

Beximco Green Sukuk Al Istisna'a

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**Financial Statement & Auditor's Report
For the year ended December 31, 2022.**



Independent Auditor's Report
To the Trustee of Beximco Green Sukuk Al Istisna'a.
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Beximco Green Sukuk Al Istisna'a.**, which comprise the statement of financial position as at 31 December 2022 and the statement of receipt & payments accounts for the period then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the entity's financial statements give a true and fair view, in all material respects, the financial position of the **Beximco Green Sukuk Al Istisna'a.** as at 31 December 2022 and of its financial performance and its receipt & payments accounts for the period then ended in accordance with International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Investment Sukuk) Rules 2019, Bangladesh Securities and Exchange Commission (Debt Security) Rules 2021, Asset Backed Security Rules 2004, The Trusts Act 1882, The Deed of Trust between Bangladesh Export Import Entity Limited (Originator) Investment Corporation of Bangladesh and others Applicable laws and regulations.

Basis for Opinion

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

Other Information

The management/trustee of Beximco Green Sukuk Al Istisna'a is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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



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

Management/Trustee of **Beximco Green Sukuk Al Istisna'a** is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Investment Sukuk) Rules 2019, Bangladesh Securities and Exchange Commission (Debt Security) Rules 2021, Asset Backed Security Rules 2004, The Trusts Act 1882, The Deed of Trust between Bangladesh Export Import Entity Limited (Originator) Investment Corporation of Bangladesh and others Applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that as appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial



statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner the achieves fair presentation.

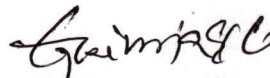
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report the following:

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

Place: Dhaka
Dated: 17 August, 2023
Ref.:GKC/23-24/A/051


Mohammad Showket Akber, FCA
Partner
Enrolment No: 970
G. Kibria & Co.
Chartered Accountants
Firm's Reg. No.: 4/392/ICAB-1983
DVC: 2308170970AS337782




Beximco Green Sukuk Al Istisna'a
Statement of Financial Position
As at 31 December 2022

Particulars	Notes	Amount in Taka 31-Dec-22
ASSETS		
Non-Current Assets		
Investment in Leased Asset	3.00	28,298,706,400
Current Assets		
Receivable	4.00	1,340,396,252
Cash & Cash Equivalents	5.00	787,407,181
Total Assets		30,426,509,833
EQUITY & LIABILITIES		
Equity		
Trust Equity	6.00	100,000
Non Current Liabilities		
Sukuk Investors Stake in Investment Fund	7.00	28,298,706,400
Sinking Fund	8.00	600,000,000
Current Liabilities		
Payable to Sukukholder	9.00	1,527,358,433
Other Payable	10.00	345,000
Total Equity & Liabilities		30,426,509,833

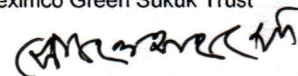
The accompanying notes form an integral part of the financial statements.

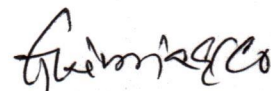

Chairman
Trustee

Investment Corporation of Bangladesh


Deputy General Manager
SPV Unit

Beximco Green Sukuk Trust




Mohammad Showket Akber, FCA
Partner

Enrol.No.970

G.KIBRIA & CO.

Chartered Accountants

Place: Dhaka

Date:17.08.2023

Ref.:GKC/23-24/A/051




Beximco Green Sukuk Al Istisna'a
Statement of Income And Expenditure
For the period ended 31 December 2022

Particulars	Notes	Amount in Taka	
		23-Dec.-21	to 31-Dec.-22
Fixed Rental Income from Lease Assets	11.00	2,700,000,000	
Variable Rental Income from Lease Assets	12.00	780,000,000	
Operating Expense of SPV Reimbursed from Originator	13.00	20,945,441	
Total Income			3,500,945,441
Less: Expenditure			
Periodic Payment to Sukuk Holder during this year		3,480,000,000	
Operating Expense of SPV	13.00	20,945,441	
Total Expenditure			3,500,945,441
Income Over Expenditure			-

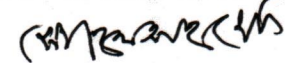
The accompanying notes form an integral part of these Financial Statements.


Chairman
Trustee

Investment Corporation of Bangladesh


Deputy General Manager
SPV Unit

Beximco Green Sukuk Trust




Mohammad Showket Akber, FCA

Partner

Enrol.No.970

G.KIBRIA & CO.

Chartered Accountants

Place: Dhaka

Date:17.08.2023

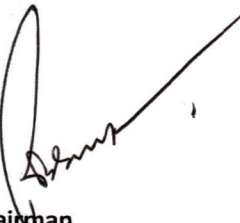
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Beximco Green Sukuk Al Istisna'a
Statement of Changes in Equity
For the period ended 31 December 2022

Particulars	Amount in Taka		
	Trust Equity	Undistributed Income	Total
Balance as on 23 Dec. 2021		-	-
Trust Equity	100,000		100,000
Income over Expenditure	-	-	-
Balance as on 31 December 2022	100,000	-	100,000

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



Chairman
Trustee
Investment Corporation of Bangladesh



Deputy General Manager
SPV Unit
Beximco Green Sukuk Trust



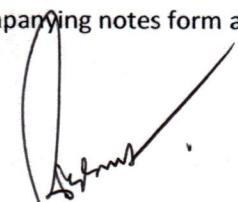
Place: Dhaka
Date: 17.08.2023
Ref.: GKC/23-24/A/051




Beximco Green Sukuk Al Istisna'a
Statement of Cash Flows
For the period ended 31 December 2022

Particulars	Amount in Taka	
	23-Dec.-21	to 31-Dec.-22
Cash Flows From Operating Activities:		
(Increased)/Decreased of Receivable	(740,396,252)	
Periodic Payment to Sukuk Holder during this year	3,480,000,000	
Increased/(Decreased) of Payable to Sukukholder	1,527,358,433	
Collection from Originator for Periodic Payment to Sukuk Holder	(3,480,000,000)	
Increased/(Decreased) of Payable	345,000	
Net cash used in operating activities		787,307,181
Cash Flows from Investing Activities:		
Investment in Leased Asset	(30,000,000,000)	
Net cash used in investing activities		(30,000,000,000)
Cash Flows from Financing Activities:		
Sukuk Investors Stake in Investment Fund	30,000,000,000	
Equity	100,000	
Net cash Generated from financing activities		30,000,100,000
Increase/(Decrease) in Cash and cash Equivalents		787,407,181
<i>Cash and Cash Equivalents at the beginning of the period</i>		-
<i>Cash and Cash Equivalents at the end of the period</i>		<i>787,407,181</i>


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


Chairman
Trustee

Investment Corporation of Bangladesh


Deputy General Manager
SPV Unit

Beximco Green Sukuk Trust



Place: Dhaka

Date:17.08.2023

Ref.:GKC/23-24/A/051



Beximco Green Sukuk Al Istisna 's a
Notes to the Financial Statements
For the period from 23 December 2021 to 31 December 2022

1.00 Reporting Entity:

1.01 Legal Status:

The Beximco Green Sukuk Al Istisna'a was brought forth through a Trust Deed inked on July 15, 2021, between Bangladesh Export Import Company Limited acting as the "Settlor" and the Investment Corporation of Bangladesh (ICB) in the capacity of the "Trustee." Originated by Beximco, the process of introducing the Shariah-compliant Beximco Green Sukuk was set in motion, with a total value of BDT 30 billion (Thirty Billion Taka Only), defined as the "Sukuk Size." This issuance was conducted in accordance with the regulations outlined in the Bangladesh Securities and Exchange Commission (Investment Sukuk) Rules 2019, in conjunction with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021.

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

Since the issuer of Beximco Green -Sukuk shall be a special purpose vehicle, as per the Bangladesh Securities and Exchange Commission (Investment Sukuk) Rules, 2019, the Originator as Settlor decided to create the special purpose vehicle in the form of a trust under the name and style "Beximco Green-Sukuk Trust" and ICB received approval of the Commission to be the Trustee of Beximco Green-Sukuk Trust.

On December 23, 2021, the Sukuk's operations commenced as it became listed on both the Dhaka and Chittagong Stock Exchanges.

The Sukuk was offered as follows:-

- i) Private offer: 50% of the Sukuk Size;
- ii) Existing Shareholders under private offer: 25% of the Sukuk Size;
- iii) Public Offer: 25% of the Sukuk Size.

Moreover, This Sukuk is an Islamic Shariah- Compliant financial instrument of Five years' tenure. Initially it consists of 30 Crore units of BDT 100 each.

1.02 Objectives

The Beximco Green Sukuk has been issued by the Issuer as a Shariah-compliant security backed by assets. The funds obtained from the subscriptions are allocated according to the Transaction Documents for Solar Projects. These projects involve generating electricity from renewable energy sources and delivering it to the national grid. Additionally, the proceeds are directed towards an Expansion Project that focuses on enhancing energy-efficient production methods. This project encompasses aspects such as wastewater treatment, waste reduction, and recycling practices

2.00 Basis of Preparation:

2.01 Preparation of the financial statements:-



These financial statements are prepared on the accrual basis under the historical cost convention in conformity with generally accepted accounting principles and the standards of AAOIFI for Shari'ah principles and the International Financial Reporting Standards.

2.02 Statement of cash flows:-

Statement of cash flows has been prepared under the indirect method for the period as per IAS 7 Statements of Cash Flows

2.03 Functional and presentational currency:-

These financial statements are presented in BDT, which is also the SPV's functional and presentational currency.

2.04 Reporting period:-

These financial Statements covered 12 months 07 days.

2.05 Half Yearly Periodic payment policy:-

As per clause Trust Deed (clause 13.4.6, Half Yearly Periodic Payments shall be the Base Rate plus the Profit Margin Rate. However, if the dividend rate of Beximco is equal to or below the Base Rate, Profit Margin Rate shall not apply in calculating the amount of Half Yearly Periodic Payments and such payments shall be made as per the Base Rate only.)

According to the stipulations outlined in the Trust Deed (specifically, clause 13.4.6), the Half Yearly Periodic Payments are computed as the sum of the Base Rate and the Profit Margin Rate. Nevertheless, in cases where Beximco's dividend rate is equal to or falls below the Base Rate, the Profit Margin Rate is excluded from the calculation of Half Yearly Periodic Payments. In such instances, these payments are determined solely based on the Base Rate.

The following formula shall apply in calculating Half Yearly Periodic Payment:

Half yearly periodic payment = (Base Rate + Profit Margin Rate) X BGSFV

Base Rate : 9%

BGSFV : Number Of Sukuk on record Date X Face value i.e. BDT 100 each

Profit Margin Rate: 10% of the difference between Base Rate and annual dividend rate declared in AGM of the preceding year of Beximco.

2.06 Conversion Policy:-

As per clause Trust Deed (clause 13.3.3), Each Sukukholder shall have the option to convert up to 100% of the Beximco Green -Sukuk into ordinary shares of Beximco until Maturity as follows:

- i) 20% of total Beximco Green Sukuk held by a Sukukholder shall be convertible per annum at the option of the said Sukukholder;
- ii) Conversion Option can be exercised at a multiple of 5%, i.e. 5%, 10%, 15% and 20% per annum.

2.07 Sinking Fund :-

As per clause Trust Deed (clause 7.2), The Originator shall deposit a maximum of BDT 5 Crore monthly into Sinking Fund Trust Account till execution of the Purchase Agreements and Payment of Exercise Prices, which shall be disbursed to the Sukukholders as Final Redemption Payment. The amount to be deposited into Sinking Fund Trust Account shall be adjusted every year till execution of the Purchase Agreements and Payment of Exercise Prices subject to exercise of conversion Option.



2.08 Cash & cash equivalents:-

Cash & cash equivalents represents cash at bank only.

2.09 Going Concern:-

In the process of preparing the financial statements, it has been determined that the application of the going concern principle cannot be upheld for the Beximco Green Sukuk Trust Account. The decision is influenced by the fact that the Beximco Green Sukuk has a specified tenure of 5 years, which inherently establishes a limited operational timeframe.

2.10 Sinking Fund Policy:-

As per clause Trust Deed (clause 7.2.1) , The Originator shall deposit a maximum of BDT 5 Crore (Five crore taka) monthly into Sinking Fund Trust Account till execution of the purchase Agreement and payment of Exercise Prices, which shall be disbursed to the Sukukholders as Final Redemption Payment. With Such disbursements to Sukukholders, Beximco Green-Sukuk shall be full redeemed.

However, this payment has not been fulfilled by Originator as stipulated in the agreement, resulting in its inclusion as a receivable on the books.



3.00	Investment in Leased Asset	
3.1	Embankment & Land Development	1,068,408,000
3.2	Property, Plant & Equipment	22,909,720,513
3.3	Capital Work in Progress	6,021,871,487
	Total	30,000,000,000
	Conversion into Beximco Ltd. Share	1,701,293,600
	As on 31.12.2022	28,298,706,400
3.1	Embankment & Land Development	
3.1.1	Embankment & LAND development for Teesta	
	Embankment	36,880,000
	Land Development	875,554,000
	Sub Total	912,434,000
3.1.2	Embankment & LAND development for Korotoa	
	Embankment	50,074,000
	Land Development	105,900,000
	Sub Total	155,974,000
	Total	1,068,408,000
3.2	PROPERTY, PLANT & EQUIPMENT (PPE)	
3.2.1	PROPERTY, PLANT & EQUIPMENT (PPE) Teesta Solar Ltd	
	Solar Module	7,680,481,762
	Helical Pile	1,963,412,183
	MMS	2,472,230,483
	Cable	927,729,578
	Inverter	619,815,268
	Plant End Transformer	258,329,750
	Power Transformer	314,804,466
	Other	680,477,683
	Total	14,917,281,174
3.2.2	PROPERTY, PLANT & EQUIPMENT (PPE) Beximco Textile Division	
	Import	
	Ring, Blower & Sim for Yarn Factory	122,323,450
	Rotor Spinning Machine	156,673,674
	2 Pcs Rieter blow room line & accessories , Rieter Drawing RSB	64,680,000
	Alam, Auto Drofing Robot	9,968,989
	Natural Gas Generator	47,600,000
	Roller Mercerizing Machine	25,709,850
	Jiggwf Dyeing Machine	114,473,186
	Busber Trucking System	
	Circular Kniting	57,681,642
	Tenter Fabric Dyeing & Heat Setting Machine	102,209,094
	Single Jersey High Speed Machine	68,168,693
	Dyeing Machine	52,785,233
	Circular Kniting	62,603,152



Denim Looms	694,802,576
Denim Dyeing Machine	69,160,000
Denim Finishing machine	38,235,210
Anubis Finishing machine	93,781,647
Denim Finishing machine	108,394,740
Smit Rapier Weaving machine	266,401,640
293 Looms	948,636,850
Gas Turbine	78,274,121
Natural Gas Generator	69,014,400
Tonelo Washing machine	99,212,034
ETF 450 M3/Hour	118,910,148
Avantec Washing Machine	294,003,822
Ylmak Washing, Dyeing, Dryrr, Hydro Eaxtractor	475,185,438
6 Storied Steel Structure Building (136000 sft per floor)	3,590,000,000
Subtotal	<u>7,992,439,339</u>
Grand total	<u>22,909,720,513</u>

3.3 Capital Work in Progress

This consists of as follows :

Advance paid to Supplier	5,811,713,895
Cash & Cash Equivalent held in Beximco Bank A/C	40,059,412
Project Cost of Korotoa:-	12,515,235
Project Cost of Teesta:-	157,582,945
Grand Total	<u>6,021,871,487</u>

4.00 Receivable

This consists of as follows :

Half Yearly Periodic Payment	740,000,000
Sinking Fund	600,000,000
Charges Paid	51,252
Audit Fees	345,000
Total	<u>1,340,396,252</u>

5.00 Cash & Cash Equivalents

This consists of as follows :

Cash in Hand	-
Cash at Bank in Current Accounts:	787,407,181
Total	<u>787,407,181</u>



6.00 Trust Equity	
This consists of as follows :	
Trust Fund	100,000
Total	<u><u>100,000</u></u>
7.00 Sukuk Investors Stake in Investment Fund	
This consists of as follows :	
Private offer 50%	15,000,000,000
Existing Shareholder Under Private offer 25%	7,500,000,000
Public Offer 25%	7,500,000,000
Sub-Total	<u><u>30,000,000,000</u></u>
Less: Conversion into Beximco Ltd. Share	1,701,293,600
Total	<u><u>28,298,706,400</u></u>
8.00 Sinking Fund	
This consists of as follows :	
Sinking Fund @ 5 Crore per month	600,000,000
Total	<u><u>600,000,000</u></u>
9.00 Payable to Sukukholder	
This consists of as follows :	
First Half Yearly Periodic Payment Payable	240,710
Second Half Yearly Periodic Payment Payable	1,527,117,723
Total	<u><u>1,527,358,433</u></u>
10.00 Other Payable	
This consists of as follows :	
Audit Fees	345,000
Total	<u><u>345,000</u></u>
11.00 Fixed Rental Income from Lease Assets	
(3000,00,00,000 X 9%)	2,700,000,000
12.00 Variable Rental Income from Lease Assets	
(3000,00,00,000 X 10% of (35%-9%) (10% of difference between Base Rate and Dividend)	780,000,000
13.00 Operating Expense of SPV	
Meeting Expenses	3,750,500
Underwriting Commission & Charges	500,000
Office rent	2,350,000
Office Renovation Expense	3,424,599
Salary & Allowances	2,685,603
Common services	400,238
SPV Management Fees	5,000,000
Printing	255,500
Trustee Fee	100,000
Advertisement	936,675
Electricity	49,201



Entertainment	346,564
Miscellaneous Expenses	233,551
Income Distribution Expenses	106,142
Bank Charge	52,368
Internet	409,500
Audit Fees	345,000
Total	<u>20,945,441</u>

