

ANNUAL REPORT

2020-2021

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 stakeholders 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.

CONTENTS

Key Data	2
2020-'21 Highlights	3
Outline	4
Product Range	5
Corporate Directories	6
Brief Profiles of Chairman, Vice Chairman, Directors, CEO & CS	7
Risk Management and Controlling	9
Management Team	10
Company Profile	11
Code of Conduct	13
Activities in Pictography	14
Sustainability Reporting	16
Environmental Related Initiatives	16
Social Obligations	16
Integrated Reporting & Six Capitals	17
Ride on Time: Chronology	18
Global Presents	20
Facility Audits & Certifications	21
National Regognitions in Pictorial	22
Women Empowerment	25
Notice of 24th Annual General Meeting	27
Chairman's Statements	28
Revenue	32
Operating Result	33
Generated Cash and Utilization	33
Outstanding Load and Liabilities	33
Marketing and Sales	33
Significant Accreditations	34
Governement Regnition	34
Contribution to National Exchequer	34
Human Resources	34
Social Commitment	35
Corporate Governance	36
Internal Financial Control	36
Statement of Director's Responsibilities	36
Board of Directors and Committee	37
Going Concern	37
Rights and Relations with Shareholders	37
Organogram	38
Directors' Report to the Shareholders	39
Industry Outlook and Possible Future Development	39
Supply Chain Disruptions	39
Inconsistent Gas Pressure	39
Unit Cost of Gas and Electricity	40
Declining Demand at International Market	40
Labor Cost	40
Up-keeping of the Production Capacity	40
Compitition	40
Impact of Covid 19	40
Future Plan	41
Business Outlook Export & Domestic Sales	41
Segmental Product Wise Reporting	42
Product Wise Contributions/Segment Results	42
Carrying Amount of Net Segment Asset and Return	43
Risks and Concerns	43
Impact on Environment	43
Gross Profit	44
Net Profit After Tax & Retained Earnings	44
Extra Ordinary Activities and their Implications	45
EPS	45
NAV Per Share	45
Quarterly Performance Variance	46
Releted Party Transaction	46
Public/Right Issue	46
Remuneration to Directors	46
Director's Confirmation on Financial Statements, etc.	47
Key Operating and Financial Data	47
Dividend	48
The Board Meeting and Attendance	48
Pattern of Shareholding	48
Directors	49
Audit Committee	49
Nomination and Remuneration Committee	49
Independent Director	49
Auditors	49
Compliance Auditors	49
Corporate Governance Compliance Status Report	51
Graphical Presentation	52
Management Discussion and Analysis	53
Company's Operational Positions	53
Impact of Pandemic	54
Up Value Recycling	54
Use of Estimates and Judgment and Accounting Policies	54
Change in Accounting Policies and Estimation	54
Additions to Property, Plant & Equipment	55
Comparative Analysis of Financial Performance and Financial Position & Cash Flows	55
Vertical & Horizontal Analysis of Financial Results	56
Economic Value Addition Analysis and Distribution	57
Compare with the Peer Industry	58
Global Financial & Economic Scenarios	58
Financial Risks & Concerns - Mitigation Plan	59
Environment Related Initiative	59
Corporate Social Responsibilities	59
Intigrated Reporting and Six Capitals	59
Tax Status - Effective Tax Rate Excess TDS & Refundable Tax	60
Future Plan	61
Declaration of CEO and CFO on Financial Statements	65
Corporate Governance Complaince Status Report	66
Report of the Audit Committee	76
Certification on Compliance	79
Auditors' Report and Audited Financial Statements	81

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.w
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)	1,469.661 million
Number of Shareholders	16,754
Stock Exchange Listing	2008
Number of Employees	2,964

2020-'21 Highlight

New Customers

3 customers from new countries (USA, UAE & 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 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 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).

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

A Classic touch in life



of excellence

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



A S F Rahman
Chairman

Salman F Rahman
Vice Chairman

Corporate Directories

Board of Directors

A S F Rahman
Salman F Rahman
Iqbal Ahmed
O K Chowdhury
Barrister Faheemul Huq

Chairman
Vice Chairman
Director
Director
Independent Director

Board Secretary

Mr. Mohammad Asad Ullah, FCS

Executive Director &
Company Secretary

Board's Committee

Audit Committee

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

Chairman
Member
Member
Secretary

Nomination & Remuneration Committee

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

Chairman
Member
Member
Secretary

Management Committee

Mr. Mohammed Humayun Kabir, FCA Chief Executive Officer
Mr. 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
Avalon Serabella, (5th Floor), 09 Dilu Road, New Eskaton,
Ramna, Dhaka 1000

Legal Advisers

M/S Huq & Co. Barristers & Advocate
47/1 Purana Paltan, Dhaka 1000.

Banker/Term Loan Provider

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

Registered Office

17 Dhanmondi, Road No. 2, Dhaka - 1205.

Corporate Office

BEXIMCO Media Complex, Level 9, 149-150 Tejgaon I/A, Dhaka 1208.

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. He is involved with the companies under BEXIMCO Group in different capacities including as a director since early eighties.

BRIEF PROFILES OF

Chairman, Vice Chairman, Directors, CEO & CS



BARRISTER FAHEEMUL HUQ

Independent Director

Barrister Faheemul Huq is qualified as a Barrister-at-Law from Lincoln'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 in different capacities since mid eighties. He was the President of ICAB. He is also involved with different organizations including FBCCI (Advisor), BGCCI (Director), ICAB (Councilor) and NBR (Facilitator, ADR). 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.



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.



Risk Management and Controlling

Risk Management Framework

Risk management is an integral part of SCL's operations. In every stage of planning, be it for materials procurement from abroad and home or be it for sales of its products both in export and domestic markets or day to day operations of the manufacturing plant, risk identification and its mitigation remains at forefront. The board is the highest oversight body and the top management are supervising and coordinating the implementation of the risk management framework at regular intervals. The company management has overall responsibility for the establishment of the company's risk management framework. Risk management policies, procedures and systems are reviewed by the board regularly to reflect changes in market conditions and the company's activities.

Risks Identification

Business risks - the company is exposed to following business risks :

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 - 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 currencies of competing exporting countries making Bangladesh made ceramics table wares costlier in importing countries. (iv) Minimum wage rate hike. (v) Non-functioning of ports and highways. (vi) Supply disruptions due to stopping of production/mining or non availability of right quality raw materials due to change in layer/level of the mines/quarries. (vii) Supply chain disruption due to shipping route/channel (e.g., Suez Canal) blockage and scarcity of containers. (viii) Upward adjustment of custom duty, VAT & Tax on imported raw material. (ix) Withdrawal of Competitive/ preferential tariff facilities e.g. GSP.

Acts of God - (i) Pandemic (e.g., Covid-19) causing closer/shutdown of production facilities/economic activities; (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.

Finance Risks - The company has exposure to the following risks from its use of financial instruments. i) Credit risk, ii) Liquidity risk, iii) Market risk :- a) Foreign Currency Risk b) Interest rate risk

Risk Mitigation Methodology/Policies

Business Risks:

- (i) Procurement - Sourcing from multiple suppliers and jurisdictions.
- (ii) Sales & Marketing - Diversified market and using multiple channels.
- (iii) Manufacturing - Compliance to regulatory and customers' 'ethical trade audits' requirements for health, welfare and safety at work place.

Finance Risks : Applying financial management techniques to improve liquidity and gearing ratios, profitability by cost controls and efficient use of resources through input-output analysis.

Disclosure of Risk Reporting

Risks and plan of mitigations including the impacts and management of Covid-19 are disclosed in the Chairman Statement and Directors' Report to Shareholders as well as in the Management Discussion & Analysis segments of the Annual Report. Also financial risks and risks from the pandemic (Covid-19) are disclosed in the notes to Audited Financial Statements.

Management Team



PRODUCTION DEPARTMENTAL HEADS WITH CEO IN FACTORY



DEPARTMENTAL HEADS WITH CEO IN HEAD OFFICE

Company Profile

BEXIMCO Sister Concern

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 Manufacturers 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 about 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 USFDA & 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, 149-150 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

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 June 2021)

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.

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.

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.

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.

Independency

Be independent while adopting & executing the policies in the operations of the company.

Activities in Pictography



Handing over the Mugs to CRP, Savar



Customer visit to showroom at the factory



Visit of Dignitaries and Ambassadors to SCL factory



Sustainability Reporting

Shinepukur Ceramics Limited (SCL) is committed to empowering women through employing and up-skilling them through retraining and training them. SCL is also committed for social and environmental obligations over time and is implementing responsible business practices throughout its entire manufacturing process.

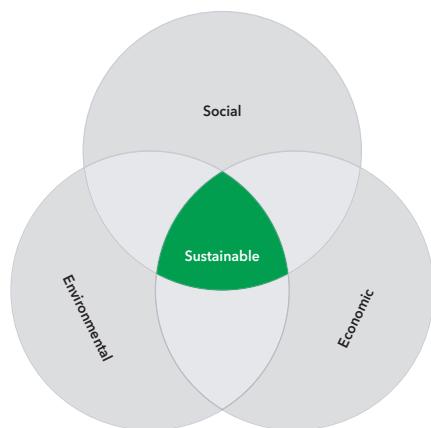
Environmental Related Initiatives

For a Green Manufacturing Facility and a Green Planet

SCL is committed to make the planet greener and more livable for the generations to come by optimizing energy consumption by recovering/using the heat released from the kilns (for drying the wares and packaging boxes). There is no excess CO₂ emissions generated by SCL's operations. Our company is committed to the continuous development of enhanced sustainable solutions for the energy-efficient and environmental-friendly manufacturing facility.

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.



Sedimentation Tank

Sedimentation tank is used to stop discharge of waste water detrimental to health & environment.

Social Obligation

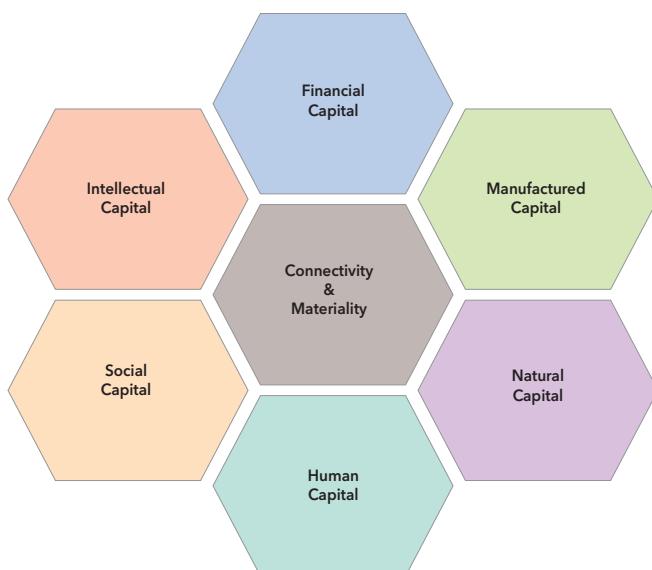
As a part of our social obligation we distributed 1000 free speling to our factory employees and to the people of the surrounding areas. Also factory open space are covered by gardening and plantation. SCL is a eco friendly company. No effluent or residual is being discharge to open environment by & 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 encourages using 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.

Integrated Reporting & six Capitals

While using the resources at Shinepukur Ceramics Limited we interact and process the inputs in such a manner that we create value to anyone or more or all of the 'six capitals'. At the end, the



values are either enhanced or may remain as it is. The state of six capitals as on 30th June 2021 were as described below:

Financial Capital: at the beginning of the year shareholders fund was Taka. 4275.198 million which was enhanced to taka 4,502.261 million at the end of the year.

Manufacturing Capital: the value of the physical asset (gross) at the beginning of the year was Taka. 7509.186 million which was enhanced to taka 7,511.009 million at the end of the year.

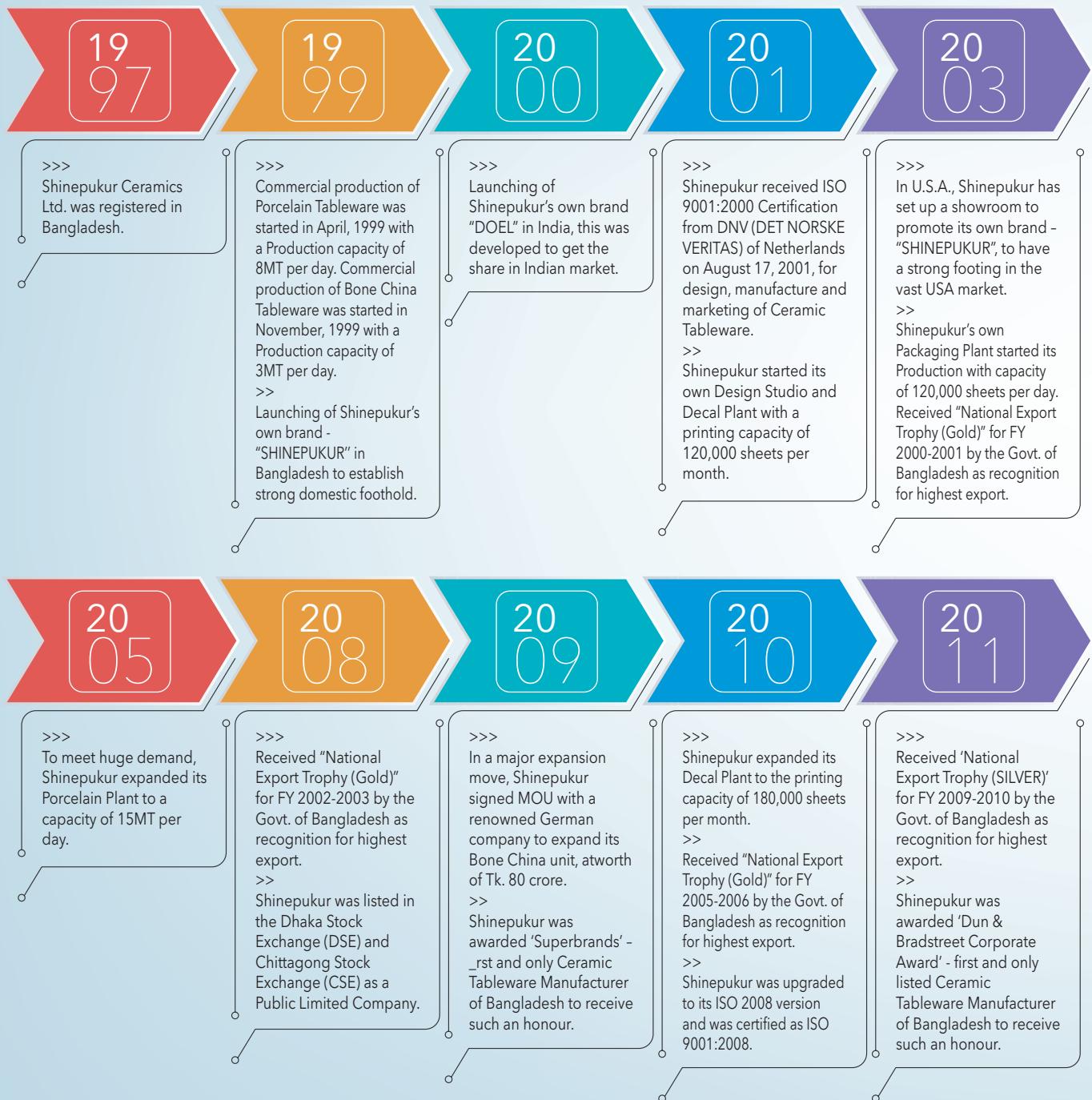
Intellectual Capital: There was no change in the key personnel of the company responsible for operations and planning. Also there is no change in the team responsible for critical works including development of shapes and designs. As a result the intellectual capitals remained same during the year.

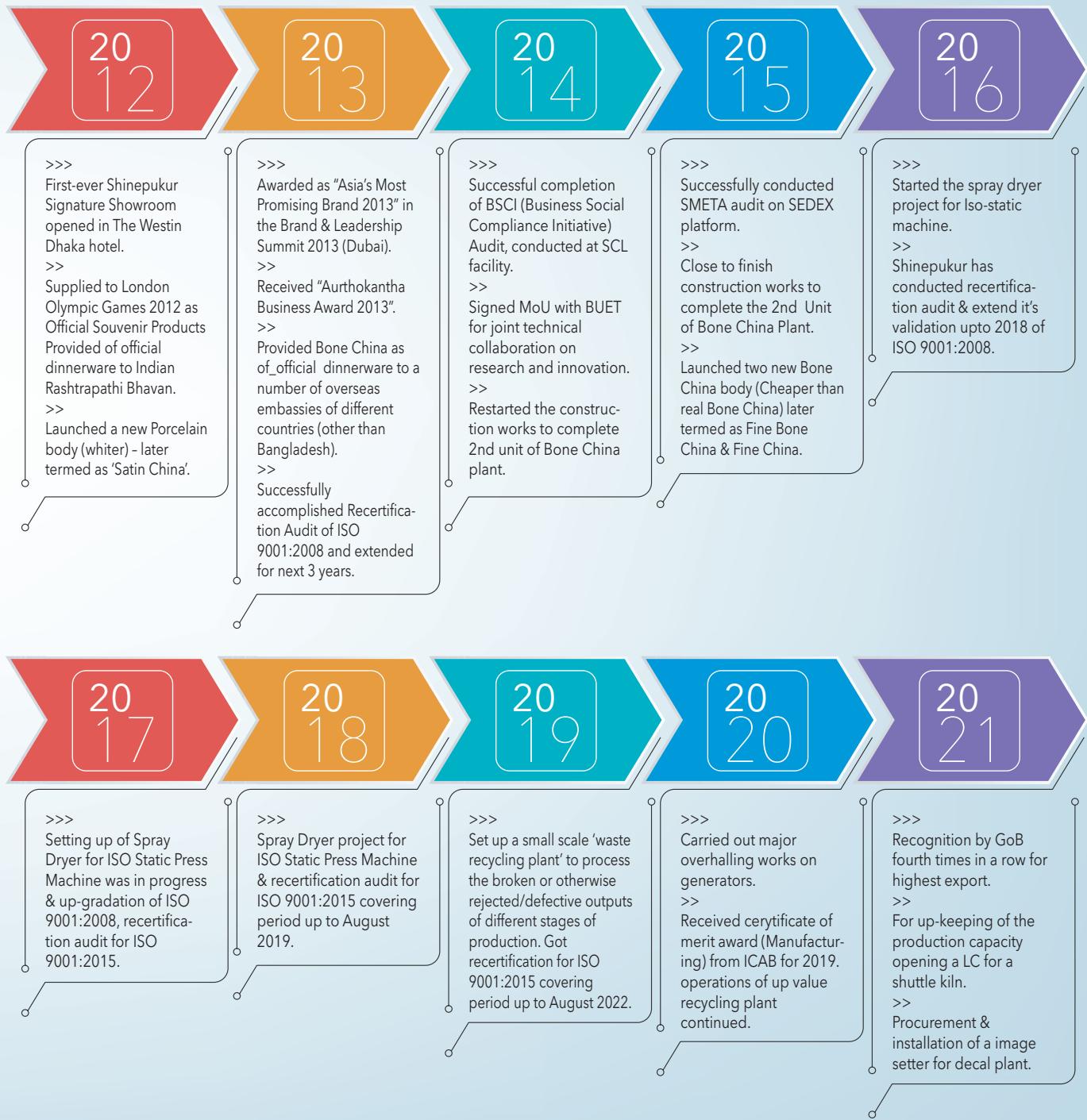
Human Capital: The strength of human capital increased to 2,964 at the end of the FY2020-'21 from 2,871 of previous year. SCL has reputation and brand value to retain the existing work force and recruit new hands both at lateral and entry levels.

Social & Relation Capital: Though the CSR activities and welfare measures for the employees social & relation capital of the company has been maintained during the year.

Natural Capital: The Company operated in such a manner that natural capital remained unimpaired. For example, our factory did not produce any smog or dump wastages polluting the surroundings and the open air. Also use of underground water was rationalized by ensuring use of water for multiple purpose (Example: rechanneling the used water for hand washing / bathing for gardening purpose) and minimized by storing and using the rain water.

ride on time: CHORONOLOGY





Global Presence



SHINEPUKUR
worldwide
www.shinepukur.com

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 2017-'18. 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.



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.

Shinepukur Ceramics Limited was rated as "A" category company by Emerging Credit Rating Company for FY 2020-'21

National Recognition in Pictorial

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



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



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





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



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



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



National Export Trophy (Silver) for 2009-'10 from H.E. Prime Minister Sheikh Hasina was received by then MD

RECOGNITION

Govt. of Bangladesh
Awarded the Bangabandhu Sheikh Mujib Export Trophy (Gold) to
Shinepukur Ceramics Limited
for the highest Export Performance in Ceramic Product during FY 2017-18

রেজিস্টার নং ডি এ-১ “জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের
জন্মশতবার্ষিকী উদ্যাপন সফল হোক”

বাংলাদেশ



গেজেট



অতিরিক্ত সংখ্যা

কর্তৃপক্ষ কর্তৃক প্রকাশিত

বৃহস্পতিবার, জুলাই ২৯, ২০২১

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

বাণিজ্য মন্ত্রণালয়

রাষ্ট্রান্তর-৪ অধিশাখা।

নং-২৬,০০,০০০০,১০৩,৪৯,০০৩,১৯,১৩৯

তারিখ: ১৪ শ্রাবণ ১৪২৮
২৯ জুলাই ২০২১

প্রত্যাগন

জাতীয় রঞ্জনি ট্রফি ২০১৭-২০১৮

২০১৭-২০১৮ অর্থবছরের সর্বোচ্চ রঞ্জনি আয়ের ভিত্তিতে “বঙ্গবন্ধু শেখ মুজিব রঞ্জনি ট্রফি” প্রদানের
জন্য নিরোক্ত প্রতিষ্ঠানকে দেরা রঞ্জনিকারক প্রতিষ্ঠান হিসেবে নির্বাচিত করা হলো:

(২০) পণ্য খাত: সিরামিক সামগ্রী।

খাতভিত্তিক ক্র. নং	ট্রফি প্রাপক প্রতিষ্ঠানের নাম	ট্রফির প্রেরী
০১	শাইন পুরু সিরামিকস লিমিটেড বেল টাওয়ার (সেকেল-১২), ১৯ ধানমন্ডি আ/এ, গোল নং-১, ঢাকা-১২০৫। ফোন: ০২৬৯৮২২০	বৰ্ষ

Women Empowerment



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, almost 48% of its workforce and number of key managerial positions are held by women. Four key departmental head are headed by women, two (HR & Admin and Finance & Accounts) in Head office and two of Heads (Medical Center and Welfare) in factory are led by women.



NOTICE

SHINEPUKUR CERAMICS LIMITED 17 DHANMONDI, ROAD NO. 2, DHAKA 1205

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Shinepukur Ceramics Limited will be held under Virtual Platform on Thursday, the 23rd December, 2021 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, 2021 together with reports of the Auditors and the Directors thereon.
2. To declare 2.5% cash dividend.
3. To elect Director.
4. To appoint Auditors for the year 2021-22 and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2021-22 and to fix their remuneration.

By order of the Board,



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

Dated: November 15, 2021

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. 22 November, 2021, 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 2020-21 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 into 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.



চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবুন্দ,

কোম্পানীর ২৪তম বার্ষিক সাধারণ সভায় পরিচালক পর্যাদের পক্ষ থেকে আপনাদের সকলকে স্বাগতম এবং কোম্পানীর ১লা জুলাই ২০২০ইং সাল থেকে ৩০শে জুন ২০২১ইং অর্থবছর এই সময়কালের সার্বিক কার্যক্রমের সারসংক্ষেপ আপনাদের সামনে উপস্থাপন করছি।

রাজস্ব

সামগ্রিক রাজস্বঃ রঞ্জনী বিক্রয়, ভর্তুকি আয়, অভ্যন্তরীণ বাজারের বিক্রয় এবং অন্যান্য খাতের আয় সামগ্রিক রাজস্বের আন্তর্ভুক্ত। চলতি অর্থবছরে সামগ্রিক রাজস্ব বেড়ে দাঁড়িয়েছে টাকা ১৪০১.৩৩০ মিলিয়ন- যা ২০১৯-'২০ইং অর্থবছরে ছিল টাকা ১২১০.৮৯৪ মিলিয়ন। ২০২০-'২১ইং অর্থবছরে ২০১৯-'২০ইং অর্থবছরের তুলনায় প্রবৃদ্ধির হার ছিল ১৫.৭৩%। করোনা মহামারির কারণে ২০১৯-'২০ইং অর্থবছরে সামগ্রিক রাজস্ব প্রবৃদ্ধির হার ২০১৮-'১৯ইং অর্থবছরের (মহামারীপূর্ব বছর) তুলনায় ঝুণাত্তক (২১.৫২%) ছিল। নিম্নের টেবিল হতে দেখা যাচ্ছে যে, ২০২০-'২১ইং অর্থবছরে ইতিবাচক প্রবৃদ্ধি অর্জন করা সত্ত্বেও মহামারীপূর্ব বছরের পর্যায়ে রাজস্ব অর্জন সম্ভব হয় নাই।

বছর	২০২০-'২১	২০১৯-'২০	২০১৮-'১৯	২০১৭-'১৮	২০১৬-'১৭
সামগ্রিক আয় টাকা মিলিয়ন	১৪০১.৩৩০	১২১০.৮৯৪	১২১০.৮৯৪	১৪১.৬৯৬	১৪৫৫.১২০
পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধি	১৫.৭৩%	(২১.৫২%)	০.০৮%	৫.৯৫%	৮.৯০%

রঞ্জনীঃ কোম্পানী ২০২০-'২১ইং অর্থবছরে রঞ্জনী খাত হতে টাকা ৬২৯.১১২ মিলিয়ন (টাকা ৩৯.৬৮৩ মিলিয়ন ভর্তুকিসহ) রাজস্ব আয় করেছে- যা বিগত ২০১৯-'২০ইং অর্থবছরে ছিল টাকা ৬৭১.৫১২ মিলিয়ন (ভর্তুকি টাকা ৩৯.৬৮৩ মিলিয়ন)- যা ৬.৩১% ঝুণাত্তক প্রবৃদ্ধি নির্দেশ করে। উন্নত বিশ্বের অর্থনৈতিকে চাহিদার নিম্নগতি এবং দেশ-বিদেশের সিরামিকস পণ্য প্রস্তুতকারকদের মাঝে তৈরি প্রতিযোগিতার ফলে রঞ্জনী খাত হতে রাজস্ব আয় কম অর্জিত হয়েছে। কোভিড-১৯ এর বিস্তার রোধকল্পে অনেক দেশের চেইন স্টোর, শপিংমল এবং খুচরা বাজার ‘লক ডাউন’-এর ফলে বন্ধ ছিল। যার ফলে অর্থনৈতিক কর্মকাণ্ড সংকুচিত হয়েছে; ভোজাদের চাহিদা কমে গেছে; রঞ্জনী ক্রয়াদেশ হয় বাতিল হয়েছে অথবা স্থগিত হয়েছে। এছাড়াও আমাদের রঞ্জনীর অন্যতম প্রধান গন্তব্য, তুরক্ষ এর লিয়ার মূল্যমান মার্কিন ডলারের বিপরীতে উল্লেখযোগ্য হারে হারিয়েছে। ফলশ্রুতিতে ভোজাদের নিকট আমাদের থেকে আমদানীকৃত পণ্য অনেক ব্যয়বহুল হয়ে পড়ে- যাতে সেখানে আমাদের পণ্যের চাহিদা কমে যায়। যদিও বিগত অর্থবছরে রঞ্জনী আয় (ভর্তুকি ছাড়া) ১.৯২% প্রবৃদ্ধি অর্জন করতে সক্ষম হয়। নিম্নের টেবিল হতে আমরা দেখতে পাই যে, কোভিড-১৯ এর নেতৃত্বাচক প্রভাবের ফলে রঞ্জনী আয় মহামারীপূর্ব (২০১৮-'১৯ ইং অর্থবছর) এর তুলনায় অনেক পিছিয়ে রয়েছে।

বছর	২০২০-'২১	২০১৯-'২০	২০১৮-'১৯	২০১৭-'১৮	২০১৬-'১৭
রঞ্জনী আয় ভর্তুকি ছাড়া	৫৮৯.৮২৯	৫৭৮.৩১৩	৮৭৭.৫১২	৮৯৩.৩৪২	৮৯৬.৬১২
পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধি	১.৯২%	(৩৪.১০%)	(১.৭৭%)	(০.৩৬%)	০.৩২%
রঞ্জনী আয় ভর্তুকিসহ	৬২৯.১১২	৬৭১.৫১২	৮৭৭.৫১২	৮৯৩.৩৪২	৮৯৬.৬১২
পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধি	(৬.৩১%)	(২৩.৮৮%)	(১.৭৭%)	(০.৩৬%)	০.৩২%

অভ্যন্তরীণ রাজস্ব রঞ্জনী রাজস্ব কমার পরিপ্রেক্ষিতে কোম্পানী চলতি অর্থবছরে অভ্যন্তরীণ বাজারের দিকে মনোনিবেশ করেছিল। চলতি ২০২০-'২১ইং অর্থবছরে অভ্যন্তরীণ বাজার থেকে টাকা ৭৬৪.৪৪৭ মিলিয়ন অর্জন করেছে- যা বিগত ২০১৯-'২০ইং অর্থবছরে তুলনায় ৪৩.২৭% প্রবৃদ্ধি নির্দেশ করে। এটি কোম্পানী প্রতিষ্ঠার পর থেকে অভ্যন্তরীণ বাজার থেকে অজিত সর্বোচ্চ রাজস্ব। বিশেষতঃ যখন বাংলাদেশে কোভিড-১৯ (ডেল্টা ভেরিয়েন্ট) এর বিস্তার রোধকল্পে সাধারণ সরকারী আদেশে ৬০ দিনেরও বেশি (এপ্রিল এবং মে ২০২১ইং এর মধ্যে) ব্যবসা/খুচরা দোকান/কারখানা/গণপরিবহন বন্ধ ছিল, সেই অর্থবছরে অভ্যন্তরীণ বাজার হতে কোম্পানীর সর্বোচ্চ রাজস্ব অর্জন নিশ্চিতভাবেই প্রশংসার দাবিদার।

বছর	২০২০-'২১	২০১৯-'২০	২০১৮-'১৯	২০১৭-'১৮	২০১৬-'১৭
অভ্যন্তরীণ রাজস্ব টাকা মিলিয়ন	৭৬৪.৪৪৭	৫৩৩.৫৬৪	৬৫৫.৬০৯	৬৩৫.৩০১	৫৪১.২৫৪
পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধি	৪৩.২৭%	(১৮.৬২%)	৩.২০%	১৭.৩৮%	১৩.৮৯%

অন্যান্য খাতঃ চলতি ২০২০-'২১ইং অর্থবছরে কোম্পানী অন্যান্য খাত মূলতঃ স্ক্র্যাপ বিক্রয় থেকে আয় করেছে টাকা ৭.৭৭১ মিলিয়ন- যা বিগত ২০১৯-'২০ইং অর্থবছরে ছিল টাকা ৯.৭৩২ মিলিয়ন।

মোট মুনাফা ও নেট আয়

চলতি ২০২০-'২১ইং অর্থবছরে মোট মুনাফার অনুপাত (GP Ratio) বিগত ২০১৯-'২০ইং অর্থবছরের তুলনায় ১৫.৪২% থেকে বেড়ে ১৬.৩০% হয়েছে। একইভাবে EBITDA ২০১৯-'২০ইং অর্থবছরের ১৮.০৭% থেকে বেড়ে ১৮.২০% হয়েছে। চলতি ২০২০-'২১ইং অর্থবছরের সামগ্রিক রাজস্ব বৃদ্ধি (বিগত অর্থবছরের টাকা ১২১০.৮৯৪ মিলিয়ন এর বিপরীতে চলতি অর্থবছরের টাকা ১৪০১.৩৩০ মিলিয়ন) এর কারণে GP এবং EBITDA বেশি অর্জিত হয়েছে। পরিচালন ব্যয় সামান্য বৃদ্ধি পেলেও (পূর্ববর্তী বছরের টাকা ৯৮.৬২১ মিলিয়ন এর বিপরীতে চলতি বছরের টাকা ৯৮.৭৩২ মিলিয়ন) আর্থিক ব্যয় কম হওয়ায় (গত অর্থবছরের টাকা ৮১.১৯৪ মিলিয়ন এর বিপরীতে চলতি অর্থবছরে টাকা ৭৮.৮৩৮ মিলিয়ন) এবং GP বৃদ্ধির কারণে Net Profit Before Tax (বিগত অর্থবছরে টাকা ১১.২৯৪ মিলিয়ন এর বিপরীতে চলতি অর্থবছরে টাকা ৫৪.৫৯৬ মিলিয়ন) এবং Net Profit After Tax বিগত অর্থবছরে টাকা ৩১.৫৯৩ মিলিয়ন এর বিপরীতে চলতি অর্থবছরে টাকা ৪৬.৩৭৯ মিলিয়ন) অর্জিত হয়েছে। চলতি ২০২০-'২১ইং অর্থবছরে রাজস্বের সাথে কর পরবর্তী নেট মুনাফা (NPAT) এর অনুপাত ২.৬২% থেকে বেড়ে ৩.৩০% হয়েছে। চলতি ২০২০-'২১ইং অর্থবছরে EPS দাঁড়িয়েছে টাকা ০.৩২ যা বিগত ২০১৯-'২০ইং অর্থবছরে ছিল টাকা ০.২১।

নগদ অর্থ সংস্থান ও তার ব্যবহার

চলতি ২০২০-'২১ইং অর্থবছরে সামগ্রিক রাজস্ব এবং অন্যান্য খাত থেকে সংগ্রহ ২০১৯-'২০ইং অর্থবছরের টাকা ১৩০৫.৪১২ মিলিয়ন থেকে বেড়ে টাকা ১৩৯৩.৫৪৭ মিলিয়ন হয়েছে। যাইহোক, খরচ ও ব্যয়ের বিপরীতে অর্থপ্রদানের ফলে চলতি অর্থবছরে অপারেটিং কার্যক্রম থেকে নগদ অর্থের সংস্থান কম হয়েছে যার- ফলে বিনিয়োগ ও আর্থিক কার্যক্রমের জন্য পর্যাপ্ত তারল্য অবশিষ্ট ছিল না। কোম্পানীকে চলতি ২০২০-'২১ইং অর্থবছরের নগদ অর্থপ্রাবাহের সুষ্ঠু ব্যবস্থাপনার জন্য নেট টাকা ৫২.৭২৩ মিলিয়ন খালি নিতে হয়েছে।

ব্যাংক ঋণ

৩০শে জুন ২০২১ইং তারিখে আমাদের কোম্পানীর বকেয়া ঝাগের স্থিতি বেড়ে দাঁড়িয়েছে টাকা ১২৬৫.৪১৮ মিলিয়ন- যা গত ৩০শে জুন ২০২০ইং তারিখে ছিল টাকা ১২১২.৬৯৬ মিলিয়ন। ফলশ্রুতিতে ৩০শে জুন ২০২১ইং তারিখে বকেয়া লোন এবং সর্বমোট সম্পদের অনুপাত ৩০শে জুন ২০২০ইং তারিখের তুলনায় বেড়ে দাঁড়ায় ১৮.৯০% এর বিপরীতে ১৯.২৯%। এছাড়াও, মোট সম্পদ ও গ্রাউন্টি, খাগদাতা এবং অন্যান্য প্রদেয় এর অনুপাত বছর শেষে ৩০শে জুন ২০২০ইং তারিখ এর ১৩.২০% থেকে বেড়ে দাঁড়িয়েছে ১২.৯১%। পূর্ববর্তী বছরের আয়কর এর সমন্বয় এবং খাগদাতাদের উচ্চমূল্য পরিশোধের ফলে এই বৃদ্ধি ঘটেছে।

বোন চায়না ইউনিট

মূলত উন্নত দেশগুলোর অর্থনীতিতে কোভিড-১৯ এর নেতৃত্বাচক প্রভাব এবং বোন চায়না পণ্যের তুলনামূলক উচ্চ মূল্যের কারণে বোন চায়না পণ্যের রঞ্জনী চাহিদা উল্লেখযোগ্যভাবে কমে এসেছে। উল্লেখ্য, বোন চায়না পণ্যের অন্যতম প্রধান বাজার হল তুরস্ক। বিগত অর্থবছরে এর মূদ্রার মান উল্লেখযোগ্যভাবে অবমূল্যায়ন হয়েছে। এটি তুর্কি ভোকাদের জন্য বোন চায়না পণ্যের দাম বাড়িয়ে দিয়েছে। একইভাবে, তুর্মধ্যসাগরীয় অর্থনীতি বিশেষ করে ইতালি এবং স্পেনে চাহিদার নিম্নগতির কারণে বোন চায়না পণ্যের ইউনিট মূল্য আপেক্ষিকভাবে কম। এছাড়াও পুরাতন kilns এবং মেশিনারিজ, বিশেষ করে মানসম্পন্ন ইলেক্ট্রনিক খুচরা যন্ত্রাংশের অপর্যাপ্ততার কারণে বোন চায়না ইউনিটে সর্বোত্তম দক্ষতা অর্জন এবং পণ্যের মানের ধারাবাহিকতা বজায় রাখা দুর্ক হয়ে পড়েছে। অধিকস্তু, ২০ বছরেও বেশি সময় আগে নির্মিত বোন চায়নার ফ্যাট্রির বিভিন্নয়ের পুরনো অংশে ভাল উৎপাদন এবং উৎপাদন মান রক্ষার জন্য সংস্কার করা প্রয়োজন। যাহোক, চাহিদার নিম্নমূখ্যীতার পরিপ্রেক্ষিতে এবং মহামারীকালীন সময়ে অর্থের প্রবাহের ঘাটতি বিবেচনা করে কোন সংস্কার কাজ হাতে নেওয়া হয়নি।

পোরসিলিন ইউনিট

হাই প্রেসার কাস্টিং (HPC) এবং glost kiln এর ধারণক্ষমতার সীমাবদ্ধতা আমাদেরকে বড় আকারের “প্লাটার” এবং বড় আকারের/বর্গাকার আকৃতির (ফ্ল্যাট ওয়্যার) আইটেমগুলোর জন্য অধিক পণ্যের অন্যতম প্রধান বাজার হল তুরস্ক। অধিকস্তু, kilns এবং মেশিনারিজসমূহ পুরাতন হবার কারণে উৎপাদনের সর্বোত্তম দক্ষতা এবং পণ্যের গুণমান অর্জন সম্পর্ক হচ্ছে না। অতএব, kiln গুলোর সংস্কার এবং ডিকাল প্রিস্টিং যন্ত্রপাতি প্রতিষ্ঠাপনের পাশাপাশি বিরাজমান কোভিড-১৯ মহামারী সত্ত্বেও, কোম্পানি পরিস্থিতি সামাল দিতে একটি ছোট kiln (shuttle) জন্য একটি এলসি খোলা হয়েছে এবং ডিকাল প্রিস্টিং মেশিনের জন্য একটি ইমেজ সেটার সংগ্রহ করা হয়েছে।

বিক্রয় ও বিপণন

২০২০-২১ইঁ অর্থবছরে মহামারী পরিস্থিতির কারণে শাইনপুকুর সিরামিকস লিমিটেড দেশে বা বিদেশে কোনো বাণিজ্য মেলায় অংশগ্রহণ করেনি। ঢাকার ওয়েস্টিমে এয়ারকুসিভ শো-রুম ও বিক্রয় কেন্দ্র স্থানীয় ও বিদেশী গ্রাহকদের চাহিদা প্রাপ্তে কাজ করছে। যাহোক, আমাদের পণ্যগুলি টেকসই এবং নিয়ন্ত্রণযোজনীয় পণ্যের অন্তর্ভুক্ত না হওয়ায় এর পুনরাবৃত্তি ক্রয়াদেশপ্রাপ্তি অনেক কম। মহামারীকালীন সময়ে ভোকাদের নিজ নিজ বাড়িতে অবস্থানের নির্দেশনা দেওয়া হয় এবং রেঞ্জেরা ও হোটেলে যেতে নির্বৎসাহিত করা হয় এবং ভোকারা অত্যবশ্যকীয় এবং স্বাস্থ্যসেবা খাতে তাদের ব্যয় সীমাবদ্ধ রাখে। ফলস্বরূপ, এপ্রিল-জুন ২০২১ইঁ সময়কালে সিরামিকস পণ্যের চাহিদা উল্লেখযোগ্যভাবে হ্রাস পেয়েছে। চলতি অর্থবছরে প্রস্তুতকারক ও আমদানিকারকদের মধ্যে তৈরি প্রতিযোগিতা বিদ্যমান ছিল। উপরন্তৰ বিকল্প পণ্য যেমন- ওপাল, পাইরেক্স, মেলামাইন এবং স্টেইনলেস পণ্যেরও বাজারে অংশগ্রহণ উল্লেখযোগ্যভাবে বিদ্যমান ছিল। এই ধরনের চ্যালেঞ্জ সত্ত্বেও, আমাদের কোম্পানি রঙানী বাজারে আমাদের বর্তমান গ্রাহকদের ধরে রাখতে সক্ষম ছিল এবং কোম্পানির প্রতিষ্ঠার পর থেকে সর্বোচ্চ অভ্যন্তরীণ বিক্রয় করে অভ্যন্তরীণ বাজারের অংশীদারিত্ব বৃদ্ধি করেছে।

উল্লেখযোগ্য স্বীকৃতি

রঙানী বাণিজ্য অব্যাহত রাখা এবং বিশ্বের শীর্ষ সিরামিকস প্রতিষ্ঠানগুলো ধরে রাখার স্বার্থে, শাইনপুকুর সিরামিকস লিমিটেডকে ক্রেতাদের দাবি অনুযায়ী প্রয়োজনীয় সকল ধরনের Compliance নীতিমালা অনুসরণ করতে হয়। শাইনপুকুর সিরামিকস লিমিটেড সর্বাদা পণ্যের গুণগতমান নিশ্চিতে সর্বোচ্চ গুরুত্বান্বিত করে থাকে। এই লক্ষ্যে, শাইনপুকুর সিরামিকস লিমিটেড চলতি অর্থবছরে Business Social Compliance Initiatives (BSCI) পদ্ধতি বাবের মতো অডিট সম্পন্ন করেছে। পাশাপাশি, ২০২০-’২১ইঁ অর্থবছরে DNV (Det Norske Veritas) দ্বারা ISO এর দুইটি পর্যায়ক্রমিক অডিট সম্পন্ন করেছে। উৎপাদিত পণ্য আমেরিকার বাজারে রঙানীর জন্য C-TPAT ২০২০ এবং EU/UK ক্রেতাদের চাহিদা অনুযায়ী SMETA (SEDEX Members Ethical Trade Audit) সনদ লাভ করেছি।

স্বীকৃতি/অডিট	মেরাদ	কাঞ্জিত বাজার
Suppliers Ethical Data Exchange (SEDEX)	২০২২	EU/UK
SEDEX Members Ethical Trade Audit (SMETA)	২০২২	ইউরোপ
Business Social Compliance Initiative (BSCI)	২০২২	আমেরিকা
Customs-Trade Partnership Against Terrorism C-TPAT	২০২২	বিশ্বের সকল দেশ
International Organization for Standardization - ISO	২০২২	

সরকারী স্বীকৃতি

আমাদের কোম্পানীকে ২০১৭-’১৮ইঁ অর্থবছরে বাংলাদেশ থেকে সর্বোচ্চ সিরামিকস পণ্য রঙানীর স্বীকৃতিস্বরূপ গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের বাণিজ্য মন্ত্রণালয় কর্তৃক Bangabandhu Sheikh Mujib Export Trophy (Gold) পদকে ভূষিত করা হয়েছে। Bangabandhu Sheikh Mujib Export Trophy (Gold) পদক প্রাপ্তির বিষয়টি জাতীয় গেজেট এবং জাতীয় রঙানী উন্নয়ন ব্যূরো এর ২৯শে জুলাই ২০২১ইঁ এর স্মারক নং ২৬.০০.০০০০.১০৩.৪৯.০০৩.১৯.১৩৯ এর মাধ্যমে অবহিত করা হয়।

বছর	স্বীকৃতির ধরন	পদক গ্রহণ
২০১৭-’১৮	বঙ্গবন্ধু শেখ মুজিব রঙানী ট্রফি (স্বর্ণ)	পদক প্রদানের তারিখ ঘোষিত হয় নাই।
২০১৬-’১৭	জাতীয় রঙানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৫-’১৬	জাতীয় রঙানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৪-’১৫	জাতীয় রঙানী ট্রফি (স্বর্ণ)	মাননীয় বাণিজ্যমন্ত্রী জনাব মোঃ তোফায়েল আহমেদ, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০৯-’১০	জাতীয় রঙানী ট্রফি (রৌপ্য)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০৫-’০৬	জাতীয় রঙানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০২-’০৩	জাতীয় রঙানী ট্রফি (স্বর্ণ)	মাননীয় উপদেষ্টা বাণিজ্য মন্ত্রণালয় জনাব হোসেন জেড রহমান, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০০-’০১	জাতীয় রঙানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী বেগম খালেদা জিয়া, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

জাতীয় রাজস্ব খাতে অবদান

আমাদের কোম্পানী VAT, আমদানী শুল্ক এবং আয়কর হিসাবে চলতি ২০২০-’২১ইঁ অর্থবছরে রাষ্ট্রীয় কোষাগারে টাকা ১৬৩.৬৩৭ মিলিয়ন পরিশোধ করেছে- যার মধ্যে আয়কর ছিল টাকা ২৩.৫৩৬ মিলিয়ন, আমদানী শুল্ক ছিল টাকা ২৫.৪২৮ মিলিয়ন এবং VAT ছিল টাকা ১১৪.৬৭৩ মিলিয়ন। নীচের টেবিল হতে বিষয়টি আরও পরিষ্কার বোঝা যায়ঃ

বিষয়	২০২০-'২১	২০১৯-'২০	২০১৮-'১৯	২০১৭-'১৮	২০১৬-'১৭
VAT	১১৪.৬৭৩	৯১.২৯৪	১০৯.১৭২	১১১.৬৭১	১১২.৩৯৯
আয়কর	২৩.৫৩৬	৩০.৩২২	২৯.৭৬৬	২৯.০৪৬	২৬.৩৫০
আমদানী শুল্ক	২৫.৮২৮	২৩.৪৩৬	২৭.২২৭	২৫.৬২৩	২৩.৯৬৮
সর্বমোট	১৬৩.৬৩৭	১৪৫.০৫২	১৬৬.১৬৫	১৬৬.৩৪০	১৬২.৭১৩

মানব সম্পদ

আমাদের কোম্পানী তার কর্মীদের পেশাদার এবং ব্যক্তি উন্নতি বিকাশে বিভিন্ন সুযোগ প্রদান করে। কর্মকর্তাদের বিশ্বস্ততা, পারস্পরিক সহযোগিতা এবং সমন্বয় সাধনের উপর গুরুত্ব আরোপ করে। কোম্পানীর টেকসই উন্নয়নের ধারা অব্যাহত রাখার স্বার্থে আমরা আমাদের কর্মীদের দক্ষতা, উদ্যোগকে অনুপ্রাণিত করি। ৩০শে জুন ২০২১ইং তারিখে শাইনপুকুর সিরামিকস লিমিটেড এর মানব সম্পদ এর সংখ্যা ৯৩ জন বৃদ্ধি পেয়ে ২৯৬৪ জনে উন্নীত হয়- যা ৩০শে জুন ২০২০ইং তারিখে ছিল ২৮৭১ জন।

সামাজিক প্রতিক্রিয়া

সামাজিক প্রতিক্রিয়ির অংশ হিসাবে আমাদের কোম্পানী বিভিন্ন সামাজিক ও সাংস্কৃতিক প্রতিষ্ঠানকে সক্রিয় সাহায্য ও সহযোগিতা করে থাকে। আমরা জাতীয় দিবস পালন উপলক্ষ্যে বিভিন্ন নিউজ সাপ্লাইমেন্ট প্রকাশে স্পসর করে থাকি। সিরামিকস শিল্পের উন্নয়ন কল্পে বুয়েটের একটি গবেষণা দলকে সহযোগিতা করেছি এবং এই লক্ষ্যে তাদেরকে আমাদের পরীক্ষাগার ও এর সরঞ্জামাদি ব্যবহারের অনুমতি দিয়েছি। শাইনপুকুর সিরামিকস লিমিটেড বিভিন্ন সময়ে খেলাধুলা, সাংস্কৃতিক অনুষ্ঠান এবং সুবিধাবধিত শিশু ও শারীরিক প্রতিবন্ধী/অক্ষম ব্যক্তিদের সাহায্যকারী সংস্থাগুলিকে বিভিন্ন সময়ে অনুদান/সহযোগিতা করে আসছে।

দেশের বৃহত্তম ব্যবসায়িক গোষ্ঠী হিসাবে আমরা সমাজের প্রতি আমাদের দায়িত্ব ভুলে যাইনি বা জাতির আহ্বানে সাড়া দিতে দ্বিধা করিনি। কর্পোরেট সোস্যাল এ্যাক্টিভিটির অংশ হিসাবে আমাদের কোম্পানী/ঢাক্ষ কোভিড-১৯ মহামারী চলাকালীন সময়ে বেশ কয়েকটি প্রোগ্রাম/কার্যকলাপে অংশগ্রহণ করেছে। বিগত বছরের ন্যায় আমাদের গ্রাহ্য সরকারী হাসপাতালগুলোতে বেমসিভির (জেনেরিক রেমডিসিভির) বিনামূল্যে সরবরাহ করা অব্যাহত রেখেছে এবং অন্যান্য হাসপাতালগুলোতে তুলনামূলক কম মূল্যে সরবরাহের ব্যবস্থা করেছে। সরকারের আহ্বানে সাড়া দিয়ে আমরাও মানবিক কারণে বিনামূল্যে ঔষধ বিদেশে পাঠিয়েছি। আমরা ফ্রন্টলাইন কর্মীদের সুরক্ষার জন্য সরকার মনোনীত হাসপাতালগুলোতে বিনামূল্যে পিপিই, ঔষধ এবং করোনা পরীক্ষার কৌট প্রদান করেছি। গ্রাহ্যের পক্ষ থেকে গত বছর স্থাপিত করোনা টেস্টিং ল্যাবরেটরী বছরব্যাপী চালু ছিল। কর্মকর্তা-কর্মচারীদের ব্যক্তিগত সুরক্ষার জন্য কোম্পানীর পক্ষ থেকে স্যানিটাইজেশনের জন্য আর্টওয়ে স্থাপন, সকল প্রবেশপথে তাপমাত্রা পরীক্ষা, নিয়মিত হাত ধোয়ার ব্যবস্থা এবং কর্মক্ষেত্রে সকলকে মাস্ক ব্যবহার বাধ্যতামূলক করা হয়েছে।

কৃতজ্ঞতা স্বীকার

আমাদের সম্মানিত গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারী সংস্থাসমূহ, বিধিবন্দন 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 যা অর্জন করেছি, তা সকলের সম্মিলিত প্রচেষ্টার ফল।

নিঃসন্দেহে এই মহামারী (কোভিড-১৯) আমাদের কোম্পানী এবং সমগ্র বিশ্বের অর্থনীতিকে থ্রেভিট করছে। যদিও টিকাদান কর্মসূচীর ফলে প্রাণহনির সংখ্যা অনেকাংশে কমেছে তথাপি এই ভাইরাসের পুনরাবিস্তৃতি ও পরিবর্তনশীল আচরণ উদ্বেগের বিষয়। ডেল্টা ভেরিয়েটে পূর্ববর্তী ভেরিয়েটে থেকে অনেক বেশি মৃত্যু ঘটিয়েছে। সাম্প্রতিকসময়ে করোনার চতুর্থ চেট ইউরোপে বিশেষতঃ জার্মানী, অস্ট্রিয়া প্রভৃতি দেশে সংক্রমিত হয়েছে। প্রতিবেশি ভারতে নতুন ডেল্টা প্লাস ভেরিয়েন্ট এর আবির্ভাব ঘটেছে এবং আশংকা করা হচ্ছে এটি আরও বেশি ধূঃসাত্ত্বক। আমরা যখন কোভিড-১৯ এর সাথে লড়াই করার চেষ্টা করছি, তখন মহামারীর কারণে বিশ্বব্যাপী লক ডাউন/ শাট ডাউনের প্রভাবে অন্যান্য সকলের মতো আমাদেরকেও বেদনাদায়কভাবে পরিস্থিতির সম্মুখীন হতে হচ্ছে। অর্থনৈতিক মন্দা আমাদের ব্যবসা এবং রফতানীর উপর নেতৃত্বাক্ত প্রভাব ফেলছে। আগামী দিনের চ্যালেঞ্জগুলো সৃজনশীলতা এবং পরিবর্তিত পরিস্থিতির সাথে মানিয়ে নেওয়ার ক্ষমতার উপর নির্ভর করবে। এই চ্যালেঞ্জ সময়ে আমরা সকলে এক সাথে রয়েছি এবং আমরা বিজয়ী হবো ইনশাঅল্লাহ।

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

এ এস এফ রহমান

চেয়ারম্যান

তারিখ: ২১ শে অক্টোবর, ২০২১ইং

Chairman's Statements

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 24th 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 2020 to 30 June 2021.

Revenue

Overall Revenue: Overall revenue comprises of export sales, subsidy income, domestic sales & other income. Overall revenue increased to Taka 1401.330 million in FY2020-'21 against Taka 1210.894 million in FY2019-'20. The rate of increase in FY2020-'21 over FY2019-'20 was 15.73%. During the FY2019-'20, the overall revenue had a negative growth of 21.52% due to the impact of Covid19. During FY2018-'19 (pre-pandemic year) overall revenue was Taka 1542.953 million. The table below shows that, despite having a positive growth in FY2020-'21, the company could not earn overall revenue to the level of pre-pandemic year.

Year	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Overall Revenue	1401.330	1210.894	1542.953	1541.696	1455.120
Increase/(decrease) over previous Year	15.73%	(21.52%)	0.08%	5.95%	4.90%

Export: During the FY 2020-'21 the company earned export sales of Taka 629.112 million (including Subsidy Taka 39.683 million) against Taka 671.512 million (including subsidy Taka 93.199 million) in previous year, which indicates a negative growth of 6.31%. Lower demand in advanced economies and stiff competition amongst the manufacturers from home & abroad resulted lesser revenue from export. To combat the spread of Covid19, Governments of many 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 its currency, Turkish Lira, against USD & EURO, causing imported ceramics products costlier and the lower demand there. Although there was a marginal growth of 1.92% in export sales (without subsidy) during the year, the table below however depicts that the negative impact of covid19 on our export sales is yet to be over, as the export sales was far behind from the export sales of the pre-pandemic year (FY2018-'19).

Year	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Export Sales without subsidy income	589.429	578.313	877.512	893.342	896.612
Increase/(decrease) over previous Year	1.92%	(34.10%)	(1.77%)	(0.36%)	0.32%
Export Sales including subsidy income	629.112	671.512	877.512	893.342	896.612
Increase/(decrease) over previous Year	(6.31%)	(23.48%)	(1.77%)	(0.36%)	0.32%

Domestic: In view of declining export, the company focused to increase the domestic sales during the year. Our company earned Taka 764.447 million from the domestic sales during the FY 2020-'21, 43.27% higher than that of FY2019-'20. This is the highest level of domestic sales the company could achieve since its inception. This year's success in increasing the domestic sales was remarkable despite Bangladesh was under locked down for more than 60 days (during April and May 2021), when under general order of the Government, the businesses/retail shops/factories/plying of public transports were closed/shut down to combat the spreading of Covid19 (Delta Variant).

Year	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Domestic Sales	764.447	533.564	655.609	635.301	541.254
Increase/(decrease) over previous Year	43.27%	(18.62%)	3.20%	17.38%	13.89%

Other Income: Our company earned other income Taka 7.771 million mainly from scrap sales during the FY 2020-'21, which was Taka 5.818 million in FY 2019-'20.

Operating Result

Gross profit ratio during the year improved to 16.30% from last year's 15.42%. Similarly EBITDA increased to 18.25% from previous year's 18.07%. Increased overall revenue (Taka 1401.330 million against last year's Taka 1210.894 million) helped to achieve higher GP and EBITDA during the year. Although, operating expenses marginally increased (Taka 98.732 million against Taka 98.621 million), however, savings from finance cost (Taka 78.838 million against Taka 81.194 million), along with increased GP ratio, resulted higher net profit before tax (Taka 54.596 million against Taka 11.296 million) and net profit after tax Taka 46.379 million against last year's Taka 31.593 million. NPAT for current year stood at 3.33% against last year's 2.62% on revenue and EPS for current year calculated at Taka 0.32 against Taka 0.21 of previous year.

Generated cash & Utilization

During the year, collections from turnover & other income increased to Taka 1393.547 million which was Taka 1305.142 million in previous year. However, higher payments against cost & expenses resulted lower net cash generation from the operating activities during the year which was not adequate to finance the cash outflows for investing activities and dividend payments. Accordingly the company had to borrow (net) Taka 52.723 million during the year for financing the gap between cash inflows and out flows.

Outstanding loan & Liabilities

Loan outstanding of our company increased at Taka 1265.418 million as on June 30, 2021, which was Taka 1212.696 million as on June 30, 2020. As a result, outstanding loan to total assets ratio also increased at 19.29% on June 30, 2021 compared to 18.90% on June 30, 2020. However, liabilities for gratuity, creditors, accruals & other payables to total assets ratio decreased to 12.91% on June 30, 2020 which was 13.20% at the end of last year. Adjustments for income tax provisions for prior years and higher payment against creditors resulted such improvement.

Bone China Plant

Export demand for Bone China table wares significantly came down, primarily because of negative impacts of Covid-19 on the economies 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. Its 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 exported Bone China products. Also because of aged kilns and machineries, especially non-availability of quality electronic spare parts are standing on the way for getting optimum efficiency and keeping quality consistency at Bone China unit. Moreover, the older sections of the factory building of Bone China plant, which was constructed more than 20 years ago, is required to be renovated better yield and quality consistency in production. However, in view of the depressed demand and considering the liquidity position during the pandemic period no renovation works were undertaken.

Porcelain Plant

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 kilns and machineries are standing in the way for optimum efficiency and quality consistency. Therefore, renovation & replacement of kilns, production and decal printing machinery were required. Despite, the prevailing Covid-19, the company, to ease the situation, opened a LC for a small Kiln (shuttle) and procured a image setter for decal printing machine during the year.

Marketing and Sales

In 2020-'21 SCL did not participate any trade fair neither in home nor in abroad due to the pandemic situation. However, the exclusive showroom & sales centre at Westine Dhaka was functioning to cater the needs of the high end local & foreign visiting customers. However, our products being durable and non-essentials in nature, its repeat purchase is 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 April - June 2021 period substantially went down. Stiff competition amongst the manufacturers and importers were there. Substitute products like, Opal, Pyrex, Melamine & Stainless table wares are sharing the slice as well. Despite such challenges, our company during the year could retain our customers in export market and increased the domestic market share by achieving highest domestic sales since inception of the company.

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 end, 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 2020 -21. 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.

Accreditation	Validity	Focused Market
Suppliers Ethical Data Exchange (SEDEX)	2022	UK/EU
SEDEX Members Ethical Trade Audit (SMETA)		
Business Social Compliance Initiative (BSCI)	2022	Europe
Customs-Trade Partnership Against Terrorism C-TPAT	2022	USA
International Organization for Standardization - ISO	2022	Across the Globe

Government Recognition

Our company has been awarded Bangabandhu Sheikh Mujib Export Trophy (Gold) by Ministry of Commerce, Government of Bangladesh in recognition to our highest export performance in Ceramics products during the FY2017-'18. The declaration of awarding the National Export Trophy has been gazetted and was communicated by Export Promotion Bureau (EPB) vide ref. 26.00.0000.103.49.003.09.139, dated: 29th July, 2021.

Year	Type of Recognition	Handed Over By
2017-'18	Bangabandhu Sheikh Mujib Export Trophy (Gold)	Date of handing over of the trophy yet to be announced
2016-'17	National Export Trophy (Gold)	Honorable Prime Minister H.E. Sheikh Hasina
2015-'16	National Export Trophy (Gold)	Honorable Prime Minister H.E. Sheikh Hasina
2014-'15	National Export Trophy (Gold)	Honorable Commerce Minister Mr. Tofayel Ahmed
2009-'10	National Export Trophy (Silver)	Honorable Prime Minister H.E. Sheikh Hasina
2005-'06	National Export Trophy (Gold)	Honorable Prime Minister H.E. Sheikh Hasina
2002-'03	National Export Trophy (Gold)	Honorable Advisor In Charge of MoC Mr. Hossain Z. Rahman
2000-'01	National Export Trophy (Gold)	Honorable Prime Minister H.E. Begum Khaleda Zia

Contribution to National Exchequer

Our Company paid over Taka 163.636 million in the form of VAT, Import Duty and Income tax during the year of which income tax was Taka 23.536 million , Import Duty was Taka 25.428 million and VAT amount was Taka 114.673 million during the year. The table below shows the contribution to National Exchequer:

Particulars	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	Taka in Million FY2016-'17
VAT	114.673	91.294	109.172	111.671	112.399
Income Tax	23.535	30.322	29.766	29.046	26.350
Import Duty	25.428	23.436	27.227	25.623	23.964
Total	163.636	145.052	166.165	166.340	162.713

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 of our employees to achieve the company goals on a sustainable basis. SCL's Human Resources strength at the end of June 2021 stood 2,964 Nos. against 2,871 Nos. of June 2020.

Social Commitment

As part of the social commitment, the company provided active cooperation and support to different organizations and institutions. We sponsored news supplements on the occasion of national days and supported a research team of BUET on advanced ceramic studies and allowed them to use our laboratory and equipments for the research works. SCL took part in sponsoring sports, cultural programs and assisted the organizations helping underprivileged children and physically challenged/incapacitated people.

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. Like previous year, our Group continued supplying government hospitals with Bemsivir (the generic Remdesivir) for free and kept the price of the medicine relatively lower for other hospitals. In response to Government call, we have also sent free medicine abroad on humanitarian grounds. We continued donating PPEs, medicines, and test kits to government-designated hospitals for frontline workers. The Corona testing lab set up during last year by the Group was also functioning during the year. The preventive measures, such as setting up archway for sanitization, checking temperature on the entrance, practice of washing hands and compulsory wearing face mask for all employees at work, were also kept enforced at company's cost during the year.

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

No doubt the pandemic (Covid -19) has impacted our company and the economies of the World. Although the vaccination has reduced the casualties largely, yet it's re-emerging and mutating characters is a matter of more concern. DELTA variant caused more death than the previous variants. The fourth wave of Covid-19 has emerged in Europe (Austria, Germany) and new DELTA PLUS variant has broken out in India lately and is said to be more destructive. While we are trying to cope with Covid-19, there is no denying that the shutdown put in place in response to the pandemic has been affecting 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: 21st October, 2021



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 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 2021 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.

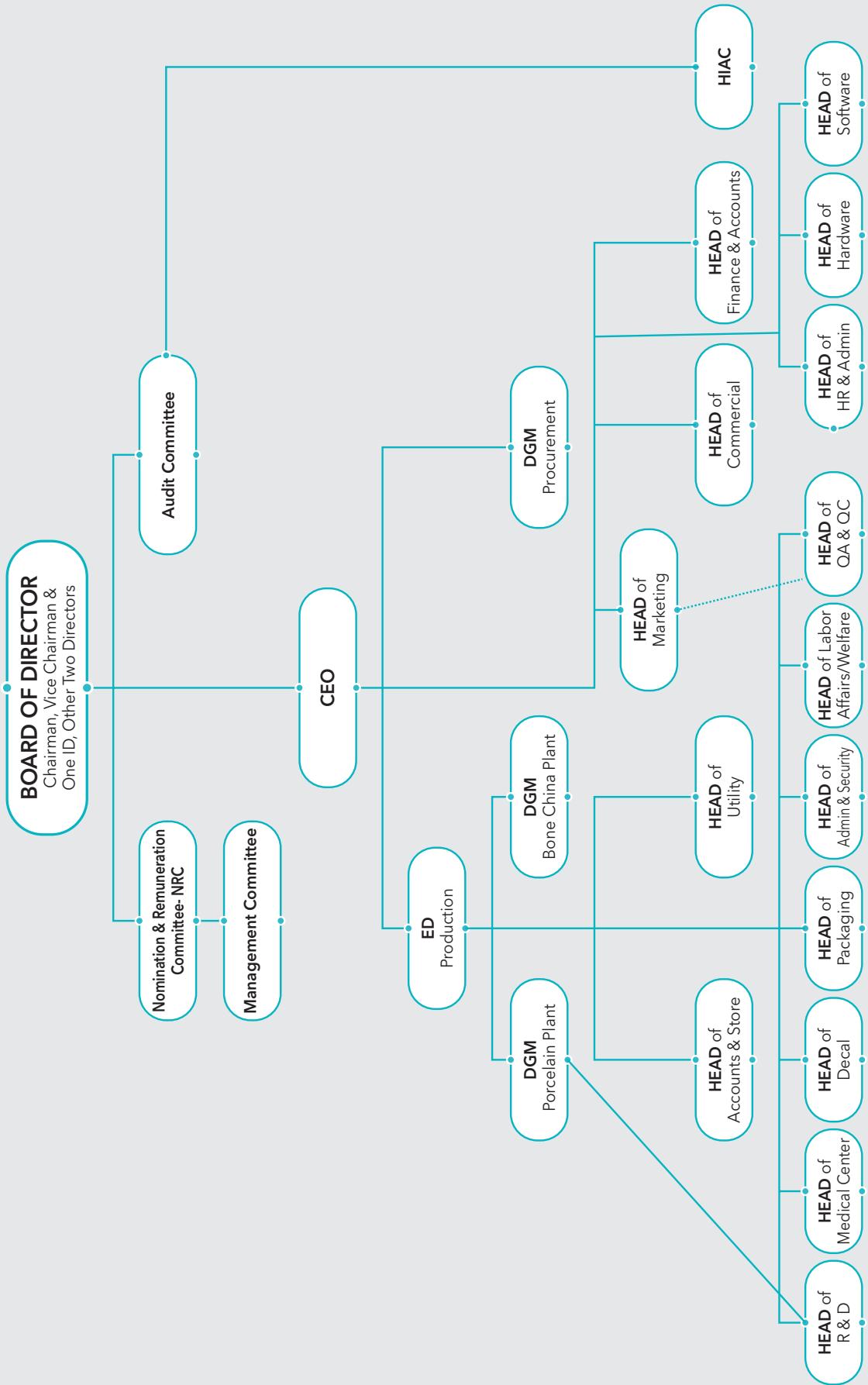
Relations with Shareholders - The annual general meeting are used as an important opportunity for communication with both institutional and general shareholders. In addition, the Company maintains relations with shareholders through the corporate affairs secretarial department.

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 2021

Dear Shareholders,

The Directors have pleasure in submitting hereunder "Directors' Report" together with the Audited Accounts for the year ended June 2021 and "Auditors' Report" thereon:

Industry Outlook and Possible Future Development

Supply Chain Disruption Caused Higher Importing Cost

We know that manufacturing of ceramic table wares are based on imported raw materials. Besides the invoice value of the raw materials, exchange rate of Taka against foreign currencies as well as the rate of ocean freight to transport the materials to Bangladesh have significant impact on the cost of production and thereby on the continuity of table wares manufacturing in Bangladesh. Unfortunately, the mining and processing of the materials could not be continued during the pandemic period. Also functioning of ports because of halting of loading/unloading and transportation of cargoes to and from ports caused disruptions in the supply chain resulting higher importing cost.

Inconsistent Gas Pressure and Worker's Absenteeism affected Productivity

Un-interrupted gas & electricity supplies and competitive labor cost are critical factors for flourishing ceramic table wares manufacturing in Bangladesh. Because of decrease in proven gas reserve, there was uncertainty in the availability of gas for industries. However, Government decision for importing liquid natural gas (LNG) had reduced that uncertainty to a great extent. But, LNG cost at international spot market increased substantially during the year. Government, instead of price adjustment in domestic market, took a policy of slowing down the import volume of LNG which ultimately causes inconsistent gas pressure in the supply lines to the industries. Although industries were invoiced as if there were continued supplies of gas with required pressure and accordingly industries had to pay the billed amount in full but in reality, absence of required gas pressure caused production loss to the industries. Due to the Government imposed restrictions in plying public transports for combating spread of Covid-19, absenteeism of work forces increased and as a result productivity during the year went down.

Unit cost of Gas & Electricity

Although, increased international LNG price has remain unadjusted during the year ended 30th June, 2021, it is apprehended that Government may in any time increase the existing tariffs of electricity & gas for industries in near future. Following table shows the change in gas & Electricity unit cost since 2014:

	June 30, 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-peak	10.69	10.19					
Electricity Taka per KW-off peak	7.70	7.34	8.15	7.57	7.32	7.32	7.32

Declining Demand at International Market

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 table wares, 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. Third wave of the pandemic for Delta Plus Variant of Covid-19 may further affect the demand of the export of Ceramic table wares.

Labor cost

Along with the availability of gas, consistency in gas pressure, uninterrupted electricity supply and competitive unit price of gas & electricity, competitive labor cost is another important factor for continuity of table wares manufacturing in Bangladesh. In view of the inflationary pressure, any decision of the Government on the minimum wages will have a direct impact on the cost of manufacturing of ceramic table wares in Bangladesh.

Up-keeping of the Production Capacity

During the year we took two dimensional steps to upkeep the production capacity. As we did in previous year, the company continued the policy of replacing the spares and undertaking the periodical repairing and maintenance program for up keeping the Kiln, & other PPE productive. With the increase of the age of the Kiln and other plant & equipments the cost in this regards will continue to increase in future. Moreover, availability of original parts & spares to keep the kiln & PPE operational has become more challenging now a day because of stopping of manufacturing of the same by the original manufacturers (of the kiln & PPE) due to updating of their models. It may be noted that Kiln, Decal Printing, HPC and Jigging machines of our company have become more than 20 years old, even in certain cases, those have become out dated due to technological advancement. Therefore, to maintain productivity & quality consistency, there is a need for replacement of kiln & PPE, since there is increasing production loss due to frequent non-functioning of the Kilns either due to derailment of the "cars" or formation of the rusts in the ceiling of the kilns or breaking of the nozzles or any other reason. The Board, in order to upkeep the production capacity, went for procuring a small shuttle kiln. Accordingly a letter of credit for US\$ 390,000 was opened during the year to procure one set shuttle kiln. The kiln arrived in the factory premises and was under erection while writing this report in October 2021. It is expected that erection of the shuttle kiln will be completed by end of December 2021 when the company will be in a better position in keeping the production running during the maintenance period for maintaining the delivery schedule.

Competition

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

Impact of Covid-19

Government of Bangladesh imposed locked down in April & May 2021 to combat the spreading of Covid-19 (Delta Variant), when shops, malls, hotel & restaurants were completely shut down, factories & offices were closed and plying of public transports were restricted. Consequently, production & sales during this period April & May 2021 was minimal. But company had to pay full wages, allowances and festival bonuses to the employees. As a result, company experienced severe liquidity constraint and could not pay

the due loan instalments in time and had to borrow for keeping the wheel of operations continued. While we are trying to cope with the negative impacts from the first & second waves of Covid-19, there is no denying that the global & domestic shutdown put in place in response to the pandemic slowed down the economies which has affected us painfully like almost everyone else. Although, the Government across the world are deploying resources on priority basis for en-masse vaccinations and approving oral drugs to fight against the pandemic, but its mutating characters causes re-emergence of it. Already emergence of fourth wave of Covid-19 in Europe (Austria, Germany) and Delta Variant plus in neighbouring India has been reported in the press. Its repeating emergence in different mutating forms no doubt will have long term impact on the world's economies in general and upon our business and exports in particular, 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.

Future Plan

In view of present (i) global economic and pandemic situation, (ii) liquidity position of the company and (iii) uncertainty / apprehension for hiking of gas price and minimum wages, the Board of Directors of the company does not think that it will be prudent to go for any large scale BMRE in near future.

Business Outlook- Export Sales

SCL continued to be one of the major tableware exporters from Bangladesh by exporting around 23% of the total Bangladesh export which was 25% in last fiscal year. Although SCL's export in FY2020-'21 has marginally improved to \$7.14 million from last year's US\$7.03 million yet it's export was significantly lower than the exports of pre-pandemic years.

Business Outlook- Export Sales

Ceramics Products	2020-'21	2019-'20	2018-'19	2017-'18	2016-'17
Bangladesh Export (including ceramics, tiles & sanitary wares) source: EPB	31.11	27.97	68.97	51.94	39.14
Shinepukur Export	7.14	7.03	10.57	11.04	11.58
Shinepukur Share to total BD Export	22.95%	25.13%	15.32%	21.26%	29.59%

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

Particulars	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	2016-'17
Total sale (Without subsidy)	1,393.558	1,205.076	1,533.121	1,528.643	1,437.866
SCL Export without subsidy	629.111	671.512	877.512	893.342	896.612
% of Export over total sales (WS)	15.64%	(21.40%)	0.29%	6.31%	5.03%
% increase or Decrease over previous FY	(6.31%)	(34.10%)	(1.77%)	(0.36%)	0.32%
Ratio of Export Sales to Total Sales	45%	52%	57%	58%	62%

During the current year, although total sales including subsidy increased by 15.64% over previous year, but export sales in Taka (including subsidy) has decreased by 6.31% to Taka. 629.111 million (which was Taka 671.512 million in FY 2019-'20) and the contribution of export sales to total sales also came down to 45% from previous year's 52%. This is due to negative impact of the pandemic (Covid-19 delta variant) and shrinking of demand in advanced economies. Despite stiff competition in export markets, we could retain our existing customers and also added a few 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 successful in this field as the series of Social Accountability audits from Suppliers Ethical Data Exchange (SEDEX), Business Social Compliance Initiatives (BSCI) and inspection from buyers' community continued to confirm SCL as a compliant OEM. 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 be able to increase the ratio of its export sales over 50% and retaining the leadership position in exporting table wares from Bangladesh in the coming years.

Business Outlook- Domestic Sales

	Taka in Million				
	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17
Total sale (Without subsidy)	1393.558	1205.076	1533.121	1528.643	1437.866
SCL Domestic Sales	764.447	533.564	655.609	635.300	541.254
% of Domestic Sales over SCL total sales	15.64%	(21.40%)	0.29%	6.31%	5.03%
% increase or Decrease over previous FY	43.27%	(18.62%)	3.20%	17.38%	13.89%
Ratio of Domestic Sales to Total Sales	55%	48%	43%	42%	38%

Despite stiff competition among the manufacturers and the importers of ceramic table wares, and cheaper substitutes like melamine, opal and Pyrex wares, SCL could increase its share in domestic market and earned Taka. 764.447 million in FY2020-'21 against Taka. 533.564 million in FY2019-'20. The rate of increase of domestic sales during the year was 43.27% over previous year. This was the highest amount of domestic sales since inception of the company. We could achieve this by focusing to domestic market when demand for export sales shrunk. The strategy of utilization of the production capacity shifting to cater the demand of the domestic market during the months when the export demand was minimal has benefited greatly towards keeping the company afloat during the year.

Segmental/Product wise Reporting

Our company is an OEM facility for manufacturing Ceramic table wares. There is no geographical or otherwise identifiable divisions are there for segmental reporting for our company. However, our company produces two types of ceramic table wares, namely Porcelain & Bone China. Increase/(decrease) over previous year's respective sales of Porcelain & Bone China and ratio of Porcelain & Bone China to total sales of five years are tabulated below:

Year	Taka in million							Share to total Sales	
	Porcelain Sales		Bone China Sales		Total Sales (Without Subsidy)				
	Amount	Inc/(dec) over previous year	Amount	Inc/(dec) over previous year	Amount	Inc/(dec) over previous year	Porcelain	Bone China	
2020-'21	833.187	17.10%	520.689	30.06%	1353.876	21.76%	62%	38%	
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	12.91%	448.314	(9.00%)	1437.867	5.03%	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 Net			Contribution to Prime Cost and OPEX			Contribution as a % of Sales without subsidy Value		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total	Porcelain	Bone China	Total
2020-'21	406.540	121.475	528.015	426.647	399.214	825.861	51.21%	76.67%	61.00%
2019-'20	248.130	154.245	402.375	463.399	246.103	709.502	65.13%	61.47%	63.81%
2018-'19	297.091	165.240	462.331	578.627	492.163	1070.790	66.07%	74.86%	69.84%
2017-'18	320.846	190.505	511.351	625.797	391.495	1017.292	66.11%	67.27%	66.55%
2016-'17	387.340	130.908	518.248	602.213	317.406	919.619	60.86%	70.80%	63.96%

During the year, higher loss for rejection and selling of old stocks at a lower rate pushed down the Porcelain Contribution. It may be noted that unit prices of Porcelain wares for export market are usually higher than the unit prices in domestic market. A lower export sales ratio to total sales, therefore, is also a cause for lower rate of contribution for Porcelain. Unit price of Bone China in domestic market is comparatively better. This year's 30.06% increased in domestic sales of Bone China wares resulted better contribution.

Carrying amount of net segmental asset and return (contribution) thereon

Particulars	Taka in million					
	2020-'21			2019-'20		
Carrying amount of Net Asset	2283.303	2761.616	5044.919	2308.381	2837.554	5145.935
Contribution	385.225	242.757	627.981	463.399	246.104	709.502
% of Contribution to Carrying Amount	16.87%	8.79%	12.45%	20.07%	8.67%	13.79%

Lower contribution of Porcelain brought down the return (Contribution) from last year's 20.07% to 16.87% during the year.

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 currencies of competing exporting countries making Bangladesh made ceramics table wares costlier in importing countries.
 - (iv) Minimum wage rate hike.
 - (v) Non-functioning of ports and highways.
 - (vi) Supply disruptions due to stopping of production/mining or non availability of right quality raw materials due to change in layer/level of the mines/quarries.
 - (vii) Supply chain disruption due to shipping route/channel (e.g., Suez Canal) blockage and scarcity of containers.
 - (viii) Upward adjustment of custom duty, VAT & Tax on imported raw material.
 - (ix) Withdrawal of Competitive/ preferential tariff facilities e.g. GSP.
- Acts of God:**
 - (i) Pandemic (e.g., Covid-19) causing closer/shutdown of production facilities/economic activities;
 - (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 by an independent assessing firm (Envirotech) confirms that our operations are not threat to environment. Moreover, our company has received up to date yearly environment clearance certificate from the Directorate of Environment, Peoples' Republic of Bangladesh.

Cost of Goods Sold (CoGS)

A vertical and horizontal analysis of cost of goods sold are tabulated below;

Year	FY 2020-'21	Vertical	Horizontal	FY 2019-'20	Vertical	Horizontal	Taka in million
Total Revenue	1393.559	100.00%	15.64%	1205.076	100.00%	0.29%	
Elements of CoGS							
Material Cost	528.015	37.89%	31.22%	402.374	33.39%	-12.97%	
Wages & (Factory) Salaries	341.846	24.53%	12.73%	303.237	25.16%	-17.73%	
Power & Fuel	100.919	7.24%	-4.51%	105.684	8.77%	-17.40%	
Consumable Store & Spares	52.143	3.74%	14.68%	45.469	3.77%	-25.46%	
Depreciation (Factory)	119.42	8.57%	-3.22%	123.391	10.24%	-0.22%	
Overhead	24.091	1.73%	-38.33%	39.062	3.24%	-20.55%	
Cost of Goods Sold (CoGS)	1166.434	83.70%	14.44%	1019.217	84.58%	-14.55%	
Gross Profit (GP)	227.125	16.30%		185.859	15.42%		

Supply chain disruptions pushed up the importing materials cost and also use of inner boxes caused higher packing materials consumption which contributed to increased material cost.

Gross Profit (GP)

GP ratio for the year increased to 16.30% from previous year's 15.42%. Total revenue (with subsidy) earned during the year was increase by 15.64% over previous year. On the other hand cost of goods sold to total revenue came down to 83.70% which was 84.58% in last year. Increased revenue resulted lower CoGS ratio and consequently higher GP ratio during the year. The increase of the revenue, particularly increase in export sales, would also improve the GP to pre-pandemic level.

Net Profit After Tax and Retained Earnings

The Directors are pleased to report that the working results of the Company for 12 months from July 01, 2020 to June 30, 2021 as follows:

	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17	Taka in million
Net profit / (Loss) before tax	54.597	11.296	92.477	81.405	22.553	
Income tax (Expenses)/ Income:	(8.218)	20.296	(29.766)	(19.857)	14.261	
i. For the period under review	(11.549)	(7.336)		28.546	23.202	
ii. Short/(excess) provision for earlier years	3.331	27.632	-	-	-	
iii. Deferred tax (Income)/Expenses	-	-	-	(8.689)	(8.941)	
Net profit / (Loss) after tax	46.379	31.592	62.712	61.548	8.292	
Balance brought forward from previous year	(30.331)	(61.923)	(124.635)	(186.183)	(194.475)	
Dividend Paid @2% for FY 2019-'20	(29.393)	-	-	-	-	
Retained earnings carried forward	(13.345)	(30.331)	(61.923)	(124.635)	(186.183)	
Net profit after tax, to paid up capital	3.16%	2.15%	4.27%	4.19%	0.56%	
EPS in Taka	0.32	0.21	0.43	0.42	0.06	

Extra ordinary activities & their implications

Other Income: There was no income from duty drawback (DDB) against export during the year. Other income was earned mainly from scrap sales.

Fair Value Gain/(Loss): Following the International Financial Reporting Standards the company has to revalue the quoted shares held as investment on the date of statement of financial position and recognize the unrealised gain/(loss) thereon. During the year such fair value gain was Taka 210.077 million which was recognized through 'statement of other comprehensive income' as follows:

Particulars	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	Taka in million FY2016-'17
Fair Value Gain/(loss) Brought forward	(130.822)	(106.501)	(96.470)	(81.118)	(113.019)
Fair Value Gain / (Loss) for the year	210.077	(24.321)	(10.031)	(15.352)	31.901
Fair Value Gain/(loss) Carried forward	79.255	(130.822)	(106.501)	(96.470)	(81.118)

Comprehensive Income: After recognizing the fair value gain of Taka 210.077 million, comprehensive income for the year, therefore, stood at Taka 256.456 million as follows:

Particulars	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	Taka in million FY 2016-'17
Net profit / (Loss) after tax	46.379	31.592	62.712	61.548	8.293
Fair Value Gain / (Loss)	210.077	(24.321)	(10.031)	(15.352)	31.901
Comprehensive income/(loss) for the year	256.456	7.271	52.681	46.196	40.194

EPS

The company has earned net profit after tax Taka 46.379 million during the FY 2020-'21. Earning per share, therefore, comes to Taka. 0.32 for the year ended on June 30, 2021 which was Taka TK. 0.21 in previous year. EPS improved due to higher revenue earnings mainly from domestic sales and incurring proportionately lesser expenditure during the year.

NAV per share

Net Asset Value (NAV) per share increased to Taka 30.63 / share as on 30th June, 2021 which was Taka 29.09 as on 30th June 2020 as follows:

Particulars	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	Taka in million FY 2016-'17
Retained Earnings carried forward	(13.345)	(30.331)	(61.923)	(124.635)	(186.183)
Fair Value Gain/(loss) Carried forward	79.255	(130.822)	(106.501)	(96.470)	(81.118)
Revaluation Surplus on PPE	2966.690	2966.690	2966.690	2966.690	2966.690
Paid-up Capital	1469.661	1469.661	1469.661	1,469,661	1,469,61
Shareholder's Equity	4502.261	4275.198	4374.428	1472406.585	2699.389
Number of Outstanding Shares i	146.966	146.966	146.966	146.966	146.966
NAV Per Share in Taka	30.63	29.09	29.04	28.68	28.37

Quarterly Performance Variance

Quarters	EPS		NAV/per share		NOCF/per share		Explanation
	FY 2020-'21	FY 2019-'20	FY 2020-'21	FY 2019-'20	FY 2020-'21	FY 2019-'20	
Q1 JUL-SEPT.	0.05	0.02	28.99	28.99	(0.09)	0.59	EPS: varies because of seasonality effect on revenues & expenditures and disbursement of subsidy.
Q2 OCT - DEC	0.04	0.04	29.82	28.94	0.12	0.87	NAV/share: increase / decrease upon addition of comprehensive income/loss.
Q3 JAN-MAR	0.04	(0.05)	30.10	28.88	0.28	1.23	
Q4 APR - JUN	0.18	0.20	30.63	29.09	0.10	0.92	NOCF: varies due to lesser / higher (i) collection of revenue (ii) payments to suppliers and against accrued expenses.
At the year end	0.32	0.21	30.63	29.09	0.10	0.92	

Related Party Transaction

During the year no loan was taken or provided to any related party. However, short term loan received from New Dacca Industries Limited during FY2017-'18 had following movements during the year and year end outstanding balance (payable to New Dacca Industries Limited) was as follows:

Related party	Movements during the Year								Yearend balance in Taka million			
	FY2020-'21		FY2019-'20		FY2018-'19		FY2017-'18		FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
	Received	Paid	Received	Paid	Received	Paid	Received	Paid				
New Dacca Industries Ltd - interest free and unsecured Short term loan	-	12.5	-	5	-	6	310	250	36.5	49	54	60

The loan payable to New Dacca Industries Limited does not bear any interest. The loan is short term in nature and has flexible terms of repayment.

Besides, above short term loan to New Dacca Industries Limited following related party balance are carried forward from earlier years:

Related party	Transaction nature	Transaction during the year for gain/(loss) upon fair valuation at the year end			Year-end balance after fair value gain/(loss) in Taka million		
		FY2020-'21	FY2019-'20	FY2018-'19	FY2020-'21	FY2019-'20	FY2018-'19
Bangladesh Export Import Companies Ltd	Investment in share	209.965	(24.374)	(9.854)	243.674	33.709	58.082
Beximco Synthetics Ltd	share	0.112	0.053	(0.177)	0.552	0.440	0.388

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 to the Independent Director of Taka 100,000.

Corporate and Financial Reports

The Directors are pleased to confirm that:

- (a) 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.
- (b) Proper books of accounts of the company have been maintained.
- (c) Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and judgment.
- (d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- (e) Internal Control System is sound in design and has been effectively implemented and monitored.
- (f) 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.
- (g) There is no significant doubt about the ability of the Company to continue as a going concern.
- (h) Significant deviation in operating result compared to last year has been explained here in before.
- (i) The summarized key operating and financial data of last five preceding years is presented below.

Key operating and Financial Data

Particulars	For the year ended 30th June 2021	For the year ended 30th June 2020	For the year ended 30th June 2019	For the year ended 30th June 2018	For the year ended 30th June 2017	For eighteen months ended 30 Jun'16	Taka in million For Six months ended 30 Jun'16
Revenue including subsidy	1393.559	1205.076	1533.121	1,528,643	1,437,867	2,053,500	641.628
Gross Profit	227.125	185.859	340.424	346,296	326,026	453,346	113.955
Profit / (Loss) Before Tax	54.596	11.296	92.477	81,404	22,553	(60,745)	(78.686)
Net Profit / (Loss) after Tax	46.379	31.593	62.712	61,548	8,293	(32,561)	(38.587)
PPE (Gross)	7530.927	7511.009	7509.186	7,495.368	5,984.548	5,980.714	5,980.714
Revaluation Surplus	2966.690	2966.690	2966.690	2966.690	2966.690	2966.690	2966.690
PPE at cost	4564.237	4544.319	4542.496	4528.678	3017.858	3014.024	3014.024
cumulative Depreciation	2486.008	2365.074	2239.848	2112.439	2020.373	1922.163	1922.163
PPE (Carrying) Value	5044.919	5145.935	5269.337	5382.930	3964.176	4058.551	4058.551
Retained Earnings carried forward	(13.345)	(30.331)	(61.923)	(124,634)	(186,183)	(194,476)	(194,476)
Paid up Capital	1469.661	1469.661	1469.661	1,469,661	1,469,61	1,469,661	1,469.66
Shareholders' Equity	4502.261	4275.198	4267.926	4,215,245	4,169,050	4,128,856	4128.856
Dividend	2.5% Cash	2% Cash	-	-	-	-	-
Return on Paid up Capital	3.16%	2.15%	4.27%	4.19%	0.56%	(2.22%)	(2.63%)
Earnings per Share in Taka	0.32	0.21	0.43	0.42	0.06	(0.22)	(0.26)
Shareholders' Equity Per Share (NAV) Taka	30.63	29.09	29.04	28.68	28.37	28.09	28.09
Number of Shareholders	16,754	14,969	15,934	16,325	17,438	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 21st October, 2021, recommended a cash dividend @2.5 percent for the year 2020-21 out of current year's net profit. After approval in the AGM to be held on 23rd December, 2021, the said recommended dividend will be distributed to the shareholders as on the record date (22.11.2020). The proposed dividend is 79.22% of the current year's net profit. Upon distribution of the said dividend the cumulative loss of the company will stand at Taka 50.087 million as on 30th June 2021 (which was Taka 59.724 million as on 30th June 2020) as follows:

Particulars	Tk. in million		
	FY2020-'21	FY2019-'20	
Net profit after Tax for the year	46.379	100.00%	31.593
Cash Dividend Proposed for FY2020-'21 @2.5% (FY2019-'20 @2%)	(36.742)	79.22%	(29.393)
Net profit retained for the business	9.637	20.78%	2.200
Cumulative Retained Earnings after Dividend carried forward	-59.724		-61.924
Cumulative Profit/(loss) after distribution of the dividend for the year	-50.087		-59.724
Retained earnings before proposed dividend (shown in the statements of financial position)	-13.345		-30.331

The Board Meeting and Attendance

During the year 6 (Six) Board Meetings were held. The attendance record of the Directors is as follows:

Name	Designation	Number of meetings held	Number of Board Meetings attended
Mr. A S F Rahman	Chairman	6	4
Mr. Salman F Rahman	Vice Chairman	6	6
Mr. Iqbal Ahmed	Director	6	5
Mr. O K Chowdhury	Director	6	6
Barrister Faheemul Huq	Independent Director	6	6
Mr. Mohammad Asad Ullah, FCS	Company Secretary	6	6

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 30-06-2021	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	Nill
Company Secretary, Spouse and minor children	Nill
Chief Financial Officer, Spouse and minor children	Nill
Head of Internal Audit, Spouse and minor children	Nill
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. A. S. F. Rahman, Director of the Company retires by rotation as per Articles 127 and 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. Four meetings were held during the year, attendance of the members therein was as follows:

NRC Committee Member	Designation	Number of Meetings Held	Attendance
Barrister Faheemul Huq	Chairman	4	4
Mr. Iqbal Ahmed	Member	4	4
Mr. O K Chowdhury, FCA	Member	4	4
Mr. Mohammad Asad Ullah, FCS	Secretary	4	4

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. One meeting was held during the year, attendance of the members therein was as follows:

NRC Committee Member	Designation	Number of Meeting Held	Attendance
Barrister Faheemul Huq	Chairman	1	1
Mr. Iqbal Ahmed	Member	1	1
Mr. O K Chowdhury, FCA	Member	1	1
Mr. Mohammad Asad Ullah, FCS	Secretary	1	1

Independent Director

Barrister Faheemul Huq is qualified as a Barrister-at-Law from Lincoln'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 existing Auditors, M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205 who were appointed as auditors of the Company in the 23rd Annual General Meeting of the Company has carried out the Audit for the year ended 30 June 2021.

M. J. Abedin & Co., Chartered Accountants, the Auditors of the Company retires at this meeting and has expressed their willingness to continue in office for the year 2021-22. The Board after due consideration of the proposal made by Audit Committee recommends for reappointment of M. J. Abedin & Co., Chartered Accountants as Auditors for the year 2021-22.

Compliance Auditors

Pursuant to code 9.2 of the Codes of Corporate Governance issued by BSEC, Suraiya Parveen & Associates, Chartered Secretaries who were appointed as Compliance Auditors of the Company in the 23rd Annual General Meeting of the Company have examined the compliance status to the Corporate Governance Code by the Company for the year ended on 30th June, 2021.

Suraiya Parveen & Associates, Chartered Secretaries, the Compliance Auditors of the Company retires at this meeting and has expressed their willingness to continue in office for the year 2021-22. The Board after due consideration of the proposal made by



Audit Committee recommends for reappointment of Suraiya Parveen & Associates, Chartered Secretaries as Compliance Auditors for the year 2021-22.

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,

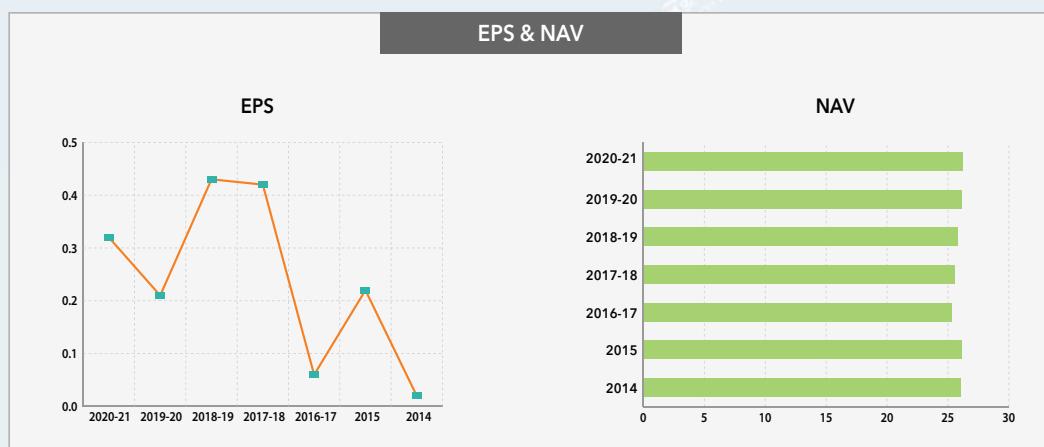
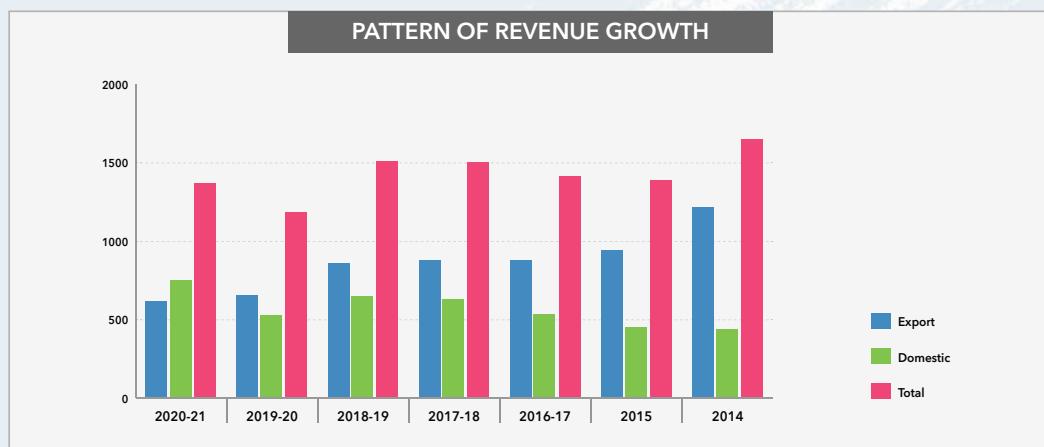
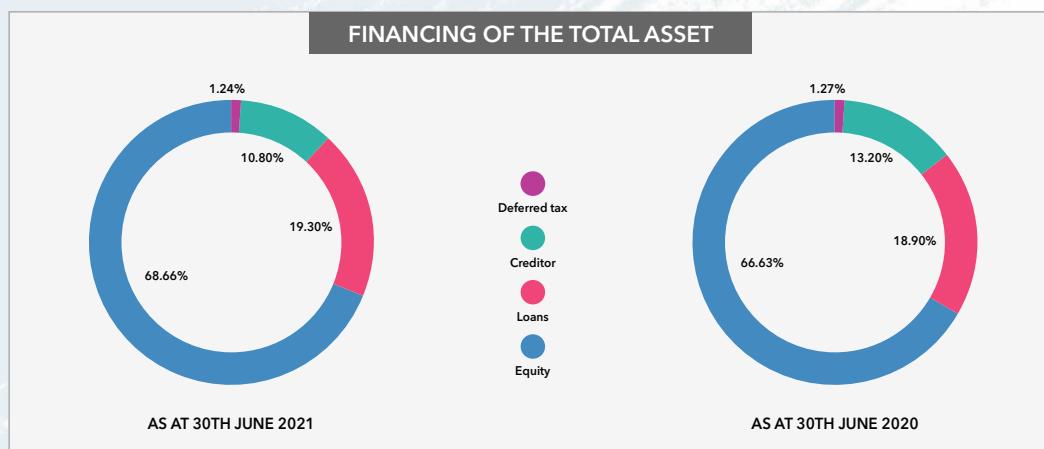


A S F Rahman

Chairman

Dated: 21st October, 2021, Dhaka.

Graphical Presentation



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
2020-'21	QTY in Million piece	11.718	3.246	14.964	11.845	2.810	14.655	11.534	2.510	14.044
	Inc./(Dec) % on last Year	11.39%	20.70%	13.28%	17.86%	20.60%	18.38%	22.18%	27.41%	23.08%
	Weight in MT	4391	1069	5460	4508	907	5415	4313	812	5125
	Inc./(Dec) % on last Year	13.90%	17.34%	14.56%	19.73%	16.58%	19.22%	25.01%	27.27%	25.36%
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 increased over last year.

(ii) Shapes & Designs:

Year	Shapes in number			Designs in number		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total
2020-'21	15	28	43	65	64	129
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

Shapes and designs are develop primarily in response to the demand of the customers.

(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
2020-'21	14,400	11,718	81.37	5,400	3,246	60.12	19,800	14,964	75.58	78	22
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
2015-16 (6 month)	7,200	5,118	71.08	1,620	1,357	83.76	8,820	6,475	73.41	79	21
2015 12 month	14,400	10,815	75.10	3,240	2,771	85.52	18,000	13,586	75.48	79	21

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 export demand for Bone China Wares was lower during the year. Therefore, Bone China wares ratio to total production was down to 22% which were 27% during FY2018-'19 (Pre-pandemic year).

Impact of pandemic (Covid-19)

The virus known as covid-19 has impacted the operations of the company. As per general order of the Govt. of Bangladesh the offices were closed down in April and May 2021 for 60 days. The operational activities of the company could not be resumed in full scale even in June 2021 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, revenue(s) generation, during April - June 2021 was affected when the export orders were either cancelled or postponed and domestic sales was 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. Consequently, our company faced 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, utilized the additional bank finances under the Government stimulus package during the year.

Up Value Recycling

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

Use of estimates and judgments and Accounting policies

Use of estimates & judgments for preparing the financial statements have been disclosed in the notes 2.7 to the Audited Financial Statements for the year ended 30th June 2021. Similarly, significant accounting policies for preparing for the financial statement have been disclosed in the notes 3 to the Audited Financial Statements for the year ended 30th June 2021.

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 2020-'21.

Additions to Property, Plant & Equipments (PPE)

During the year, capital expenditure for Taka 19.918 million (Taka 1.824 million in FY2019-'20) was incurred as follows:

Particulars	Taka in Million	
	FY2020-'21	FY2019-'20
Building & Other Construction	3.076	
Plant & Machinery	16.614	0.900
Office Equipment	0.228	0.414
Furniture & Fixture	-	0.510
Total	19.918	1.824

Letter of Credits for following capital assets were opened during the year.

Name of the Capital Asset	LC Opened on	LC Value in US\$	Documents retired on
Shuttle Kiln 1 set	03.03.2021	390,000.00	26.08.2021
Hot Air generators (2 sets)	25.03.2021	19,300.00	17.06.2021
Image Setter for Decal Plant	27.04.2021	34,500.00	17.06.2021
Spare Parts for Generator (Wakesa)	06.05.2021	81,716.00	29.08.2021
Total		\$525,516.00	

Comparative Analysis of Financial Performance and Financial Position & Cash Flows

Current year's financial performance is compared with that of previous five years in attachment "A".

Similarly Current year's Financial position and Cash flows are compared with those of preceding five years in the attachment "B".

Vertical & Horizontal Analysis of financial Result

A summarized vertical & Horizontal analysis of Revenue, Cost and Expenses & Financial Result for the FY 2020-'21 and FY 2019-'20 are tabulated below;

Particulars	FY 2020-'21			FY 2019-'20			<i>Taka in million</i>
	Amount	Vertical %	Horizontal%	Amount	Vertical %	Horizontal%	
Revenue including Other Income	1,401.330	100.00%	15.73%	1,210.894	100.00%	-21.52%	
Materials including Packing Material	528.015	37.68%	31.22%	402.374	33.23%	-12.97%	
Depreciation	120.934	8.63%	-3.43%	125.226	10.34%	-1.71%	
Employee Cost	428.854	30.60%	6.96%	400.959	33.11%	-17.22%	
Power, Fuel, Gas, Electricity, Utility	101.152	7.22%	-4.86%	106.316	8.78%	-17.98%	
Consumable Store, Spares, Repair & Maintenance	52.143	3.72%	14.68%	45.469	3.75%	-25.46%	
Over Heads	36.797	2.63%	-3.32%	38.060	3.14%	-26.44%	
Finance Cost	78.838	5.63%	-2.90%	81.193	6.71%	-39.38%	
Income Tax Expense net	8.218	0.59%	12.02%	-20.296	-1.68%	-168.19%	
a) Provision for the year	11.549	0.82%	-141.80%	7.336	0.61%	-75.35%	
b) Prior Years' (excess)/short	-3.331	-0.24%	-87.95%	-27.632	-2.28%	0.00%	
Net Profit After Tax	46.379	3.31%	46.80%	31.593	2.61%	-49.62%	

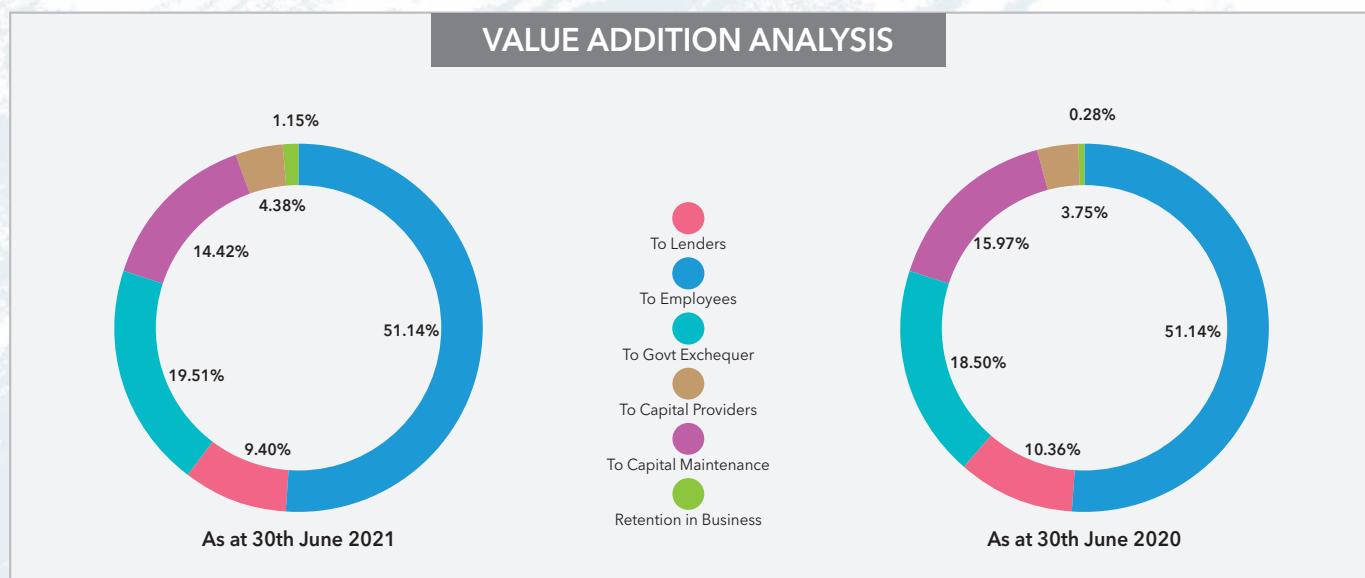
Materials cost (including packing material) are mostly imported. As explained in the Directors' Report, materials cost went up due to supply chain disruptions (caused by Covid-19 pandemic). Not only the invoice value of the materials transportation cost (including ocean freight) and leads time to procure the materials increased significantly. All other cost and expenses were either in proportion to the respective year's revenue or lesser than the previous year.



Economic Value addition analysis & Distribution

Value added statement for the FY 2020-'21, FY 2019-'20 and 2018-'19 are attached in Attachment-C. During the year the company added net value Taka 838.641 million (Taka 784.023 million in FY 2019-'20) to the national economy which was utilized as follows;

Distributed to stakeholders	Taka in million					
	FY 2020-2021		FY 2019-2020		FY 2018-2019	
	Amount	%	Amount	%	Amount	%
To Employee	428.854	51.14%	400.959	51.14%	439.386	47.27
To Lender	78.838	9.40%	81.193	10.36%	133.929	14.41
To Govt. Exchequer	163.636	19.51%	145.052	18.50%	166.165	17.87
To Capital Maintenance	120.934	14.42%	125.226	15.97%	127.409	13.70
To Capital Providers	36.742	4.38%	29.393	3.75%	-	-
Retention in Business	9.637	1.15%	2.200	0.28%	62.712	6.75
Total	838.641	100.00%	784.023	100.00%	929.601	100.000%
Net Economic Value addition (NEVA)	838.641		784.023		929.601	
Gross Economic value addition (GEVA)	1,531.320		1,352.492		1,652.026	
NEVA as a % of GEVA	54.77%		57.97%		56.27%	



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. Two (2) 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 (4.2 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:

Particulars	SCL		Ceramic Industry	Standard
	Current Year (2020-'21)	Preceding 5.5 years average (Jan 2015 to Jun 2020)		
GP Ratio in percentage	16.30%	19.85%	18.30%	±25%
EBITDA as a percentage of Revenue	18.25%	20.73%	35.16%	± 25%
OP Ratio in percentage	9.77%	16.03%	9.45%	20%
NP Ratio in percentage	3.33%	0.66%	1.49%	15%
Quick Asset Ratio	0.13:1	0.10:1	0.22:1	1:1
Current Asset Ratio	0.76:1	0.59:1	1.33:1	2:1
Debt Equity Ratio	0.46:1	0.56:1	0.48:1	1:1
Total Liability to Total Asset Ratio	0.31:1	0.36:1	0.33:1	0.5:1
ROCE in percentage	0.71%	0.19%	0.57%	5%
EPS in Taka	0.32	0.15	0.50	2.00
Debt. Servicing Coverage Ratio	0.69:1	0.92:1	0.94:1	2:1
Total Revenue to total asset	0.21:1	0.25:1	0.19:1	1:1
Total Revenue to Total Equity	0.31:1	0.39:1	0.28:1	2:1

Global Financial & economic scenarios 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 high income level. Moreover, 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. Turkish lira plunged down from below ±4 to ±9 against US dollar within a year and imposition of duties by Turkish 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 fourth wave of the pandemic has already been started in Europe (Germany, Austria). 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 repetitive wave of the pandemic (Covid-19).

SCL's Quick - Asset and Current - Asset ratios are abnormally lower than standard which indicates the company is under liquidity constraints. The management of the company is focusing to earn higher profitability by increasing overall revenue and controlling the expenses to come out of the liquidity constraints.

Environment Related Initiative

We distributed 1000 free saplings to our factory employees and to the people of the surrounding areas. Also factory open space is 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. Getting certification from Department of Environment under ministry of Environment & Forest, People's Republic of Bangladesh each year is a testimony 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 wares. SCL's all these endeavors are for its commitments to care and protect the mother Planet, the people and the society where it operates.

Corporate Social Responsibilities (CSR)

As a part of our social obligation we donated Coffee Mugs to Center to the Rehabilitation of the Paralyzed (CRP), Savar, Dhaka. Also, as stated in the Chairman's Statement, we sponsored news supplements on the occasion of the Independence day and the Victory day. We joined with BUET to support a research team on advanced studies on Ceramics and allowing them to use our lab and equipments for the research works.

Integrated Reporting & six Capitals

While using the resources at Shinepukur Ceramics Limited we interact and process the inputs in such a manner that we create value to anyone or more or all of the 'six capitals'. At the end, the values are either enhanced or may remain as it is. The state of six capitals as on 30th June 2021 were as described below:

- a) **Financial Capital:** at the beginning of the year shareholders fund was Taka. 4275.198 million which was enhanced to taka 4,502.261 million at the end of the year.
- b) Manufacturing Capital: the value of the physical asset (gross) at the beginning of the year was Taka. 7509.186 million which was enhanced to taka 7,511.009 million at the end of the year.
- c) **Intellectual Capital:** There was no change in the key personnel of the company responsible for operations and planning. Also there is no change in the team responsible for critical works including development of shapes and designs. As a result the intellectual capitals remained same during the year.
- d) **Human Capital:** The strength of human capital increased to 2,964 at the end of the FY2020-'21 from 2,871 of previous year. SCL has reputation and brand value to retain the existing work force and recruit new hands both at lateral and entry levels.
- e) **Social & Relation Capital:** Though the CSR activities and welfare measures for the employees social & relation capital of the company has been maintained during the year.
- f) **Natural Capital:** The Company operated in such a manner that natural capital remained unimpaired. For example, our factory did not produce any smog or dump wastages polluting the surroundings and the open air. Also use of underground water was rationalized by ensuring use of water for multiple purpose (Example: rechanneling the used water for hand washing / bathing for gardening purpose) and minimized by storing and using the 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 made for FY 2020-'21. As a listed company SCL applicable income tax rate is 22.50%. However, if the rebate on export sales is considered the said tax rate would not be more than 18.00%. But because of the Laws for minimum tax and discretionary disallowances made by the tax authority, the effective tax rate of the company is higher, which is apparent from the table below:

Year	Net Profit before tax (Audited)	Assessed tax liability as per IT 15 Liability as per Assessment Orders/provisions	Effective Tax Rate	Taka in million
				Remarks
2020-'21	54.597	11.549*	21.15%	*provisions. Return to be Submitted in January 2022.
2019-'20	11.296	7.336*	64.94%	*provisions. Assessment is under process.
2018-'19	92.478	28.276	30.58%	Finalized at IT Tribunal
2017-'18	81.405	29.254	35.94%	Finalized at IT Tribunal
2016-'17	22.553	18.426	81.70%	Finalized at IT Tribunal

(ii) Excess Tax Deduction at Sources (TDS) over Provisions for Current Tax

Tax deduction at sources during FY2019-'20 and FY2020-'21 are higher than the income tax provisions as follows:

Financial Year (FY)	Assessment Year (AY)	TDS		Provisions for Current Tax	Excess of TDS over Provisions
		Amount	% NPAT		
2020-'21	2021-'22	23.536	43.11	11.549	11.987
2019-'20	2020-'21	30.008	265.65	7.336	22.672
Total		53.544		18.885	34.659

From above it is apparent that if the tax authority goes for assessment covering the TDS amount of respective year, tax liability will be significantly higher than the provisions made in this regard and thereby effective tax rate will also substantially go up to 43.11% for FY2020-'21 and 265.65% for FY2019-'20 respectively from 21.15% & 64.94% as shown above table.

(iii) Refundable Tax as per IT 15

Despite our appeals, excess TDS (at import stage on raw material @5%, on export sales @0.5% and on domestic sales to different institutions @3% to @7% on the invoice value) are not being refunded even after finalization of the assessment (i.e, after the order of the income tax tribunal) and therefore working capital of the company is remained blocked/stuck over years. At the end of 30th June 2021 excess Income Tax paid which are refundable as per IT15 was Taka 58.780 million up to FY 2018-'19 (Assessment Year FY 2019-'20) as follows:

Financial Year (FY)	Assessment Year (AY)	Taka in million
		Refundable Amount as per IT15 over assessed tax liabilities
2018-'19	2019-'20	25.967
2017-'18	2018-'19	-
2016-'17	2017-'18	8.574
2016 (JAN - JUN 2016)	2016-'17 (6 month)	5.856
2015 (12 month)	2016-'17 (12 month)	16.386
2014 and prior years	2015-'16 and prior years	1.997
Total		58.780

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 2 manufacturers have capacity to produce more than Shinepukur Ceramics Limited (SCL) in Bangladesh. There is a strong possibility that at least one new entrant may join the race of compaction 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. If we are to prevail over the competition and keep ourselves prepared for a changed post virus world, regardless of the challenges and the difficulties ahead, we will rely on our creativity and ability to adapt to trying circumstances. We therefore are confident that we can sail through this 'storm' based on: (i) our stronger footprints in export market with tested relations with the customers, (ii) the strength of diversified designs & shapes at our hand, and (iii) the loyalty of our experienced and skilled 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 repetitive waves of the pandemic (covid-19).



Mohammed Humayun Kabir, FCA

Chief Executive officer (CEO)

Date: 21st October, 2021

Attachment (A)

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

Particulars	For the year ended 30 Jun'21	For the year ended 30 Jun'20	For the year ended 30 Jun'19	For the year ended 30 Jun'18	For the year ended 30 Jun'17	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	1393.558	1205.076	1533.121	1528.643	1437.866	2053.499	641.628	1411.871	1677.657
Inc/(dec) over previous year in %	15.64%	(21.40%)	0.29%	6.31%	5.03%	6.68%	(54.55%)	(15.84%)	(0.87%)
Export Taka in Million	629.111	671.512	877.512	893.342	896.612	1340.659	383.158	957.501	1235.608
Inc/(dec) over previous year in %	(6.31%)	(23.48%)	(1.77%)	(0.36%)	0.32%	16.63%	(59.98%)	(22.51%)	(19.82%)
% of total revenue	45.14%	55.72%	57.24%	58.44%	62.36%	65.29%	59.72%	67.82%	73.65%
Domestic Taka in Million	764.447	533.564	655.609	635.301	541.254	712.840	258.47	454.37	442.049
Inc/(dec) over previous year in %	43.27%	(18.62%)	3.20%	17.38%	13.89%	(8.07%)	(43.11%)	2.79%	191.80%
% of total revenue	54.86%	44.28%	42.76%	41.56%	37.64%	34.71%	40.28%	32.18%	26.35%
Other income Taka in Million	7.771	5.818	9.732	13.053	17.254	27.058	12.859	14.199	22.627
Inc/(dec) over previous year in %	33.57%	(40.22%)	(25.44%)	(24.35%)	(4.35%)	(29.86%)	(9.44%)	(37.25%)	84.85%
% of total revenue	0.56%	0.48%	0.63%	0.85%	1.20%	1.32%	0.63%	0.69%	1.10%
Cost of goods sold Taka in Million	1166.434	1019.218	1192.696	1182.347	1111.841	1600.154	527.673	1072.481	1253.444
Inc/(dec) over previous year in %	14.44%	(14.55%)	0.88%	6.34%	4.23%	1.08%	(50.80%)	(14.44%)	0.99%
% of total revenue	96.79%	84.58%	77.80%	77.35%	77.33%	77.92%	25.70%	52.23%	61.04%
Gross Profit (without O.I) Taka in Million	227.125	185.859	340.424	346.286	326.026	453.345	113.955	339.39	424.214
Inc/(dec) over previous year in %	22.20%	(45.40%)	(1.69%)	6.21%	7.87%	32.61%	(66.42%)	(20.00%)	(6.01%)
% of total revenue	16.30%	15.42%	22.20%	22.65%	22.67%	22.08%	17.76%	24.04%	25.29%
Depreciation (Manufacturing)	119.420	123.391	123.668	84.701	90.202	73.843	46.242	27.601	103.603
Inc/(dec) over previous year in %	(3.22%)	(0.22%)	46.01%	(6.10%)	22.15%	59.69%	67.54%	(73.36%)	(338.00%)
% of total revenue	8.57%	10.24%	8.07%	5.54%	6.27%	3.60%	7.21%	1.95%	6.18%
Gross Profit (Including Manufacturing Depreciation)	346.545	309.250	464.092	430.987	416.228	527.188	160.197	366.991	527.817
Inc/(dec) over previous year in %	12.06%	(33.36%)	7.68%	3.55%	(21.05%)	229.09%	(56.35%)	(30.47%)	(5.51%)
% of total revenue	24.87%	25.66%	30.27%	28.19%	28.95%	25.67%	24.97%	25.99%	31.46%
Total Depreciation	120.934	125.226	127.409	92.066	98.209	83.483	51.355	32.128	113.520
Inc/(dec) over previous year in %	(3.43%)	(1.71%)	38.39%	(6.26%)	17.64%	62.56%	59.84%	(71.70%)	0.00%
% of total revenue	8.68%	10.39%	8.31%	6.02%	6.83%	4.07%	8.00%	2.28%	6.77%
Operating Expense Taka in Million	(98.732)	(98.621)	(119.126)	(123.095)	(119.490)	(173.234)	(65.257)	(107.977)	(165.076)
Inc/(dec) over previous year in %	0.11%	(17.21%)	(3.22%)	3.02%	3.46%	(11.51%)	(39.56%)	(34.59%)	48.35%
% of total revenue	(7.08%)	(8.18%)	(7.77%)	(8.05%)	(8.31%)	(8.44%)	(10.17%)	(7.65%)	(9.84%)
Operating Profit Taka in Million	136.164	93.055	231.03	236.254	223.790	307.1700	61.557	245.613	281.764
Inc/(dec) over previous year in %	46.33%	(59.72%)	(2.21%)	5.57%	9.28%	66.33%	(74.94%)	(12.83%)	(20.02%)
% of total revenue	9.77%	7.72%	15.07%	15.46%	15.56%	14.96%	9.59%	17.40%	16.80%
Finace Cost Taka in Million	(78.838)	(81.194)	(133.928)	(150.779)	(200.109)	(367.018)	(140.243)	(226.774)	(258.877)
Inc/(dec) over previous year in %	(2.90%)	(39.37%)	(11.18%)	(24.65%)	(18.22%)	(12.77%)	(38.16%)	(12.40%)	(34.13%)
% of total revenue	(6.54%)	(6.74%)	(8.74%)	(9.86%)	(13.92%)	(17.87%)	(6.83%)	(11.04%)	(12.61%)
Profit Before WPPF	57.326	11.861	97.101	85.475	23.681	(59.848)	(78.686)	18.838	22.887
Inc/(dec) over previous year in %	383.32%	(87.78%)	13.60%	260.94%	(139.57%)	(23.94%)	(517.70%)	(17.69%)	(148.79%)
% of total revenue	4.11%	0.98%	6.33%	5.59%	1.65%	(2.91%)	(12.26%)	1.33%	1.36%
Net Profit/(loss) before Tax Taka in Million	54.596	11.296	92.477	81.404	22.553	(60.744)	(78.686)	17.941	21.798
Inc/(dec) over previous year in %	383.32%	(87.79%)	13.60%	260.95%	155.69%	(74.27%)	(538.58%)	(17.69%)	(146.47%)
% of total revenue	4.53%	0.94%	6.03%	5.33%	1.57%	(2.96%)	(3.83%)	0.87%	1.06%
Taxation Taka in Million	(8.218)	20.296	(29.766)	(19.856)	(14.260)	28.184	40.099	(11.915)	(24.134)
% of total revenue	(0.59%)	1.68%	(1.94%)	(1.30%)	(0.99%)	1.37%	6.25%	(0.84%)	(1.44%)
Net profit/(loss) after tax Taka in Million	46.379	31.593	62.712	61.548	8.293	(32.56)	(38.587)	6.026	(2.336)
Inc/(dec) over previous year in %	46.80%	(49.62%)	1.89%	642.17%	138.20%	(71.87%)	(740.34%)	(357.96%)	(95.95%)
% of total revenue	3.33%	2.62%	4.09%	4.03%	0.58%	(1.59%)	(6.01%)	0.43%	(0.14%)
EBIDA	18.25%	18.07%	23.08%	21.21%	22.32%	18.98%	17.60%	19.61%	23.50%
Fair Value Loss or Gain on Investment for the year	210.077	(24.321)	(10.031)	(15.352)	31.901	(27.032)	(10.842)	(16.189)	17.761
Comprehensive Income	256.456	7.272	52.681	46.196	40.194	(59.593)	(49.429)	(10.163)	15.425

Attachment - B

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

Particulars	For the year ended 30 June,2021	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	5289.145	5235.098	5327.807	5451.431	5550.313	5595.370	5595.370	5712.745	5644.821
Current Asset	1267.872	1242.778	1295.155	1012.706	920.773	889.047	889.047	971.05	1044.626
Total Asset	6557.017	6477.876	6622.962	6464.137	6471.086	6484.417	6484.417	6683.795	6689.447
Equity	4502.261	4337.959	4267.927	4215.246	4169.050	4128.855	4128.855	4254.431	4264.595
Non Current Liability	378.691	506.158	526.777	578.613	672.156	776.314	776.314	925.453	627.018
Current Liability	1676.065	1633.759	1828.258	1722.306	1629.879	1579.247	1579.247	1503.911	1797.835
Total Liability	2054.756	2139.917	2355.035	2300.919	2302.035	2355.561	2355.561	2429.364	2424.853
Quick Ratio	0.13:1	0.12:1	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	0.76:1	0.71:1	0.61:1	0.56:1	0.56:1	0.56:1	0.65:1	0.58:1
Debt. Equity Ratio	0.46:1	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	3.19:1	2.99:1	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	30.63	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 preceding 5 years

Particulars	For the year ended 30 June,2021	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
Net Cash Generated from Operating Activities	15.235	135.899	60.182	40.573	110.611	288.869	150.457	138.412	872.481
Cash flow used for investing activities	(19.918)	(1.824)	(13.817)	(8.536)	(21.250)	(137.023)	(20.968)	(116.055)	(576.392)
Increased /decreased in cash & cash equivalent	18.647	(17.705)	14.754	(7.911)	2.371	(5.335)	0.290	(5.626)	7.143
Net operating cash flows per share	0.10	0.92	0.41	0.28	0.75	1.96	1.02	0.94	5.94

Attachment -C

Statement of Value Addition & Utilization

	<i>Taka in million</i>			
	2020-2021	2019-2020		
Total Revenue including Other Income	1401.329	1,210.894		
Total VAT Paid	114.673	91.294		
Advance income tax paid excess of provisions for current tax	15.318	50.304		
Excess AIT over current year's provisions	11.987	22.672		
Excess tax provisions of prior years write	3.331	27.632		
Gross Value Addition	1,531.320	1,352.806		
Material, Packing Handling & Carrying	528.015	402.374		
Import duty paid	(25.428)	(23.436)		
Material cost less import duty	502.587	378.938		
Store and Spares	52.143	45.469		
Overheads	36.797	38.060		
Power, Fuel, Gas, Electricity	101.152	106.316		
Adjustment for uncredited TDS of prior years	-	(0.314)		
Goods & Services Used	(692.679)	(568.783)		
Net Value Addition	838.641	100.00%	784.023	100.00%
To employees	428.854	51.14%	400.959	51.14%
To Lenders	78.838	9.40%	81.193	10.36%
To Govt. Exchequer (Duty, VAT & Tax)	163.636	19.51%	145.052	18.50%
To Capital Maintenance (Depreciation)	120.934	14.42%	125.226	15.97%
To Capital Providers (Shareholders)	36.742	4.38%	29.393	3.75%
Retention in Business	9.637	1.15%	2.200	0.28%
Value Addition Used	838.641		784.023	
NEVA as a % of GEVA	54.77%		57.97%	

Report of the CEO and the CFO

Date: 21st October, 2021

The Board of Directors
SHINEPUKUR CERAMICS LIMITED

Subject: Declaration on Financial Statements for the year ended on 30th June 2021.

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 2021 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.

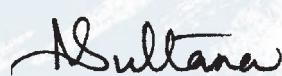
In this regards, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30th June 2021 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			

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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		
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 individuas	√		
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 Boards 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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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 thereof 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	N/A		
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	N/A		
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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.	N/A		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)	√		
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	√		
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 2021

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2021.

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 2021.

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. The existing Audit Committee of the Company is as follows:

- **Barrister Faheemul Huq**
Independent Director
Chairman of the Audit Committee
- **Mr. Iqbal Ahmed**
Non-Executive Director
Member
- **Mr. O. K. Chowdhury, FCA**
Non-Executive Director
Member
- **Mr. 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 2021, and they state that:

- (i) They have reviewed the financial statements for the year ended on 30th June, 2021 and that to the best of their 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 a 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 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 2021. 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 2021:

Financial Reporting

In terms of reference, the Committee in its first meeting held on October 25, 2020 reviewed the Annual Financial Statements for the year ended on 30 June 2020. 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 2021. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 11, 2020, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2020. 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 25, 2021 to review the un-audited second quarter financial Statements of the Company. The Committee being satisfied recommended for issue of the financial statements for the half-year ended on December 31, 2021.

The fourth meeting of the Committee was held on April 27, 2021 during pandemic situation of Covid-19 to release of the un-audited third quarter financial statements of the Company for the quarter ended March 31, 2021. 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 2021 for inclusion in the Annual Report, 2020-'21 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 2021-2022, subject to the approval of shareholders in the 24th AGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2021.

Report Authorization

This Audit Committee Repot is made in accordance with the resolution of the Board of Directors on 21st October, 2021.

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 2021. This Code relates to the Notification No. BSEC/CMRRC/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:

- (a) 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;
- (b) 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;
- (c) 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
- (d) The Governance of the company is satisfactory.

Dhaka, Dated
November 10, 2021



For Suraiya Parveen & Associates
Chartered Secretaries


Suraiya Parveen, FCS
Chief Executive Officer

Avalon Serabella, (5th Floor), 09, Dilu Road, New Eskaton, Ramna, Dhaka-1000
Cell : 01911 421 998, 01713 110 408
E-mail : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

INDEPENDENT AUDITORS` REPORT AND AUDITED FINANCIAL STATEMENTS

OF

SHINEPUKUR CERAMICES LIMITED

AS AT AND FOR THE YEAR ENDED 30 JUNE 2021



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 2021, 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 2021 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, The Securities and Exchange Rules, 2020 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 Auditors' 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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	
At year end the company reported total revenue of Tk. 1,393,558,406. 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>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 companyEvaluated the design of internal controls to identification of performance obligations and determining timing of revenue recognition.Selected a sample of contracts 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

Valuation of inventory	
The company had inventory of Tk. 876,561,784. As at 30 June, 2021 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.	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none">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 test the completeness of data.Reviewing the requirement of inventory provisioning and action there upon by the management. <p>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.</p>

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

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2021***Valuation of Property, Plant and equipment (PPE)**

The carrying value of the PPE was Tk. 5,044,919,096 as at June, 2021.

Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of 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 inspections 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

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, 2020 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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2021***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 evidence that is 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 evidence 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 evidence 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.

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, 2020 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.

Dated, Dhaka
21 October 2021

**M. J. ABEDIN & CO.
Chartered Accountants**
Reg No : N/A

Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC:2110260564AS621128

SHINEPUKUR CERAMICS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021



	Notes	Amount in Taka	
		30-June-2021	30-June-2020
ASSETS			
Non-Current Assets		5,289,144,884	5,180,083,863
Property, Plant and Equipment - Carrying Value	4.00	5,044,919,096	5,145,934,995
Investment in Shares	5.00	244,225,788	34,148,868
Current Assets		1,267,871,977	1,236,014,149
Inventories	6.00	876,561,784	902,826,025
Accounts & Other Receivables	7.00	186,484,430	178,701,696
Advances, Deposits & Prepayments	8.00	178,374,814	146,682,551
Cash and Cash Equivalents	9.00	26,450,949	7,803,877
Total Assets		6,557,016,861	6,416,098,012
EQUITY AND LIABILITIES			
Shareholders' Equity		4,502,260,698	4,275,198,297
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		79,255,174	(130,821,746)
Retained Earnings		(13,345,041)	(30,330,522)
Non-Current Liabilities		378,691,096	506,157,717
Long Term Loans - Net-o" Current Maturity(Secured)	12.00	158,722,703	291,263,805
Gratuity Payable	13.00	138,496,316	133,421,835
Deferred Tax Liability	14.00	81,472,077	81,472,077
Current Liabilities		1,676,065,067	1,634,741,998
Short Term Loans from Banks & Other	15.00	830,406,737	766,336,816
Long Term Loans-Current Maturity (Secured)	16.00	276,288,843	155,094,538
Creditors, Accruals and Other Payables	17.00	560,414,081	710,002,552
Unclaimed dividend	29.00	8,955,405	3,308,092
Total Equity and Liabilities		6,557,016,861	6,416,098,012

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

Approved and authorized for issue by the board of directors on 21 October 2021 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
21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A

Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC:2110260564AS621128

SHINEPUKUR CERAMICS LIMITED
STATEMENT OF PROFIT OR LOSS
for the year ended 30 June 2021



	Notes	Amount in Taka	
		01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
Revenue	18.00	1,393,558,406	1,205,076,326
Cost of Goods Sold	19.00	(1,166,433,505)	(1,019,217,711)
Gross Profit		227,124,901	185,858,615
Other Income	20.00	7,771,305	5,817,591
Operating Expenses		(98,731,782)	(98,621,395)
Administrative Expenses	21.00	(49,232,297)	(49,424,525)
Selling & Distribution Expenses	22.00	(49,499,485)	(49,196,870)
Profit from Operations		136,164,424	93,054,811
Finance Cost	23.00	(78,838,068)	(81,193,722)
Profit before WPPF		57,326,356	11,861,089
Workers' Profit Participation Fund		(2,729,826)	(564,814)
Net Profit Before Tax		54,596,530	11,296,275
Income Tax Income/(Expense)	24.00	(8,217,838)	20,296,375
Net Profit After Tax for the year		46,378,692	31,592,650
Earning Per Share	25.00	0.32	0.21

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

Approved and authorized for issue by the board of directors on 21 October 2021 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
 21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
 Reg No : N/A

Hasan Mahmood FCA, Partner
 Enrollment No: 564
 DVC:2110260564AS621128

SHINEPUKUR CERAMICS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2021



Particulars	Notes	Amount in Taka	
		01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
Net Profit /(Loss) After Tax for the year		46,378,692	31,592,650
Fair Value Gain/(Loss) on Investment in Shares	5.00	210,076,920	(24,321,327)
Total Comprehensive Income/(Loss) for the year		256,455,613	7,271,323

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021

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 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 (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					29.09
Balance as on 1 July 2020	1,469,660,550	2,966,690,015	(130,821,746)	(30,330,522)	4,275,198,297
Net Profit after tax for the year ended 30 June 2021	-	-	-	46,378,692	46,378,692
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	210,076,920	-	210,076,920
Cash Dividend	-	-	-	(29,393,211)	(29,393,211)
Total Balance as on 30 June 2021	1,469,660,550	2,966,690,015	79,255,174	(13,345,041)	4,502,260,698
Number of Shares					146,966,055
Net Assets Value (NAV) Per Share (Note: 26)					30.63

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

Approved and authorized for issue by the board of directors on 21 October 2021 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
21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A

Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC:2110260564AS621128

SHINEPUKUR CERAMICS LIMITED
STATEMENT OF CASH FLOWS
for the year ended 30 June 2021



Notes	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
Cash Flows From Operating Activities:		
Collections from turnover and other income	1,393,546,977	1,305,141,513
Payments for costs, expenses & others	(1,279,046,116)	(1,059,678,735)
Interest Paid	(75,729,985)	(79,555,507)
Income-Tax paid and /or deducted at sources	(23,536,016)	(30,008,199)
Net cash generated from operating activities	27.00	15,234,860
Cash Flows From Investing Activities:		
Property, Plant and Equipment acquired	(19,917,701)	(1,823,637)
Net cash used in investing activities		(19,917,701)
Cash Flows From Financing Activities:		
Increase/(Decrease) in Loan	52,723,124	(151,780,710)
Dividend Payment	(29,393,211)	-
Net cash generated from financing activities	23,329,913	(151,780,710)
Increase/(Decrease) in Cash and Cash Equivalents	18,647,072	(17,705,275)
Cash and Cash Equivalents at the beginning of the year	7,803,877	25,509,152
E" ect of exchange rate changes on cash and cash equivalents	27.00	-
Cash and Cash Equivalents at the end of the year	9.00	26,450,949
Net Operating Cash Flows Per Share	28.00	0.10
		0.92

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

Approved and authorized for issue by the board of directors on 21 October 2021 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
21 October 2021

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A

Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC:2110260564AS621128

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2021***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 2020, 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 2021;
- (b) a statement of profit or loss and other comprehensive income for the year ended from 01 July 2020 to 30 June 2021;
- (c) a statement of changes in equity for the year ended from 01 July 2020 to 30 June 2021;
- (d) a statement of cash flows for the year ended from 01 July 2020 to 30 June 2021; 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 21 October 2021.

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 2020 to 30th June 2021).

Figures for the year ended 30 June 2020 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.

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

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2021*

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 maintained 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 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 PPE

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 PPE

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%
Oy ce Equipment	20%

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2021***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.

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

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2021*

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 22.50% on taxable income. However, there are provisions for minimum tax u/s 82(C). Provision for current tax has been made considering the minimum tax payable which is higher than tax would be payable under regular assessment.

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.

3.8 Interest Income

Interest Income is recognized on accrual basis.

3.9 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.

3.10 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.

3.11 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.

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



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.

3.12 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.

3.13 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 encouraged by IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. However, Cash generated from operating activities using indirect method has also been calculated and disclosed in notes to the accounts (Note: 27)

3.14 Events after the Reporting Period

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

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



4.00 Property, Plant and Equipment-Carrying Value : Tk. 5,044,919,096

As at 30 June 2021

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 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
Addition during the year	-	3,076,090	16,613,611	228,000	-	-	19,917,701
At 30 June 2021	1,882,071,406	1,864,517,883	3,672,085,071	59,387,466	31,155,868	21,709,479	7,530,927,173
Depreciation:							
At 30 June 2020	-	464,025,890	1,796,365,333	55,670,585	28,642,652	20,370,017	2,365,074,477
Depreciation for the year	-	35,012,300	84,407,388	743,376	502,643	267,892	120,933,600
At 30 June 2021	-	499,038,190	1,880,772,721	56,413,961	29,145,295	20,637,909	2,486,008,077
Carrying Amount:							
As at 30 June 2021	1,882,071,406	1,365,479,693	1,791,312,350	2,973,505	2,010,573	1,071,570	5,044,919,096

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

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

- (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 TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
5.00 Investment in Shares : Tk. 244,225,788		

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 (30.06.2020: 65,716) Shares of Beximco Synthetics Ltd.(Face value Tk. 10.00),
(Listed company, Market value Tk. 8.40 per share on 30 June 2021) | 552,014 | 440,297 |
| (b) In 2,722,612 (30.06.2020: 2,722,612) Shares of Bangladesh Export Import Co. Ltd.
(Face value Tk. 10.00),(Listed company, Market value Tk. 89.50 per share on 30 June 2021) | 243,673,774 | 33,708,571 |
| | 244,225,788 | 34,148,868 |

This is arrived at as follows:

	30.06.2021			30.06.2020		
	Beximco Synthetics Ltd.	Beximco Ltd.	Total	Beximco Synthetics Ltd.	Beximco Ltd.	Total
Opening Balance	440,297	33,708,571	34,148,868	387,724	58,082,461	58,470,185
Adjustment for Sales during the year	-	-	-	-	-	-
	440,297	33,708,571	34,148,868	387,724	58,082,461	58,470,185
Less: Quoted Price on year end	552,014	243,673,774	244,225,788	440,297	33,708,571	34,148,868
Fair Value Gain/(Loss) on Investment in Shares	111,717	209,965,203	210,076,920	52,573	(24,373,890)	(24,321,327)

6.00 Inventories : Tk. 876,561,784

This represents as follows:

Raw Material & Chemical	141,900,236	163,164,404
Packing Material	4,639,404	6,667,607
Stores & Spares	91,142,767	94,441,367
Work-in-process	275,774,295	285,884,449
Finished Goods	363,105,082	352,668,197
	876,561,784	902,826,025

7.00 Accounts & Other Receivables : Tk. 186,484,430

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. 178,374,814

This is considered good and consists of as follows:

Advances (Note - 8.01)	161,284,605	121,258,611
Deposits (Note - 8.02)	17,090,209	25,423,941
	178,374,814	146,682,551

8.01 Advances : Tk. 161,284,605

This represents as follows:

L/C-Margin & Others	52,107,189	5,179,659
Advance Income Tax (Note - 8.01.01)	108,340,483	115,170,554
Employees (other than officers)	425,245	486,793
Advance against Expenses	411,688	421,605
Trade Fair	-	-
	161,284,605	121,258,611

SHINEPUKUR CERAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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.

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
8.01.01 Advance Income Tax : Tk. 108,340,483		
This has been arrived at :		
Opening Balance	115,170,554	85,162,355
Add : Paid/Deducted during the year under review	23,536,016	30,008,199
Less Adjustment during the year(Note 17.01)	(30,366,087)	-
Closing Balance	108,340,483	115,170,554
8.02 Deposits : Tk. 17,090,209		
This represents as follows:		
VAT Deposit	2,926,230	11,259,962
Security Deposit	11,408,261	11,408,261
Bank Guarantee Margin	2,755,718	2,755,718
	17,090,209	25,423,941
9.00 Cash and Cash Equivalents : Tk. 26,450,949		
This consists of :		
(a) In Hand:	178,440	27,872
(b) At Banks in :	26,272,509	7,776,004
(i) Current Account	11,282,243	4,620,284
(ii) STD Account	12,936,987	1,500,847
(iii) FDR Account	2,053,279	1,654,874
	26,450,949	7,803,877
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
(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-21		30-June-20	
	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	12,250,355	8.34%	25,097,978	17.08%
General Public	61,232,687	41.66%	48,385,064	32.92%
	146,966,055	100%	146,966,055	100%

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

(d) Distribution Schedule:

Share holdings	30-June-2021		
	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	7,339	1,049,806	0.71
500 to 5,000 shares	7,097	12,849,236	8.74
5001 to 10,000 shares	1,114	8,531,840	5.81
10,001 to 20,000 shares	646	9,502,690	6.47
20,001 to 30,000 shares	201	5,040,032	3.43
30,001 to 40,000 shares	103	3,583,728	2.44
40,001 to 50,000 shares	74	3,428,748	2.33
50,001 to 100,000 shares	110	8,155,712	5.55
100,001 to 1,000,000 shares	66	11,856,036	8.07
Over 1,000,000 shares	4	82,968,227	56.45
Total	16,754	146,966,055	100

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges, and quoted at Tk. 25.50 (in 30 June 2020: Tk. 8.20) per share in the Dhaka Stock Exchange And Tk. 25.50 per share in the Chittagong Stock Exchange (in 30 June 2020: Tk. 8.20)

(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 year accounts. Details are stated in Note - 4.

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
12.00 Long Term Loans- Net-O° Current Maturity (Secured) : Tk. 158,722,703		
This represents loans from :		
Bank Asia Ltd. - Term Loan	39,458,469	81,941,664
Phoenix Finance & Investment Ltd.- Term Loan	119,264,234	209,322,141
	158,722,703	291,263,805

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 :**

8% 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
13.00 Gratuity Payable : Tk. 138,496,316		
This is arrived at as follows:		
Opening Balance	133,421,835	131,536,452
Add: Addition during the year	8,065,824	2,985,718
Less: Payment during the year	141,487,659	134,522,170
Closing Balance	138,496,316	133,421,835
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	5,044,919,096	5,145,934,995
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	1,718,878,556	1,819,894,454
Year end tax base WDV of PPE	930,098,429	914,141,468
Taxable Temporary Difference	788,780,127	905,752,986
Applicable Tax Rate	18%	18%
Deferred Tax Liability before unabsorbed tax depreciation benefit	138,825,302	163,035,538
Less: Unabsorbed tax depreciation benefit	(57,353,225)	(81,563,461)
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 22.5%. However, it enjoys tax rebate @ 50% on the taxable income derived from export sales. During the year export sales to total sales comes to 44%. 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 charging 'Minimum Tax', the temporary difference arisen between accounting and tax depreciation remain 'unabsorbed' and therefore no provision for deferred tax expense/(income) is applicable for the year 2020-2021.		
15.00 Short Term Loans From Banks & Other : Tk. 830,406,737		
This is secured and consists of as follows:		
Sonali Bank Ltd. - CC (H) (Secured)	553,446,024	554,797,314
Sonali Bank Ltd. - LTR (Secured)	71,795,954	162,539,502
Covid 19 Loan	168,664,759	-
New Dacca Industries Ltd. (Unsecured interest Free)	36,500,000	49,000,000
830,406,737	766,336,816	

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

	Amount in Taka	
	As at	
	30 June 2021	30 June 2020
16.00 Long Term Loans - Current Maturity (Secured) : Tk. 276,288,843		
This consists of as follows:		
Bank Asia Ltd. -Term Loan	73,973,580	82,485,694
Phoenix Finance & Investment Ltd.- Term Loan	202,315,263	72,608,844
	276,288,843	155,094,538
17.00 Creditors, Accruals and Other Payables : Tk. 560,414,081		
This consists of as follows:		
Gas & Electricity	7,378,520	30,484,283
Creditors for Goods	408,806,652	496,571,943
Income Tax Payable (Note-17.01)	65,705,968	87,854,217
Salary & Wages	48,181,876	46,667,661
Provident Fund Employee	12,628,381	15,302,328
Interest due	1,981,950	9,124,909
Security Deposit	6,190,000	4,990,000
WPPF Payable	4,819,841	12,373,553
Tax Payable Party	2,975,496	3,753,778
Group Insurance Payable	940,393	2,074,880
Audit Fees Payable	805,000	805,000
	560,414,081	710,002,552
17.01 Income Tax Payable : Tk. 65,705,968		
This is arrived at as follows :		
Opening Balance	87,854,217	108,150,592
Add: Tax provision for the year	11,548,723	7,335,995
Short/(Excess) Provision for previous years	(3,330,885)	(27,632,370)
Less: Adjustment against AIT (Note 8.01.01)	(30,366,087)	-
Closing Balance	65,705,968	87,854,217
18.00 Revenue :Tk. 1,393,558,406		
This is made up as follows :		
A. Export Sales	629,111,337	671,512,069
Export Sales (Cash Subsidy)	589,428,637	578,313,206
	39,682,700	93,198,863
B. Local Sales	764,447,069	533,564,257
Distributors	500,076,609	364,517,754
Institutional	201,217,378	119,731,458
Show Room	5,670,991	9,031,082
Factory Sales	57,482,091	40,283,963
	1,393,558,406	1,205,076,326

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
19.00 Cost of Goods Sold : Tk. 1,166,433,505		
This is arrived at as follows:		
Raw Material Issued (Note- 19.01)	447,816,841	381,712,852
Opening WIP	285,884,449	301,795,744
Material available for consumption	733,701,290	683,508,596
Closing WIP	(275,774,295)	(285,884,449)
Consumption	457,926,995	397,624,147
Manufacturing overhead (Note- 19.03)	718,943,395	701,319,411
Cost of production	1,176,870,389	1,098,943,558
Opening Finished Goods	352,668,197	272,942,350
Cost of Goods Available for Sale	1,529,538,587	1,371,885,908
Closing Finished Goods	(363,105,082)	(352,668,197)
Cost of Goods Sold	1,166,433,505	1,019,217,711
19.01 Raw Material Issued : Tk. 447,816,841		
This is arrived at as follows:		
Opening Stock of Raw Material	163,164,404	129,642,713
Purchased of Raw Material	426,552,673	415,234,543
Closing Stock of Raw Material	589,717,077	544,877,256
Raw Material Issued	(141,900,236)	(163,164,404)
	447,816,841	381,712,852
19.02 Quantity Information	Quantity in KG	Quantity in KG
Opening Stock of Raw Materials in Quantity	1,722,536	1,188,083
Add: Purchase fo Raw Materials in Quantity	8,073,776	7,396,633
Availabe for Use	9,796,312	8,584,716
Less: Raw Material Issued in Quantity	8,420,941	6,862,180
Closing Raw Materials in Quantity	1,375,371	1,722,536
The company manufactures tableware of di" erent 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 di" cult. Similarly, packing's materials are used in small/large boxes of (printed or unprinted) cartoon paper in di" erent sizes/pieces ,quantification in weight of which are not practicable.		
19.03 Manufacturing Overhead : Tk. 718,943,395		
This consists of as follows :		
Wages,etc	341,845,721	303,237,224
Depreciation	119,419,688	123,390,628
Packing Materials	80,525,146	84,475,683
Power & Fuel	100,919,162	105,684,282
Consumable Stores & Spares	52,142,631	45,469,084
Transport Expenses	11,983,392	26,542,189
O" ce Expenses	6,601,327	7,467,052
Insurance Expense	3,164,633	2,988,819
Communication Expenses	670,645	876,251
Handling & Carrying Expenses	1,671,050	1,188,199
	718,943,395	701,319,411

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020

20.00 Other Income: Tk. 7,771,305

This consists of as follows :

Dividend Income	1,361,306	1,329,342
Sale of Scrap	5,754,136	4,349,068
Misc. Income	655,863	139,181
	7,771,305	5,817,591

21.00 Administrative Expenses : Tk. 49,232,297

This consists of as follows :

Salaries & Allowances	34,048,415	30,779,731
Depreciation	1,513,912	1,835,390
O <small>ffice</small> Expenses	6,739,474	9,317,692
Transport Expenses	2,875,343	2,754,379
Legal, Professional & Others Fees	228,550	985,850
AGM Expenses	304,930	314,060
Communication Expenses	536,119	759,125
Occupancy Expenses	481,239	424,491
Conveyance Expenses	1,013,876	854,659
Utilities Expenses	185,363	460,274
Audit Fee (Including VAT @15%)	805,000	805,000
General Expenses	-	7,180
Handling & Carrying Expenses	500,076	126,695
	49,232,297	49,424,525

22.00 Selling & Distribution Expenses : Tk. 49,499,485

This consists of as follows :

Promotional Expenses	2,402,685	5,319,402
Salaries & Allowances	28,517,561	27,945,916
Occupancy Expenses	3,949,191	3,451,333
Transport Expenses	1,901,418	2,084,895
O <small>ffice</small> Expenses	3,813,329	3,689,265
Communication Expenses	451,456	846,242
Travelling & Conveyance Expenses	1,719,069	4,787,740
Show Room Expenses	218,155	286,045
Utilities Expenses	47,799	171,393
Handling & Carrying Expenses	48,302	92,641
Legal & Prof.Expenses	362,355	499,821
Product Research & Sample	6,068,165	22,177
	49,499,485	49,196,870

23.00 Finance Cost : Tk. 78,838,068

This consists of as follows :

Interest on Loan from Banks & Others	75,729,985	79,555,507
Bank Commission & Charges	3,108,083	1,638,214
	78,838,068	81,193,722

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021



	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020
24.00 Income Tax Expenses/(Income): Tk. 8,217,838		
This represents:		
(a) Current Tax:		
Tax for the year under review	11,548,723	7,335,995
Short/ (Excess) Provision for previous years	(3,330,885)	(27,632,370)
Current Tax	8,217,838	(20,296,375)
(b) Deferred Tax (Income) / Expenses Note- 14.02	-	-
Total (a+b)	8,217,838	(20,296,375)

- (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:
 i) Turnover tax @ 0.60% on local sale and other Income , @ 0.50% on export sale and @10% on export subsidy income u/s 82C or
 ii) Tax payable under regular assessment
- (b) Since minimum tax payable U/S 82C 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 2020-2021

25.00 Basic Earnings Per Share (EPS)

(a) Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	46,378,692	31,592,650
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.11)	146,966,055	146,966,055
(c) EPS (a/b)	0.32	0.21

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.

26.00 Net Asset Value (NAV) per share

Total Assets	6,557,016,861	6,416,098,012
Less: Total Liabilities	(2,054,756,163)	(2,140,899,715)
Net Assets	4,502,260,698	4,275,198,297
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
Net Asset Value (NAV) per share	30.63	29.09

27.00 Reconciliation of Net profit with cash flows from operating activities.:

Net profit after tax	46,378,692	31,592,650
Adjustments for noncash items, non-operating items and for the net changes in operating accruals		
Depreciation	120,933,600	125,226,018
(Increases)/Decreases in Inventories	26,264,241	(36,478,413)
(Increases)/Decreases in Accounts & Other Receivables	(7,782,734)	94,247,596
(Increases)/Decreases in Advances	(40,025,995)	(8,026,725)
(Increases)/Decreases in Deposits	8,333,732	(8,307,174)
Increases/(Decreases) in Creditors for goods and Other Payables	(109,913,539)	(61,609,831)
Increases/(Decreases) Accruals	(39,674,932)	(2,630,422)
Increases/(Decreases) Gratuity Payable	5,074,481	1,885,383
Increases/(Decreases) Unclaimed dividend	5,647,313	-
	15,234,860	135,899,072

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

At the year end, there was no unrealized exchange gain or loss and as such no adjustment was required while calculating of NOCF.

	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020

28.00 Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities	15,234,860	135,899,072
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)	0.10	0.92

29.00 Unclaimed dividend

- (a) The dividend payable/unclaimed dividend as on June 30 2021 consists of:

i) Fy 2019-2020	5,647,313	-
ii) FY2007-2008	3,308,092	3,308,092
	8,955,405	3,308,092

- (i) The Cash Dividend @2% declared for the year 2019-2020 were approved by the shareholders in the Annual General Meeting held on December 19, 2020.
(ii) Unclaimed dividend of Taka 3,308,091.97 of FY 2007-2008 has been paid on 29-09-2021 as per directive of BSEC dated 06 July 2021

- (b) The unclaimed dividend which was included in Creditors and Other Payables in the prior period has been reclassified in this financial statement.

30.00 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 2020-2021 an amount of Taka 7,000,000 paid as CEO's remuneration (FY 2019-20 was Tk. 6,540,000).

(c) **Officers:**

Managerial Remuneration	64,001,218	62,484,624
Bonus	8,053,588	8,191,460

Perquisites:

Housing	19,002,473	18,577,668
Transport	3,674,875	3,976,740
	94,732,154	93,230,492

31.00 Production Capacity, Actual Production and reason of Excess/Short Fall:

	From 01 July 2020 to 30 June 2021				From 01 July 2019 to 30 June 2020			
	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	11,717,699	2,682,301	81.37%	14,400,000	10,523,613	3,876,387	73.08%
Bone China	5,400,000	3,246,418	2,153,582	60.12%	5,400,000	2,690,726	2,709,274	49.83%

Reason for Shortfall : Production as per market demand.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2021***32.00 Capital Expenditure Commitment**

There was no capital expenditure contracted but not incurred or provided for as on 30 June 2021.

There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2021.

	Amount in Taka	
	01.07.2020- 30.06.2021	01.07.2019- 30.06.2020

33.00 Contingent Liabilities

This consists of as follows:

(a) Outstanding letter of credit-	110,326,124	23,727,105
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	123,982,644	37,383,625

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

34.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 30 June 2021.

35.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2021 under any contract, other than trade credit available in the ordinary course of business.

36.00 Related Party Disclosure

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30 June 2021
Bangladesh Export Import Co. Ltd.	Investment in Shares	-	243,673,774
Beximco Synthetics Ltd.	Investment in Shares	-	552,014

Due to Related Party:

New Dacca Industries Limited	Short Term Loan	12,500,000	36,500,000
------------------------------	-----------------	------------	------------

37.00 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

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-21		30-June-20	
	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
Trade Debtors- Foreign				
US\$	1,169,066	97,410,812	636,317	53,003,551
EURO	383,916	38,614,293	68,456	6,391,254
Total	1,552,982	136,025,105	704,773	59,394,805

(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) and its Management :

The virus known as Covid-19, has affected the economy of Bangladesh in general and the operations of the company in particular. As per general order of the Govt. of Bangladesh, the offices including production facilities of the company were closed down for 60 days during April and May 2021 and therefore the operational activities of the company could not be continued in full scale, primarily, due to:

- (i) Non presence in work place(s) by the employees fearing infection from the virus and due to restrictions in plying public transports.
- (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 due to slowdown in the world economies.

Covid 19 disrupted the movements of goods, increased voyage time and freight charges. Consequently importing cost at the buyers end increased, causing declining the demand for the product. Also delayed clearance of the goods because of lockdown/congestion imports in the importing countries affected the export sales. Therefore revenue generation and cash inflows affected. To improve the liquidity and to pay employees, suppliers and utility bills, the company focused to increase the domestic sales. Also, the company availed the additional CC hypo loan to overcome the liquidity constraints during the year.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

**38.00 Payments Made in Foreign Currency :**

	01.07.2020-30.06.2021		01.07.2019-30.06.2020	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:				
US\$	98,561	8,216,360	-	-
Euro	26,570	2,698,981	-	-
JPY	4,931,500	3,895,885	-	-
Total		14,811,226		-
Import of Raw & Packing Material :				
US\$	3,172,668	269,982,582	US\$ 2,088,720	178,295,896
Euro	604,979	62,683,891	Euro 192,150	18,013,319
JPY	288,271	34,024,924	JPY 21,186,650	16,697,853
GBP	34,955,230	28,203,473	GBP 422,349	45,827,240
		394,894,870		258,834,308
Total		403,111,230		258,834,308

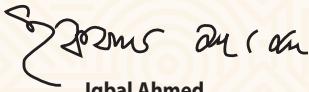
No other expenses including royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

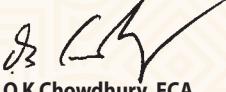
39.00 Foreign Exchange Received against Collection from Export Sales:

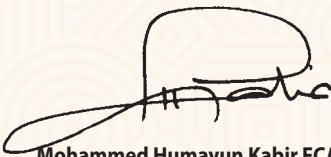
	01.07.2020-30.06.2021		01.07.2019-30.06.2020	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
US\$	5,572,806	469,230,216	US\$ 6,796,500	570,905,972
EURO	456,244	159,563,490	Euro 1,734,386	159,563,490
Total		628,793,706		730,469,462

40.00 Events After The Reporting Period

- a) The directors recommended 2.5% cash dividend (i.e. Tk. 0.25 per share) for the year 2020-21. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- b) No circumstances 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

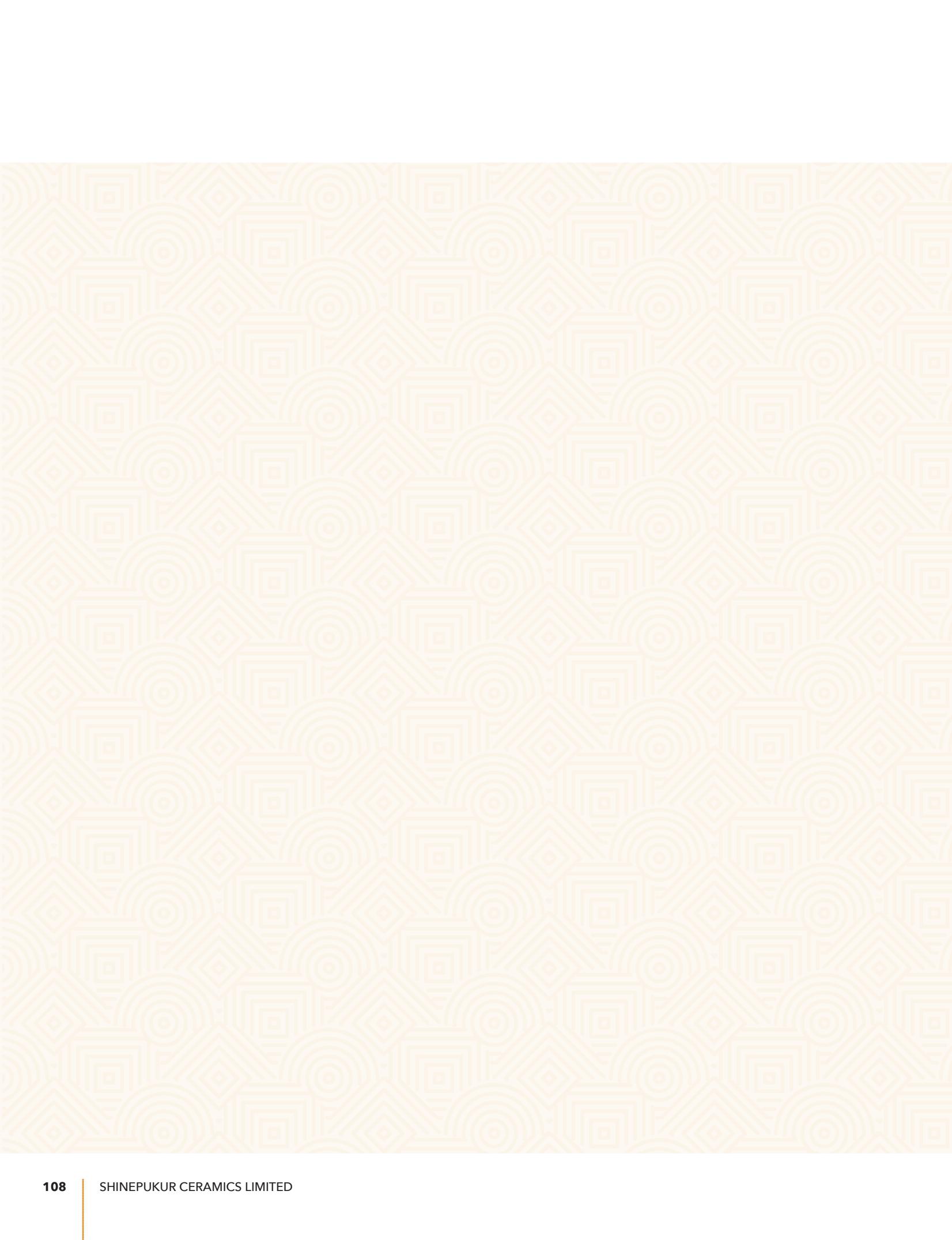

Mohammed Humayun Kabir FCA
Chief Executive


Nargis Sultana
Head of Finance & Accounts

Dated, Dhaka
21 October 2021

NOTE

NOTE



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 eight (8) 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...



Operational Head Office

Beximco Media Complex, Level 9, 149-50 Tejgaon I/A, Dhaka 1208, Bangladesh
Tel: 6091000300 • Fax: +88 02 9661678 • E-mail: spclnt@bol-online.com
www.shinepukur.com





OPERATIONAL HEAD OFFICE

Beximco Media Complex, Level 9, 149-50 Tejgaon I/A, Dhaka 1208, Bangladesh
Phone : +88 02 8611891-5, +88 02 8618220-7, Direct : +88 02 9667135
Fax : +88 02 9661678, 8613470, E-mail : spclnt@bol-online.com

PLANT

BEXIMCO Industrial Park
Sarabo, Kashimpur, Gazipur, Bangladesh
Phone : +88 02 7789756-8, Fax : +88 02 7789821, E-mail : sclfit@sclbd.net

SHINEPUKUR SIGNATURE SHOWROOM

The Westin Dhaka
Main Gulshan Avenue, Plot # 1, Road # 45, Gulshan-2, Dhaka-1212, Bangladesh
Phone : +88 02 8815093, +88 01714161638 • Fax : + 88 02 9661678, 8613470
E-mail : display@bol-online.com

www.shinepukur.com