

ANNUAL REPORT
2019-20



SHINEPUKUR CERAMICS LIMITED

Mission

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

Vision

Our vision is to be one of the best Porcelain & Bone China Ceramic Table wares manufacturers in the World and to be leader in the Ceramics Tableware Industry in Bangladesh.

Goals

- To honor to all commitments
- To deliver the results

Objectives

- To follow and observe the principles of good manufacturing practices of the industry.
- To practice customer oriented service culture in selling & distribution activities.
- To keep trust and partnership and deal with the suppliers with professionalism.
- To achieve financial strength and to generate adequate revenue & income required for meeting the obligations to all stake holders upholding the 'going concern' principle.

Core Values

Core values are our fundamental beliefs and guiding principles which dictates the behavior and help our people to understand the right path in fulfilling our above mission, vision & goals. Our core values are;

- Integrity & Ethical** : We uphold the highest standards of integrity and committed to be ethical in all our activities & dealings.
- Team Work** : We work together across boundaries to meet the needs of our customers.
- Respect** : We value our people and encourage their development.
- Discipline** : We define job responsibility to make the people accountable in a work environment observing due diligence and discipline.
- Positive Attitude** : We encourage in developing positive attitude in our people negating fear and insecurity and focusing on survival in achieving the company goals in difficult circumstances.





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KEY DATA

Year of Establishment (registration)	1997
Commercial Production	1999
Status	Public Limited Company
First Export	1999 (Porcelain in April & Bone China in November)
Business Lines	Manufacturing, Marketing and Exporting of Porcelain and Bone China tableware.
Current Export Markets	USA, Canada, UK, Germany, France, Italy, Romania, Norway, Sweden, Denmark, Poland, Spain, Turkey, Japan, Australia, New Zealand, Brazil, India, Chile, Egypt, Russia etc.
Authorized Capital (Taka)	5,000 million
Paid-up Capital (Taka)	1469.661 million
Number of Shareholders	14,969
Stock Exchange Listing	2008
Number of Employees	2871



2019-20 HIGHLIGHT

New Customers

3 new customers from Nepal, Saudi Arabia & UK

Achievements

- Successfully accomplished periodic Review of Audit of ISO in two separate quarters and got recertification for ISO 9001:2015 upto August 2022.
- Successfully conducted C-TPAT audit.
- Successfully conducted BSCI audit.
- Successfully conducted SMETA audit.



OUTLINE

Shinepukur Ceramics Ltd. (SCL) - a BEXIMCO Company is the leading Bone China & Porcelain tableware manufacturer and exporter of Bangladesh. Shinepukur Ceramics has been a successful brand thanks to its state-of-the-art manufacturing facilities, about 2,871 highly skilled & motivated people and cutting-edge technology.

From its inception, SCL has been able to gain substantial headway against its competitors and acquire commendable market share from its competitors both in Porcelain and in Bone China. Therefore SCL's position in the world tableware industry is very high, with its world-class product quality, which helped to attract and retain leading century-old branded companies as its blue-chip customers from USA, Canada, UK, Germany, France, Italy, Japan, Sweden, Norway, Denmark, Finland, Spain, Poland, Mexico, Brazil, Chile, UAE, Australia, New Zealand, Turkey, India, Egypt, Russia and still growing.

In domestic market also, Shinepukur Ceramics Ltd. is very well known for its premium quality tableware products. In Bangladesh, SCL is the leader in Ceramics' Market and ranks as number 1 in terms of sales revenue and market share. It has more than 250 dealers to sell and distribute SCL product in Bangladesh Market. In the hospitality sector, most of the international hotels in Bangladesh use SCL products.

The Company is ISO 9001:2015 certified and awarded National Export Trophy (Gold) for six (6) times, National Export Trophy (Silver) for one (1) time by the Government of Bangladesh. SCL was also awarded 'Superbrands' (2010), 'D&B Corporate Award'(2011) and 'Asia's Most Promising Brands' (2013).



PRODUCT RANGE

Porcelain

- Plain Porcelain (Classical Porcelain, normally domestic use)
- Ivory China (Creamy colored Porcelain, Domestic/Hotel use)
- Hi-Alumina (Hotel ware)
- Satin China (White Porcelain, suitable for hotel/domestic use)

Bone China

- Real Bone China



'SHINEPUKUR' is the name of trust and elegance that brings

A Classic touch in life

COMPANY PROFILE

Sister Concern of BEXIMCO

Shinepukur Ceramics Limited (SCL) is a member of BEXIMCO Group which is the Largest Private Sector Business Conglomerate in Bangladesh. The Group's operations and investments covers across a wide range of industries including Textiles, Pharmaceuticals, Trading, Ceramics, Information & Communication Technologies, Media, Marine Food, Real Estate Development, Hospitality, Construction, Financial Services and Energy. After being registered in 1997 and Plants' commission in 1998, Commercial production of Porcelain Tableware started in April 1999 and Bone China in November 1999. SCL is located in the BEXIMCO Industrial Park, near Dhaka Export Processing Zone (DEPZ), 40km from Capital Dhaka City. There are captive power generation, water supply, effluent waste water treatment and all other infrastructural facilities available inside the Plant premises. Total Investment in the Company was in excess of US\$ 35 Million during onset of business. The Company has already made additional Investment of US\$ 10 Million to expand its Bone China Unit. The Factory premises is set up on 25 Acres of Land and has a total covered area of more than 588,000 sft.

Bone China Plant

For the upper echelons of the Global Tabletop industry, Shinepukur produces World Class Bone China, using the top quality raw-materials and ingredients, sourced by highly reputed Manufactures from all corners of the Globe.

These are meticulously crafted and transformed into exquisite Bone China tabletop, mirroring a unique blend of eye catching shapes, enviable translucency, durability, all of it with a Lead and Cadmium free glaze. These are augmented by a highly calibrated test protocol for Metal release, Thermal shock tolerance, Detergent, Acid and Chipping resistance, Verification levels, Dishwasher efficacy, all conducted by specialists at the SCL's most modern in-house Lab. Shinepukur's Bone China facility is one of the premier OEM facilities in the world.

Porcelin Plant

Complementing its superb range of Bone China, Shinepukur also offers Plain Porcelain, Ivory China, High Alumina and Satin Porcelain tableware to cater for all different market segments. From Dinner to Tea Plates, from Soup Tureens to Soup Spoons, from Retail Tabletop to Industrial, Hotel ware and Airline in-Flight items. SCL offers a multifaceted choice of refined product lines, catering to the Omni changing market trends for novel shapes and patterns, setting new standards, and raising the Quality bar for the top end of this industry.



Why made us distinguishable

Today, Shinepukur is the leading Bone China and Porcelain Tableware Manufacturer and Exporter from Bangladesh, equipped with the most modern state-of-the-art and latest Machinery's from TAKASAGO, MINO and SKK of Japan, having more than 3,000 highly skilled & motivated employees, cutting-edge technology, world class product quality and its blue chip overseas customers. The Bone China Unit has in-fact been set up with the technology transfer from NIKKO Japan, coupled with extensive training facilities to our Production team. In addition, Shinepukur Ceramics is equipped with the top-of-the-Line Testing and Quality Control Laboratory, own raw material disposal set-up, own captive gas-based Power generation capability, own water supply through Deep Tube well and Sanitary facilities. The facility has its own Medical Center with in-house registered doctor.

Quality Certification

The Company has been certified with ISO 9001:2015 by Det Norske Veritas (DNV) of Netherlands for Quality and Process Management. Being a member of SEDEX (UK), Shinepukur has been reported as quite Compliant on Safety, Hygiene and Employee Benefits perspective with SMETA (Sedex Members' Ethical Trade Audit). Also being successful through BSCI audit, the Company upholds itself as the most desired outsourcing Tableware site. The facility is considered to be the Most Environment-Friendly Tableware Plant in the sub-continent. Regular Environment Protection Practices are there in line with EIA Reports and World Bank guidelines for internationally accepted standards.

Production Capacity

About ±18,000 Pieces of high quality Bone China and ±48,000 Pieces of top class Porcelain Tableware are produced at SCL per day, that is about ±5.4 million pieces of Bone China and ±14.4 million pieces of Porcelain Tableware are produced at SCL per year.

Decal Plant and Design Studio

Decal production started in August 2001. Total Printing Capacity is about 120,000 Sheets per month, starting from single color up-to 8 Colors with Gold/Platinum, both On-glaze (840 degrees Celsius) and In-glaze (1220 degrees Celsius), and completely Lead & Cadmium Free. A Design Studio was also set-up inside the Decal Plant in 2005.



The current Printing capacity of SCL's Decal Plant is 180,000 Sheets per month. The Machineries of this Decal Plant were sourced mostly from EU countries.

Packaging Plant

Production in the Packaging Plant started in June 2003. Assorted about 200,000 Pieces White and/or Brown Cartons per month are presently being produced in this facility. In addition, the company is also capable of supplying 4-6 Color Printed Cartons.

Product Variety and Range

SCL produces variety of Bone china and Porcelain Tableware for Retail as well as Hospitality (Hotel Industry), and Ivory China for Retail Houseware, having about 245 shapes (85 shapes of Bone China and 160 shapes of Porcelain). Also Shinepukur has nearly 1,600 developed designs for both Bone China and Porcelain, which have been developed in its own Design Studio and Decal Plant. Shinepukur has the most creative & region-best modelers. And for this, any new shapes of both Bone China and/or Porcelain can also be developed at SCL within 4-6 weeks as per buyer's requirements. Starting from 5 Pcs Place Settings to 20 Pcs Dinner Sets and 95 Pcs Full Service Sets to variety of gift items, diversified kind of Ceramic Tableware is supplied from Shinepukur.

Quality Control

The Company ensures the highest standard of Tableware through:

- State-of-the-art Quality Control Laboratory run by highly qualified & experienced Technicians.
- At least, 36 different types of tests are being done in the laboratory including-
 - i. Microware and Dishwasher safety tests.
 - ii. Resistance to Acids and Detergents tests
 - iii. Tests of Heavy metal release - compliant with Lead & Cadmium requirements of USDA & California State Prop 65 & Norwegian Standard.

- Continuous on-line Quality Assurance engaging QC inspectors.
- Regular Quality Checks at the final stages of Production (after packing) following international standards.

Exporting Countries

In last 21 years after came into being in 1999, Shinepukur has been able to successfully develop a large export market for its top-of-the-line Bone China & Porcelain Tableware products. The customer portfolio now includes world-renowned Tableware companies in USA, Canada, UK, Germany, France, Italy, Japan, Sweden, Norway, Denmark, Finland, Spain, Poland, Mexico, Brazil, Chile, UAE, Egypt, Australia, New Zealand, Turkey, India, Singapore and still growing.

Achievements

Soon after launching, Shinepukur could establish its leadership in Ceramics Tableware Export of Bangladesh, achieving nearly 30% of total National Ceramic Tableware Export every year. It's worth mentioning that Shinepukur is the largest Ceramic Tableware exporter from Bangladesh.

In recognition of its excellence in ceramic export and become the highest exporter, Shinepukur Ceramics has been awarded National Export Trophy for record seven (7) times, i.e. for the FY 2009-10, 2005-06, 2002-03 2000-01, 2014 - 15, 2015-16 & 2016 - 2017 by the Government of Bangladesh (GOB).

SCL was awarded 'Superbrands' in 2010 - first and only ceramic tableware manufacturer of Bangladesh to receive such recognition.

SCL also was awarded 'Dun & Bradstreet (D&B) Corporate Award' in 2011 in its respective category. Shinepukur Ceramics is the first and only listed ceramic-tableware manufacturer of the country to win such recognition from Dun & Bradstreet Rating Agency Bangladesh Limited.

SCL also was awarded 'Asia's Most Promising Brands 2013' by World Consulting and Research Corporation (WCRC) at the Asian Brand and Leadership Summit 2013 held in Dubai.

Contact Details:

Corporate Office

BEXIMCO Media Complex
Level-9, Tejgoan I/A, Dhaka 1208, Bangladesh
Phone: +8809609100300, Fax: +88028879051

Signature Showroom

The Westin Dhaka, Main Gulshan Avenue, Plot 1, Road 45
Gulshan 2, Dhaka 1212, Bangladesh. Phone: +88 02 8815093
Mobile: +88 01714161638, E-mail: display@bol-online.com

Plant

BEXIMCO Industrial Park, Sarabo, Kashimpur, Gazipur
Bangladesh. Phone: +88027789756 - 8, Fax: +88027789823
E-mail: sclfit@sclbd.net, www.shinepukur.com



CORPORATE DIRECTORIES

Board of Directors

A S F Rahman	Chairman
Salman F Rahman	Vice Chairman
Iqbal Ahmed	Director
O K Chowdhury	Director
Barrister Faheemul Huq	Independent Director

Company Secretary

Mr. Mohammad Asad Ullah, FCS

Executive Director &
Company Secretary

Board's Committee

Audit Committee

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

Nomination & Remuneration Committee

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

Management Committee

Mohammed Humayun Kabir, FCA	Chief Executive Officer
Md. Faruque Ali	Executive Director

Independent Auditors

M/S M. J. Abedin & Co.

Chartered Accountants, National Plaza (3rd Floor)
109 BirUttam C R Datta Road, Dhaka 1205.

Corporate Governance Compliance Certifier

Suraiya Parveen & Associates

Chartered Secretaries, Chartered Secretaries in Practice
Razzak Plaza (5th Floor), Suite # 6C
1 New Eskaton Road, Ramna, Dhaka 1000.

Legal Advisers

M/S Huq & Co. Barristers & Advocate

47/1 PuranaPaltan, Dhaka 1000.

Banker/Term Loan Provider

- Sonali Bank Ltd.
- Southeast Bank Ltd.
- Bank Asia Ltd
- Phoenix Finance & Investment Ltd.

Registered Office

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

Plant

Beximco Industrial Park, Sarabo, Kashimpur, Gazipur.

Showroom

Westin Hotel (1st Floor), Gulshan Circle 2, Dhaka 1212.

BRIEF PROFILES *of*

Chairman, Vice Chairman, Directors, CEO & CS



Mr. A S F Rahman
Chairman

Mr. ASF Rahman is the Chairman of the companies under the flagship of BEXIMCO Group. He is the member of Board of Trustee of North South University. He was Vice Chairman of IFIC Bank Limited, Director of Investment Corporation of Bangladesh (ICB) and IPDC Finance Limited.



Mr. Salman F Rahman
Vice Chairman

Mr. Salman F. Rahman is the Vice Chairman of the companies under the flagship of BEXIMCO Group. He is the Chairman of IFIC Bank Limited. He was President of FBCCI. He is involved many social & Charitable organizations and is renowned for philanthropic works.



Mr. Iqbal Ahmed
Director

Mr. Iqbal Ahmed is a Director of companies under BEXIMCO Group since early seventies. He was director of AB Bank Limited and associated with many social and business organizations including ICC, Bangladesh.



Mr. O K Chowdhury, FCA
Director

Mr. O K Chowdhury is a Fellow Chartered Accountant of ICEW & ICAB. He is involved with the companies under BEXIMCO Group in different capacities including as a director since early eighties.



Mr. Barrister Faheemul Huq
Independent Director

Barrister Faheemul Huq is qualified as a Barrister-at-Law from Lincon's Inn, UK and is currently an Advocate in the Supreme Court Bangladesh, both in the High Court Division and Appellate Division and acted as Legal Advisor of different corporate bodies and enlisted lawyer of different Banks and Financial Institutions in Bangladesh.



Mr. Mohammed Humayun Kabir, FCA
CEO

Mr. Mohammed Humayun Kabir is a Fellow Chartered Accountant of ICAB. He is involved with the companies under BEXIMCO Group since mid eighties. He was the President of ICAB and is involved with different organizations including FBCCI. He was awarded 'National Paribesh Padak' (National Environmental Award) in 2010 by Government of Bangladesh and recognized as CIP - Export for a number of years. He is also involve with National Board of Revenue (NBR) as a Facilitator, Alternative Dispute Resolution (ADR) since 2012.



Mr. Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Mohammad Asad Ullah has been serving as Executive Director-Corporate Affairs and Group Company Secretary of Beximco since 1998. He joined in Beximco Pharmaceuticals Ltd. in 1983 and served in different responsible positions. He is the Fellow Member of ICSB. He served as the President of ICSB for 4 Times. For his outstanding contributions he was awarded a Gold Medal by the ICSB in 2010. He is now the Council Member of ICSB. He was the Member of the Board of Directors of BICM for the terms 2008-'10 and 2013-'16. He is an active Member of a number of renowned professional and social organizations of the country.

CODE OF CONDUCT

for

CHAIRPERSON OF THE BOARD, OTHER BOARD MEMBERS & CEO

of

Shinepukur Ceramics Limited

(approved by Nomination & Remuneration Committee (NRC) vide its meeting held on 16th April 2019)

Conduct & Behavior	Shall be prudent in conduct & behavior avoiding imprudence, extravagancy and indiscipline life causing disrespect or disrepute to the company.
Confidentiality	Shall keep confidentiality and secrecy of the information and documents which they have got access to or are informed of while they are in position.
Conflict of Interest	Shall disclose the situation if and when they come to a situation of conflict of interest and remain abstain from getting involved in that circumstance/ decision making process.
Compliance with laws, rules & Regulations	Shall remain alert and committed to comply with the requirements of laws, rules & regulations of the countries where the company operates, buy and sell to avoid fines/penalties and litigations as far as possible and practicable.
Prohibition of insider trading	Shall not get involved in any form which might be construed as an activity of insider trading.
Environment protection	Shall take best endeavor to protect, preserve and maintain the environment by adopt policies & investments in this regard.
Relationship with employees, customers, suppliers	Respect and motivate the employees to observe the core values of the company, treat equally and be fair to employees, customers & suppliers without any discrimination and biasness for kinship, gender, race & religion.
Independency	Be independent while adopting & executing the policies in the operations of the company.

MANAGEMENT TEAM



PRODUCTION DEPARTMENTAL HEADS WITH CEO IN FACTORY



DEPARTMENTAL HEADS WITH CEO IN HEAD OFFICE



CEO WITH MARKETING TEAM IN HEAD OFFICE



RIDE ON TIME: CHRONOLOGY

1997

Shinepukur Ceramics Ltd. was registered in Bangladesh.

1999

Commercial production of Porcelain Tableware was started in April, 1999 with a Production capacity of 8MT per day. Commercial production of Bone China Tableware was started in November, 1999 with a Production capacity of 3MT per day.

Launching of Shinepukur's own brand - "SHINEPUKUR" in Bangladesh to establish strong domestic foothold.

2000

Launching of Shinepukur's own brand "DOEL" in India, this was developed to get the share in Indian market.

2001

Shinepukur received ISO 9001:2000 Certification from DNV (DET NORSKE VERITAS) of Netherlands on August 17, 2001, for design, manufacture and marketing of Ceramic Tableware.

Shinepukur started its own Design Studio and Decal Plant with a printing capacity of 120,000 sheets per month.

2003

In U.S.A., Shinepukur has set up a showroom to promote its own brand - "SHINEPUKUR", to have a strong footing in the vast USA market.

Shinepukur's own Packaging Plant started its Production with capacity of 120,000 sheets per day. Received "National Export Trophy (Gold)" for FY 2000-2001 by the Govt. of Bangladesh as recognition for highest export.

2005

To meet huge demand, Shinepukur expanded its Porcelain Plant to a capacity of 15MT per day.

2008

Received "National Export Trophy (Gold)" for FY 2002-2003 by the Govt. of Bangladesh as recognition for highest export.

Shinepukur was listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a Public Limited Company.

2009

In a major expansion move, Shinepukur signed MOU with a renowned German company to expand its Bone China unit, at worth of Tk. 80 crore.

Shinepukur was awarded 'Superbrands' - first and only Ceramic Tableware Manufacturer of Bangladesh to receive such an honour.



A PART OF SHINEPUKUR CERAMICS LIMITED FACTORY

2010

Shinepukur expanded its Decal Plant to the printing capacity of 180,000 sheets per month.

Received "National Export Trophy (Gold)" for FY 2005-2006 by the Govt. of Bangladesh as recognition for highest export.

Shinepukur was upgraded to its ISO 2008 version and was certified as ISO 9001:2008.

2011

Received 'National Export Trophy (SILVER)' for FY 2009-2010 by the Govt. of Bangladesh as recognition for highest export.

Shinepukur was awarded 'Dun & Bradstreet Corporate Award' - first and only listed Ceramic Tableware Manufacturer of Bangladesh to receive such an honour.

2012

First-ever Shinepukur Signature Showroom opened in The Westin Dhaka hotel.

Supplied to London Olympic Games 2012 as Official Souvenir Products. Provided official dinnerware to Indian Rashtrapathi Bhavan.

Launched a new Porcelain body (whiter) - later termed as 'Satin China'.

2013

Awarded as "Asia's Most Promising Brand 2013" in the Brand & Leadership Summit 2013 (Dubai).

Received "Aurthokantha Business Award 2013".

Provided Bone China as official dinnerware to a number of overseas embassies of different countries (other than Bangladesh).

Successfully accomplished Recertification Audit of ISO 9001:2008 and extended for next 3 years.

2014

Successful completion of BSCI (Business Social Compliance Initiative) Audit, conducted at SCL facility.

Signed MoU with BUET for joint technical collaboration on research and innovation.

Restarted the construction works to complete 2nd unit of Bone China plant.

2015

Successfully conducted SMETA audit on SEDEX platform.

Close to finish construction works to complete the 2nd Unit of Bone China Plant.

Launched two new Bone China body (Cheaper than real Bone China) later termed as Fine Bone China & Fine China.

2016

Started the spray dryer project for Iso-static machine.

Shinepukur has conducted recertification audit & extend its validation upto 2018 of ISO 9001:2008.

2017

Setting up of Spray Dryer for ISO Static Press Machine was in progress & up-gradation of ISO 9001:2008, recertification audit for ISO 9001:2015.

2018

Spray Dryer project for ISO Static Press Machine & recertification audit for ISO 9001:2015 covering period up to August 2019.

2019

Setting up a small scale 'waste recycling plant' to process the broken or otherwise rejected/ defective Porcelain wares started.

Got recertification for ISO 9001:2015 covering period up to August 2022.

2020

Carried out major overhauling works on generators.

Received certificate of merit award (manufacturing) from ICAB for 2019.

Operations of up value recycling plant started & continued.

GLOBAL PRESENCE

www.shinepukur.com



SHINEPUKUR
worldwide

FACILITY AUDITS & CERTIFICATIONS

SMETA

In August 2016 SCL (Shinepukur Ceramics Limited) has successfully conducted SMETA (Sedex Members Ethical Trade Audit) by ITS (INTERTEK). The SMETA is based on ETI code and local law as the measurement tool & includes the two modules of Health and safety and Labour standards as well as the optional pillars of Environment and Business Ethics. This audit upholds SCL to a unique standard & open up a new array of opportunity to choose SCL as most of prominent customer as their supply partner.



BSCI

The BSCI (Business Social Compliance Initiative), is an initiative of the Foreign Trade Association (FTA) that seeks a world of free trade and sustainable global supply chains. BSCI is a business-driven initiative for companies committed to improving working conditions in factories and farms worldwide. Shinepukur Ceramics Limited has been successfully conducted BSCI by ITS (INTERTEK) on April 2018. After completion successful BSCI audit it would be helpful for SCL to open to retailers, importers and brands engaged in improving working conditions in their global supply chain. BSCI also brings direct benefits to the other actors of the supply chain, including producers, stakeholders and ultimately, workers.



ISO 9001:2015

Shinepukur has been recertified with ISO 9001:2015 (Upgraded from ISO 9001:2008 version in 2017). In this regards Det Norske Veritas (DNV) conducted two periodic audits during 2019-'20. ISO 9001:2015 has implemented by over one million companies and organizations spreading over 170 countries. The aim of the standard is to confirm that the companies are meeting statutory and regulatory requirements relating to the product they are producing while achieving excellence in their customer service and delivery.

ISO 9001 : 2015
Certified Company



CTPAT

Customs Trade Partnership Against Terrorism (CTPAT) is U.S. Customs and Border Protection's (CBP) multi-layered cargo enforcement strategy. Through this program, CBP works with the trade community to strengthen international supply chains and improve United States border security. CTPAT is a voluntary public-private sector partnership program with the principle stakeholders of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. Shinepukur Ceramics Limited has been successfully conducted CTPAT by TUV-SUD on September 2019.



CTPAT[™]
YOUR SUPPLY CHAIN'S STRONGEST LINK.

NATIONAL RECOGNITION IN PICTORIAL

CEO is receiving
National Export Trophy
(Gold) for 2016-'17
from H.E. Prime Minister
Sheikh Hasina on 2nd
Septemebr 2019.



CEO is receiving National Export Trophy
(Gold) for 2015-'16 from H.E. Prime
Minister Sheikh Hasina on 2nd
December 2018.



CEO is receiving National Export Trophy (Gold)
for 2014-'15 from Honorable Commerce Minister
Tofayel Ahmed on 15th July 2018.





Chairman is receiving National Export Trophy (Gold) for 2005-'06 from H.E. Prime Minister Sheikh Hasina.



Chairman is receiving National Export Trophy (Gold) for 2000-'01 from the then Prime Minister Begum Khaleda Zia.

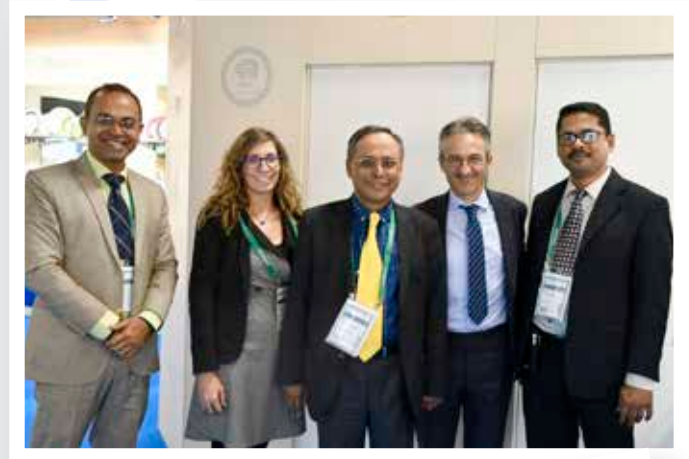


Director is receiving National Export Trophy (Gold) for 2002-'03 from the then Education & Commerce Advisor Hossain Zillur Rahman.



MD is receiving National Export Trophy (Silver) for 2009-'10 from H.E. Prime Minister Sheikh Hasina.

GLIMPSE OF VISITORS AT ABMIENTE FAIR 2020



ACTIVITIES IN PICTOGRAPHY

Visit of EU Delegation at Factory



Visit of NDC Delegation at Factory



Receiving ICAB National Award



WOMEN EMPOWERMMENT

SCL is a family of about 3 thousand workforce; many of them are highly skilled as well as professional degree holders. It is an equal opportunity employer for all Bangladeshi citizens irrespective of gender and religion. In fact, a number key managerial positions are held by women. Four key departmental heads, namely, (i) Finance & Accounts, (ii) HR & Admin, Head office, (iii) Medical Center and (iv) Labor Welfare in factory are led by women.



Women officials at Head office with CEO



Women officers at Factory with ED, Production



NOTICE

SHINEPUKUR CERAMICS LIMITED

17 DHANMONDI R.A, ROAD NO. 2, DHAKA 1205

NOTICE OF THE 23RD ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of Shinepukur Ceramics Limited will be held virtually on Saturday, the 19th December, 2020 at 11.30 a.m. to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30th June, 2020 together with reports of the Auditors and the Directors thereon.
2. To declare 2% cash dividend.
3. To elect Director.
4. To appoint Auditors for the year 2020-21 and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditor for the year 2020-21 and to fix their remuneration.

By order of the Board,



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

Dated: November 18, 2020

NOTES:

- (1) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 25 November, 2020, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (2) A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- (3) Annual Report for the year 2019-20 will be sent through e-mail address of the Shareholders and will be available in the Website of the Company at: www.shinepukur.com.
- (4) The Shareholders will join the Virtual AGM through the link <https://spceramics.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 1 (one) hour before commencement of the AGM and also during the AGM. For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link.
- (5) We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email : monir@beximco.net or mazibur@beximco.net.

PICTURE OF 22ND AGM



চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি পরিচালনা পর্ষদের পক্ষ থেকে কোম্পানীর
২৩তম বার্ষিক সাধারণ সভায় সকলকে স্বাগত জানাচ্ছি এবং
কোম্পানীর ১লা জুলাই ২০১৯ইং সাল থেকে ৩০শে জুন
২০২০ইং সালে এই সময়কালের সার্বিক কার্যক্রমের
সার-সংক্ষেপ আপনাদের সামনে উপস্থাপন করছি।



রাজস্ব

রপ্তানীঃ ২০১৯-২০ অর্থ বছরে কোম্পানী রপ্তানী খাত হতে টাকা ৬৭১.৫১২ মিলিয়ন (৯৩.১৯৯ মিলিয়ন ভর্তুকীসহ) রাজস্ব আয় করেছে- যা বিগত বছরে ছিল টাকা ৮৭৭.৫১২ মিলিয়ন (রপ্তানী ভর্তুকী শূন্য)। বিগত বছরের তুলনায় চলতি বছরের রপ্তানী আয় ২৩.৪৮% ঋণাত্মক প্রবৃদ্ধি অর্জন করেছে। উন্নত বিশ্বের চাহিদার নিম্নগতি এবং দেশ-বিদেশের সিরামিকস উৎপাদনকারীদের মাঝে প্রতিযোগিতার কারণে সিরামিকস পণ্যের ইউনিট প্রতি মূল্য কমে যাচ্ছে- যার ফলে রপ্তানী খাত হতে রাজস্ব আয় এবং রপ্তানীর পরিমাণ কমে যাচ্ছে। চীন থেকে উৎপত্তি হওয়া কোভিড-১৯ ইউরোপ এবং উত্তর আমেরিকাসহ বিশ্বের অন্যান্য দেশে ফেব্রুয়ারী ২০২০ইং সালের মধ্যে ছড়িয়ে পড়ে- যার ফলশ্রুতিতে এই সকল দেশের সরকার 'লক ডাউন' ঘোষণা করে। ফলে এই সকল দেশে চেইন স্টোর, শপিং মল এবং খুচরা বিপণি বিতানগুলি বন্ধ হয়ে যায়। ফলশ্রুতিতে সামগ্রিক অর্থনীতি সংকুচিত হয়ে যায় এবং গ্রাহকদের চাহিদা কমে যাওয়ায় ক্রেতাদের ক্রয়াদেশ হয় বাতিল অথবা স্থগিত হয়ে যায়। অপরদিকে, আমাদের রপ্তানীর অন্যতম প্রধান গন্তব্য 'তুরস্ক' লিয়ার মার্কিন ডলার এবং ইউরোর বিপরীতে মূল্যমান উল্লেখযোগ্য হারে কমার দরুন এই দেশে আমদানীকৃত সিরামিকস পণ্যের মূল্য বেড়ে যাওয়ায় সিরামিকস পণ্যের চাহিদা পড়ে যায়।

অভ্যন্তরীণ বাজারঃ ২০১৯-২০ অর্থ বছরে কোম্পানী অভ্যন্তরীণ বাজার থেকে টাকা ৫৩৩.৫৬৪ মিলিয়ন রাজস্ব অর্জন করে- যা বিগত বছর থেকে ১৮.৬২% কম। বাংলাদেশে গত মার্চ ২০২০ থেকে করোনা মহামারী (কোভিড-১৯) দেখা দেয়। সরকার ঘোষিত ৬৬ দিনের 'লক ডাউন'- ২৬ মার্চ ২০২০ থেকে ৩০ মে ২০২০ সময়কালে বিক্রয় বাণিজ্য বন্ধ থাকার দরুন অভ্যন্তরীণ বাজার থেকে কম রাজস্ব অর্জিত হয়েছে।

অন্যান্য খাতঃ ২০১৯-২০ অর্থ বছরে অন্যান্য খাত- যথা স্ক্র্যাপ বিক্রয় ও বিবিধ খাত থেকে টাকা ৫.৮১৮ মিলিয়ন রাজস্ব আয় করে- যা ২০১৮-১৯ অর্থবছরে ছিল টাকা ৯.৭৩২ মিলিয়ন। রপ্তানীর বিপরীতে আমদানী শুল্ক প্রত্যর্পণ না পাওয়াই ছিল এর একমাত্র কারণ।

সামগ্রিক রাজস্বঃ ২০১৯-২০ অর্থ বছরে সামগ্রিক (রপ্তানী, অভ্যন্তরীণ এবং অন্যান্য খাত) রাজস্ব আয় অর্জিত হয়েছে টাকা ১২১০.৮৯৪ মিলিয়ন- যা গত ২০১৮-১৯ অর্থ বছরের সামগ্রিক রাজস্ব আয় টাকা ১,৫৪২.৮৫৩ মিলিয়ন থেকে ২১.৫২% কম।

মোট মুনাফা ও নীট আয়

চলতি অর্থ বছরে কম রাজস্ব আয়ের ফলে Gross Profit Ratio বিগত অর্থ বছরের তুলনায় ২২.২০% থেকে ১৫.৪২% তে হ্রাস পেয়েছে এবং EBITDA দাঁড়িয়েছে ২১.৪৪% - যা গত অর্থ বছরে ছিল ২৩.০৮%। ২০১৯-২০ অর্থ বছরে রপ্তানী (ভর্তুকীসহ) অভ্যন্তরীণ বিক্রয়ের অনুপাত দাঁড়িয়েছে ৫৬ঃ৪৪। গত অর্থ বছরে যা ছিল ৫৭ঃ৪৩। যেহেতু রপ্তানী বাণিজ্যে ইউনিট প্রতি মূল্য অভ্যন্তরীণ বাজারের থেকে তুলনামূলকভাবে বেশী যা Gross Profit Ratio-তে প্রভাব ফেলে। গত অর্থ বছরের তুলনায় চলতি অর্থ বছরে উৎপাদন ব্যয় আপেক্ষিকভাবে (টাকা ৭০১.৩৯০ মিলিয়ন বনাম টাকা ৮০৬.০২০ মিলিয়ন) কম থাকার পরেও নিম্ন রাজস্ব আয়, কর্মচারীদের ব্যয়, অবমূল্যায়ন, ওভারহেডসহ প্রভৃতি ব্যয় বৃদ্ধির ফলে সামগ্রিক আয়ের সাথে Gross Profit অনুপাত কম হয়েছে। চলতি অর্থ বছরে অপারেটিং ব্যয় এবং আর্থিক খরচ গত অর্থবছরের তুলনায় কম ছিল। ৩০ জুন ২০২০ইং সালে পুনঃমূল্যায়নজনিত ক্ষতি হিসাবে অন্তর্ভুক্তির পূর্বে কোম্পানীর Net Profit After Tax দাঁড়ায় টাকা ৩১.৫৯৩ মিলিয়ন যা গত অর্থ বছরে ছিল টাকা ৬২.৭১২ মিলিয়ন। ৩০ জুন ২০২০ সমাপ্ত বছরের জন্য শেয়ার প্রতি আয় দাঁড়ায় টাকা ০.২১ যা গত বছর ছিল টাকা ০.৪৩, স্ব স্ব বছরের রাজস্বের অনুপাতে ছিল যথাক্রমে ২.৬২% এবং ৬.০৫%। করোনার অভিঘাতে এবং সামগ্রিক অর্থনীতিতে সংকোচন ঘটে। ফলে পণ্যের চাহিদা হ্রাস পায়, ফলশ্রুতিতে রাজস্ব আয় হ্রাস এবং মুনাফা কম হওয়ায় শেয়ার প্রতি আয় হ্রাস পেয়েছে।

নগদ অর্থ সংস্থান ও তার ব্যবহার

চলতি অর্থ বছরে Turn Over ও বিবিধ আয় সংগ্রহ গত অর্থবছরের তুলনায় কম আদায় হয়েছে অর্থাৎ চলতি অর্থ বছরে টাকা ১৩০৫.১৪২ মিলিয়ন যা গত অর্থ বছরে ছিল টাকা ১৪৬৮.১৩৩ মিলিয়ন। যা হোক, ব্যয় এবং ব্যয়ের বিপরীতে অর্থ প্রদান টাকা ১২৪৭.২৩০ মিলিয়ন থেকে কমে টাকা ১০৫৯.৬৭৯ মিলিয়ন দাঁড়িয়েছে। পাশাপাশি আর্থিক ব্যয় গত অর্থ বছরের টাকা ১৩০.৯৫৫ মিলিয়ন থেকে হ্রাস পেয়ে চলতি অর্থ বছরে দাঁড়িয়েছে টাকা ৭৯.৫৫৬ মিলিয়নে। ফলশ্রুতিতে আপেক্ষিকভাবে বিক্রয় ও বিবিধ আয় হ্রাস পাওয়া সত্ত্বেও অপারেটিং কার্যক্রমে কম খরচ করায় পরিচালনা কার্যক্রম থেকে নীট উদ্বৃত্ত বেড়ে দাঁড়ায় টাকা ১৩৫.৮৯৯ মিলিয়ন যা গত অর্থ বছরে ছিল টাকা ৬০.১৮২ মিলিয়ন। চলতি অর্থ বছরে টাকা ১.৮২৪ মিলিয়ন সম্পত্তি, কারখানার যন্ত্রাংশ ও অন্যান্য কাজে এবং টাকা ১৫১.৭৮১ মিলিয়ন ব্যাংক

লোন পরিশোধের জন্য ব্যয় করা হয়েছে। বছরের প্রারম্ভিক ব্যালেন্স টাকা ২৫.৫০৯ মিলিয়ন থেকে চলতি বছর (টাকা ১৭.৭০৫ মিলিয়ন) কমে বছর শেষে cash & cash equivalents ব্যালেন্স টাকা ৭.৮০৪ মিলিয়নে দাঁড়ায়।

বকেয়া ঋণ এবং দায়

৩০ জুন ২০২০ তারিখে ব্যাংক লোনের পরিমাণ দাঁড়ায় টাকা ১২১২.৬৯৬ মিলিয়ন যা ৩০ জুন ২০১৯ তারিখে ছিল টাকা ১৩৬৪.৪৭৪ মিলিয়ন। ফলশ্রুতিতে ৩০ জুন ২০২০ তারিখে ব্যাংক লোন ইকুইটি অনুপাত দাঁড়ায় ১৮.৯০% যা গত ৩০ জুন ২০১৯ অর্থ বছরে ছিল ২০.৬০%। বিগত বছরসমূহের আয়কর সঞ্চিতির সমন্বয়, পণ্য, গ্যাস ও বিদ্যুৎ বিলের জন্য পাওনাদার পরিশোধের ফলে liabilities for gratuity, creditors, accruals & other payables এবং মোট সম্পদের অনুপাত সামান্য বেড়ে দাঁড়িয়েছে ১৩.৭৩% - যা গত অর্থ বছরে ছিল ১৩.২০%।

বোন চায়না পল্লান্ত

বৈশ্বিক নিম্নগতির অর্থনৈতিক প্রবৃদ্ধি এবং আপেক্ষিকভাবে বোন চায়না পণ্যের উচ্চ মূল্যের কারণে বিশ্ব বাজারে বোন চায়না পণ্যের চাহিদা উল্লেখযোগ্য হারে কমেছে। উল্লেখ্য যে, বোন চায়না পণ্য রপ্তানীর প্রধান বাজার ছিল তুরস্ক- যা মুদ্রা অবমূল্যায়নের চাপে রয়েছে। ফলশ্রুতিতে তুরস্কের ক্রেতাদের নিকট বোন চায়না অনেক দামী পণ্য হয়ে গেছে। একইভাবে, ভূমধ্যসাগরীয় অর্থনীতির দেশ বিশেষতঃ ইতালী ও স্পেনে নিম্নতর চাহিদা বোন চায়না পণ্যের ইউনিট প্রতি মূল্য কমিয়ে দিয়েছে। করোনা মহামারী (কোভিড-১৯) এর কারণে মার্চ ২০২০ থেকে স্বাভাবিক ব্যবসায়িক কর্মকাণ্ড ব্যাহত হবার কারণে বোন চায়না কারখানার উৎপাদন পূর্ণরূপে ব্যবহার করা সম্ভব হয় নাই। অধিকন্তু, পুরাতন চুল্লী এবং যন্ত্রপাতির বয়স উৎপাদনশীলতা এবং পণ্যের গুণগতমানের ধারাবাহিকতা রক্ষা অতীতের যে কোন সময়ের তুলনায় অধিক চ্যালেঞ্জিং হয়ে দাঁড়িয়েছে। সুতরাং কাঙ্ক্ষিত উৎপাদনশীলতা প্রাপ্তির জন্য বোন চায়না কারখানার অভ্যন্তরীণ পরিবেশ উন্নতির লক্ষ্যে এর পুরাতন অংশ যা ২০ বছর পূর্বে নির্মিত হয়েছিল তা সংস্কার করা প্রয়োজন। কিন্তু মহামারীর এই দুর্যোগ সময়ে যা সম্ভবপর হয়নি।

পোরসিলিন পল্লান্ত

নিজস্ব গ্রানুলেশন প্লান্টসহ পূর্ণরূপে কার্যকরী হবার ফলে শাইনপুকুর সিরামিকস লিমিটেড এখন পণ্যের যথাযথ গুণগতমান বজায় রেখে তৈজসপত্রের বড় ক্রয়াদেশ নেওয়ার জন্য আরো ভাল অবস্থানে ছিল। তবে, হাই প্রেসার কাস্টিং (HPC) এবং glost kiln এর সীমাবদ্ধতার কারণে “Platter” এবং large sized/square shaped (flat wares) তৈজসপত্রের বড় ক্রয়াদেশ গ্রহণ করতে সমস্যার সম্মুখীন হতে হচ্ছে। তদুপরি, পুরাতন চুল্লী এবং যন্ত্রপাতির বয়স উৎপাদনশীলতা এবং পণ্যের গুণগতমানের ধারাবাহিকতা রক্ষায় অন্তরায় হয়ে দাঁড়িয়েছে। সুতরাং কাঙ্ক্ষিত উৎপাদনশীলতা এবং গুণগতমানের ধারাবাহিকতা প্রাপ্তির জন্য পুরাতন চুল্লী, উৎপাদন এবং ডিকেল প্রিন্টিং মেশিন প্রতিস্থাপন করা অত্যন্ত জরুরী ছিল- যা করোনার এই অভিঘাতের সময়ে হাতে নেওয়া দুরূহ ছিল।

বিক্রয় ও বিপণন

আমাদের কোম্পানী নিয়মিতভাবে দেশে এবং বিদেশে অনুষ্ঠিত বিভিন্ন বাণিজ্য মেলায় সক্রিয়ভাবে অংশগ্রহণ করে আসছে। ২০১৯-২০ অর্থ বছরে ফেব্রুয়ারী মাসে শাইনপুকুর সিরামিকস লিমিটেড মেসে ফ্রাংকফুর্ট (জার্মানী) এবং ডিসেম্বর ২০১৯-এ স্থানীয় একটি প্রদর্শনীতে (Ceramic Expo Bangladesh) অংশগ্রহণ করেছে। ঢাকার ওয়েস্টিনে এক্সক্লুসিভ শো-রুম ও বিক্রয় কেন্দ্র স্থানীয় ও বিদেশী গ্রাহকদের চাহিদা পূরণে কাজ করেছে।

অভ্যন্তরীণ বিক্রয় বাড়ানোর লক্ষ্যে হোটেল ও রেস্টোরাঁয় বিক্রয় বৃদ্ধি এবং ঢাকা ও ঢাকার বাইরে অবস্থিত খুচরা বিক্রেতা ও ডিলারদের মাধ্যমে সার্বিকভাবে জোর তৎপরতা অব্যাহত আছে। তবে, তৈজসপত্র দীর্ঘমেয়াদি পণ্য বিধায় বিশেষতঃ নিত্যপ্রয়োজনীয় পণ্যের অন্তর্ভুক্ত না হওয়ায় পুনরাবৃত্ত ক্রয়াদেশ প্রাপ্তি অপেক্ষাকৃত কম। অধিকন্তু করোনা মহামারী (কোভিড-১৯) সময়কালে সর্বসাধারণকে নিজ নিজ আবাসস্থলে অবস্থান করা এবং হোটেল রেস্টোরাঁতে না যাওয়ার জন্য পরামর্শ দেওয়া হয় এবং মহামারীর সময়ে সর্বসাধারণ নিত্য প্রয়োজনীয় পণ্য এবং স্বাস্থ্য নিরাপত্তার জন্যই বেশির ভাগ খরচ করে থাকে। ফলশ্রুতিতে, মার্চ - জুন ২০২০ সময়কালে হোটেল রেস্টোরাঁতে ব্যবহার্য তৈজসপত্রের চাহিদা উল্লেখযোগ্য পরিমাণে হ্রাস পায়। অধিকন্তু, উৎপাদনকারী এবং আমদানীকারকদের মধ্যে তীব্র প্রতিদ্বন্দ্বিতা বিদ্যমান ছিল। সিরামিকস পণ্যের বিকল্প; যেমন- ওপাল, পাইরেক্স, মেলামাইন এবং স্টেইনলেস স্টীল পণ্যও বাজারের একটা অংশ দখল করে আছে- যার ফলে আন্তর্জাতিক এবং দেশীয় বাজারে সিরামিকস পণ্যের চাহিদা ক্রমান্বয়ে কমছে। উপরোক্ত স্থিতি হুমকির মধ্যেও আমাদের কোম্পানী দেশীয় এবং আন্তর্জাতিক বাজারে বিক্রয় বাড়তে সচেষ্ট এবং মহামারীর মধ্যেও কোম্পানীকে সচল রেখেছে।

উল্লেখযোগ্য স্বীকৃতি

বিশ্বের শীর্ষস্থানীয় ব্র্যান্ডের নিকট রপ্তানীর ধারাবাহিকতা রক্ষার জন্য শাইনপুকুর সকল ধরনের কমপ্লায়েন্স নীতিমালা অনুসরণ করে থাকে। শাইনপুকুর সিরামিকস লিমিটেড পণ্যের গুণগতমানের ধারাবাহিকতা ধরে রাখার ক্ষেত্রে সব সময়ই সর্বোচ্চ গুরুত্ব দিয়ে থাকে। শাইনপুকুর সিরামিকস লিমিটেড ইতোমধ্যে বিএসসিআই (BSCI) ৫ম বার এবং আইএসও ৯০০১:২০১৫ -এর ২০১৯-২০ অর্থ বছরের দুইটি ৬ মাসের পর্যায়ক্রমিক অডিট সফলভাবে সম্পন্ন করেছে। আমরা ইতোমধ্যে মার্কিন বাজারে পণ্য বিক্রয়ের জন্য C-TPAT সার্টিফিকেট অর্জন করেছি। পাশাপাশি EU/UK-এর ক্রেতাদের চাহিদা পূরণের জন্য SMETA (SEDEX Members Ethical Trade Audit) সক্ষমতা অর্জন করেছি।

সরকারী স্বীকৃতি - টানা তৃতীয়বারের জন্য জাতীয় রপ্তানী পদক (স্বর্ণ) প্রাপ্তি

আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, আমাদের কোম্পানী ২০১৬-১৭ অর্থ বছরে সর্বোচ্চ সিরামিকস জাতীয় পণ্য রপ্তানী করে গণপ্রজাতন্ত্রী বাংলাদেশ সরকার-এর বাণিজ্য মন্ত্রণালয় হতে জাতীয় রপ্তানী পদক (স্বর্ণ) লাভ করে। এ উপলক্ষ্যে রপ্তানী উন্নয়ন ব্যুরো এবং বাণিজ্য মন্ত্রণালয়ের যৌথ উদ্যোগে আয়োজিত অনুষ্ঠানের মাধ্যমে ২রা সেপ্টেম্বর ২০১৯ সালে গণপ্রজাতন্ত্রী বাংলাদেশ সরকার-এর মাননীয় প্রধানমন্ত্রী শেখ হাসিনা পদক হস্তান্তর করেন। শাইনপুকুর সিরামিকস লিমিটেড টানা ৩ বছর অর্থাৎ ২০১৪-১৫, ২০১৫-১৬ এবং ২০১৬-১৭ এই বিরল সম্মান অর্জন করতে সক্ষম হয়। উল্লেখ্য, শাইনপুকুর সিরামিকস লিমিটেড ইতিপূর্বে ২০০০-০১, ২০০২-০৩ এবং ২০০৫-০৬ অর্থ বছরসমূহে স্বর্ণ এবং ২০০৯-১০ অর্থ বছরে রৌপ্য পদকে ভূষিত হয়। অতএব আমাদের কোম্পানী ১৯৯৯-০০ থেকে ২০১৬-১৭ মোট ১৮ বছরের সময়কালে ৭ বার জাতীয় রপ্তানী পদক অর্জন করতে সক্ষম হয়।

ICAB জাতীয় পুরস্কার - সেরা বার্ষিক প্রতিবেদন ২০১৯

আপনাদেরকে জানাতে পেরে আমি আনন্দিত যে, আমাদের কোম্পানী ২০১৮-১৯ অর্থ বছরের বার্ষিক প্রতিবেদন ইন্সটিটিউট অব চার্টার্ড এ্যাকাউন্টেন্টস অব বাংলাদেশ কর্তৃক ঘোষিত উৎপাদন খাতের উপর সার্টিফিকেট অব ম্যারিট অর্জন করতে সক্ষম হয়েছে। উল্লেখ্য যে, পুরস্কারটি ‘প্রকাশিত এ্যাকাউন্টস এবং বার্ষিক প্রতিবেদন’ মূল্যায়নের জন্য স্বতন্ত্র রিভিউ কমিটি (আরসিপিএআর)-এর স্বাধীন মূল্যায়ন এবং ICAB দ্বারা গঠিত স্বাধীন জুরি বোর্ডের সুপারিশের ভিত্তিতে প্রদান করা হয়।

জাতীয় রাজস্ব খাতে অবদান

আমাদের কোম্পানী ২০১৯-২০ অর্থ বছরে টাকা ১২১.৩০২ মিলিয়নেরও অধিক ভ্যাট এবং আয়কর প্রদান করেছে- যার মধ্যে আয়কর ছিল টাকা ৩০.০০৮ মিলিয়ন এবং ভ্যাট ছিল ৯১.২৯৪। গত ২০১৮-১৯ অর্থ বছরে যা ছিল টাকা ১৩৮৩.৯৩৮ মিলিয়ন- যার মধ্যে আয়কর ছিল টাকা ২৯.৭৬৬ মিলিয়ন এবং ভ্যাট ছিল ১০৯.১৭২ মিলিয়ন। স্থানীয় বিক্রয় ও কাঁচামাল আমদানীর ক্ষেত্রে ১৫% ভ্যাট প্রদেয়। রপ্তানীকৃত টাকার উপর আয়কর ০.২৫% হারে এবং কাঁচামাল আমদানীর ক্ষেত্রে অগ্রিম আয়কর ৫% হারে কর্তন করা হয় এবং দেশীয় প্রাতিষ্ঠানিক ক্রেতা থেকে অগ্রিম আয়কর কর্তনের হার ২% থেকে ৫%। ব্যবসায়িক আয়ের ক্ষেত্রে আয়কর হার ২৫% এবং রপ্তানী আয়ের আনুপাতিক পরিমাণে ব্যবসায়িক আয়ের উপর ৫০% ছাড় রয়েছে। উল্লেখ্য যে, ১ জুলাই ২০২০ সাল থেকে রপ্তানী আয়ের উপর উৎসে কর ছাড়ের হারকে বাড়িয়ে ০.৫০% করা হয়েছে। দেশে সর্বনিম্ন করহার বিদ্যমান। সেহেতু, কর নির্ধারণী আদেশে নির্ধারিত আয়কর, কোম্পানীর প্রদেয় ন্যূনতম করের চেয়ে কম হলে কোম্পানীকে তার রাজস্ব ও অন্যান্য আয়ের উপর ০.৬০% হারে ন্যূনতম কর দিতে হবে।

মানব সম্পদ

আমাদের কোম্পানী কর্মীবৃন্দের পেশা এবং ব্যক্তি উন্নতি সাধনকল্পে বিভিন্ন সুযোগ প্রদান করে। কর্মকর্তাদের বিশ্বস্ততা, পারস্পরিক সহযোগিতা এবং সমন্বয় সাধনের উপর গুরুত্ব আরোপ করে। কোম্পানীর লক্ষ্য বজায় রাখার জন্য এখানে কর্মীবৃন্দের দক্ষতা এবং উৎসাহ বৃদ্ধির ক্ষেত্রে সার্বিক সহযোগিতা করা হয়। ৩০ জুন ২০২০-এ শাইনপুকুর সিরামিকস লিমিটেড-এর মানব সম্পদের সংখ্যা দাঁড়ায় ২৮৭১ জন- যা জুন ২০১৯ সালের শেষে ছিল ২৯৭৬ জন।

সামাজিক প্রতিশ্রুতি

আমরা আমাদের কর্মকাণ্ড সমাজের প্রতি দায়িত্ববোধের দৃষ্টিকোণ থেকে পরিচালনা করছি। সেজন্য আমাদের সকল কার্যক্রম সাধারণভাবে সমাজের মঙ্গলের দিকে লক্ষ্য করেই 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 সক্রিয় সহযোগিতা ও সমর্থন যুগিয়ে থাকি। বুয়েট (BUET)-এর সাথে জানুয়ারী ২০১৫ সালে স্বাক্ষরিত সমঝোতা স্মারক (MOU) অনুযায়ী আমরা ৩ জন শিল্প গবেষণা কর্মীকে ৩ বৎসরের জন্য সহায়তা করে আসছি এবং শিল্প গবেষণা উন্নতি ও সিরামিকস পণ্য সামগ্রীর উপর উচ্চ শিক্ষার জন্য আমাদের মান-নিয়ন্ত্রণ গবেষণার যন্ত্রপাতি ব্যবহার করতে দেয়া হচ্ছে। পাশাপাশি, শাইনপুকুর সিরামিকস লিমিটেড বিভিন্ন জাতীয় ও প্রাতিষ্ঠানিক পর্যায়ে আয়োজিত বিভিন্ন খেলাধুলার পৃষ্ঠপোষকতায় সক্রিয় সহযোগিতা করে আসছে।

দেশের অন্যতম বৃহত্তম ব্যবসায়িক গ্রুপ হিসাবে আমরা দেশ এবং জাতির ক্রান্তিলগ্নে দেশ ও জাতির প্রতি আমাদের দায়বদ্ধতা ভুলে যাই নাই। তারই অংশ হিসেবে করোনা মহামারীর (কোভিড-১৯) সময়কালে আমাদের কোম্পানী/গ্রুপ বিভিন্ন প্রোগ্রাম/কার্যকলাপে সক্রিয় অংশগ্রহণ করেছে এবং করেছে। আমাদের গ্রুপ থেকে আমরা বিভিন্ন সরকারী হাসপাতালে Bemsivir (the generic Remdesivir) বিনামূল্যে এবং অন্যান্য বেসরকারী হাসপাতালে স্বল্পমূল্যে সরবরাহ করেছি। মানবিকতার নিদর্শনস্বরূপ বিদেশেও বিনামূল্যে ঔষধ প্রেরণ করেছি। এছাড়াও, মহামারীর প্রাথমিক পর্যায়ে ফ্রন্টলাইন কর্মীদের জন্য সরকার মনোনীত হাসপাতালগুলিতে পিপিই, ঔষধ এবং পরীক্ষার কীট প্রদান করেছি। আমাদের ভাইস চেয়ারম্যান এই দুর্যোগকালীন সময়ে সরকারী

কর্মকর্তা কর্মচারীদের অসামান্য অবদানের স্বীকৃতিস্বরূপ বিভিন্ন সরকারী মন্ত্রণালয় এবং বিভাগসমূহের জন্য সুরক্ষা গগলস এবং মাস্ক প্রদান করেছেন। তিনি তার সংসদীয় আসনের আপামর জনসাধারণের জন্য প্রয়োজনীয় ঔষধ, স্বাস্থ্য সরঞ্জাম এবং নিত্যপ্রয়োজনীয় পণ্য প্রদান করেছেন।

আমাদের গ্রুপ থেকে করোনায় আক্রান্ত কর্মকর্তা-কর্মচারীদের বিনামূল্যে কোভিড টেস্টের ব্যবস্থা গ্রহণ করা হয়েছে এবং অসুস্থ কর্মচারীদের জন্য সাভারে একটি আইসোলেশন সেন্টার স্থাপন করা হয়। আমাদের বিভিন্ন কারখানা ও অফিসের প্রবেশপথে তাপ নির্ণয়, হাত ধোয়া ও স্যানিটাইজেশনের জন্য আর্চওয়ে স্থাপন করে কোভিড -১৯ বিস্তার রোধে ভূমিকা রেখেছে।

কৃতজ্ঞতা স্বীকার

আমি আমাদের সম্মানিত গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারী সংস্থাসমূহ, বিধিবদ্ধ প্রতিষ্ঠানসহ সকল প্রতিষ্ঠানকে এবং যারা আমাদের ব্যবসা পরিচালনার সাথে জড়িত তাঁদের সকলকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমরা কোম্পানীর শেয়ার হোল্ডারদের প্রতি কৃতজ্ঞ- যাদের সার্বক্ষণিক মূল্যবান সহযোগিতা এবং সমর্থন কোম্পানীকে আজকের এই অবস্থানে এনেছে। আমরা যে সাফল্য অর্জন করেছি, তা সকলের সম্মিলিত প্রচেষ্টারই ফসল।

একথা অস্বীকার করার উপায় নাই যে, আমরা যখন কোভিড-১৯ এর সাথে লড়াই করার চেষ্টা করছি, তখন মহামারীর কারণে বিশ্বব্যাপি লক ডাউন/শাট ডাউনের প্রভাবে অন্যান্য সকলের মতো আমাদেরকেও বেদনাদায়কভাবে পরিস্থিতির সম্মুখীন হতে হচ্ছে। অর্থনৈতিক মন্দা আমাদের ব্যবসা এবং রফতানীর উপর নেতিবাচক প্রভাব ফেলছে। আগামী দিনের চ্যালেঞ্জগুলো সৃজনশীলতা এবং পরিবর্তিত পরিস্থিতির সাথে মানিয়ে নেওয়ার ক্ষমতার উপর নির্ভর করবে। এই চ্যালেঞ্জিং সময়ে আমরা সকলে এক সাথে রয়েছি এবং আমরা বিজয়ী হব ইনশাআল্লাহ।

আমি আবাবো আমাদের সকল শুভাকাঙ্ক্ষীগণকে আন্তরিক ধন্যবাদ জানাই এবং ভবিষ্যতে তাঁদের অব্যাহত সমর্থন ও সহযোগিতা কামনা করি।

X. K. P. Lalund

এ এস এফ রহমান

চেয়ারম্যান

তারিখ: ২৮ অক্টোবর, ২০২০

CHAIRMAN'S STATEMENTS

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 23rd Annual General Meeting of our Company, and to lay before you a brief resume of the affairs of the company for the period from 1 July 2019 to 30 June 2020.

Revenue

Export: During the FY 2019-'20 the company earned export sales of Tk. 671.512 million (including Subsidy of TK. 93.199 million) against Tk 877.512 million (export subsidy NIL) in previous year, which indicates a negative growth of 23.48% only. Lower demand in advanced economies and stiff competition amongst the manufacturers from home & abroad resulted lesser unit price, lower volume and revenue from export. Covid 19 virus which started in China spread out to Europe and North America by February 2020. To combat it, Governments of these countries declared 'locked down' resulting closer of chain stores, shopping malls and retail outlets. Consequently economies shrank/contracted; consumers demand fell; export orders either cancelled or postponed. Also Turkey, one of the major destination of our export, during the year experienced stiff fall in value of it's currency, Turkish Lira, against USD & EURO, causing imported ceramics products costlier and the demand down there.

Domestic: Our company earned Tk. 533.564 million from the domestic sales during the FY 2019-'20, 18.62% lower than that of previous FY 2018-'19. Bangladesh experienced Covid-19 pandemic from March 2020. One of the main reasons for lower domestic sale was 'locked down' for 66 days from 26 March to May 30 2020, when there was no sale.

Other Income: Our company earned other income Tk. 5.818 million from scrap sales and miscellaneous receipt during the FY 2019-'20, which was Tk. 9.732 million in FY 2018-'19. Non receipt of duty draw back against export caused the lower earnings from other income during the year.

Overall Revenue: Overall revenue (from export sales, domestic sales & other income) earned during the year was Tk. 1210.894 million, 21.52% lower than previous year when overall revenue earnings were Tk.1542.853 million.

Operating Result

Lower revenue caused decline in Gross profit ratio to 15.42% from 22.20% and EBITDA to 21.44% from 23.08% of previous year. During the year under review, export (including subsidy) - domestic sales ratio is 56:44. The said ratio in previous year was 57:43. Since unit price of export sales is comparatively better than that of domestic sales, it has bearing on the rate of the profitability and the GP ratio. Although manufacturing expenses compared to last year was lower (701.390 million vs 806.002 million) but due to lesser revenue income and periodic nature of employees cost, depreciation and overheads etc manufacturing expenses increased in proportion to revenue resulting lower GP ratio. However, operating expenses and finance cost compared to last year were lower during the year. Net profit after tax, earnings for the year before recognizing the fair value (revaluation) loss of investment in shares, was TK. 31.593 million of current year against TK. 62.712 million of previous year, which were 2.62% and 6.05% of respective year's revenue. Earnings per share for the year ending 30th June 2020 stood at Taka 0.21 against Taka 0.43 of previous year. Lower revenue earning from the declining demand due to covid-19 and economic contraction were the root cause for lower profitability & EPS.

Generated cash & utilization

During the year, collections from turnover & other income decreased to TK. 1305.142 million from previous year's TK. 1468.133 million due to lower revenue earnings. However, payments against cost & expenses also decreased to TK. 1059.679 million which was 1247.230 million during the last year. Similarly interest payment was decreased to TK. 79.556 million from previous year's TK.130.955 million. As a result, despite decrease in collections from turnover & other income, net cash generated from the operating activities was increased to Tk. 135.899 million compared to TK. 60.182 million of last

year. Out of the cash generated from the operations, Property, plant, equipment of Tk. 1.824 million was acquired and TK. 151.781 million was utilized for repayment of loans during the year. At the end of the year, balances of cash & cash equivalents were decreased by TK.17.705 million from those balances of the beginning of the year.

Outstanding loan & Liabilities

Loan outstanding of our company stood at Taka 1212.696 million as on June 30, 2020, which was Taka 1364.476 million as on June 30, 2019. As a result, outstanding loan to total assets ratio stood at 18.90% on June 30, 2020 compared to 20.60% on June 30, 2019. Also Liabilities for gratuity, creditors, accruals & other payables to total assets ratio marginally improved to 13.20% on June 30, 2020 which was 13.73% at the end of last year. Adjustments for income tax provisions for prior years and higher amount of payment against creditors for goods and gas and electricity bills resulted such improvement.

Bone China Plant

Global demand for Bone China table wares significantly came down, primarily because of slower economic growth in the advanced countries and comparative higher price of Bone China products. It may be mentioned that one of the major markets for Bone China products was Turkey. It's currency was under pressure for devaluation. This caused the Bone China product costlier for Turkish consumers. Similarly, depressed demand in Mediterranean economies particularly, Italy and Spain, lowered the unit price of Bone China products. The pandemic, due to Covid-19 virus, caused disruptions in the normal flow of business activities across the Globe during the period from March - June 2020. As a result the capacity of Bone China plant could not be utilized in full scale. Also, because of aged kilns and machineries, getting optimum efficiency and keeping quality consistency at Bone China unit has become more challenging than before. Moreover, the older part of the factory building of Bone China plant, which was constructed more than 20 years ago, is required to be renovated for sustainable atmosphere inside the factory building for better yield and quality consistency in production there. But, this could not be undertaken due to the prevailing pandemic situation.

Porcelain Plant

ISO Static Press machine with granule from our own production facility was functional and SCL was, therefore, in a better position to take volume orders and to maintain the quality consistency of flat wares. Limitations in High Pressure Casting (HPC) and space constraints in glost kiln discouraged us to accept volume order for large sized "Platter" and big sized/square shaped (flat wares) items. Moreover, aged (shuttle) kilns and machineries are standing in the way for optimum efficiency and quality consistency. Therefore, renovation & replacement of kilns, production and decal printing machinery are required for getting the desired quality and yield of production, which was difficult to planned for during the period because of the negative impact of Covid-19 upon the revenue earning of the company.

Marketing and Sales

Our company continues to participate in trade fairs both home & abroad. In 2019-'20 SCL participated Messe Frankfurt, Germany in February 2020 and at one local exhibition (Ceramic Expo Bangladesh) in December 2019. The exclusive showroom & sales center at Westine Dhaka is functioning to cater the needs of the high end local & foreign visiting customers. Our efforts to increase the share of domestic market by increasing sales of hospitality wares for hotel & restaurants, promotional items for institutions and expanding distribution channel by increasing retail dealers, both in Dhaka and outside Dhaka, are continuing. However, our products being durable and non-essentials in nature, it's repeat purchases are minimum. During pandemic period, consumers preferred their spending for essential and health care items when consumers are directed to stay at home and visiting to restaurant and hotels were discouraged. As a result, demand for hospitality wares during March - June 2020 period substantially went down. Therefore, stiff competition amongst the manufacturers and importers were there. Substitute products like, Opal, Pyrex, Melamine & Stainless table wares are sharing the slice of the Global and Domestic stagnant/declining demand as well. Despite such challenges, our company during the year could maintain our Global and Domestic market share in terms of percentage and continue it's drive to keep the company afloat.

Significant Accreditations

To continue export sale and retain the world's top brands, SCL has to ensure all the required compliances demanded by the buyers. Shinepukur has been serious in keeping its quality edge over its competitors. Towards these ends, SCL has completed Fifth audit of Business Social Compliance Initiatives (BSCI) during the year. ISO audits from DNV (Det Norske Veritas) completed its periodic half yearly review twice in 2019 -20. We have also obtained C-TPAT 2020 certification for marketing our products in USA market during the year. We have also complied with the new requirements of SMETA (SEDEX Members Ethical Trade Audit) for EU/UK customers.

Government Recognition - Recipient of National Export Gold Trophy for third year in a row

Our company has been awarded National Export Gold Trophy by Ministry of Commerce, Government of Bangladesh in recognition to our highest export performance in Ceramics products during the FY 2016-'17. The trophy was handed over on 2nd September, 2019 by the His Excellency Honorable Prime Minister Sheikh Hasina in a befitting ceremony organized jointly by EPB & MOC for this purpose. This is the third year our company was recognized by the Government awarding "Gold" Export Trophy for the years 2014 - 2015, 2015 - 2016 and 2016 - 2017. It may be mentioned that the company had also received the National Export trophy in 2000-2001 (Gold), 2002 - 2003 (Gold), 2005 - 2006 (Gold) & 2009 - 2010 (Silver). So far our company won National Export Trophy total for seven times.

ICAB National award for best presented Annual Report 2019

I am delighted to inform you that the Annual Report 2018-19 of our company has been awarded Certificate of merit under the category: 'Manufacturing sector' for 2019 by the Institutes of Chartered Accountants of Bangladesh (ICAB). The award was based on an 'independent evaluation' by Review Committee for Published Accounts & Reports (RCPAR) and upon recommendation of the independent jury board constituted for this purpose by ICAB.

Contribution to National Exchequer

Our Company paid over Taka 121.302 million in the form of VAT & Income tax during the year of which income tax was TK. 30.008 and VAT amount was TK. 91.294 Last year the contribution to national exchequer was Taka 138.938 million of which, income tax was TK. 29.766 and VAT was TK. 109.172. VAT was payable @ 15% on Domestic sales & against Import of raw materials. Income tax was deducted on export proceeds @ 0.25%, on imported raw materials at import stage @ 5% and by the institutional customers at the applicable rates ranging 2% to 5%. Being listed company, the applicable tax rate on business income is 25% and there is a rebate @ 50% on the business income proportionate to export sales. However, the rate of tax deduction at source on export proceeds from 1st July 2020 has been enhanced to 0.50%. There are laws for minimum tax also. Accordingly, the company has to pay minimum tax @ 0.60% on its revenue and other income (Gross receipts), since the regular assessed income tax is lower than the minimum tax payable by the company.

Human Resources

Our company offers opportunities for both professional & personal development to its employees. It practices a work environment of trust, cooperation & collaboration. We do so to develop the skills & zeal and inspiration of our employees to achieve the company goals on a sustainable basis. SCL's Human Resources Strength at the end of June 2020 stood 2,871 Nos. against 2,976 Nos. of June 2019.

Social Commitment

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 provided active co-operation and support to different organizations and professional institutions in their socio-cultural development programs. The MOU signed with BUET in January 2015 to support three researchers for three years & to allow the use of our QC laboratory equipments for advancement of Industry research & higher studies on Ceramic Table wares was an example. Besides, SCL sometimes took part in sponsoring the sports event organized at national and institutional level and supporting programs to assist the underprivileged children and physically incapacitate peoples.

As a part of the largest conglomerates in the country, we have neither forgotten our responsibilities towards society nor hesitated to respond to the nation's calls. Accordingly as a part of corporate Social Responsibility our company/Group participated in a number of programmes /activities during the pandemic period caused by the Covid-19. From our Group, we have provided government hospitals with Bemsivir (the generic Remdesivir) for free and kept the price of the medicine relatively lower for other hospitals as well. We have also sent free medicine abroad on humanitarian grounds. In addition, we have donated PPEs, medicines, and test kits to government-designated hospitals for frontline workers during the early stage of the crisis. Our Vice Chairman, has donated protective goggles and masks for government ministries and departments in recognition of the important role played by public employees in this crisis. He also donated medicines, health equipment and essential commodities for people in his parliamentary constituency.

Our Group established a Corona testing laboratory at Dhaka and an isolation center at Savar for employees infected by the Covid-19 of the Group who did not have separate accommodation facilities in their own houses to keep themselves isolated as per advice of their physicians. All entrances of our factories and offices from the early March 2020 has been equipped for checking temperature, hand washing and archway for sanitization to all.

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 invaluable 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.

Concluding Remarks

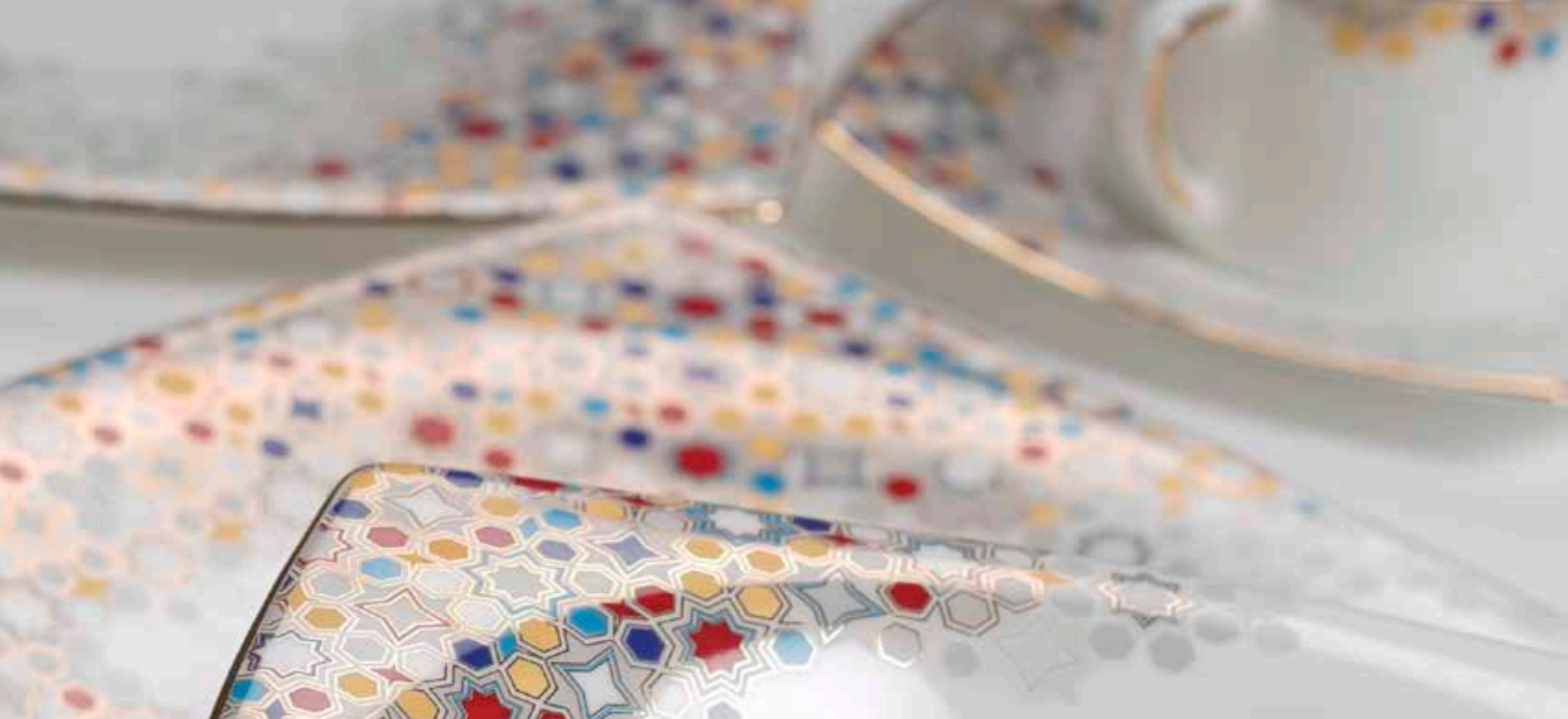
While we are trying to cope with Covid-19, there is no denying that the global shutdown put in place in response to the pandemic has affected us painfully, like almost everyone else. The economic slowdown has had immediate and inevitable consequences on our businesses and exports. Regardless of the challenges ahead, we will rely on our creativity and ability to adapt to trying circumstances. Hope we all shall remain together during this challenging time and InShaAllah we will prevail.

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



A S F Rahman
Chairman

Dated: 28 October, 2020



CORPORATE GOVERNANCE

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

Internal Financial Control

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

Management Structure - The Company is operating through a well defined management structure headed by a Chief Executive Officer (CEO) under whom there are Executive Director (ED) and Managers for various departments and according to hierarchy, various senior & mid level management staffs. The Chief Executive Officer, ED and Managers meet at regular interval represented also by Administration, Finance, Marketing & Production heads.

Financial Reporting - 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 expenditure.

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, Financial Statements. Other areas are also given emphasis by reviewing on quarterly basis. These include information strategy, environmental and insurance matters.

Statement of Director's 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 / period to that date. In preparing those financial statements the directors are required:

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

Board of Directors and Committee

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 responsible to the 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 / period ended 30 June 2018 stood at five directors. All directors are equally accountable at law to the shareholders for the proper conduct of the business. The Company's Board currently comprises the Chairman, Vice-Chairman and three Directors. The Board has two committee, namely, Audit Committee & Nomination & Remuneration Committee (NRC). The name of the Directors and Board's committee members stated in CORPORATE DIRECTORIES page in the beginning of the Annual Report.

Management Committee (MC) – MC annually appraises the performances of every level of employees as per policy & guidelines of the NRC. It determines the annual increment, promotion and parameter of remuneration for all level of executives & workers.

Going Concern

After making enquiries, 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 and supervision. They have the right to ask questions of and request of information from the board regarding item on the agenda to the extent necessary to make an informed judgment of the Company's affairs.

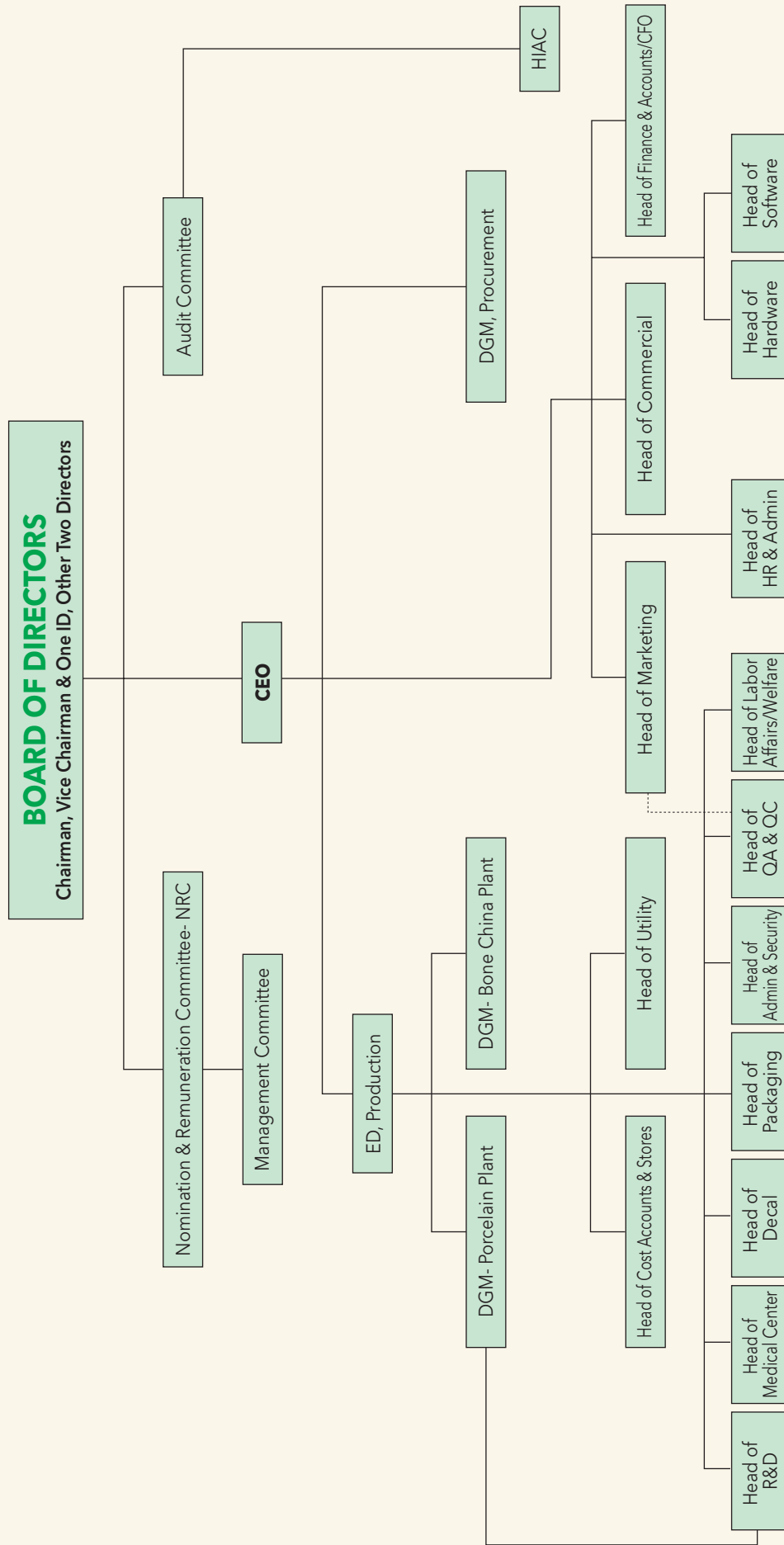
Relations with Shareholders – The annual general meeting are used as an important opportunity for communication with both institutional and general shareholders. In addition, the Company maintains relations with shareholders through the corporate affairs secretarial department.

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
- 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.

ORGANOGRAM







DIRECTORS' REPORT

to the Shareholders for the year ended June 2020

Dear Shareholders,

The Directors have pleasure in submitting hereunder "Directors' Report" together with the Audited Accounts for the year ended June 2020 and "Auditors' Report" thereon:

Industry Outlook and Possible Future Development

Based on un-interrupted gas supply and low labor cost, Ceramic Tableware Industries was started flourishing in Bangladesh since late 1990's focusing towards export market. Because of decrease in proven gas reserve there was uncertainty of availability of gas supply for using in industries. However, Government decision for importing liquid natural gas (LNG) by private sector and allowing them to supply to national grid has reduced that uncertainty to some extent for the time being, but it resulted increase in power and gas tariffs. Following table shows the change in gas & Electricity unit cost since 2014:

	June 30, 2020 (effective from March 2020)	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Gas Tariffs -Power generation, Taka per M3	13.85	13.85	9.62	9.62	8.36	4.18	4.18
Gas Tariffs - Kiln, Taka per M3	10.72	10.72	7.76	7.76	6.74	5.86	5.86
Electricity Taka per KW	10.69 Peak/7.70 off peak	10.19 Peak/7.34 off peak	8.15	7.57	7.32	7.32	7.32

Such increase in Gas & electricity price have eroded the comparative advantages of Bangladesh for producing Ceramic Table wares to a great extent. During the year negative impact of the pandemic (Covid-19) and shrinking in economies in Europe and USA has substantially reduced export volume & unit prices of Ceramic table wares from Bangladesh to these countries. Also devaluation of Turkish Lira, an important export destination of ceramic tableware, has negatively impacted the import of ceramic table wares in Turkey. Moreover, devaluation of currency by the competing countries like China, India, Thailand etc. has made the "Bangladesh made table wares" costlier to the consumers of importing countries. Second wave of the pandemic (Covid-19) may further reduce the export of ceramic table wares from Bangladesh in the following year(s).

For continuity and profitability of any ceramic table ware manufacturing company, availability of gas, consistency in gas pressure, uninterrupted electricity supply and competitive unit price of gas & electricity are critical & important. Although the uncertainty of availability of gas has some extent meanwhile been minimized by the Govt. by allowing import of LNG, but the quality (sulphur content) & unit price of the imported LNG has remained a concern. Any increase of wages for RMG workers by the Govt. will have a

direct impact on the manufacturing cost of ceramic table wares as well. Repair, maintenance, spares & consumables cost for keeping the aged kiln & Property Plant & Equipment (PPE) productive & operational will continue to increase. Importantly, availability of original parts & spares to keep the kiln & PPE operational will become more challenging in coming year(s) because of stopping of manufacturing of the same by the original manufacturers (of the kiln & PPE) due to updating of their model. As a result, cost of production will continue to increase and there by profitability will be under further pressure in future.

Kiln, Decal Printing, HPC and Jiggering machines of our company have become 20 years old, in certain cases those have become outdated due to technological advancement. Therefore, to maintain productivity & quality consistency, there is a need for replacement of kiln & PPE. In view of present global economic and pandemic situation, the Board of Directors of the company did not undertake any BMRE plan in this regard. The focus of the Board of Directors was to 'keep the company afloat' during the locked down period and restarting the operations there after.

The field of competition will be more steep and intense in coming years, not only because of declining Global market but also with the advent of new tableware manufacturer(s) in near future in Bangladesh with larger capacity, financed by lesser/no borrowed capital.

While we are trying to cope with Covid-19, there is no denying that the global shutdown put in place in response to the pandemic has affected us painfully, like almost everyone else. The economic slowdown has had immediate and inevitable consequences on our businesses and exports, which may warrant difficult decisions at different stages in the future. Regardless of the challenges ahead, we will rely on our creativity and ability to adapt to trying circumstances.

Business Outlook- Export Sales

Although Shinepukur's export decreased to \$7.03 million from previous year's \$10.57 million, SCL continued to be the leader in Tableware export from Bangladesh by exporting over 25% of the total Bangladesh export which was 15% in last fiscal year. The table & pictorial below shows the SCL's share to total table export from Bangladesh for five years.

Business Outlook- Export Sales

Ceramics Products	2019-'20	2018-'19	2017-'18	2016-'17	2015-'16
Bangladesh Export in US\$ In million (including ceramics, tiles & sanitary wares) (source: EPB)	27.97	68.97	51.94	39.14	37.69
Shinepukur Export in US\$ In million	7.026	10.57	11.04	11.58	10.11
Shinepukur Share to total BD Export	25.12%	15.32%	21.26%	29.59%	26.82%

The table below shows the ratio of export sale to total sale of the company for five years.

	FY 2019-'20	FY 2018-'19	FY 2017-'18	2016-'17	6 months 30th June 2016	2015
Total sale in Taka Million (Without subsidy)	1111.877	1533.121	1528.643	1437.866	641.628	1411.871
SCL Export (in Taka Million) without subsidy	578.313	877.512	893.342	896.612	383.158	957.501
% of Export over total sales (WS)	52%	57%	58%	62%	60%	68%
% increase or Decrease over previous FY	(34.10%)	(1.77%)	(0.36%)	0.32%	(59%)	(22.51%)

During the current year export has decreased by 34.10% to Taka. 578.313 million & the contribution of export to total sale (without subsidy) came down to 52%. This is due to negative impact of the pandemic (Covid-19) and shrinking demand in advanced economies. Despite stiff competition in export markets, we could retain our existing customers and also added three new customers. We achieved these by improving the product quality through cross-quality check on every production stages and improving the designs & packaging in-line with up-to-date international standards. The most challenging part was to achieve reliability from the buyers' fraternity and to establish Shinepukur as the most compliant facility. Shinepukur has been proven quite successful in this field after series of Social Accountability audits from Sedex, Business Social Compliance Initiatives (BSCI) and buyers themselves. These relentless & on-going endeavors will significantly & positively contribute in retaining customers. Export sales will continue to remain important driver to SCL's total revenue earnings. We are therefore focusing on buyers demand for developing new shapes, designs and new products ranges within shortest possible time and searching new markets and seizing inquiries from potential brands by faster response & close follow up. We are confident that, SCL will continue to be the leader in exporting table wares from Bangladesh, in the coming years as well.

Business Outlook- Domestic Sales

	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17	6 months 30th June 2016	2015
Total sale in Taka Million (Without subsidy)	1111.877	1533.121	1528.643	1437.866	641.628	1411.871
SCL Domestic Sales in Taka Million	533.564	655.609	635.300	541.254	258.47	454.370
% of Domestic Sales over SCL total sales	48%	43%	42%	38%	40%	32%
% increase or Decrease over previous FY	(18.62%)	3.20%	17.38%	13.89%	40.28%	2.79%

Increased product cost, resulting from higher Gas & Electricity price, wages and spares, stores, repairing & maintenance cost is reducing contribution and is forcing us to increase the product price, making the products costlier and diverting the price sensitive customers to competitors. Even under this challenging situation, SCL could earn Tk. 533.564 million from domestic sales during the year, which was almost 19% lower than that of previous year. There was no sale during 66 days long locked down period due to covid-19 which pulled down the domestic sales.

Product wise/Segmental Reporting

Our company is an OEM facility, producing two types, namely, Porcelain & Bone China ceramic table wares. It is difficult to quantify the production data of table wares because pieces and the weights of the wares vary due to shape & size of the items produced. However, we produced two types of ceramic table wares, namely Bone China & Porcelain. Revenue (without subsidy) and Production value of porcelain & bone china wares during the year were as follows;

Year	Revenue Taka in million						Share over total Revenue	
	Porcelain		Bone China		Total		Porcelain	Bone China
	Amount	Inc/(dec) over previous year	Amount	Inc/(dec) over previous year	Amount	Inc/(dec) over previous year		
2019-'20	711.529	-18.75%	400.348	-39.10%	1111.877	-27.48%	64%	36%
2018-'19	875.718	-7.49%	657.403	12.96%	1533.121	0.29%	57%	43%
2017-'18	946.643	-4.34%	582.000	29.82%	1528.643	6.31%	62%	38%
2016-'17	989.553		448.314		1437.867		69%	31%

Year	Production Value Taka in million						Share over total Production Value	
	Porcelain		Bone China		Total		Porcelain	Bone China
	Amount	Inc/(dec) over previous year	Amount	Inc/(dec) over previous year	Amount	Inc/(dec) over previous year		
2019-'20	751.444	-17.70%	440.159	-32.88%	1191.603	-24.04%	63%	37%
2018-'19	913.044	-3.34%	655.751	9.30%	1568.795	1.57%	58%	42%
2017-'18	944.588	-3.51%	599.956	34.36%	1544.544	8.35%	61%	39%
2016-'17	978.967		446.517		1425.484		69%	31%

Product wise Contribution/Segment Results

After adjustment of direct Material (consumption) cost, contribution to recover Wages & Factory Overhead (Prime Cost) and operating expenses (OPEX) were as follows;

Year	Material Consumption Taka in million			Contribution to Prime Cost and OPEX			Contribution as a % of Production Value		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total	Porcelain	Bone China	Total
2019-'20	221.332	176.292	397.624	530.112	263.867	793.979	70.55%	59.95%	66.63%
2018-'19	286.935	135.435	422.37	626.109	520.316	1146.425	68.57%	79.35%	73.08%
2017-'18	261.87	183.355	445.225	682.718	416.601	1099.319	72.28%	69.44%	71.17%
2016-'17	270.94	113.699	384.639	708.027	332.818	1040.845	72.32%	74.54%	73.02%

Contribution of porcelain wares increased for using broken and rejected wares after recycling. On the other hand, higher loss for rejection and selling at a lower rate due to lesser/no demand (for certain shape/designs which were in stock for many years) pushed down the contribution of Bone China wares during the year.

Carrying amount of net segment asset

Taka in million

2019-'20			2018-'19		
Porcelain	Bone China	Total	Porcelain	Bone China	Total
2308.381	2837.554	5145.935	2353.299	2916.038	5269.337

Risk & Concerns

The company is exposed to following risks & concerns;

- Internal:**
- (i) skilled manpower is critical to quality and quantitative production. Company is prone to high labor turnover.
 - (ii) Breakdown of aged kiln, plant & machinery and non availability of parts, spares & consumables.
- External:**
- (i) Inconsistent/erratic Gas pressure, disruption in gas supply & unit price of gas.
 - (ii) Devaluation of taka causing increased cost for imported material
 - (iii) Higher devaluation of foreign competing exporters' currencies making Bangladesh ceramics table wares costlier in importing countries.
 - (iv) Wage rate hike.
 - (v) Nonfunctioning of ports and highways.
 - (vi) Supply disruption due to stopping of production of imported materials or non availability of right quality raw materials due to change in layer/level of the mine.
- Acts of God:**
- (i) Pandemic (Covid-19) which causes closer of production facilities;
 - (ii) Natural disaster(s) like flood causing absenteeism to work forces and disruption in supply chains and distribution channels;
 - (iii) Earth quake causing demolition of buildings and fire accident resulting casualties and closure of production facilities.

Impact on Environment

Environment Impact Assessment (EIA) report confirms that our operations is not threat to environment. Moreover, our company has obtained up to date environment clearance certificate from the Directorate of Environment, Peoples' Republic of Bangladesh.

Cost of Goods Sold (COGS) & Gross Profit (GP)

Year	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17	2016 (6 month)
Total Revenue with subsidy	1205.076	1533.121	1528.643	1437.866	641.628
Increase/(decrease) over previous year	(21.40%)	0.29%	6.31%	5.03%	(54.55%)
COGS	1019.218	1192.696	1182.346	1111.841	527.673
Increase/(decrease) over previous year	(14.55%)	0.88%	6.34%	4.23%	(50.80%)
COGS to total revenue	84.58%	77.80%	77.35%	77.33%	82.24
GP	185.859	340.424	346.286	326.345	113.955
Increase/(decrease) over previous year	(45.40%)	(1.69%)	6.21%	7.87%	(66.42%)
GP as percentage of the total revenue	15.42%	22.20%	22.65%	22.67%	17.76%

GP ratio for the year decreased to 15.42% due to increase in COGS to revenue to 84.58% which was 77.80% in previous year. COGS to revenue increased during the year due to;

- Total revenue earned during the year was lower (21.40%). Due to pandemic (Covid-19) Govt. of Bangladesh declared Locked down from 26th March to 30th May 2020 (66 days), when there was no production and sale. Also, during pre & post locked down period i.e, in March 2020 and in June 2020 sales & production decreased because of absenteeism of the work force and non opening of the retail outlets/shopping malls and poor/no consumer demand. During the pandemic time, 'lives matter over livelihood' and consumers prefer their spending on essentials, medicines and health care items like masks, sanitization etc over buying durable household items like Porcelain & Bone China wares. Therefore, demand fell causing lower/no sale.
- Incurring of periodic (fixed) cost including wages, consumables, spares, repair and maintenance cost without any reduction. More clearly, these costs were incurred even there were no/lesser sale and production.

Net Profit

The Directors are pleased to report that the working results of the Company for 12 months from July 01, 2019 to June 30, 2020 as follows:

Taka in million

	For the Year ended 30 June, 2020	For the Year ended 30 June, 2019	For the Year ended 30 June, 2018	For the year ended 30 June, 2017	For six months ended 30 Jun '16	For the year ended 31st December, 2015
Net profit / (Loss) before tax	11.296	92.477	81.405	22.553	(78.686)	17.941
Less: Income tax (Expenses)/ Income:	20.296	(29.766)	(19.857)	14.261	40.099	(11.915)
i. For the period under review	(7.336)		28.546	23.202	3.85	11.586
ii. Short/excess provision for earlier years	27.632	-	-	-	15.6	-
iii. Deferred tax (Income) / Expenses	-	-	(8.689)	(8.941)	(59.55)	0.329
Net profit / (Loss) after tax	31.592	62.712	61.548	8.292	(38.587)	6.026
Prior year's adjustment-Depreciation	-	-	-	-	(76.147)	-
Add: Balance brought forward from previous year	(61.923)	(124.635)	(186.183)	(194.475)	(79.742)	(85.767)
Retained earnings balance carried forward	(30.331)	(61.923)	(124.635)	(186.183)	(194.475)	(79.742)
Fair Value Gain / (Loss)	(24.321)	(10.031)	(15.352)	31.902	(10.842)	(16.189)
Comprehensive income for the year	7.271	52.681	46.196	40.194	(49.429)	(10.163)
Net profit after tax, % of paid up capital	2.15	4.27	4.19	0.56	(2.63)	0.43
EPS in Taka	0.21	0.43	0.42	0.06	(0.26)	0.04

Extra Ordinary Activities & their implications

Other Income: There was no income from duty drawback (DDB) against export during the year. However, company could earn from scrap sale.

Comprehensive Income: After recognizing the fair value loss of Tk. 24.321 million, comprehensive income for the year stood at Taka 7.271 million which was Tk. 52.681 million (after fair value loss of TK. 10.031 million) during the last year. Besides the investment in shares, there were no other extra ordinary activities causing gain or loss.

EPS and NAV per share

The company has earned net profit after tax 31.593 million during the FY 2019-'20, whereas last year, the company earned net profit of taka 62.712 million. EPS comes to Tk. 0.21 per share for the year ended on June 30, 2020. EPS for the last year was TK. 0.43. During the year, EPS decreased due to negative impact of pandemic (Covid-19) which caused:

- Lower revenue earnings from export and domestic sales.
- Increase in cost of goods sold (i.e, higher COGS to revenue).

NAV per share increased to Taka 29.09 share as on 30th June, 2020 which was Taka 29.04 as on 30th June 2019.

Quarterly Performance Variance:

Quarters	EPS		NAV/per share		NOCF/per share		Explanation
	2019-'20	2018-'19	2019-'20	2018-'19	2019-'20	2018-'19	
Q1 JUL-SEPT.	0.02	0.10	28.99	28.74	0.59	0.05	EPS: varies because of seasonality effect of the nature of the business.
Q2 OCT - DEC	0.04	0.11	28.94	28.84	0.87	0.42	
Q3 JAN-MAR	(0.05)	0.09	28.88	28.91	1.23	0.1	NAV/share: increase/decrease upon addition of comprehensive income/loss.
Q4 APR - JUN	0.20	0.13	29.09	29.04	0.92	0.41	
At the year end	0.21	0.43	29.09	29.04	0.92	0.41	NOCF: varies due to lesser/higher (i) collection of revenue (ii) payments to suppliers and against accrued expenses.

Related Party Transaction

The following related party transactions took place during the year;

Related party	Transaction nature	FY2019-'20		FY2018-19		FY2017-18		FY2019-'20	FY2018-19	FY2017-18
		Received	Paid	Received	Paid	Received	Paid			
New Dacca Industries Ltd.	Short term loan received	-	5	-	6	310	250	49	54	60

No interest has been charged for the short term loan received from New Dacca Industries Ltd. Besides following related party balance are carried forward from earlier years:

Related party	Transaction nature	Transaction value during the year (adjustment for fair value)			Yearend balance after fair value gain/(loss) in Taka million		
		2019-'20	2018-'19	2017-18	2019-'20	2018-'19	2017-18
Bangladesh Export Import Companies Ltd	Investment in share	(24.373)	(9.854)	(15.286)	33.709	58.082	67.936
Beximco Synthetics Ltd	Investment in share	0.520	(0.177)	(0.066)	0.440	0.388	0.565

Public/Right Issue

There was no public/right issue during the year.

Remuneration to Directors

During the year no amount of money was expended by the company for compensating any member of the board for special services rendered. During the year no board meeting attendance fee was paid to the directors of the company except the Independent Director of Tk. 100,000.

Corporate and Financial Reports

The Directors are pleased to confirm that:

- The financial statements together with the notes thereon have drawn up 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 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.
- Minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.
- There is no significant doubt about the ability of the Company to continue as a going concern.
- Significant deviation in operating result compared to last year has been explained here in before.
- The summarized key operating and financial data of last five preceding years is presented below.

Key operating and Financial Data

Taka in million

Particulars	For the year ended 30th June 2020	2018-'19	2017-'18	2016-'17	For eighteen months ended 30 Jun'16	For Six months ended 30 Jun'16	For the year ended 31st Dec, 2015
Revenue including subsidy	1205.076	1533.121	1,528,643	1,437,867	2,053,500	641.628	1411.872
Gross Profit	185.859	340.424	346,296	326,026	453,346	113.955	339.39
Profit / (Loss) Before Tax	11.296	92.477	81,404	22,553	(60,745)	(78.686)	17.941
Net Profit / (Loss) after Tax	31.593	62.712	61,548	8,293	(32,561)	(38.587)	6.026
PPE (Gross)	7511.009	7509.186	7,495.368	5,984.548	5,980.714	5,980.714	5,977.945
Revaluation Surplus	2966.690	2966.690	2966.690	2966.690	2966.690	2966.690	2966.690
PPE at cost	4544.319	4542.496	4528.678	3017.858	3014.024	3014.024	3011.255
cumulative Depreciation	2365.074	2239.848	2112.439	2020.373	1922.163	1922.163	1789.662
PPE (Carrying) Value	5145.935	5269.337	5382.930	3964.176	4058.551	4058.551	4183.283
Retained Earnings carried forward	(30.331)	(61.923)	(124,634)	(186,183)	(194,476)	(194,476)	(79.742)
Paidup	1469.661	1469.661	1,469,661	1,469,61	1,469,661	1,469.66	1,469.66
Shareholders' Equity	4275.198	4267.926	4,215,245	4,169,050	4,128,856	4128.856	4254.431
Dividend	2% Cash	-	-	-	-	-	-
Return on Paid up Capital	2.15%	4.27%	4.19%	0.56%	(2.22%)	(2.63%)	0.41%
Earnings per Share in Taka	0.21	0.43	0.42	0.06	-0.22	(0.26)	0.04
Shareholders' Equity Per Share (NAV) Taka	29.09	29.04	28.68	28.37	28.09	28.09	28.95
Number of Shareholders	14,969	15,934	16,325	17,438	23,085	23,085	23,085

Dividend

Despite having negative retained earnings from previous years, the Board of Directors of the company, in its meeting held on 28th October 2020, recommended a cash dividend @2 percent for the year 2019-20 out of current year's net profit. After approval in the AGM the said recommended dividend will be distributed to the shareholders as on the record date (25.11.2020). Upon distribution of the said dividend the cumulative loss of the company will stand as follows:

	<i>Tk. in million</i>
Net profit after Tax for the year	31.593
Less 2% Cash Dividend (Proposed)	(29.393)
Net profit available for retention in business	2.200
Cumulative loss of prior years	(61.393)
Cumulative loss (retained earnings) after distribution of the dividend for the year	59.193

Board & Committee Meeting and Attendance

During the year 7 (Seven) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Number of Board Meetings attended	Number of Audit Committee Meetings attended	Number of NRC Meetings attended
Mr. A S F Rahman	6	Not Applicable	Not Applicable
Mr. Salman F Rahman	6	Not Applicable	Not Applicable
Mr. Iqbal Ahmed	4	4	1
Mr. O K Chowdhury	6	4	1
Barrister Faheemul Huq	6	4	1

The Pattern of Shareholding

The Pattern of shareholding is as follows.

Name	Shares held
i) Parent/Subsidiary/Associate Companies and other related parties:	
Bangladesh Export Import Co. Ltd. As on 30-06-2020	73,483,009
ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:	
Mr. A S F Rahman, Chairman	2
Mr. Salman F Rahman, Vice-Chairman	1
Mr. O K Chowdhury, Director	1
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:	
iv) Shareholders holding ten percent (10%) or more voting interest in the company	
Bangladesh Export Import Co. Ltd (Mentioned in SL. No. (i) above.)	73,483,009

Directors

Retirement and Re-election

Mr. Salman F. Rahamn, Director of the Company retires by rotation as per articles 127 & 128 of the Articles of Association of the Company and being eligible offers himself for re-election.

Audit Committee

The Company had an Audit Committee, which constituted in terms of the provisions of Corporate Governance Guidelines dated 03-06-2018 issued by BSEC which is as follows:

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

The detail of the activities of the audit committee has been provided in "Audit Committee Report".

Nomination and Remuneration Committee (NRC)

As per provision of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission dated 03.06.2018 the Board of Directors constituted Nomination and Remuneration Committee as follows:

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

One meeting was held during the year.

Independent Director

Barrister Faheemul Huq is qualified as a Barrister-at-Law from Lincon's Inn, UK and is currently an Advocate in the Supreme Court Bangladesh, both in the High Court Division and Appellate Division and acted as Legal Advisor of different corporate bodies and enlisted lawyer of different Banks and Financial Institutions in Bangladesh. He is a Senior Associate of M/s. Huq Company, a renowned Lawyers' Firm in Bangladesh since 1997 and he also Member of The Honorable Society of Lincoln's Inn, UK.

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 was appointed as Auditors of the Company in Twenty Second Annual General Meeting had carried out the audit for the year ended on 30th June, 2020 at a fee of Tk. 6,90,000.00 including VAT.

M/s. M. J. Abedin & Co., Chartered Accountants, National Plaza (3rd floor), 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 2020-2021.

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 Board of Directors have 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 invaluable support and cooperation to bring the company to the level it has reached today.

On behalf of the Board of Directors



A S F Rahman

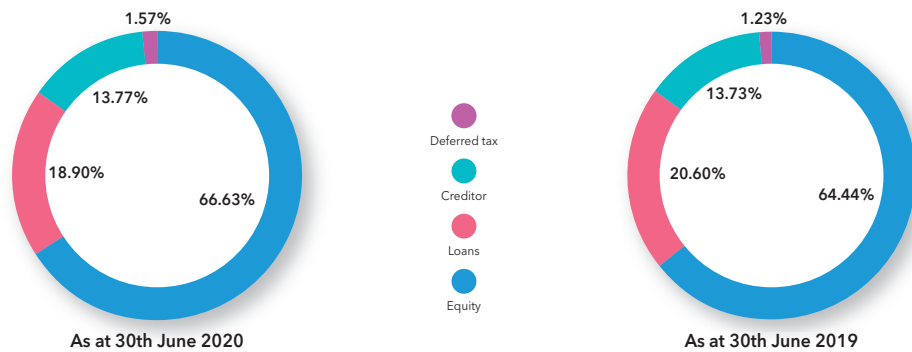
Chairman

Dated: 28 October, 2020, Dhaka.

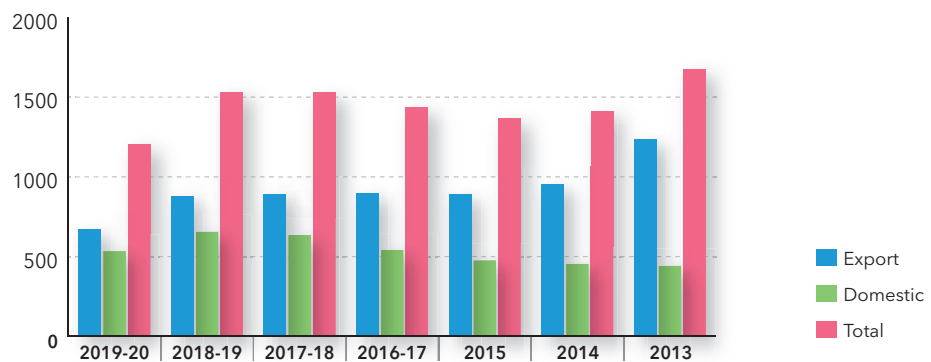


GRAPHICAL PRESENTATION

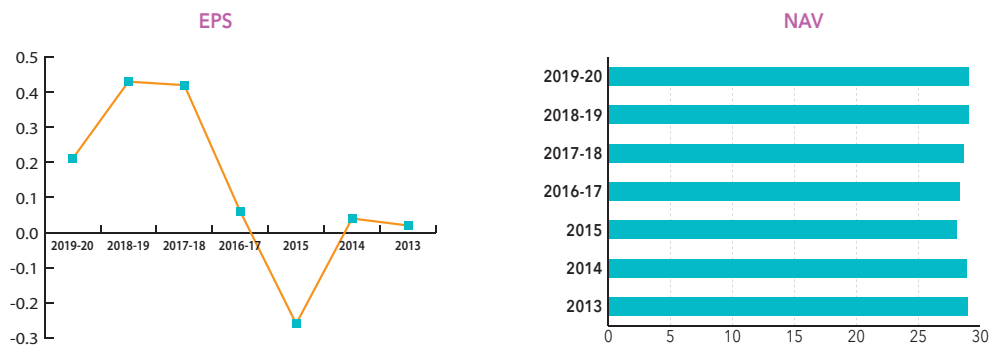
Financing of the total Asset



Pattern of Revenue Growth



EPS & NAV



MANAGEMENT'S DISCUSSION AND ANALYSIS

Company's Operational Position

Shinepukur Ceramics Limited manufactures Porcelain & Bone China ceramics table wares for both export and domestic market by sourcing raw materials from abroad. Production of table wares is dependent on firing space of the kiln, shape & size of the products. Shape & size varies from order to order of customers. SCL produces the wares according to customer's orders. It is therefore difficult to quantify the production data of ceramic table wares as the number of pieces and the weight of the wares are different from order to order of the customers due to variation in shape and sizes of the items in their orders. To depict the state of operations of the company during the year, following three (3) tables are presented below on: (i) the production data of finished wares both in Pieces & weight, (ii) Number of Shapes & number of Designs developed, and (iii) Capacity Utilization:-

(i) Production:

Year	Type	White wares Production			DFW Production			Packed Wares		
	Unit	Porcelain	Bone China	Total	Porcelain	Bone China	Total	Porcelain	Bone China	Total
2019-'20	QTY in Million piece	10.52	2.69	13.21	10.05	2.33	12.38	9.44	1.97	11.41
	Inc./ (Dec) % on last Year	(10.01)%	(40.35)%	(18.46)%	(11.76)%	(44.12)%	(20.39)%	(14.49)%	(49.10)%	(23.47)%
	Weight in MT	3855	911	4766	3765	778	4542	3450	638	4088
	Inc./ (Dec) % on last Year	(16.01)%	(22.80)%	(17.40)%	(17.07)%	(27.63)%	(19.11)%	(20.62)%	(35.81)%	(23.45)%
2018-'19	QTY in Million piece	11.69	4.51	16.2	11.39	4.17	15.55	11.04	3.87	14.91
	Inc./ (Dec) % on last Year	(5.33)%	20.98%	0.77%	(4.51)%	(8.75)%	(5.75)%	(7.69)%	(6.70)%	(7.44)%
	Weight in MT	4590	1180	5770	4540	1075	5615	4346	994	5340
	Inc./ (Dec) % on last Year	(2.51)%	14.34%	0.52%	(0.66)%	18.65%	2.54%	4.75%	10.44%	5.76%
2017-'18	QTY in Million piece	12.348	3.728	16.076	11.928	4.57	16.498	11.96	4.148	16.108
	Inc./ (Dec) % on last Year	(6.71)%	37.06%	0.75%	(8.25)%	4.36%	(5.07)%	(5.84)%	3.60%	(3.58)%
	Weight in MT	4708	1032	5740	4570	906	5476	4149	900	5049
	Inc./ (Dec) % on last Year	6.78%	37.42%	11.24%	4.39%	14.54%	5.94%	3.62%	34.93%	8.09%
2016-'17	QTY in Million piece	13.236	2.72	15.956	13.001	4.379	17.38	12.702	4.004	16.706
	Weight in MT	4409	751	5160	4378	791	5169	4004	667	4671

During the year white wares production, both in pieces & weight, declined due to lower demand/orders from the customers. Comparatively demand for Bone China wares affected most which were more sensitive to price.

(ii) Shapes & Designs:

Year	Shapes in number			Designs in number		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total
2019-'20	10	10	20	906	1095	2001
2018-'19	12	12	24	1720	2413	4133
2017-'18	16	15	31	2373	1936	4309
2016-'17	17	16	33	2343	1895	4238

Production of lesser number of Shapes & Designs confirm the declining trend in demand for the Ceramic Table wares.

(iii) Capacity Utilization

Capacity & actual production in million pieces

Year	Porcelain			Bone China			Total Capacity			Ratio of actual production in %	
	Capacity	Actual Production	%	Capacity	Actual Production	%	Capacity	Actual Production	%	Porcelain	Bone China
2019-'20	14.400	10.524	73.08	5.400	2.691	49.83	19.800	13.215	66.74	80	20
2018-'19	14.400	11.385	79.06	5.400	4.170	77.22	19.800	15.555	78.56	73	27
2017-'18	14.400	11.928	82.84	5.400	3.305	61.20	19.800	15.233	76.93	78	22
2016-'17	14.400	13.236	91.92	3.240	2.720	83.96	17.640	15.956	90.45	83	17

Due to the pandemic (Covid-19) and contraction in advanced economies, demand for ceramic table wares declined resulting lower utilization of the production capacity during the year. Comparatively demand for Bone China Wares declined more. Therefore, each ratio to total production went down to 20% from last year's 27%.

Impact of pandemic (Covid-19)

The virus known as covid-19 has impacted the operations of the company. The virus originated from China in December 2019. Later it spread out to Europ and rest of the world by February 2020. In Bangladesh 1st case of Corona virus was detected in early March 2020. As per general order of the Govt. of Bangladesh the offices and the production facilities were totally closed down from March 26th 2020 to 30th May 2020. The operational activities of the company could not be resumed in full scale during the pandemic period due to:

- (i) Non presence in work place(s) of the employees/workforces fearing infection from the virus;
- (ii) Non opening /functioning of the retail shops & Malls in the domestic market;
- (iii) Disruptions in international supply chain(s); and
- (iv) Declining of export demand.

Therefore, due to the pandemic, revenue(s) generation from March - June 2020 was affected. Particularly, during April - June 2020, the export orders were either cancelled or postponed and domestic sales were minimum. Also exported goods in transit/port were not cleared on time and payments there against either was delayed or held up because of closer/locked down in the importing countries. Some of the customers' companies applied for reconstruction or went under court administration to stay afloat avoiding the 'winding up'. Consequently, our company faced severe liquidity constraint and was in difficult time to meet its recurring periodic expenses, particularly to pay it's employees, suppliers and utilities bills on time. The company, to ease the situation and as a safety measure for keeping continuity of the operation in subsequent months, applied for additional bank finances under Government stimulus package.

Up value Recycling

During the year 'waste recycling plant' was in operation which 'reprocesses' the broken or otherwise rejected/defective porcelain items. This recycling reduces the process loss which pushed the contribution of Porcelain plant up. More importantly, this is a testimony of our commitment to keep our production process more clean and eco friendly by avoiding dumping of the wastes.

Accounting policies & use of estimates and judgments

Accounting policies, use of estimates & judgments have been disclosed in the notes 2 & 3 to the Audited Financial Statements for the year ended 30th June 2020.

Changes in Accounting Policies & Estimation

There is no change in the accounting policies and basis of estimation for preparation of financial statements during the year FY 2019-'20.

Effect of Capitalization of capital works in progress (CWIP)

During the year FY 2017-'18, capital works in progress amounting to Taka 1502.284 million was transferred to property, plant & equipment (PPE). As a result, depreciation- a non cash expense has gone up for the year FY 2018-'19 & FY 2019-'20 by Taka 49.789 and 47.786 respectively as follows;

Particulars	Taka in million	Depreciation charge on CWIP			Total Depreciation - Manufacturing		Share of CWIP Deprecation to total Mfg. Depreciation	
		Rate	Taka in million				2019-'20	2018-'19
			2019-'20	2018-'19	2019-'20	2018-'19		
Land Development	185.042	-	-	-	-	-	-	
Building & other construction	474.326	2.5%	11.562	11.858	35.831	33.661	32.27%	
Plant & Machinery	842.916	4.5%	36.224	37.931	87.559	90.007	41.37%	
Total	1502.284		47.786	49.789	123.391	123.668	38.73%	

Comparative Analysis of Financial Performance or Result, Financial position & Cash flows

Current year's financial performance, Financial position and Cash flows compared with those of preceding five years are tabulated in the attachment A & B. A summarized vertical analysis of the cost and expenses for the FY 2019-'20, FY 2018-'19 and FY 2017 - '18 are tabulated below;

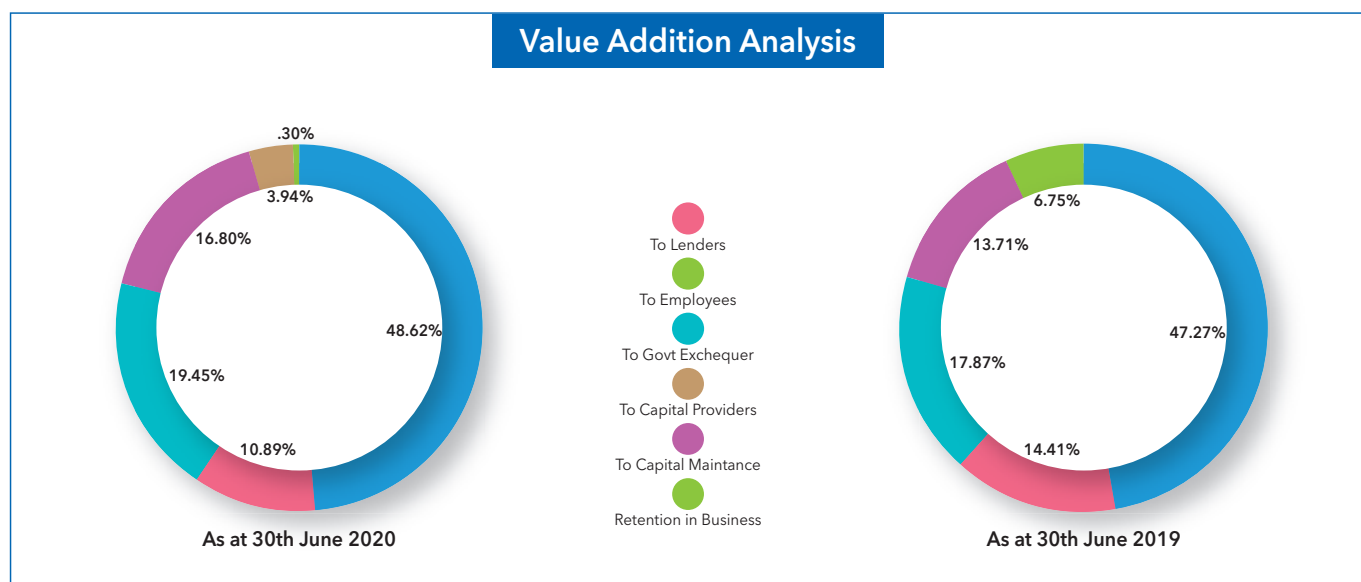
		FY 2019-'20		FY 2018-'19		FY 2017-'18	
		Taka in million	Vertical %	Taka in million	Vertical %	Taka in million	Vertical %
1	Revenue including Other Income	1261.198	100.00	1542.853	100.00	1541.696	100.00
2	Materials	520.589	41.28	542.963	35.19	572.542	37.14
3	Depreciation	125.226	9.93	127.409	8.26	92.066	5.97
4	Employee Cost	362.528	28.74	439.386	28.48	409.781	26.58
5	Power, Fuel, Gas, Electricity, Utility	106.316	8.43	129.624	8.40	130.218	8.45
6	Consumable Store, Spares, Repair & Maintenance	45.469	3.60	60.999	3.95	54.40	3.53
7	Over Heads	38.002	3.01	51.741	3.35	66.405	7.25
8	Finance Cost	81.193	6.44	133.929	8.68	150.778	9.78
9	a) Income Tax Expense for the year	7.336	0.58	29.766	1.93	19.856	1.29
	b) Prior year's excess provision written back	(27.632)	(2.19)	-	-	-	-

Economic Value Addition Analysis & Distribution

Value added statement for the FY 2019-'20, 2018-'19 and 2017-'18 are attached in Attachment-C. During the year the company added net value Taka 745.592 million (Taka 929.601 million in FY 2018-'19) to the national economy which was utilized as follows;

Distributed to stakeholders	FY 2019-2020		FY 2018-2019		FY 2017-'18	
	TK in million	%	TK in million	%	TK in million	%
To Employee	362.528	48.62	439.386	47.27	419.781	48.18
To Lender	81.193	10.89	133.929	14.41	150.779	17.30
To Govt. Exchequer	145.052	19.45	166.165	17.87	166.340	19.09
To Capital Maintenance	125.226	16.80	127.409	13.70	92.067	10.57
To Capital Providers	29.393	3.94	-	-	-	-
Retention in Business	2.200	0.30	62.712	6.75	42.358	4.86
Total	745.592	100	929.601	100	871.325	100
Net Econmic Value addition (NEVA)	745.592		929.601		871.325	
Gross Economic value addition (GEVA)	1352.492		1652.026		1653.367	
NEVA as a % of GEVA	55.13%		56.27%		52.70%	

From above, it is apparent that company paid Tk. 19.45 against every Tk. 100 of the net value additions made during the year to the Govt. exchequer in the form of VAT, Tax and import duty.



Compare with the Peer Industry

There are mainly four sub sectors in ceramic industry, namely, (i) Ceramic Table wares, (ii) Ceramic Tiles, (iii) Ceramic Sanitary Wares, and (iv) Miscellaneous - Ceramic Bricks, Fittings, ball, knives etc. Ceramic table wares are not comparable with other ceramic products. There are 20 (twenty) manufacturer of table wares in Bangladesh including Shinepukur Ceramics Ltd. Nine (9) of them produced both for export & Domestic markets. Three (3) of them have more production capacity than ours. Of them only one is a listed company which produces both Bone China & Porcelain ceramic table wares. Its production capacity is higher (1.5 time more) than ours, but our company is listed with a higher paid up capital base which is at least 5 times more than the other listed company. Consequently, our EPS in Taka remains significantly lower than the other listed company. Data relating to other (18) ceramics table wares manufacturers are not publicly available. Therefore, comparing of Shinepukur Ceramic Limited's data with peer industry is difficult. However, a general comparison of important ratios is tabulated below:

	SCL		Ceramic Industry	Standard
	Current Year (2019-'20)	Preceding 5 years average (Jan 2014 to Jun 2019)		
GP Ratio in percentage	15.42%	23.35%	18.63	±25%
EBITDA as a percentage of Revenue	21.44%	21.12%	20.31%	± 25%
OP Ratio in percentage	7.72%	16.03%	12.17	20%
NP Ratio in percentage	2.62%	0.66%	6.78	15%
Quick Asset Ratio	0.11:1	0.10:1	0.25:1	1:1
Current Asset Ratio	0.76:1	0.59:1	1.33:1	2:1
Debt Equity Ratio	0.50:1	0.56:1	0.41:1	1:1
Total Liability to Total Asset Ratio	0.33:1	0.36:1	0.28:1	0.5:1
ROCE in percentage	0.49%	0.19%	2.32%	5%
EPS in Taka	0.21	0.15	2.22	2
Debt. Servicing Coverage Ratio	1.1:1	0.92:1	1.33:1	2:1
Total Revenue to total asset	0.19:1	0.25:1	0.34:1	1:1
Total Revenue to Total Equity	0.28:1	0.39:1	0.50:1	2:1

Financial & economic scenario of the Globe and demand for Ceramic Table wares

Our major export markets are in Europe, North America and Middle East. Since the financial meltdown in USA in 2008, economies in the west could not get back on the pre melt down growth trajectory. The USA - China trade related disputes worsened the recovery prospects of the global business. The pandemic resulted from Covid-19 has caused contraction in those economies resulting loss in employment income of the peoples there. State enforced locked down and closer of shopping malls and retail outlets have disrupted the distribution channel and lowered the consumer demand substantially. It may be noted that table wares are durable house hold product and are used by families of higher income level. Therefore, state of employment and economic growth has direct link to the demand of table wares. Cultural shifts have also have a bearing on this. In the developed economies late or no marriage (causing lessening the number of families) and increased consumption of ready (junk) foods has caused decline in the use of table wares in households there. This trend has worsened the situation due to pandemic (Covid-19). Currency devaluations & duty imposition in Turkey has impacted negatively the demand of table wares there. Tarkish lira plunged down from below ±4 to ±9 against US dollar within a year and imposition of duties by Tarkish Govt. to protect their local industry has made imported table wares costlier and caused down trend in the demand there. Taking the advantage of lesser transportation & warehousing cost due to geographical closeness and relatively cheaper labor & fuel cost in eastern member countries of the European Union (EU), western EU countries is now a day prefer to get the product there from. As a result, competition has become stiffer in UK & EU countries for Bangladeshi made table wares. China, India, Thailand and Vietnam are raw materials rich country for table wares manufacturing. Their labor cost although is in rising trend, still lower compared to Bangladesh considering their productivity. Therefore, export of table wares from Bangladesh in the coming years, where gas price & wages has gone up substantially, will be more challenging. The second wave of the pandemic has already been started and has been hitting the weaken economies hard. The impact of the same will be very severe on the ceramic table wares manufacturers because it may bring the demand down to the lowest ebb and putting many companies survival in a state of difficulty.

Risks and concerns relating to financial statement & explaining such risks mitigation plan

SCL's GP ratio is under pressure due to declining export and increasing materials, fuel & wages cost. Devaluation of Taka, although in case of export is beneficial for the company, but it pushes up imported material cost. If SCL can increase its share in export sales, currency devaluation risk will have positive impact to its revenue and profitability. However, declining export sales to total sales ratio shows that it is not reality to happen. Not only the declining demand in advanced countries due to contraction in economies there, higher devaluation of competing countries has put us in disadvantageous situation for increasing our export sales. We therefore, are striving hard to face these challenges by controlling our cost as far as practicable. However, the strategy of cost controlling will not be sufficient to keep the company afloat if the revenues sharply decline due to the second wave of the pandemic (Covid-19).

SCL's Quick - Asset and Current - Asset ratios are abnormally lower than industry average which indicates the company is under liquidity constraints. Higher profitability by increasing overall revenue and reduction in expenses, including financing cost, are the ways to come out of the liquidity constraints.

Environment Related Initiative and Social Obligation

As a part of our social obligation we distributed 1000 free saplings to our factory employees and to the people of the surrounding areas. Also factory open space are covered by gardening and plantation. SCL is an eco friendly company. No effluent or residual is being discharged to open environment by & through SCL operational activities. It gets certification from Department of Environment under ministry of Environment & Forest, People's Republic of Bangladesh each year in this regard. Moreover, SCL operating policies encourage recycling of heat & waste water. SCL also invested in waste recycling plant to protect the environment from dumping of broken, rejected & defective outputs and "in process" materials. SCL's all these endeavors are for its commitments to care and protect the mother earth, the people and the society where it operates.

Social Responsibility Initiative (CSR)

As part of our social commitment the company supported organization(s)/institution(s) by sponsoring news paper supplement on different occasions, extending financial assistance researchers and allowing them to use our Lab Equipments, allowing university/ diploma students to visit our factory to gain practical knowledge. We also distributed PPE, Covid Test Kits for health care workers during the initial crisis of Covid-19 and setup an Isolation Center for employees/workers. A detail write-up on CSR activities may be seen in the Chairman's Statements.

Integrated Reporting & Six Capitals

While using the resources (inputs) at Shinepukur Ceramics Limited we interact (process) in such a manner that we ensure the creation of value to all of the 'six capitals' are either enhanced or are remained as it is. The state of six capitals are described below:

- a) **Financial Capital:** at the beginning of the year shareholders fund was Taka. 4267.927 million which was enhanced at the end of the year taka 4275.198 million.
- b) **Manufacturing Capital:** the value of the physical asset (gross) at the beginning of the year was Taka. 7509.186 million which was enhanced at the end of the year taka 7511.009 million.
- c) **Intellectual Capital:** the intellectual capital remain same during the period as there was no change in key personnel of the company.
- d) **Human Capital:** the strength of human capital has also remained same.
- e) **Social & Relation Capital:** though the CSR activities and welfare measure for the employees social & relation capital of the company has improved during the year.
- f) **Natural Capital:** company operated in such a manner that natural capital remain unimpaired. For example, our factory did not produce any smoke or dump wastage at open air polluting the surroundings. Also use of underground water was minimized by repeat use of water and when possible by storing rain water.

Tax Status

(i) Effective Tax Rate

There are laws for minimum tax payable. Hence, provision for income tax expenses has been made base on the minimum tax payable by the company under section 82C (4) of Income tax ordinance (ITO) 1984. Since minimum tax payable is expected to higher than tax payable under regular assessment, there is no scope for adjustment for the 'temporary differences' between accounting and tax depreciation during the year. And therefore, no provision for deferred tax expense/(income) was applicable for FY 2019-'20. As a listed company SCL applicable income tax is 25%. However, if the rebate on export sale is considered the said tax rate would be lower than 25%. But because of existence of provision for minimum tax and discretionary disallowances made by the tax authority,

the effective tax rate of the company is very high, which is apparent from the table below:

Taka in million

Year	Net Profit before tax (Audited)	Assessed tax liability as per Assessment Orders/IT 15	Effective Tax Rate	Remarks
2019-'20	11.296	7.336*	64.94%	*provision. Return Submission due in January 2021
2018-'19	92.478	28.276	30.58%	1st Appeal before Commissioner is pending
2017-'18	81.405	29.254	35.94%	2nd Appeal before IT Tribunal is pending
2016-'17	22.553	18.426	81.70%	Finalized at IT Tribunal

(ii) Excess Tax Deduction at Sources (TDS) over assessed tax liabilities

Despite our appeals, excess TDS (at import stage on raw material @5%, on export sales @ 0.5% and on domestic sales to different institutions @ 2% to @ 5% on the invoice value) are not being refunded or not given credit by the taxation authorities even after the order of the income tax tribunal and therefore working capital of the company is remained blocked/stuck over years.

Future Plan or Projection

The company does not have plan for any expansion or any renovation scheme in view of the current Global demand scenario as well as keeping in mind the forthcoming 'competition' in the market. As mentioned earlier, at present, at least 3 manufacturers have capacity to produce more than Shinepukur Ceramics Limited (SCL) in Bangladesh. There is a strong possibility that at least another new one entrant may join the race of compition with larger capacity for producing table wares both for export & domestic market soon. Emergence of new entrant to share the slice of the declining market will put the existing operators in a more challenging situation. The competition obviously will be more intense and fierce in coming years. Amid such apprehension and also considering the current pandemic situation, the company did not undertake plan for investing for capacity expansion further. We will rely on our creativity to prevail over the competition and keep ourselves prepared for a changed post virus world, We are confident that we can sail through this storm based on our stronger footprints in export markets with diversified designs & shapes of our products and top brand customers at our hand and loyalty, sincerety & commitment of our experienced workforces.

Conclusion

The management is committed for improved financial performance in the coming years and is sincerely working for achieving that. But the journey is not easy as it requires constant surveillance and efforts withstanding the competition, risks and the challenges of the second wave of the pandemic (Covid-19).



Mohammed Humayun Kabir, FCA

Chief Executive officer (CEO)

Dated: 28 October, 2020

Comparative Analysis of Financial Performance or Result of current years with preceding 5 years

	For the year ended 30 June,2020	For the year ended 30 June,2019	For the year ended 30 June,2018	For the year ended 30 June,2017	For 18 Months ended 30 Jun'16	For six months ended 30 Jun'16	For the year ended 31 Dec'15	For the year ended 31 Dec'14
Overall revenue Taka in Million	1205.076	1533.121	1528.643	1437.866	2053.499	641.628	1411.871	1677.657
Inc/(dec) over previous year in %	(21.40)%	0.29%	6.31%	5.03%	6.68%	(54.55)%	(15.84)%	(0.87)%
Export Taka in Million	671.512	877.512	893.342	896.612	1340.659	383.158	957.501	1235.608
Inc/(dec) over previous year in %	(23.48)%	(1.77)%	-0.36%	0.32%	16.63%	(59.98)%	(22.51)%	(19.82)%
% of total revenue	55.72%	57.24%	58.44%	62.36%	65.29%	59.72%	67.82%	73.65%
Domestic Taka in Million	533.564	655.609	635.301	541.254	712.84	258.47	454.37	442.049
Inc/(dec) over previous year in %	(18.62)%	3.20%	17.38%	13.89%	(8.07)%	(43.11)%	2.79%	191.80%
% of total revenue	44.28%	42.76%	41.56%	37.64%	34.71%	40.28%	32.18%	26.35%
Other income Taka in Million	5.818	9.732	13.053	17.254	27.058	12.859	14.199	22.627
Inc/(dec) over previous year in %	(40.22)%	(25.44)%	(24.35)%	(4.35)%	(29.86)%	(9.44)%	(37.25)%	84.85%
% of total revenue	0.48%	0.63%	0.85%	1.20%	1.32%	0.63%	0.69%	1.10%
Cost of goods sold Taka in Million	1019.218	1192.696	1182.347	1111.841	1600.154	527.673	1072.481	1253.444
Inc/(dec) over previous year in %	(14.55)%	0.88%	6.34%	4.23%	1.08%	(50.80)%	(14.44)%	0.99%
% of total revenue	84.58%	77.80%	77.35%	77.33%	77.92%	25.70%	52.23%	61.04%
Gross Profit (without O.I) Taka in Million	185.859	340.424	346.286	326.026	453.345	113.955	339.39	424.214
Inc/(dec) over previous year in %	(45.40)%	(1.69)%	6.21%	7.87%	32.61%	(66.42)%	(20.00)%	(6.01)%
% of total revenue	15.42%	22.20%	22.65%	22.67%	22.08%	17.76%	24.04%	25.29%
Depreciation - Manufacturing	123.391	123.668	84.701	90.202	73.843	46.242	27.601	103.603
Inc/(dec) over previous year in %	(0.22)%	46.01%	-(6.10)%	22.15%	59.69%	67.54%	(73.36)%	(3.38)%
% of total revenue	10.24%	8.07%	5.54%	6.27%	3.60%	7.21%	1.95%	6.18%
Gross Profit (Including Manufacturing Depreciation)	309.25	464.092	430.987	416.228	527.188	160.197	366.991	527.817
Inc/(dec) over previous year in %	(33.36)%	7.68%	3.55%	(21.05)%	229.09%	(56.35)%	(30.47)%	(5.51)%
% of total revenue	25.66%	30.27%	28.19%	28.95%	25.67%	24.97%	25.99%	31.46%
Total Depreciation	125.226	127.409	92.066	98.209	83.483	51.355	32.128	113.52
Inc/(dec) over previous year in %	(1.71)%	38.39%	(6.26)%	17.64%	62.56%	59.84%	(71.70)%	0.00%
% of total revenue	10.39%	8.31%	6.02%	6.83%	4.07%	8.00%	2.28%	0.00%
Operating Expense Taka in Million	(98.621)	(119.126)	(123.095)	(119.49)	(173.234)	(65.257)	(107.977)	(165.076)
Inc/(dec) over previous year in %	(17.21)%	(3.22)%	3.02%	3.46%	(11.51)%	(39.56)%	(34.59)%	48.35%
% of total revenue	(8.18)%	(7.77)%	(8.05)%	(8.31)%	(8.44)%	(10.17)%	(7.65)%	(9.84)%
Operating Profit Taka in Million	93.055	231.03	236.254	223.79	307.17	61.557	245.613	281.764
Inc/(dec) over previous year in %	(59.72)%	(2.21)%	5.57%	9.28%	66.33%	(74.94)%	(12.83)%	(20.02)%
% of total revenue	7.72%	15.07%	15.46%	15.56%	14.96%	9.59%	17.40%	16.80%
Finace Cost Taka in Million	(81.194)	(133.928)	(150.779)	(200.109)	(367.018)	(140.243)	(226.774)	(258.877)
Inc/(dec) over previous year in %	(39.37)%	(11.18)%	(24.65)%	(18.22)%	(12.77)%	(38.16)%	-12.40%	(34.13)%
% of total revenue	(6.74)%	(8.74)%	(9.86)%	(13.92)%	(17.87)%	(6.83)%	(11.04)%	(12.61)%
Profit Before WPPF	11.861	97.101	85.475	23.681	(59.848)	(78.686)	18.838	22.887
Inc/(dec) over previous year in %	(87.78)%	13.60%	260.94%	(159.35)%	(74.65)%	(517.70)%	(17.69)%	(148.79)%
% of total revenue	0.98%	6.33%	5.59%	1.65%	(2.91)%	(3.83)%	0.92%	1.11%
Net Profit/(loss) before Tax Taka in Million	11.296	92.477	81.404	22.553	(60.744)	(78.686)	17.941	21.798
Inc/(dec) over previous year in %	(87.79)%	13.60%	260.95%	155.69%	(74.27)%	(538.58)%	(17.69)%	(146.47)%
% of total revenue	0.94%	6.03%	5.33%	1.57%	(2.96)%	(3.83)%	0.87%	1.06%
Taxation Taka in Million	20.296	(29.766)	(19.856)	(14.26)	28.184	40.099	(11.915)	(24.134)
% of total revenue	1.68%	(1.94)%	(1.30)%	(0.99)%	1.37%	1.95%	(0.58)%	(1.18)%
Net profit/(loss) after tax Taka in Million	31.593	62.712	61.548	8.293	(32.56)	(38.587)	6.026	(2.336)
Inc/(dec) over previous year in %	(49.62)%	1.89%	642.17%	138.20%	(71.87)%	(740.34)%	(357.96)%	(95.95)%
% of total revenue	2.62%	4.09%	4.03%	0.58%	(1.59)%	(6.01)%	0.43%	(0.14)%
EBIDA	21.44%	23.08%	21.21%	22.32%	18.98%	17.60%	19.61%	23.50%
Fair Value Loss or Gain on Investment for the year	(24.321)	(10.031)	(15.352)	31.901	(27.032)	(10.842)	(16.189)	17.761
Comprehensive Income	7.272	52.681	46.196	40.194	(59.593)	(49.429)	(10.163)	15.425

Comparative Analysis of Financial Position of Current Years with precedig 5 years

	For the year ended 30 June,2020	For the year ended 30 June,2019	For the year ended 30 June,2018	For the year ended 30 June,2017	For 18 Months ended 30 Jun'16	For six months ended 30 Jun'16	For the year ended 31 Dec'15	For the year ended 31 Dec'14
Non Current Asset	5180.084	5327.807	5451.431	5550.313	5595.370	5595.370	5712.745	5644.821
Current Asset	1236.014	1295.155	1012.706	920.773	889.047	889.047	971.05	1044.626
Total Asset	6416.098	6622.962	6464.137	6471.086	6484.417	6484.417	6683.795	6689.447
Equity	4275.198	4267.927	4215.246	4169.050	4128.855	4128.855	4254.431	4264.595
Non Current Liability	928.205	526.777	578.613	672.156	776.314	776.314	925.453	627.018
Current Liability	1212.696	1828.258	1722.306	1629.879	1579.247	1579.247	1503.911	1797.835
Total Liability	2140.901	2355.035	2300.919	2302.035	2355.561	2355.561	2429.364	2424.853
Quick Ratio	0.11:1	0.16:1	0.13:1	0.11:1	0.07:1	0.07:1	0.08:1	0.10:1
Current Asset Ratio	0.76:1	0.71:1	0.61:1	0.56:1	0.56:1	0.56:1	0.65:1	0.58:1
Debt. Equity Ratio	0.50:1	0.55:1	0.53:1	0.55:1	0.57:1	0.57:1	0.57:1	0.57:1
Total Asset to Total Liability	3.00:1	2.81:1	2.87:1	2.80:1	2.75:1	2.75:1	2.75:1	2.75:1
Net Asst Value per Share	29.09	29.04	28.68	28.37	28.09	28.09	28.95	29.02

Comparative Analysis of Cash Flows of Current Years with precedig 5 years

Net Cash Generated from Operating Activities	135.899	60.182	40.573	110.611	288.869	150.457	138.412	872.481
Cash flow used for investing activities	(1.824)	(13.817)	(8.536)	(21.250)	(137.023)	(20.968)	(116.055)	(576.392)
Increased /decreased in cash & cash equivalent	(17.705)	14.754	(7.911)	2.371	(5.335)	0.290	-5.626	7.143
Net operating cash flows per share	0.92	0.41	0.28	0.75	1.96	1.02	0.94	5.94

Statement of Value Addition & Utilization

Taka in million

	2019-2020		2018 - 2019		2017 - 2018	
Total Revenue including Other Income	1,261.198		1,542.854		1,541.696	
Total VAT Paid	91.294		109.172		111.671	
Gross Value Addition	1,352.492		1,652.026		1,653.367	
Material, Packing Handling & Carrying	520.589		542.963		572.542	
Import Duty paid	(23.750)		(27.227)		(25.623)	
Material cost less import Duty	496.839		515.736		546.919	
Store and Spares	45.469		60.999		54.400	
Overheads	38.002		51.741		66.405	
Power, Fuel, Gas, Electricity	106.316		129.624		130.218	
Change in FG Value	(79.726)		(35.675)		(15.900)	
Goods & Services Used	(606.900)		(722.425)		(782.042)	
Net Value Addition	745.592	100.00%	929.601	100.00%	871.325	100.00%
To Employees	362.528	48.62%	439.386	47.27%	419.781	48.18%
To Lenders	81.193	10.89%	133.929	14.41%	150.779	17.30%
To Govt Exchequer (Duty, VAT & Tax)	145.052	19.45%	166.165	17.87%	166.340	19.09%
To Capital Maintance (Depreciation)	125.226	16.80%	127.409	13.71%	92.067	10.57%
To Capital Providers (Shareholders)	29.393	3.94%				
Retention in Business	2.200	0.30%	62.712	6.75%	42.358	4.86%
Value Addition Used	745.592		929.601		871.325	
NEVA as % of GEVA	55.13%		56.27%		52.70%	

REPORT OF THE CEO AND THE CFO

Date: 28th October, 2020

The Board of Directors
SHINEPUKUR CERAMICS LIMITED

Subject: Declaration on Financial Statements for the year ended on 30th June 2020.

Dear Sir,


Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3rd June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Shinepukur Ceramics Limited for the year ended on 30th June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and adjustments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30th June 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mohammed Humayun Kabir, FCA
Chief Executive Officer



Nargis Sultana
Head of Finance & Accounts

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

Annexure - C

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

(Report under Condition No. 7.00)

Condition 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) (a)	Independent Director(s) (at least one fifth of total number of directors shall be Independent Director)	√		
1(2)(b)	Independent Director (ID)			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent(1%) shares of the total paid up shares of the company	√		
1(2)(b)(ii)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship , whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;			
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of the Code	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies			
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter In payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;			
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the AGM.	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1(2)(e)	The tenure of office on an independent director shall be for a period of 3(three) years, which may be extended for 1 tenure only.	√		
1.3	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable Individual with Integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or member of any national or international chamber of commerce or business association	N/A		

Condition No.	Title	Compliance Status ("√"/"N/A") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company.	N/A		
1(3)(b)(iii)	Former official of Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law	N/A		
1(3)(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law	N/A		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or Equivalent qualification	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the commission	N/A		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director(MD) and/or Chief Executive Officer(CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
1(5)	The directors' Report to Shareholders	√		
1(5)(i)	industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment	√		
1(5)(iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss)	√		
1(5)(vi)	Detail discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1(5)(vii)	Statement of utilization of proceeds raised through public issues, rights issues, and/or any other instruments	N/A		No public right issue during the year
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc	N/A		No public right issue during the year
1(5)(ix)	Explanation on any significant variance that occurs between quarterly Financial performances and Annual Financial Statements	√		
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		

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

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

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

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

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

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

REPORT OF THE AUDIT COMMITTEE

for the year ended on 30th June 2020

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2020.

The Audit Committee Report presented under condition No.5 of the Bangladesh Securities and Exchange Commission(BSEC) Corporate Governance Code provides an insight on the functions of the Audit Committee for the year ended on 30th June 2020.

Composition of the Audit Committee

The Audit Committee of Shinepukur Ceramics Limited, a prime Board sub-committee, assists the Board in discharging its governance responsibilities. The Board has formed the Audit Committee, required under Codes of Corporate Governance of BSEC with some specific assignments under its Terms of Reference. In 2018, the Committee was constituted as follows:

Barrister Faheemul Huq

Independent Director, Chairman of the Audit Committee

Mr. O. K. Chowdhury, FCA

Non-Executive Director, Member; and

Mr. Iqbal Ahmed

Non-Executive Director, Member

Mohammad Asad Ullah, FCS

Company Secretary, Secretary of the Audit Committee

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

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

Role of Audit Committee

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

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

The role of the Audit Committee includes the following:

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

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

Authority

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

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

Responsibilities and Duties

The responsibilities and duties of the Audit Committee are:

Financial Reporting

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

Related Party Transactions

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

Audit Committee Reports

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

with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.

Internal Control

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

Internal Audit

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

External Audit

- To review the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;

- To review with the external auditor, the Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- To review any matter concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditor;
- To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised; and
- To review the external auditor's findings arising from audits, particularly and comments and responses in management letters, as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

Other Matters

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

Reporting of the Audit Committee:

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

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

The Audit Committee further ensures that, in compliance with condition No.5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission dated 3 June 2018 the Chief Executive Officer(CEO) and Chief Financial Officer(CFO) of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 30th June 2020, and they state that:

- They have reviewed the financial statements for the year ended on 30th June 2020 and that to the best of their knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statement collectively present a true and fair view of

the Company's affairs and are in compliance with existing accounting standards and applicable laws.

- There are, to the best of their knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct of the Company's Board of Directors or its Members.

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

Reporting to the Authorities

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

Reporting to the Shareholders and General Investors:

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

Meeting Attendance

The Audit Committee met four times during the year ended on 30 June 2020. All the Members were present in all meetings of the Committee.

The Managing Director, Chief Financial Officer, Head of Internal Audit and Compliance of the Company and representatives of the external Auditors had attended the meetings upon invitation by the Audit Committee. From time to time, relevant stakeholders and other senior members of the management have also been invited by the Audit Committee to attend Audit Committee meetings. The Audit Committee met with the external Auditors separately, and with the Internal Auditors, on an annual basis without any Executive Director being present. The Company Secretary, being the Secretary of the Audit Committee, facilitates the Chairman and other Members for effective functioning of the Committee, as per its terms of reference as well as Corporate Governance Code of BSEC.

Summary of activities and recommendations of the Audit Committee for the year ended on 30th June 2020:

Financial Reporting

In terms of reference, the Committee in its first meeting held on October 23, 2019 reviewed the Annual Financial Statements for

the year ended on 30 June 2019. During the meeting the Chief Financial Officer presented the draft annual accounts along with the independent auditors' report to the Committee and briefed the committee regarding the financial performance of the Company.

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

In addition to the above meeting, the Audit Committee met three times during the year ended on 30 June 2020. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 12, 2019, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2019. The Committee reviewed the financial progress during the first quarter and examined in detail and recommended the same for approval by the Board to release to the Shareholders of the Company.

The third meeting of the Committee was held on January 21, 2020 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 2nd quarter ended on December 31, 2020.

The fourth meeting of the Committee was held on June 18, 2020 on delayed for pandemic situation for Covid-19, to release of the un-audited third quarter financial statements of the Company for the quarter ended March 31, 2020. The detailed review of the financial statements was made by the Committee and recommended to the Board for approval of the financial statements for release to the Shareholders of the Company.

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

The Audit Committee also reviewed, approved and monitored the procedures and task of the internal audit, financial report preparation and the external audit reports. The Committee

found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and did not find any material deviation, discrepancies or any adverse findings/observation in the areas of reporting.

Annual Reporting

Reviewed disclosures required by the statement on corporate governance, audit committee report, standards of business conduct, statement on risk management and internal control for the financial year ended 30th June 2020 for inclusion in the Annual Report, 2019-20, and recommended their adoption to the Board.

External Auditors'

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, considered and made recommendations to the Board on the appointment and remuneration of external Auditors, M/s. M. J. Abedin & Company, Chartered Accountants for the year 2020-21, subject to the approval of shareholders in the 23rd AGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2020.

Report Authorization

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 28 October 2020.

On behalf of the Audit Committee



(BARRISTER FAHEEMUL HUQ)

CHAIRMAN

CERTIFICATION ON COMPLIANCE



Suraiya Parveen & Associates (Chartered Secretaries, Financial & Management Consultants)

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

Report to the Shareholders of Shinepukur Ceramics Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Shinepukur Ceramics Limited for the year ended on 30 June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dhaka, Dated
November 22, 2020



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Razzak Plaza (5th Floor), Suite , 6C, 01, New Eskaton Road, Ramna, Dhaka- 1000
Phone : 48321398 (Off), Mob : 01735-835482
E-mail : musfiquefcs@gmail.com, info@suraiyaparveenandassociates@gmail.com
Web: www.suraiyaparveenandassociates.com

AUDITORS' REPORT

AND AUDITED FINANCIAL STATEMENTS

OF

SHINEPUKUR CERAMICS LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Shinepukur Ceramics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shinepukur Ceramics Limited (the "Company"), which comprise the statement of financial position as at 30 June 2020, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA code and the Institute of Chartered Accountants Bangladesh (ICAB). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Risk	Our response to the risk
Revenue Recognition	
<p>At year end the company reported total revenue of Tk. 1,205,076,326.</p> <p>The company manufactures and sells a number of products for customers. The company sales contracts for determining the principles for recognizing revenue in accordance with accounting standard IFRS 15. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none">• Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the company• Evaluated the design of internal controls to identification of performance obligations and determining timing of revenue recognition.• Selected a sample of contract and though inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.• Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.
See note No: (3.1 & 18.00) to financial statements	

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Shinepukur Ceramics Limited

Valuation of inventory

The company had inventory of Tk. 902,826,025. As at 30 June, 2020 held in factory and showroom.

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

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

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

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

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

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

Valuation of Property, Plant and equipment (PPE)

The carrying value of the PPE was Tk. 5,145,934,995 as at June, 2020.

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

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

Our audit included the following procedures:

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

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

IT systems and controls

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

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

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

See Note No: (2.8) to the financial statements

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Shinepukur Ceramics Limited

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with, International Financial Reporting Standards (IFRSs), the Companies Act 1994, The Securities and Exchange Rules, 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Shinepukur Ceramics Limited

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

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

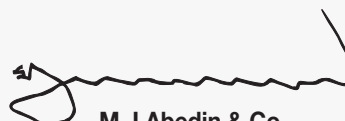
Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1994 and The Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, and the other applicable laws and regulations, we also report the following:

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

The engagement partner on the audit resulting in this independent auditor's report is Hasan Mahmood FCA.

Date: 28 October 2020
Dhaka



M.J. Abedin & Co.
Chartered Accountants

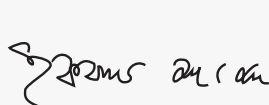
STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	Amount in Taka	
		30-June-2020	30-June-2019
ASSETS			
Non-Current Assets		5,180,083,863	5,327,807,561
Property, Plant and Equipment - Carrying Value	4.00	5,145,934,995	5,269,337,376
Investment in Shares	5.00	34,148,868	58,470,185
Current Assets		1,236,014,149	1,295,154,708
Inventories	6.00	902,826,025	866,347,612
Accounts & Other Receivables	7.00	178,701,696	272,949,292
Advances, Deposits & Prepayments	8.00	146,682,551	130,348,652
Cash and Cash Equivalents	9.00	7,803,877	25,509,152
Total Assets		6,416,098,012	6,622,962,269
EQUITY AND LIABILITIES			
Shareholders' Equity		4,275,198,297	4,267,926,974
Issued Share Capital	10.00	1,469,660,550	1,469,660,550
Revaluation Surplus on Property, Plant and Equipment	11.00	2,966,690,015	2,966,690,015
Fair Value Loss on Investment in Shares		(130,821,746)	(106,500,419)
Retained Earnings		30,330,522	(61,923,172)
Non-Current Liabilities		506,157,717	526,777,230
Long Term Loans - Net-off Current Maturity(Secured)	12.00	291,263,805	313,768,701
Gratuity Payable	13.00	133,421,835	131,536,452
Deferred Tax Liability	14.00	81,472,077	81,472,077
Current Liabilities		1,634,741,998	1,828,258,065
Short Term Loans from Banks & Other	15.00	766,336,816	863,635,578
Long Term Loans-Current Maturity (Secured)	16.00	155,094,538	187,071,590
Creditors, Accruals and Other Payables	17.00	713,310,644	777,550,897
Total Equity and Liabilities		6,416,098,012	6,622,962,269

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.



Iqbal Ahmed
Director



O K Chowdhury, FCA
Director



Mohammed Humayun Kabir FCA
Chief Executive



Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020


M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF PROFIT OR LOSS

for the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Revenue	18.00	1,205,076,326	1,533,121,181
Cost of Goods Sold	19.00	(1,019,217,711)	(1,192,696,859)
Gross Profit		185,858,615	340,424,322
Other Income	20.00	5,817,591	9,732,635
Operating Expenses		(98,621,395)	(119,126,800)
Administrative Expenses	21.00	(49,424,525)	(63,250,534)
Selling & Distribution Expenses	22.00	(49,196,870)	(55,876,266)
Profit from Operations		93,054,811	231,030,157
Finance Cost	23.00	(81,193,722)	(133,928,558)
Profit before WPPF		11,861,089	97,101,599
Workers' Profit Participation Fund		(564,814)	(4,623,886)
Net Profit Before Tax		11,296,275	92,477,713
Income Tax Income/(Expense)	24.00	20,296,375	(29,766,002)
Net Profit After Tax for the year		31,592,650	62,711,711
Earning Per Share	25.00	0.21	0.43

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:



Iqbal Ahmed
Director



O K Chowdhury, FCA
Director



Mohammed Humayun Kabir FCA
Chief Executive



Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020



M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Net Profit/(Loss) After Tax for the year		31,592,650	62,711,711
Fair Value Gain/(Loss) on Investment in Shares	5.00	(24,321,327)	(10,030,718)
Total Comprehensive Income/(Loss) for the year		7,271,323	52,680,993

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

Particulars	Amount in Taka				
	Share Capital	Revaluation Surplus on PPE	Fair Value Loss on Investment in Shares	Retained Earnings	Total Equity
Balance as on 1 July 2018	1,469,660,550	2,966,690,015	(96,469,701)	(124,634,883)	4,215,245,981
Net Profit after tax for the year ended 30 June 2018	-	-	-	62,711,712	62,711,712
Fair Value Gain or (Loss) on Investment in Shares (Note - 5)	-	-	(10,030,718)	-	(10,030,718)
Total Balance as on 30 June 2019	1,469,660,550	2,966,690,015	(106,500,419)	(61,923,172)	4,267,926,974
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share					29.04
Balance as on 1 July 2019	1,469,660,550	2,966,690,015	(106,500,419)	(61,923,172)	4,267,926,974
Net Profit after tax for the year ended 30 June 2020	-	-	-	31,592,650	31,592,650
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	(24,321,327)	-	(24,321,327)
Total Balance as on 30 June 2020	1,469,660,550	2,966,690,015	(130,821,746)	(30,330,522)	4,275,198,297
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share (Note: 26)					29.09

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the Board:



Iqbal Ahmed
Director

O K Chowdhury, FCA
Director

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020

M. J. ABEDIN & CO.
Chartered Accountants

STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Notes	Amount in Taka	
		01.07.2019-30.06.2020	01.07.2018-30.06.2019
Cash Flows From Operating Activities:			
Collections from turnover and other income		1,305,141,513	1,468,133,022
Payments for costs, expenses & others		(1,059,678,735)	(1,247,229,684)
Interest Paid		(79,555,507)	(130,955,318)
Income-Tax paid and /or deducted at sources		(30,008,199)	(29,766,002)
Net cash generated from operating activities	27.00	135,899,072	60,182,018
Cash Flows From Investing Activities:			
Property, Plant and Equipment acquired		(1,823,637)	(13,817,051)
Addition of Capital Work in Progress		-	-
Net cash used in investing activities		(1,823,637)	(13,817,051)
Cash Flows From Financing Activities:			
Decrease in Loan		(151,780,710)	(31,610,950)
Net cash used in financing activities		(151,780,710)	(31,610,950)
Increase/(Decrease) in Cash and Cash Equivalents		(17,705,275)	14,754,016
Cash and Cash Equivalents at the beginning of the year		25,509,152	10,755,136
Cash and Cash Equivalents at the end of the year	9.00	7,803,877	25,509,152
Net Operating Cash Flows Per Share	28.00	0.92	0.41

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

Approved and authorized for issue by the board of directors on 28 October 2020 and signed for and on behalf of the board.

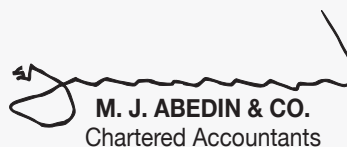

Iqbal Ahmed
Director

O K Chowdhury, FCA
Director

Mohammed Humayun Kabir FCA
Chief Executive

Nargis Sultana
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka
28 October 2020


M. J. ABEDIN & CO.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

1 The background and activities of the Company**1.1 Status of the Company**

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

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

1.2 Principal Activities

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

2 Bases of Financial Statements – Preparation and Presentation**2.1 Measurement Bases**

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

2.2 Reporting Framework and Compliance thereof

The financial 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 International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs).

2.3 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a statement of financial position as at 30 June 2020;
- (b) a statement of profit or loss and other comprehensive income for the year ended from 01 July 2019 to 30 June 2020;
- (c) a statement of changes in equity for the year ended from 01 July 2019 to 30 June 2020;
- (d) a statement of cash flows for the year ended from 01 July 2019 to 30 June 2020; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 28 October 2020.

2.5 Functional and Presentation Currency

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

2.6 Reporting Period and Comparative Information

The financial Statements have been prepared for 12 (Twelve) months (from 1st July 2019 to 30th June 2020).

Figures for the year ended 30 June 2019 have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on value of assets and liabilities as reported in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

2.7 Use of Estimates and Judgments

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

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

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

2.8 IT system and control

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

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

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

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

3.2 Property, Plant and Equipment**3.2.1 Recognition and Measurement**

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

3.2.2 Pre-Operating Expenses and Borrowing Costs

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

3.2.3 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenances is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

cost of the assets. All other costs are recognized to the statement of profit or loss and other comprehensive income as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.2.4 Software

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

3.2.5 Disposal of Fixed Assets

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

3.2.6 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%
Plant and Machinery	4.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

3.3 Financial Instruments

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

3.3.1 Financial Assets**(a) Investment in Shares**

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

(b) Accounts Receivable

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

(c) Advances and Deposits

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

Deposits are measured at payment value.

(d) Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

3.3.2 Financial Liability

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

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

3.4 Impairment**(a) Financial Assets**

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

(b) Non-Financial Assets

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

3.5 Inventories

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

3.6 Provisions

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

3.7 Income Tax Expenses**Current Tax**

Applicable Income Tax Rate is 25% on taxable income. However, Tax deducted at source (TDS) as per Section 53BBBB under Income Tax Ordinance, 1984 is minimum tax u/s 82(C). the company enjoys the 50% tax rebate on their export sales.

Tax deducted at 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)

Deferred Tax

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

3.8 Interest Income

Interest Income is recognized on accrual basis.

3.9 Borrowing Costs

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

Borrowing costs relating to projects in commercial operation are recognized as expenses in the period in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress. Borrowing cost which where capitalized in prior years showing as liabilities has been transferred to retain earning during the year.

3.10 Employee Benefits

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

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

(b) Defined Benefits Plan (Gratuity)

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

(c) Short-term Employee Benefits

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

(d) Contribution to Workers' Participation/Welfare Funds

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

(e) Group Insurance Scheme

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

3.11 Proposed Dividend

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

3.12 Earnings per Share

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

Basic Earnings (Numerator)

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

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

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

Earlier Periods

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

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

Diluted Earnings per Share

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

3.13 Foreign Currency Transactions

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

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

3.14 Segmental Reporting

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

3.15 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: *Statement of Cash Flows*. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as encouraged by IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. However, Cash generation from operating activities using indirect method and also been calculated and disclosed in notes to the accounts (Note: 27)

3.16 Events after the Reporting Period

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

4.00 Property, Plant and Equipment-Carrying Value : Tk. 5,145,934,995**As at 30 June 2020**

Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 30 June 2019	1,882,071,406	1,861,441,793	3,654,571,460	58,745,829	30,645,868	21,709,479	7,509,185,835
Addition during the year	-	-	900,000	413,637	510,000	-	1,823,637
At 30 June 2020	1,882,071,406	1,861,441,793	3,655,471,460	59,159,466	31,155,868	21,709,479	7,511,009,472
Depreciation:							
At 30 June 2019	-	428,194,713	1,708,805,882	54,798,365	28,014,348	20,035,151	2,239,848,459
Depreciation for the year	-	35,831,177	87,559,451	872,220	628,304	334,866	125,226,018
At 30 June 2020	-	464,025,890	1,796,365,333	55,670,585	28,642,652	20,370,017	2,365,074,477
Carrying Amount:							
As at 30 June 2020	1,882,071,406	1,397,415,903	1,859,106,127	3,488,881	2,513,216	1,339,462	5,145,934,995

As at 30 June 2019

Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 30 June 2018	1,882,071,406	1,858,525,893	3,644,034,341	58,515,829	30,511,836	21,709,479	7,495,368,784
Addition during the year	-	2,915,900	10,537,119	230,00	134,032	-	13,817,051
At 30 June 2019	1,882,071,406	1,861,441,793	3,654,571,460	58,745,829	30,645,868	21,709,479	7,509,185,835
Depreciation:							
At 30 June 2018	-	394,534,128	1,617,120,593	53,811,499	27,356,468	19,616,569	2,112,439,257
Depreciation for the year	-	33,660,585	91,685,289	986,866	657,880	418,582	127,409,202
At 30 June 2019	-	428,194,713	1,708,805,882	54,798,365	28,014,348	20,035,151	2,239,848,459
Carrying Amount:							
As at 30 June 2019	1,882,071,406	1,433,247,080	1,945,765,578	3,947,464	2,631,520	1,674,328	5,269,337,376

Disclosure on Revaluation:

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

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

- (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.

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

5.00 Investment in Shares : Tk. 34,148,868

The basis of valuation is stated in Note 3.3.1 (a).

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

(a) In 65,716 (30.06.2019: 65,716) Shares of Beximco Synthetics Ltd. (Face value Tk. 10.00), (Listed company, Market value Tk. 6.70 per share on 30 June 2020)	440,297	387,724
(b) In 2,722,612 (30.06.2019: 2,722,612) Shares of Bangladesh Export Import Co. Ltd. (Face value Tk. 10.00), (Listed company, Market value Tk. 13.00 per share on 30 June 2020)	33,708,571	58,082,461
	34,148,868	58,470,185

This is arrived at as follows:

	30.06.2020			30.06.2019		
	Beximco Synthetics Ltd.	Beximco Ltd.	Total	Beximco Synthetics Ltd.	Beximco Ltd.	Total
Opening Balance	387,724	58,082,461	58,470,185	565,158	67,935,746	68,500,904
Adjustment for Sales during the year	-	-	-	-	-	-
	387,724	58,082,461	58,470,185	565,158	67,935,746	68,500,904
Less: Quoted Price on year end	440,297	33,708,571	34,148,868	387,724	58,082,461	58,470,185
Fair Value Gain/(Loss) on Investment in Shares	52,573	(24,373,890)	(24,321,327)	(177,434)	(9,853,285)	(10,030,718)

6.00 Inventories : Tk. 902,826,025

This represents as follows:

Raw Material & Chemical	163,164,404	129,642,713
Packing Material	6,667,607	9,941,170
Material In Transit	-	46,584,126
Stores & Spares	94,441,367	105,441,509
Work-in-process	285,884,449	301,795,744
Finished Goods	352,668,197	272,942,350
	902,826,025	866,347,612

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

7.00 Accounts & Other Receivables : Tk. 178,701,696

This is considered good and is falling due within the 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.

8.00 Advances, Deposits & Prepayments : Tk. 146,682,551

This is considered good and consists of as follows:

Advances (Note - 8.01)	121,258,611	113,231,885
Deposits (Note - 8.02)	25,423,941	17,116,766
	146,682,551	130,348,652

8.01 Advances : Tk. 121,258,611

This represents as follows:

L/C-Margin & Others	5,179,659	27,478,387
Advance Income Tax (Note - 8.01.01)	115,170,554	85,162,355
Employees (other than officers)	486,793	205,890
Advance against Expenses	421,605	385,253
	121,258,611	113,231,885

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.

8.01.01 Advance Income Tax : Tk. 115,170,554

This has been arrived at :

Opening Balance	85,162,355	55,396,353
Add : Paid/Deducted during the year under review	30,008,199	29,766,002
Closing Balance	115,170,554	85,162,355

8.02 Deposits : Tk. 25,423,941

This represents as follows:

VAT Deposit	11,259,962	32,653
Security Deposit	11,408,261	10,608,261
Lease Deposit	-	3,700,134
Bank Guarantee Margin	2,755,718	2,755,718
Earnest Money Deposit	-	20,000
	25,423,941	17,116,766

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

9.00 Cash and Cash Equivalents : Tk. 7,803,877

This consists of :

(a) In Hand:	27,872	760,662
(b) At Banks in :	7,776,004	24,748,490
(i) Current Account	4,620,284	4,275,929
(ii) STD Account	1,500,847	18,815,187
(iii) FDR Account	1,654,874	1,657,374
	7,803,877	25,509,152

10.00 Issued Share Capital : Tk. 1,469,660,550

This represents :

(a) Authorised :

500,000,000 Ordinary Shares of Tk.10/-each	5,000,000,000	5,000,000,000
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(b) Issued, subscribed and paid -up:

66,060,000 Ordinary Shares of Tk.10/-each fully paid-up in cash	660,600,000	660,600,000
61,736,571 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	617,365,700	617,365,700
19,169,485 Ordinary Shares of Tk.10/-each fully paid-up bonus shares	191,694,850	191,694,850
Total 146,966,055 shares of Tk. 10/- each fully paid-up	1,469,660,550	1,469,660,550

(c) Statement of Share Position:

Name of the Shareholders	30-June-20		30-June-19	
	No. Of Shares	Holding %	No. Of Shares	Holding %
Bangladesh Export Import Co.Ltd.	73,483,009	50.00%	73,483,009	50.00%
Sponsors & Directors	4	0.00%	4	0.00%
Institutions	23,708,448	16.13%	25,097,978	17.08%
General Public	49,774,594	33.87%	48,385,064	32.92%
	146,966,055	100%	146,966,055	100%

(d) Distribution Schedule:

Share holdings	30-June-2020		
	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	7,827	1,079,194	0.73
500 to 5,000 shares	5,455	9,415,579	6.41
5001 to 10,000 shares	782	5,809,645	3.95
10,001 to 20,000 shares	469	6,741,445	4.59
20,001 to 30,000 shares	156	3,815,408	2.60
30,001 to 40,000 shares	73	2,535,673	1.73
40,001 to 50,000 shares	48	2,222,099	1.51
50,001 to 100,000 shares	83	5,863,169	3.99
100,001 to 1,000,000 shares	69	17,813,331	12.12
Over 1,000,000 shares	7	91,670,512	62.38
Total	14,969	146,966,055	100

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges, and quoted at Tk. 8.20 (in 30 June 2019: Tk. 13.40) per share in the Dhaka Stock Exchange and Tk. 8.20 and per share in the Chittagong Stock Exchange (in 30 June 2019: Tk. 14).

(f) Option on unissued shares :

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

(g) Voting Rights :

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

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

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

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

12.00 Long Term Loans- Net-Off Current Maturity (Secured) : Tk. 291,263,805

This represents loans from:

Bank Asia Ltd. - Term Loan	81,941,664	125,879,124
Phoenix Finance & Investment Ltd.- Term Loan	209,322,141	187,889,577
	291,263,805	313,768,701

Nature of Security :

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

Terms of Repayment :**Bank Asia Ltd. - Term Loan :**

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

Phoenix Finance & Investment:

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

Rate of interest :**Bank Asia Ltd. - Term Loan :**

12% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Phoenix Finance & Investment:

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

13.00 Gratuity Payable : Tk. 133,421,835

This is arrived at as follows:

Opening Balance	131,536,452	120,142,415
Add: Addition during the year	2,985,718	11,907,790
	134,522,170	132,050,205
Less: Payment during the year	(1,100,335)	(513,753)
Closing Balance	133,421,835	131,536,452

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
14.00 Deferred Tax Liability : Tk. 81,472,077			
Deferred Tax Liability is arrived at as follows:			
Opening Deferred Tax Liabilities		81,472,077	81,472,077
Deferred Tax Expense /(Income): 14.02		-	-
Closing Deferred Tax Liabilities		81,472,077	81,472,077
14.01 Deferred Tax Expense/(Income) is arrived at as follows			
Year end WDV of PPE including revalued amount		5,145,934,995	5,269,337,376
Less: Revalued amount of Building, Plant & Machinery		(1,443,969,135)	(1,443,969,135)
Less: Land and Land Development at Revalued amount		(1,882,071,406)	(1,882,071,406)
Year end WDV of PPE excluding revalued amount		1,819,894,455	1,943,296,835
Year end tax base WDV of PPE		914,141,468	1,139,004,896
Taxable Temporary Difference		905,752,987	804,291,939
Applicable Tax Rate		18%	18%
Deferred Tax Liability before unabsorbed tax depreciation benefit		163,035,538	144,772,549
Less: Unabsorbed tax depreciation benefit		(81,563,461)	(63,300,472)
Closing deferred Tax Liability		81,472,077	81,472,077
14.02 Deferred Tax Expense is arrived at as follows			
Closing Balance of Deferred Tax Liability		81,472,077	81,472,077
Opening Balance of Deferred Tax Liability		81,472,077	81,472,077
Deferred Tax Expense for the year		-	-
SCL is a listed company and as per ITO 1984, tax rate for the year is 25%. However, it enjoys tax rebate @ 50% on the taxable income derived from export sales. During the year export sales to total sales comes to 56%. As such, if there were no minimum tax payable, applicable tax rate for the company comes to around 18%. Accordingly for deferred tax calculation applicable tax rate @ 18% has been considered. However, because of the charged 'Minimum Tax' the temporary differences arisen between accounting and tax depreciation remain 'unabsorbed' and therefore no provision for deferred tax expense/(income) is applicable for the year 2019-2020.			
15.00 Short Term Loans From Banks & Other : Tk. 766,336,816			
This is secured and consists of as follows:			
Sonali Bank Ltd. - CC (H) (Secured)		554,797,314	560,243,801
Sonali Bank Ltd. - LTR (Secured)		162,539,502	202,807,651
PAD Liability		-	46,584,126
New Dacca Industries Ltd. (Unsecured interest Free)		49,000,000	54,000,000
		766,336,816	863,635,578
16.00 Long Term Loans - Current Maturity (Secured) : Tk. 155,094,538			
This consists of as follows:			
Bank Asia Ltd. -Term Loan		82,485,694	90,702,300
Phoenix Finance & Investment Ltd.- Term Loan		72,608,844	96,369,290
		155,094,538	187,071,590

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
17.00 Creditors, Accruals and Other Payables : Tk. 713,310,644			
This consists of as follows:			
Gas & Electricity		30,484,283	42,060,001
Creditors for Goods		499,880,035	541,250,991
Income Tax Payable (Note-17.01)		87,854,217	108,150,592
Salary & Wages		46,667,661	43,640,296
Provident Fund Employee		15,302,328	17,966,737
Interest due		9,124,909	4,037,285
Security Deposit		4,990,000	4,390,000
WPPF Payable		12,373,553	11,808,739
Tax Payable Party		3,753,778	2,738,011
Group Insurance Payable		2,074,880	760,744
Audit Fees Payable		805,000	747,500
		713,310,644	777,550,897
17.01 Income Tax Payable : Tk. 87,854,217			
This is arrived at as follows :			
Opening Balance		108,150,592	78,384,590
Add: Tax provision for the year		7,335,995	29,766,002
Less: Excess Provision for previous years		(27,632,370)	-
Closing Balance		87,854,217	108,150,592
18.00 Revenue : Tk. 1,205,076,326			
This is made up as follows :			
		671,512,069	877,512,009
A. Export Sales		578,313,206	877,512,009
Export Sales (Cash Subsidy)		93,198,863	-
B. Local Sales		533,564,257	655,609,172
Distributors		364,517,754	447,142,748
Institutional		119,731,458	156,461,721
Show Room		9,031,082	13,027,018
Factory Sales		40,283,963	38,977,684
		1,205,076,326	1,533,121,181
19.00 Cost of Goods Sold : Tk. 1,019,217,711			
This is arrived at as follows:			
Raw Material Issued (Note- 19.01)		381,712,852	499,159,678
Opening WIP		301,795,744	225,005,730
Material available for consumption		683,508,596	724,165,408
Closing WIP		(285,884,449)	(301,795,744)
Consumption		397,624,147	422,369,664
Manufacturing overhead (Note- 19.03)		701,319,411	806,001,708
Cost of production		1,098,943,558	1,228,371,372
Opening Finished Goods		272,942,350	237,267,837
Cost of Goods Available for Sale		1,371,885,908	1,465,639,209
Closing Finished Goods		(352,668,197)	(272,942,350)
Cost of Goods Sold		1,019,217,711	1,192,696,858

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
19.01 Raw Material Issued : Tk. 381,712,852			
This is arrived at as follows:			
Opening Stock of Raw Material		129,642,713	133,938,124
Purchased of Raw Material		415,234,543	494,864,267
		544,877,256	628,802,391
Closing Stock of Raw Material		(163,164,404)	(129,642,713)
Raw Material Issued		381,712,852	499,159,678
19.02 Quantity Information		Quantity in KG	Quantity in KG
Opening Stock of Raw Materials in Quantity		1,188,083	1,856,738
Add: Purchase fo Raw Materials in Quantity		7,396,633	8,635,488
Availabe for Use		8,584,716	10,492,226
Less: Raw Material Issued in Quantity		6,862,180	9,304,143
Closing Raw Materials in Quantity		1,722,536	1,188,083
The company manufactures tableware of different shapes, designs and sizes (more than three thousand) using both solid and liquid inputs, and therefore quantification of the WIP and the finished goods in weight with accuracy is very difficult. Similarly, packing's materials are used in small/large boxes of (printed or unprinted) cartoon paper in different sizes/pieces ,quantification in weight of which are not practicable.			
19.03 Manufacturing Overhead : Tk. 701,319,411			
This consists of as follows :			
Wages,etc		303,237,224	368,595,143
Depreciation		123,390,628	123,668,411
Packing Materials		84,475,683	75,635,733
Power & Fuel		105,684,282	127,939,797
Consumable Stores & Spares		42,510,606	56,127,008
Transport Expenses		26,542,189	34,632,740
Repair & Maintenance		2,958,478	4,872,426
Office Expenses		10,455,871	12,448,867
Communication Expenses		876,251	998,073
Handling & Carrying Expenses		1,188,199	1,083,510
		701,319,411	806,001,708
20.00 Other Income: Tk. 5,817,591			
This consists of as follows :			
Duty Drawback		-	502,913
Dividend Income		1,329,342	1,296,484
Sale of Scrap		4,349,068	7,792,892
Misc. Income		139,181	140,346
		5,817,591	9,732,635

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19
21.00 Administrative Expenses : Tk. 49,424,525			
This consists of as follows :			
Salaries & Allowances		30,779,731	34,563,132
Depreciation		1,835,390	3,740,791
Office Expenses		9,317,692	15,398,540
Transport Expenses		2,754,379	2,440,259
Legal, Professional & Others Fees		985,850	946,013
AGM Expenses		314,060	368,295
Communication Expenses		759,125	731,426
Occupancy Expenses		424,491	1,890,638
Conveyance Expenses		854,659	1,527,037
Utilities Expenses		460,274	831,204
Audit Fee (Including VAT @15%)		805,000	747,500
General Expenses		7,180	19,745
Handling & Carrying Expenses		126,695	45,955
		49,424,525	63,250,534
22.00 Selling & Distribution Expenses : Tk. 49,196,870			
This consists of as follows :			
Promotional Expenses		5,319,402	5,388,670
Salaries & Allowances		26,486,118	28,342,383
Occupancy Expenses		3,451,333	5,979,321
Transport Expenses		2,084,895	2,431,861
Office Expenses		3,689,265	5,542,808
Communication Expenses		846,242	875,599
Welfare Expenses		1,459,798	3,261,028
Travelling & Conveyance Expenses		4,787,740	2,334,159
Show Room Expenses		286,045	472,931
Utilities Expenses		171,393	853,203
Handling & Carrying Expenses		92,641	93,897
Legal & Prof. Expenses		499,821	97,141
Product Research & Sample		22,177	203,265
		49,196,870	55,876,266
23.00 Finance Cost : Tk. 81,193,722			
This consists of as follows :			
Interest on Loan from Banks & Others		79,555,507	130,955,318
Bank Commission & Charges		1,638,214	2,973,240
		81,193,722	133,928,558
24.00 Income Tax Expenses/(Income): Tk. -20,296,375			
This represents:			
(a) Current Tax:			
Tax for the year under review		7,335,995	29,766,002
Less: Excess Provision for previous years		(27,632,370)	
Current Tax		(20,296,375)	29,766,002
(b) Deferred Tax (Income) / Expenses Note- 14.02		-	-
Total (a+b)		(20,296,375)	29,766,002

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

- 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:
- Turnover tax at the rate of 0.60% total gross receipts U/S 82C (4)
 - Tax payable under regular assessment
- 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 year. In other words, the amount of temporary differences remain 'unabsorbed' and therefore no provision for deferred tax expense/ (Income) is applicable for the year 2019-2020

25.00 Basic Earnings Per Share (EPS)

(a) Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	31,592,650	62,711,711
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.13)	146,966,055	146,966,055
(c) EPS (a/b)	0.21	0.43

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

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

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

26.00 Net Asset Value (NAV) per share

Total Assets	6,416,098,012	6,622,962,269
Less: Total Liabilities	(2,140,899,715)	(2,355,035,294)
Net Assets	4,275,198,297	4,267,926,974
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
Net Asset Value (NAV) per share	29.09	29.04

27.00 Reconciliation of Net profit with cash flows from operating activities

Net profit after tax	31,592,650	62,711,712
Adjustments for noncash items, non-operating items and for the net changes in operating accruals		
Depreciation	125,226,018	127,409,202
(Increases)/Decreases in Inventories	(36,478,413)	(119,293,293)
(Increases)/Decreases in Accounts & Other Receivables	94,247,596	(74,720,794)
(Increases)/Decreases in Advances	(8,026,725)	(24,491,075)
(Increases)/Decreases in Deposits	(8,307,174)	2,839,162
Increases/(Decreases) in Creditors for goods and Other Payables	(61,609,831)	71,960,753
Increases/(Decreases) Accruals	(2,630,422)	2,372,315
Increases/(Decreases) Gratuity Payable	1,885,383	11,394,037
	135,899,073	60,182,018

During the year there is no unrealized gain or loss and as such no adjustment therefore is required while calculating of NOCF

28.00 Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities	135,899,073	60,182,016
Number of Ordinary Shares of Tk. 10 each at Financial Position date	146,966,055	146,966,055
Net Operating Cash Flows Per Share (NOCFPS)	0.92	0.41

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

	Notes	Amount in Taka	
		as at	
		30-June-20	30-June-19

29.00 Payments / Perquisites to Directors and Officers**(a) Directors**

During the year no amount of money was expended by the company for compensating any member of the board for special services rendered.

During the year no board meeting attendance fee was paid to the directors of the company except the Independent Director of Tk. 100,000.

(b) During the year 2019-2020 an amount of Taka 6,540,000 paid as CEO's remuneration (FY 2018-19 was Tk. 7,050,000).**(c) Officers:**

Managerial Remuneration	62,484,624	65,994,192
Bonus	8,191,460	8,703,956

Perquisites:

Housing	18,577,668	19,807,692
Transport	3,976,740	4,279,212

	93,230,492	98,785,052
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30.00 Production Capacity, Actual Production and reason of Excess/Short Fall:

	From 01 July 2019 to 30 June 2020				From 01 July 2018 to 30 June 2019			
	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization
Porcelain	14,400,000	10,523,613	3,876,387	73.08%	14,400,000	11,385,355	(3,014,645)	79.06%
Bone China	5,400,000	2,690,726	2,709,274	49.83%	5,400,000	4,169,707	(1,230,293)	77.22%

Reason for Shortfall : Production as per market demand.

31.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 30 June 2020.

There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2020.

32.00 Contingent Liabilities

This consists of as follows:

	01.07.2019-30.06.2020	01.07.2018-30.06.2019
(a) Outstanding letter of credit-	23,727,105	57,439,262
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	37,383,625	71,095,782

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

33.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 30 June 2020.

34.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2020 under any contract, other than trade credit available in the ordinary course of business.

35.00 Related Party Disclosure

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30 June 2020
Bangladesh Export Import Co. Ltd.	Investment in Shares	-	33,708,571
Beximco Synthetics Ltd.	Investment in Shares	-	440,297
Due to Related Party:			
New Dacca Industries Limited	Short Term Loan	5,000,000	49,000,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

36.00 Financial Risk Management

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

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

Credit risk

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

Liquidity risk

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

Exposure to Currency Risk

Foreign Currency Denominated Assets	30-June-20		30-June-19	
	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
Trade Debtors- Foreign				
US\$	636,317	53,003,551	2,485,296	198,364,612
EURO	68,456	6,391,254	5,418	510,760
Total		59,394,805		198,875,372

(b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There is no foreign currency loan which is subject to floating rates of interest. 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.

(c) Risk(s) from Pandemic (Covid 19) :

The virus known as Covid-19, which originated from China in January 2020, spreaded over Eurpore and North America by ebruary 2020 and later on, in other countries. This virus has affected Bangladesh also and the operations of the company as well. As per general order of the Govt. of Bangladesh, the offices including production facilities of the company were totally closed down from March 26th 2020 to 6th May 2020 and thereafter the operational activities of the company could not be resumed in full scale, primarily, due to:

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2020

- (i) Non presence in work place(s) of the employees/workforces fearing infection from the virus;
- (ii) Non opening /functioning of domestic market/Shops/Retail Stores due to continuation of lockdown and/or non presence of customers.
- (iii) Disruptions in international supply chain(s); and
- (iv) Declining of export demand.

Therefore, revenue(s) generation during the pandemic period from January - June 2020 is affected in general and particularly during last quarter April – June 2020 were minimum, when export orders either cancelled or postponed. Even exported goods in transit/port were not cleared on time and payments there against either delayed or held up because of closer/lock down in the imported countries. Some of the customers' companies applied for reconstruction or went under court administration to stay afloat avoiding the winding up process. The company (SCL) to meet its recurring and periodic expenses, particularly to pay employees, suppliers and utilities bills faced severe liquidity constraint. The company, to ease the situation and as a safety measure for keeping the operation continued in subsequent months, applied for additional bank finances under the Government stimulus package which was sanctioned later on.

37.00 Payments Made in Foreign Currency

	01.07.2019-30.06.2020		01.07.2018-30.06.2019	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:				
US\$	-	-	US\$ 26,864	2,291,917
Import of Raw & Packing Material :				
US\$	2,088,720	178,295,896	US\$ 3,596,652	311,405,915
Euro	192,150	18,013,319	Euro 528,340	32,776,005
JP¥	21,186,650	16,697,853	JP¥ 45,228,810	32,365,242
GBP	422,349	45,827,240	GBP 239,478	64,747,687
Grand Total		258,834,308		441,294,849
Total		258,834,308		443,586,766

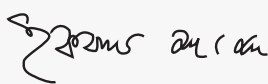
No other expenses including royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

38.00 Foreign Exchange Received against Collection from Export Sales

	01.07.2019-30.06.2020		01.07.2018-30.06.2019	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
US\$	6,796,500	570,905,972	US\$ 9,970,053	834,991,939
Euro	1,734,386	159,563,490	Euro 554,488	53,930,921
Total		730,469,462		888,922,860

39.00 Events After The Reporting Period

- a) Additional Bank loan: Upon application by the company, Sonali Bank Limited sanctioned Tk. 16.50 crores as additional working capital under Government announced stimulus package on September 14, 2020.
- b) The directors recommended 2% cash dividend (i.e. Tk. 0.20 per share) for the year 2019-20. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- b) No circumstance have arisen since this statement of financial position date which would require adjustment to, or disclosure in, the financial statements or notes thereto.



Iqbal Ahmed
Director



O K Chowdhury, FCA
Director



Mohammed Humayun Kabir FCA
Chief Executive



Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
28 October 2020

Outline...

SHINEPUKUR CERAMICS LTD.

(A BEXIMCO COMPANY)



Shinepukur Ceramics Ltd. (SCL) is the leading Bone China & Porcelain tableware manufacturer and exporter of Bangladesh. Shinepukur Ceramics Ltd. has been a successful brand, thanks to its state-of-the-art manufacturing facilities, about 3,000 highly skilled & motivated people and cutting-edge technology.

From its inception, SCL has been able to gain substantial headway against its competitors and acquire commendable market share from its competitors both in Porcelain and in Bone China. Therefore SCL's position in the world's tableware industry is very high, with its world-class product quality, which helped to attract and retain leading century-old branded companies as its bluechip customers from USA, Canada, UK, Germany, France, Italy, Japan, Sweden, Norway, Denmark, Finland, Spain, Poland, Mexico, Brazil, Chile, UAE, Australia, New Zealand, Turkey, India, Egypt, Russia and still growing.

In domestic market also, Shinepukur Ceramics Ltd. is very well known for its premium quality tableware products. In Bangladesh, SCL is the leader in Ceramics' Market and ranked as number 1 in terms of sales revenue and market share. It has more than 250 dealers to sell and distribute SCL's products in Bangladesh Market. In the hospitality sector, most of the international hotels in Bangladesh use SCL's products.

The Company is ISO 9001:2015 certified and awarded National Export Trophy for record seven (7) times by the Government of Bangladesh. SCL was also awarded Superbrands, D&B Corporate Award and Asia's Most Promising Brands 2010, 2011 & 2013 respectively.

'Shinepukur' is the name of trust and elegance that brings

A Classic Touch in Life...



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