

# **Interim Financial Statements (Un-audited)**

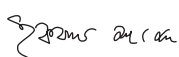
For the 1<sup>st</sup> Quarter Ended 30 September 2020



**SHINEPUKUR CERAMICS LIMITED**

**SHINEPUKUR CERAMICS LIMITED**  
**Statement of Financial Position (Un-audited)**  
**As at 30 September 2020**

	Notes	As at Sept 30 '2020	Taka '000 As at June 30 '2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
		<b>5,179,480,236</b>	<b>5,180,083,863</b>
Property, Plant and Equipment-Carrying Value	3	5,115,919,124	5,145,934,995
Investment in Shares	4	63,561,113	34,148,868
<b>Current Assets</b>			
		<b>1,260,374,729</b>	<b>1,236,014,149</b>
Inventories	5	872,907,652	902,826,025
Accounts & Other Receivables	6	214,663,515	178,701,696
Advances and Deposits	7	156,221,507	146,682,551
Cash and Cash Equivalents	8	16,582,055	7,803,877
<b>TOTAL ASSETS</b>		<b>6,439,854,965</b>	<b>6,416,098,012</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to the Owners of the Company</b>			
		<b>4,312,611,642</b>	<b>4,275,198,297</b>
Issued Share Capital		1,469,660,550	1,469,660,550
Revaluation Surplus on Property, Plant and Equipment		2,966,690,015	2,966,690,015
Retained Earnings		(22,329,422)	(30,330,522)
Fair value loss on Investment in Shares		(101,409,502)	(130,821,746)
<b>Non-Current Liabilities</b>			
		<b>463,801,539</b>	<b>506,157,717</b>
Long Term Loans-Net Off Current Maturity	13-A	247,720,042	291,263,805
Deferred Tax Liability		81,472,077	81,472,077
Gratuity Payable		134,609,420	133,421,835
<b>Current Liabilities and Provisions</b>			
		<b>1,663,441,783</b>	<b>1,634,741,998</b>
Short Term Loans from Banks & Other	12	769,006,703	766,336,816
Creditors, Accruals and Other Payables	14	676,482,164	713,310,644
Long Term Loans-Current Maturity	13-B	217,952,917	155,094,538
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,439,854,965</b>	<b>6,416,098,012</b>



**Iqbal Ahmed**  
Director



**O K Chowdhury, FCA**  
Director



**Mohammed Humayun Kabir, FCA**  
Chief Executive



**Mohammad Asad Ullah, FCS**  
Executive Director & Company Secretary



**Nargis Sultana**  
Head of Finance & Accounts

**SHINEPUKUR CERAMICS LIMITED**

**Statements of Profit or Loss and Other Comprehensive Income (Un-audited)**

**For the Period Ended September 30 '2020**

	Notes	<u>Jul 20-Sept 20</u>	<u>Jul 19-Sept 19</u>
Net Revenue		333,480,438	341,883,958
Cost of Goods Sold	15	<u>(280,138,001)</u>	<u>(273,159,780)</u>
<b>Gross Profit</b>		<b>53,342,437</b>	<b>68,724,178</b>
Other Income		969,935	1,703,873
<b>Operating Expenses</b>		<b>(24,750,019)</b>	<b>(24,378,192)</b>
Administrative Expenses	16	<u>(13,106,258)</u>	<u>(13,045,728)</u>
Selling & Distribution Expenses	17	<u>(11,643,761)</u>	<u>(11,332,464)</u>
<b>Profit from Operations</b>		<b>29,562,354</b>	<b>46,049,859</b>
Financial Cost		<u>(19,054,162)</u>	<u>(35,912,806)</u>
<b>Profit Before contribution to WPPF &amp; Welfare Funds</b>		<b>10,508,192</b>	<b>10,137,053</b>
Contribution to WPPF & Welfare Funds		<u>(500,390)</u>	<u>(528,669)</u>
<b>Profit Before Tax</b>		<b>10,007,802</b>	<b>9,608,384</b>
Income Tax Expenses		<u>(2,006,702)</u>	<u>(7,186,088)</u>
Deferred Tax Income/(Expenses)		<u>-</u>	<u>-</u>
<b>Profit After Tax</b>		<b>8,001,100</b>	<b>2,422,296</b>
Other Comprehensive Income-Fair Value Gain/(Loss) on Inv.		<u>29,412,244</u>	<u>(9,978,145)</u>
<b>Total Comprehensive Income for the Period</b>		<b><u>37,413,344</u></b>	<b><u>(7,555,849)</u></b>
Earning Per Share(EPS)		<b>0.05</b>	<b>0.02</b>
Number of Share used to Compute EPS(Taka)		146,966,055	146,966,055

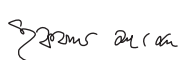
**Explanatory Notes:**

**Performance** – During Q1 of FY 2020-'21 export (without subsidy) decreased by 12.40% to Taka 178.983 million which was Taka 204.325 million in Q1 of FY 2019-'20. The export sales decreased due to decline in demand of Porcelain wares in Italy, UK and USA markets. In domestic market, demand for Bone China wares went down because of lower sales to hospitality sector which was affected by the pandemic (Covid-19). However, increased sales of cheaper Porcelain wares resulted growth in domestic sales by 3.75% to Taka 142.725 million during Q1 of FY 2020-'21 against Taka 137.558 million during the same quarter of previous year. Current quarter's overall revenue of Taka 333.480 million includes accrued (not yet realized) subsidy on export sales of Taka 11.772 million. Lower export demand and cheaper Porcelain wares sales in domestic market brought down the unit price of overall sales. Consequently, cost of goods sold (COGS) in proportion to revenue went up, resulting a lower GP ratio of 16% which was 20.10% of same quarter in the previous year. But savings from finance cost improved profit before tax (PBT) for Q1 of FY 2020-'21.

**EPS** – Income tax provision (ITP) has been calculated based on the minimum tax payable under section 82C of ITO 1984. Comparative higher PBT and lower ITP resulted better EPS of Taka 0.05 during the current quarter than that of the same quarter in previous year, which was Taka 0.02 only.

**Cash Flows** – NOCFPS for Q1 of FY 2020-'21 comes to Taka (0.09) which was Taka 0.59 in Q1 of FY 2019-'20. Collection of lesser amount of revenue (Taka 298.488 vs. Taka 389.479 million) and higher amount of payment against suppliers, employees and expenses (Taka 287.997 million against Taka 259.378 million) resulted negative NOCFPS during the current quarter. Negative NOCF was financed by increased borrowings.

**Equity** – NAV per share improved to Taka 29.34 on 30th September 2020 (at the end of the Q1 of FY 2020-'21) from Taka 29.09 on 30th June 2020 (at the end of the FY 2019-'20).



**Iqbal Ahmed**  
Director



**O K Chowdhury, FCA**  
Director



**Mohammed Humayun Kabir, FCA**  
Chief Executive



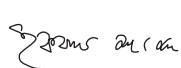
**Mohammad Asad Ullah, FCS**  
Executive Director & Company Secretary



**Nargis Sultana**  
Head of Finance & Accounts

**SHINEPUKUR CERAMICS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 30 September 2020**

	<b>Jul 2020 - Sept 2020</b>	<b>Jul 2019 - Sept 2019</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from turnover and other income	298,488,555	389,479,347
Payments to suppliers and Employees	(287,997,301)	(259,377,713)
<b>Cash Generated from Operations</b>	<b>10,491,253</b>	<b>130,101,634</b>
Interest Paid	(18,704,207)	(35,507,563)
Income-Tax paid and /or deducted at sources	(4,993,371)	(7,186,088)
<b>Net Cash Generated from operating activities</b>	<b>(13,206,324)</b>	<b>87,407,983</b>
<b>Cash Flows From Investing Activities:</b>		
Property, Plant and Equipment acquired	-	(260,237)
<b>Net Cash Used in Investing activities</b>	<b>-</b>	<b>(260,237)</b>
<b>Cash Flows From Financing Activities:</b>		
Net Increase /(Decrease) in Long Term Borrowings	19,314,616	(17,069,447)
Net Increase /(Decrease) in Short Term Borrowings	2,669,887	(86,743,760)
<b>Net Cash Used in Financing activities</b>	<b>21,984,502</b>	<b>(103,813,207)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>8,778,178</b>	<b>(16,665,461)</b>
Cash and Cash Equivalents at the beginning of Period	7,803,877	25,509,152
<b>Cash and Cash Equivalents at the end of Period</b>	<b>16,582,055</b>	<b>8,843,691</b>
<b>Net Operating Cash Flows Per Share</b>	<b>(0.09)</b>	<b>0.59</b>
<b>Number of Shares used to compute Net Operating Cash Flow Per Share</b>	<b>146,966,055</b>	<b>146,966,055</b>



**Iqbal Ahmed**  
Director



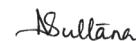
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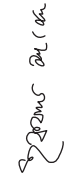
**SHINEPUKUR CERAMICS LIMITED**  
**Statements of Changes in Equity (Un-audited)**  
**For the year ended 30 September 2020**


Particulars	Share Capital	Revaluation Surplus	Fair Value Loss on Investment in Shares	Retained Earning	Total Equity
<b>Balance as on 01 July 2019</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>(106,500,420)</b>	<b>(61,923,172)</b>	<b>4,267,926,973</b>
Net Profit after tax for the period	-	-	-	2,422,296	2,422,296
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	(9,978,145)	-	(9,978,145)
<b>Total Balance as on 30 Sept 2019</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>(116,478,565)</b>	<b>(59,500,876)</b>	<b>4,260,371,124</b>

<b>Number of Shares</b>	<b>146,966,055</b>
Net Assets Value(NAV) Per Share	<b>28.99</b>

Particulars	Share Capital	Revaluation Surplus	Fair Value Loss on Investment in Shares	Retained Earning	Total Equity
<b>Balance as on 01 July 2020</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>(130,821,747)</b>	<b>(30,330,522)</b>	<b>4,275,198,296</b>
Net Profit after tax for the period	-	-	-	8,001,100	8,001,100
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	29,412,244	-	29,412,244
<b>Total Balance as on 30 Sept 2020</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>(101,409,503)</b>	<b>(22,329,422)</b>	<b>4,312,611,642</b>

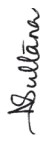
<b>Number of Shares</b>	<b>146,966,055</b>
Net Assets Value(NAV) Per Share	<b>29.34</b>

  
**Iqbal Ahmed**  
 Director

  
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 Chief Executive

  
**Mohammad Asad Ullah, FCS**  
 Executive Director & Company Secretary

  
**Nargis Sultana**  
 Head of Finance & Accounts

**SHINEPUKUR CERAMICS LIMITED**  
**Selected Notes to the Financial Statements(Un-audited)**  
**For the Period Ended September 30 ' 2020**

**01 Reporting Entity :**

**1.01. Status of the Company**

Shinepukur Ceramics Ltd (SCL/ the Company) was incorporated in Bangladesh on 26 January 1997 under the Companies Act,1994 as a Private Limited Company and commenced its manufacturing operation in 1999.The Company was turned into a Public Limited Company on 7th 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 Regulation 2006.The Company is a Subsidiary Company of Bangladesh Export Import Company Limited (the Parent),a listed Company under the Beximco Group.The Registered Office of the Company is located ar House No.17,Road No.2,Dhanmondi R/A,Dhaka.The industrial unites are located at Sarabo of Gazipur District.

**1.02 Nature of Business Operations**

The Company engaged in production and marketing of high quality porecelain and bone china tableware in the local and international markets.

**02 Disclosures :**

These Interim Financial Statements should be read in conjunction with the Financial Statements for the period ended Sep 30,2020 (hereafter referred to as the " Annual Financial Statements"), as they provide an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. The financial statements have been prepared in accordance with the International Financial Reporting Standards(IFRSs). The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been re-classified or extended to take into account any presentational changes made in the Annual Financial Statements. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances changes.

<b>03 Property, Plant &amp; Equipment-Carrying Value</b>	<b>As At 30 Sept 20</b>	<b>As At 30 June 20</b>
Land and land Developments	1,882,071,406	1,882,071,406
Building & Other Construction	1,861,441,798	1,861,441,793
Plant & Machinery	3,655,471,460	3,655,471,460
Office Equipment	59,017,172	59,159,466
Furniture and Fixtures	31,021,836	31,155,868
Transport & Vehicles	21,986,876	21,709,479
	<u><b>7,511,010,548</b></u>	<u><b>7,511,009,472</b></u>
Less: Accumulated Depreciation	<b>(2,395,091,424)</b>	<b>(2,365,074,477)</b>
<b>Carrying Value</b>	<u><u><b>5,115,919,124</b></u></u>	<u><u><b>5,145,934,995</b></u></u>
<b>04 Investment In Shares</b>		
(a) Beximco Synthetics Ltd.	552,014	440,297
(a) Bangladesh Export Import Co Ltd	63,009,098	33,708,571
	<u><u><b>63,561,113</b></u></u>	<u><u><b>34,148,868</b></u></u>

<b>05</b>	<b>Inventories</b>		
	Raw Material & Chemical	130,522,990	163,164,404
	Packing Materials	7,509,075	6,667,607
	Material In Transit	18,556,147	-
	Stores & Spares	89,421,620	94,441,367
	Work in Process	287,088,277	285,884,449
	Finised Goods	339,809,543	352,668,197
		<u>872,907,652</u>	<u>902,826,025</u>
<b>06</b>	<b>Accounts Receivable</b>		
	AR-Export	109,793,309	59,284,990
	AR-Local	70,494,100	64,874,988
	Export Subsidy	34,376,106	54,541,718
		<u>214,663,515</u>	<u>178,701,696</u>
<b>07</b>	<b>Advances and Deposits</b>		
	L/C-Margin & Others	16,680,321	5,179,659
	Advance Income Tax	120,163,918	115,170,554
	Employees (other than officers)	353,061	486,793
	Advance against Expenses	492,903	421,605
	VAT Deposit	4,567,326	11,259,962
	Security Deposit	11,208,261	11,408,261
	Bank Guarantee Margin	2,755,718	2,755,718
		<u>156,221,507</u>	<u>146,682,552</u>
<b>08</b>	<b>Cash and Cash Equivalents</b>		
	<b>( a ) Cash in hand</b>	192,720	27,872
	<b>( b ) Cash at Banks :</b>		
	(i ) Current Deposit	6,756,063	4,620,284
	(ii ) STD	7,978,398	1,500,847
	(iii ) FDR	1,654,874	1,654,874
		<u>16,582,055</u>	<u>7,803,877</u>
<b>09</b>	<b>Short Term Borrowings</b>		
	Sonali Bank-CC	559,181,301	554,797,314
	New Dacca Industries Limited	47,000,000	49,000,000
	Sonali PAD	18,556,147	-
	Sonali Bank-LTR	144,269,255	162,539,502
		<u>769,006,703</u>	<u>766,336,816</u>
<b>10</b>	<b>Long Term Borrowings</b>		
	<b>A. Net-Off Current Maturity</b>		
	Bank Asia_Restructuring Term Loan	94,440,082	81,941,664
	Phonix Fin & Investment	153,279,960	209,322,141
		<u>247,720,042</u>	<u>291,263,805</u>
	<b>B. Current Maturity</b>		
	Bank Asia_Restructuring Term Loan	72,845,570	82,485,694
	Phonix Fin & Investment	145,107,347	72,608,844
		<u>217,952,917</u>	<u>155,094,538</u>

**11 Creditors , Accruals and Other Payable**

Gas & Electricity	18,628,978	30,484,287
Creditors for Goods	478,100,339	499,935,031
Income Tax Payable	89,860,914	87,854,217
Salary & Wages	44,409,867	46,667,661
Provident Fund Employee	15,451,111	15,302,328
Interest due	8,328,759	9,124,909
Security Deposit	5,190,000	4,990,000
WPPF Payable	12,873,942	12,373,553
Tax Payable Party	695,173	3,753,778
Group Insurance Payable	2,258,081	2,074,880
Audit Fees Payable	685,000	750,000
	<b>676,482,164</b>	<b>713,310,644</b>

**12 Cost of Goods Sold**

	<b>Jul 20 - Sept 20</b>	<b>Jul 19 - Sept 19</b>
Materials	102,940,999	87,234,374
Depreciation	29,648,793	32,649,013
Factory Overhead	147,548,209	153,276,392
	<b>280,138,001</b>	<b>273,159,779</b>

**13 Administrative Expenses**

Salaries & Allowances	8,256,798	7,849,434
Depreciation	367,078	999,318
Transport Expenses	693,801	858,818
Legal & Prof.	78,000	145,200
Office Expenses	2,811,236	1,605,404
Communication Expenses	455,820	475,832
Travelling & Conveyance Expenses	443,525	1,111,722
	<b>13,106,258</b>	<b>13,045,728</b>

**14 Selling Expenses**

Promotional Expenses	826,680	925,816
Salaries & Allowances	6,566,634	6,621,448
Occupancy Expenses	940,250	1,298,518
Transport Expenses	563,784	378,778
Office Expenses	1,544,386	1,758,710
Communication Expenses	116,179	148,903
Travelling & Conveyance Expenses	1,085,848	200,290
	<b>11,643,761</b>	<b>11,332,463</b>

**15 Income Tax Expenses/(Income)**

(a) Current Tax for the year under review	2,006,702	7,186,088
(b) Deferred Tax (Income) / Expenses	-	-
<b>Total (a+b)</b>	<b>2,006,702</b>	<b>7,186,088</b>

a) There are laws for minimum tax payable. Hence , provision for income tax expense of the company for the year has been determined based on the minimum tax payable by the company. Minimum tax payable by the company is higher of the following:

- Tax deducted of sources U/S 52 and Rule 16 (against supply of local sales), U/S 53 (against imported materials) and U/S 53BBBB (against export sales)
- Turnover tax at the rate of 0.60% total gross receipts U/S 82C (4
- Tax payable under regular assessment

Since tax deducted at sources were higher during the year, the company has charged the total amount of the tax deducted at sources as provision for income tax expenses in the profit and loss account.



- b) Since minimum tax payable U/S 82C (5) of ITO 1984 is higher than the tax payable under regular assessment, there is no room for adjustment of the 'Temporary Differences' arisen out of difference between accounting and tax depreciation during the period. In other words, the amount of temporary differences remain 'unabsorbed' and therefore no provision for deferred tax expense/(Income) is applicable for the Q1 of FY 2020-2021.

**16 Basic Earnings Per Share (EPS)**

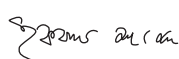
(a) Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	8,001,100	2,422,296
(b) Weighted Average Number of Ordinary Shares outstanding during the year	146,966,055	146,966,055
<b>(c) EPS (a/b)</b>	<b>0.05</b>	<b>0.02</b>

**17 Net Asset Value (NAV) per share**

Total Assets	6,439,854,965	6,416,098,012
Less: Total Liabilities	2,127,243,322	2,140,899,715
<b>Net Assets</b>	<b>4,312,611,643</b>	<b>4,275,198,297</b>
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
<b>Net Asset Value (NAV) per share</b>	<b>29.34</b>	<b>29.09</b>

**18 Reconciliation of Net Profit with Cash Flows from Operating Activities**

<b>PROFIT AFTER TAX</b>	8,001,100	2,422,296
Adjustment to reconcile net profit to net cash Generated from Operating Activities:		
<b>Non-cash Expenses :</b>	<b>31,203,456</b>	<b>35,775,407</b>
Depreciation	30,015,871	33,648,332
Increases/(Decreases) Gratuity Payable	1,187,585	2,127,075
Increases/(Decreases) Deferred Tax Liability	-	-
<b>Chnages in working Capital</b>	<b>(52,410,881)</b>	<b>49,210,281</b>
(Increases)/Decreases in Inventories	29,918,373	(30,577,368)
(Increases)/Decreases in Accounts & Other Receivables	(35,961,819)	45,891,516
(Increases)/Decreases in Advances and Deposits	(9,538,956)	(6,014,105)
Increases/(Decreases) in Creditors for goods and Other Payables	(36,828,480)	39,910,239
<b>Net Cash Generated from Operating Activities</b>	<b>(13,206,325)</b>	<b>87,407,984</b>



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Director



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