held on Saturday the 21st June, 2014 at 3:30 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur.

Name of Member/Proxy

Register BO ID/Folio No. holding of ordinary Shares of
BANGLADESH EXPORT IMPORT COMPANY LIMITED

.....
Signature of Shareholder(s)

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

www.beximco.com

Bangladesh Export Import Company Limited

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

Tel : (+88-02) 8611891, 8618220, 9677701

Fax : (+88-02) 8613470, 9615523