

Annual Report 2015-2016



Standard Ceramic Industries Ltd.

Manufacturer of Stoneware Tableware

STANDARD CERAMIC INDUSTRIES LTD.

ANNUAL REPORT 2015-2016

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Founder Chairman and Managing Director
Late Al-Hajj Ansar Uddin Ahmed
1922-2005

STANDARD CERAMIC INDUSTRIES LTD.

62-63 Motijheel C/A, Dhaka.

Corporate Directory BOARD OF DIRECTORS



Mr. A.K.M. Jahangir Khan
Chairman



Mr. Helal Uddin Ahmed
Managing Director



Mr. Lutfur Rahman
Director



Mr. Nasir Uddin Ahmed
Director



Mr. Enamul Maqsud
Director



Mr. A.K.M. Alamgir Khan
Director



Mr. A.K. Mizanur Rahman, FCA
Independent Director



Mr. M. Ismail
Independent Director

Auditors : M/s. Artisan, Chartered Accountants
Shah Ali Tower (6th & 7th Floor)
33 Kawran Bazar,
Dhaka-1215.

Company Secretary : Jamal Uddin Bhuiyan.

STANDARD CERAMIC INDUSTRIES LTD.

Head Office: Amin Court (3rd Floor)
62-63 Motijheel C/A, Dhaka- 1000.

Registered Office:
Holding no-738, Ward No- 34,
Post Office - National University, Saydana,
Gazipur City Corporation, Gazipur-1700.

Notice of the 32nd Annual General Meeting

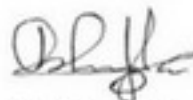
Notice is hereby given that the 32nd Annual General Meeting of Standard Ceramic Industries Ltd. will be held on Saturday, December 24, 2016 at 10:30 A.M. at the Factory premises of the Company at Holding no-738, Ward No-34, Post Office-National University, Saydana, Gazipur City Corporation, Gazipur-1700 to transact the following business:

AGENDA

1. To confirm the proceedings of the 31st Annual General Meeting held on December 23, 2015.
2. To receive, consider and adopt Audited Financial Statements of the Company for the year ended on June 30, 2016 together with reports of the Auditors and the Directors thereon.
3. To declare dividend for the year ended June 30, 2016.
4. To elect Directors in place of those retiring by rotation.
5. To appoint Auditors of the company for the year 2016-2017 and to fix their remuneration.
6. To approve the appointment of Independent Director.
7. To transact any other business which may be transacted at an Annual General Meeting with the permission of the Chair.

By order of the Board of Directors

Dated: November 17, 2016



(Jamal Uddin Bhuiyan)
Company Secretary.

Notes:

- a) November 17, 2016, is the Record Date. Shareholder whose names will appear in the Members Register of the company or in the Depository Register on Record Date will be eligible to attend the Annual General Meeting and receive dividend.
- b) A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her behalf. The proxy form, duly stamped, must be deposited at the Head Office of the Company not later than 48 hours before the time fixed for the meeting.
- c) Admission to the venue of meeting shall be allowed only on presentation of the attendance slip sent with the Annual Report.
- d) Queries on the Annual Report may be sent to the Head Office, 72 hours before the time fixed for the meeting.
- e) No gift or benefit in cash or kind shall be paid to the shareholders of the company at the Annual General Meeting as per BSEC notification no. BSEC/SRMI/2000-953/1950 dated October 24, 2000.
- f) Shareholders are requested to submit their 12 digits Taxpayers Identification Number (TIN) to the Company latest by 26/12/16 failing which, income tax will be deducted from payable dividend 15% instead of 10%.

**STATISTICAL PERFORMANCE
OF LAST FIVE YEARS**

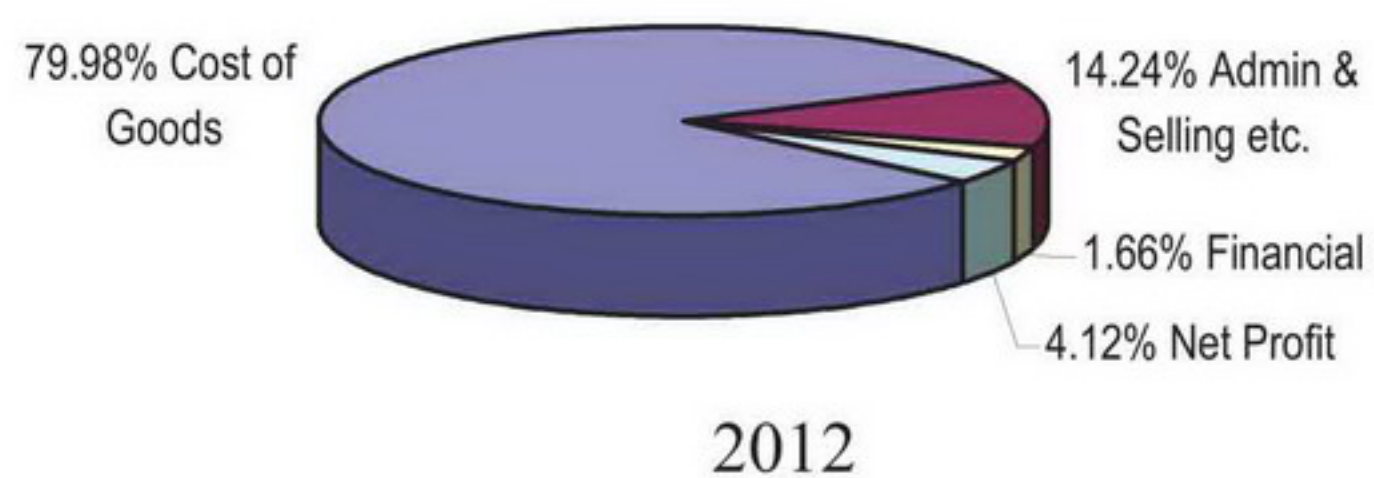
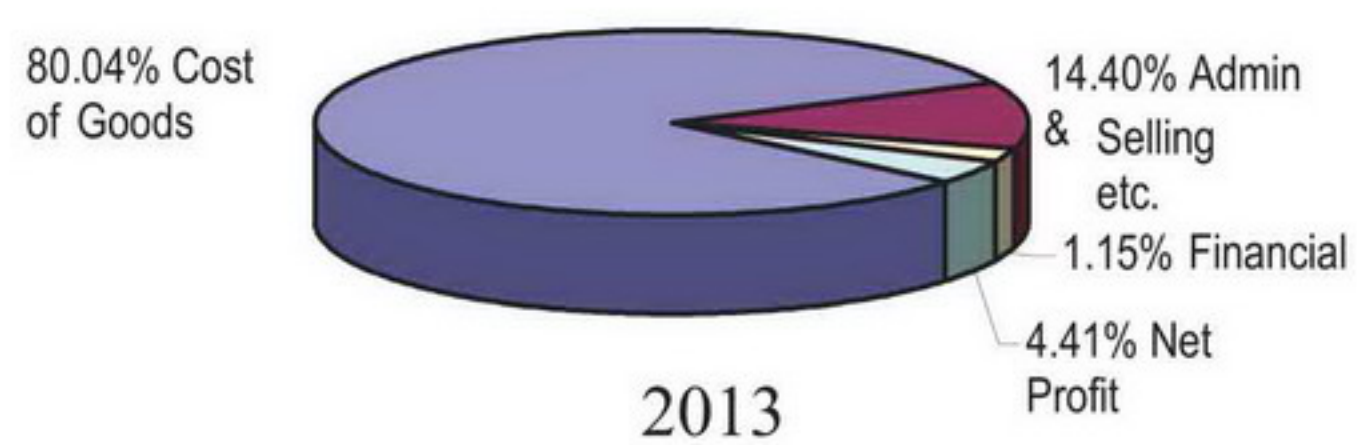
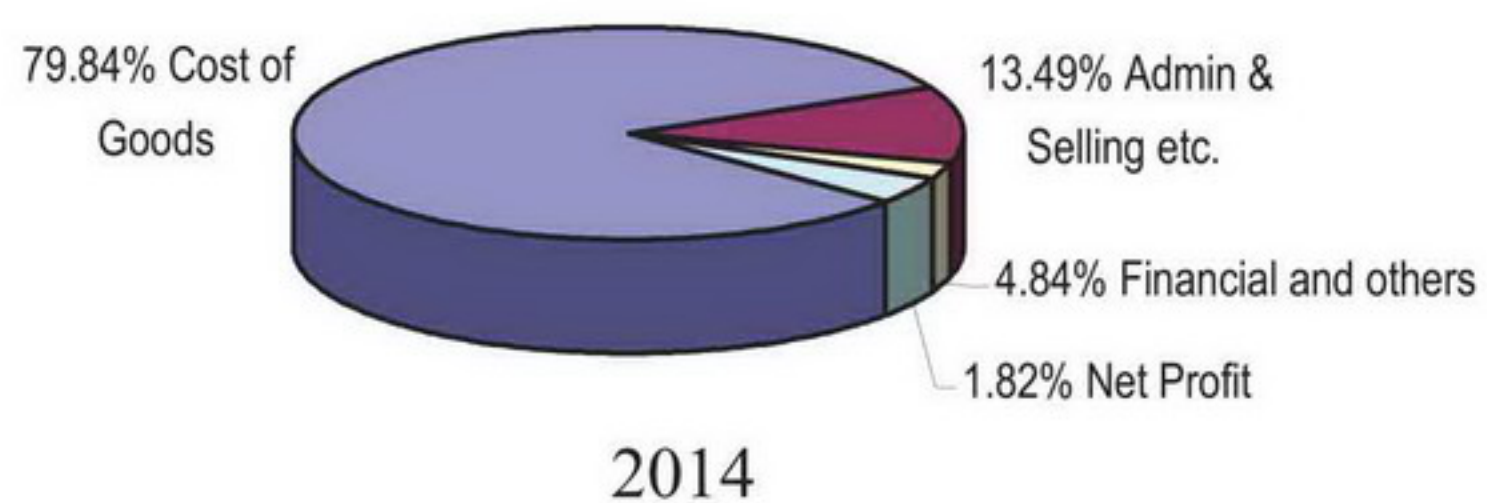
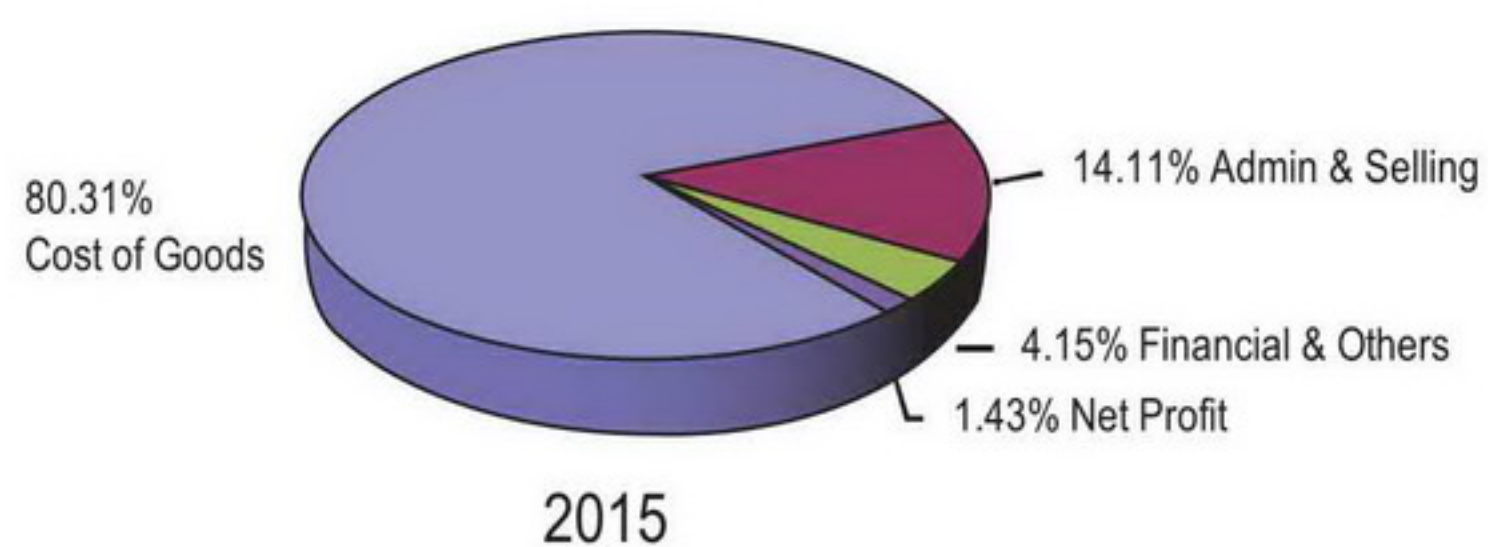
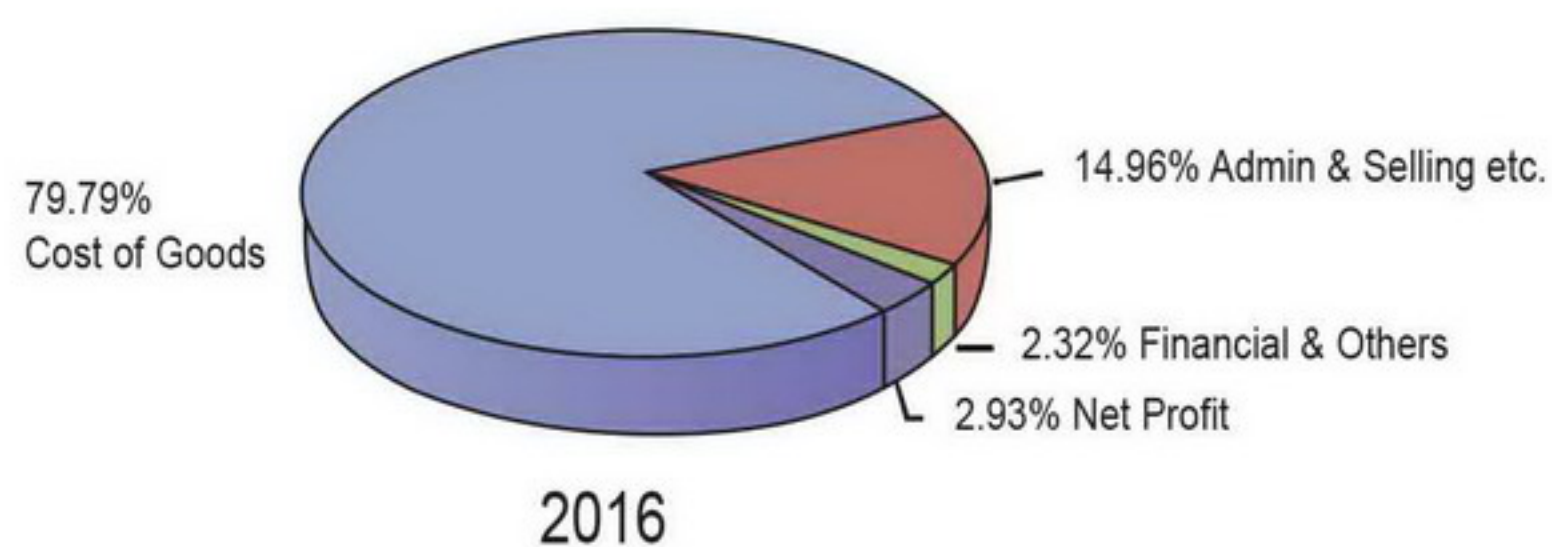
Five Years Key Financial Statistics

Items	As at 30 June Tk./000				
	2016	2015	2014	2013	2012
Fixed Assets	117,655	109,366	111,355	113,825	111,789
Deferred Exp.	0	3,910	3,910	8,480	4,607
Net Current assets	(9,864)	(5,455)	(9,134)	(13,747)	(8,595)
Total Assets	107,791	107,821	106,131	108,558	107,801
Paid-up-Capital	64,607	64,607	64,607	64,607	64,607
Share Premium	14,650	14,650	14,650	14,650	14,650
Revenue Reserves and surplus	(10,446)	(10,024)	(574)	1,853	1,096
Tax Holiday Reserve	1,064	1,064	1,064	1,064	1,064
Capital reserve	26,384	26,384	26,384	26,384	26,384
Total equity	96,259	96,681	106,131	108,558	107,801
Deferred Tax Liabilities	11,532	11,140	0	0	0
Total debt + equity	107,791	107,821	106,131	108,558	107,801
Net Asset Value (NAV) per ShareTk.	14.90	14.36	15.82	15.49	15.97

Face value of share Tk.10/=

Items	Tk./000				
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Revenue	291,867	285,359	235,978	224,983	210,196
Less Cost of goods sold Items	(232,882)	(229,167)	(188,397)	(180,076)	(168,125)
Gross profit	58,985	56,192	47,581	44,907	42,071
Less: Administrative and Selling expenses	(43,665)	(40,253)	(31,834)	(32,405)	(29,937)
Interest charges & write off	(6,758)	(11,830)	(11,447)	(2 630)	(3,489)
Other income	2,647	3,101	2,398	782	1,555
	(47,776)	(48,982)	(40,883)	(34,253)	(31,871)
Net Profit/(Loss)	11,209	7,210	6,698	10,654	10,200
Contribution of WPPF	(533)	(344)	(319)	(507)	(486)
	10,676	6,866	6,379	10,147	9,714
Add: Provision for Income Tax & Deferred Tax	(3,802)	2,822	(2,344)	(2,930)	(2,805)
Retained profit/(Loss)	6,874	9,688	4,035	7,217	6,909
Earnings per share(EPS) Tk.	1.06	1.50	0.62	1.12	1.07
Cash Dividend	10% only	10% (for Public Shareholders only)	10% (for Public Shareholders only)	10%	10%

SALES DISTRIBUTION



STANDARD CERAMIC INDUSTRIES LTD.

Amin Court (3rd Floor), 62-63, Motijheel C/A,
Dhaka- 1000, Bangladesh.

DIRECTORS' REPORT AT THE 32ND ANNUAL GENERAL MEETING

Dear Shareholders,

We, on behalf of the Board of Directors, feel privileged to welcome you at the 32nd Annual General Meeting of your Company and have the pleasure in presenting before you the Annual Report together with audited financial statements for the year ended on 30th June 2016.

General Economics & Environmental Situation:

The economic conditions of the end users of our products during 2015-2016 were neither satisfactory nor unsatisfactory. Under this situation, our sales slightly increased. Due to International competitiveness, increase in export sales was not satisfactory. Expenses on account of depreciation increased due to addition of Fixed Assets. Tax expenses also increased. Yet the net operating result was positive.

Industry outlook

Directors are trying hard to expand and explore market not only in our country but also in the other countries.

Possible future development

Quality Improvement

For quality improvement and cost reduction, Decal machineries already installed and started production and Decal Plant Building was partly completed.

Cost Reduction

For reduction of cost, Directors are trying to set up new machinery in place of old machinery.

State of Company's Affairs :

Turnover amounted to Taka 291.87 million in the year 2015-2016 as against taka 285.36 million in the year 2014-2015. The gross profit for the year was Taka 58.99 million as against Taka 56.19 million of the previous year showing increase of 4.97 %. The gross profit ratio increased by 0.52 % .

Particulars

Figure in Thousand ('000) Tk.

	<u>2015-2016</u>	<u>2014-2015</u>
Net Profit/(Loss) before Tax etc.	11,210	7,209
Less:WPPF	(534)	(343)
Less:Provision for tax etc.	(3,410)	(1,802)
Add: Deferred Tax Exps/Income	(392)	4,624
Net Profit /(Loss)after Tax etc.	6,874	9,688
Less: Proposed Dividend	(6,461)	0
Less: Dividend declared	0	(3,385)
Less:Previous years Accumulated Profit/(Loss)	(13,409)	(19,712)
Prior Year's adjustment	<u>(3,910)</u>	
Accumulated Profit / (Loss)	<u>(16,906)</u>	<u>(13,409)</u>

Contribution to National Exchequer:

Your company contributed a total amount of Taka 48.92 million to the National Exchequer in the form of Custom duty, AIT, VAT, except gas, electricity bill etc, during the year under report.

Dividend

The Company has a total accumulated loss of Taka 13.40 million at the opening, which lowered our reserve position. But the Company earned a net profit of Taka 6.87 million during the year. In this situation, the Board of Directors has recommended cash dividend @ 10% on face value of share for the shareholders from the profit of this year.

Retirement of Directors and their Re-election :

(1) Mr. Nasir Uddin Ahmed (2) Mr. Enamul Maqsd, Directors of the company who retired by rotation as per Article 44 of the Articles of Association of the Company, offered themselves for re-appointment and being eligible may be re-appointment.

Brief resume of above Directors:

1. Mr. Nasir Uddin Ahmed - Director.

Mr. Nasir Uddin Ahmed, a commerce graduate, is the Director of the company. He started his career in 1985 as management executive (now operative director) in Peoples Ceramic Industries Ltd., pioneer of ceramic sector in the country. He has acquired vast knowledge in technical and manufacturing during his service life and able to hold key position in the same field. He has got long 29 years experience as ceramic business expert. Long acquiring experience including various training from abroad like AOTS, Japan in respect of industrial concerns.

(2) Mr. Enamul Maqsd –Director.

Mr. Enamul Maqsd is a graduate from BUET in Mechanical Engineering. He is a Shareholder and Operative Director of the company. He is also a director of Peoples Ceramic Industries Ltd.. He has been working in ceramic sector since 1989. He has also gathered vast experience in ceramic production and quality. In addition to his business, he is a member of IEB, BUET-88 Club. Mr. Maqsd is also associated with some social organisations

(3) Mr. A.K Mizanur Rahman FCA - Director

Appointment of Independent Director

The board of directors in its meeting held on 27th April 2016 has unanimously re-appointed Mr. A.K Mizanur Rahman, FCA as independent director of the company after completion of first 3(three) years duration.. The appointment is placed before the 32nd Annual General Meeting for approval by the shareholders.

Brief resume

Mr. A.K Mizanur Rahaman, FCA- Independent Director

Mr. A.K Mizanur Rahman, FCA is Managing Partner of Shafiq Mizan Rahman & Augustine, Chartered Accountants and Official Receiver, People's Republic of Bangladesh. He qualified as Chartered Accountant from the Institute of Chartered Accountants of Bangladesh (ICAB) in the year 1983. Mr. Rahman is a life Member of Bangladesh Red Crescent Society, Diabetic Association of Bangladesh, Bangladesh Society of Hypertension, Bangladesh Lions Foundation and Member of Dhaka Chamber of Commerce and Industry (DCCI), Japan-Bangladesh Chamber of Commerce & Industry. He attended various seminar and conference at home & abroad. He was the Chairman of Dhaka Regional Council of the ICAB in the year 1997 and Past President of Lions Club of Dhaka Shahabagh and OISCA International Japan. At present, he is a Member of Standing Committee of ICAB, DCCI and International Director, OISCA International, Japan and Director, Sadharan Bima Corporation and Beach Hatchery Ltd.

Corporate & Financial Reporting :

The Company has complied the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission.

Accordingly, the Directors are pleased to confirm the following:

- (a) The Financial Statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- (b) Proper books of accounts of the Company have been maintained.
- (c) Appropriate Accounting Policies have been consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- (d) The Financial Statement have been prepared in accordance with IAS/BAS/IFRS/BFRS.
- (e) The system of internal control is sound and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the Company's ability to continue as a going concern.
- (g) The key operating and financial data for the last five years are annexed.

(h)Board Meetings and Attendance :

The Board of Directors consisted of 8 members and during the year six Board meetings were held.

The attendance record of the Directors is as follows:

Sl #	Name of the Directors	Position	Meeting attended	
01.	Mr. A.K.M. Jahangir Khan	Chairman	6	
02.	Mr. Helal Uddin Ahmed	Managing Director	6	
03.	Mr. Lutfur Rahman	Director	5	
04.	Mr. Enamul Maqsub	Operative Director	6	
05.	Mr. Nasir Uddin Ahmed	Director	6	
06.	Mr. A.K.M. Alamgir Khan	Director	6	
07.	Mr. A.K Mizanur Rahman, FCA	Independent Director	6	
08.	Mr.M.Ismail	Independent Director	6	

The Directors not attending the meetings were granted leave of absence.

I. Continuity of Extra-ordinary Gain or Loss:

There is no extra- ordinary gain or loss during the year under report.

j. There were no significant deviations from last year in the operating results.

k. Utilisation of Proceeds from Public Issue, right issue and through any others instruments

The Company did not raise share capital through Public Issue, right issue and through any other instruments during the year 2015-2016. However, the company raised its capital in 1996. The proceeds of the issue have been utilized in repaying Long Term Loan.

l. Remuneration of Managing Director and Independent Director

Remuneration of the Managing Director has been disclosed in the accounts note no.20. On the other hand, Independent Directors did not receive any remuneration except meeting attendance fees.

m. Subsidiary Company

The Company has no subsidiary company.

n. Chairman of the Board and Chief Executive Officer

The position of the Chairman of the Board and Chief Executive Officer stand separated.

o. Duties of CEO and CFO

The provision of BSEC regulations has been complied.

p. Risks and concerns**(a)Interest Rate Risk**

The Company has neither borrowed local fund at flexible rate nor borrowed any fund in foreign currency. Hence the increase in interest rate will not increase financial cost.

(b) Exchange rate risk

Company adjusts exchange risk for imported raw materials through increasing products price.

(c)Market Risk

The company is continuously upgrading its quality to minimise the market risks.

(d) Operational Risk (Non-availabilities of Materials /Mechanical Failure of Equipments)

The Company has its scientific inventory management system and equipped with power backup which reduces operational risks.

(e) Trade Policy risk

Trade policy risk refers to the increase competition in the market due to change of trade policy. Increase of duty on imported raw-materials and decrease of duty on imported finished goods will increase risks The Company continuously carries out research and development activities according to the customer choice which reduces industry risk.

(q)The pattern of shareholding is as follows:

Sl #	Name wise details	Shares held
01.	Mr. A.K.M. Jahangir Khan, Chairman	2,25,450
02.	Mr. Helal Uddin Ahmed, Managing Director	3,73,880
03.	Mr. Lutfur Rahman, Director	3,73,880
04.	Mr. Nasir Uddin Ahmed, Director	3,73,880
05.	Mr. Enamul Maqsd, Director	2,03,960
06.	Mr. A.K.M Alamgir Khan, Director	2,59,080
07.	Mr. A.K Mizanur Rahman, FCA (Independent Director)	nil
08.	Mr. M.Ismail (Independent Director)	nil
09.	Mr. Jamal Uddin Bhuiyan, Company Secretary.	nil
10.	Mr. Abdur Rahim, Chief Financial Officer.	nil
11.	Mr. Serajul Islam, Head of Internal Audit.	nil
	Executives:	
12.	Mr. Md. Abu Taher, Senior Manager (Import).	10
13.	Mr. Mushfiqur Rahman, Manager Export	150
14.	Mr. Kazal Or-Rashid, Dy. Manager (Custom)	nil
15.	Mr. Ziaul Hoque, PPO.	nil
16.	Mr. Mustafizur Rahman ,Dy. Manager (Share)	10
17.	ICB, Unit Fund	10,63,630

Corporate Governance Compliance Report :

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

Appointment of Auditors :

As per Bangladesh Securities & Exchange Commission Notification, no auditors shall be appointed for more than three consecutive years. Presently M/s. Artisan, Chartered Accountants, Shah Ali Tower (6th & 7th Floor) 33, Kawran Bazar, Dhaka-1215, Bangladesh is the auditor of the Company whose period of appointment will expire on 32nd AGM as well as they will fulfill conditions of appointment of three consecutive years period. They are not eligible for re-appointment for the year 2016-17. M/s. FAMES & R, Chartered Accountants, House no-406 (1st Floor) Road # 29 Mohakhali DOHS, Dhaka-1206 offered themselves for appointment as auditors of the Company for the year 2016-17. Accordingly, the Board of Directors recommended that M/s. FAMES & R, Chartered Accountants, be appointed as Auditors for the financial year 2016-2017 subject to the approval of the Shareholders in the AGM with Tk 225,000/= as their remuneration for audit works only.

Acknowledgement :

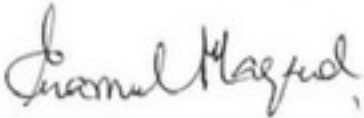
We, on behalf of the Board of Directors of the company, express our sincere gratitude and thanks to all the respected Shareholders, Investors, Banks, Financial Institutions, Bangladesh Securities & Exchange Commission, Stock Exchanges, CDBL, ICB, Government Agencies, News & Press Media, Suppliers, Customers and employees of the company for their continued support & co-operation.

Conclusion :

Finally, we, on behalf of the Board of Directors express our deep appreciation to all workers, Staff and Officers, both in the Head Office and Factory for their dedicated hard work rendered during the year and hope that they will continue to maintain spirit of team work in the coming years for the continued growth of the Company.

On behalf of the Board of Directors

Date: 27 October, 2016
Place: Dhaka


(Enamul Maqsood)
Director


(Helal Uddin Ahmed)
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

(As required under the BSEC Corporate Governance Guidelines)

We have examined the compliances of conditions of the Corporate Governance by Standard Ceramic Industries Ltd. for the year ended 30th June, 2016 as per Corporate Governance guidelines issued by the Bangladesh Securities and Exchange Commission vide Notification No. SEC /CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The Compliance of conditions of the Corporate Governance as stated in the aforesaid Notification is the responsibility of Company's management. Our examination has been limited to the checking of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance.

To the best of our information and according to the explanations given to us, we certify that, Standard Ceramic Industries Ltd. has complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC notification dt.7 August 2012.

Dhaka -1207
Dated: 27 October 2016



(M. AHMED & CO.)
Chartered Accountants



Standard Ceramic Industries Ltd.

(Manufacturer of Stoneware Tableware)

Amin Court (3rd Floor), 62-63 Motijheel Commercial Area, Dhaka, Bangladesh

Phones: PABX 9561947-8, 9577033, Fax: (880-2)956 1950,

E-mail: info@standardceramic.net Web: www.standardceramic.net

Factory: Saydana, K.B. Bazar, Joydebpur, Gazipur-1700, Bangladesh

Certificate under condition 6 of the Notification No. SEC/CMRRCD/2006-158/134 / Admin / 44 dated August 7, 2012 of Securities and Exchange Commission (now Bangladesh Securities and Exchange Commission)

We hereby certify to the Board of Directors of Standard Ceramic Industries Ltd. that:

- (i) We have reviewed the Financial Statements of Standard Ceramic Industries Ltd. for the year ended June 30, 2016 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 together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) To the best of our knowledge and belief, there were no transactions entered into by the company during the year 2015-2016 which were fraudulent, illegal or violation of the company's code of conduct.

Dhaka -1000

Dated: 27/10/2016

(Abdur Rahim)
Chief Financial Officer
Standard Ceramic Industries Ltd.

(Helal Uddin Ahmed)
Managing Director
Standard Ceramic Industries Ltd.

Audit Committee Report

Composition of the Audit Committee

- | | |
|--------------------------------|----------|
| 1. Mr. A.K Mizanur Rahman, FCA | Chairman |
| 2. Mr. Lutfur Rahman, | Member |
| 3. Mr. A.K.M Alamgir Khan, | Member |

Meeting

During the year, the Audit Committee held four meetings. Proceedings of the Audit Committee Meetings were reported regularly to the Board of Directors.

Summary of Activities & Recommendations

The Audit Committee carried out the following activities and recommendations during the financial year ended June 30, 2016.

1. The Committee reviewed periodic financial statements as well as Annual Financial Statements of Standard Ceramic Industries Ltd. for the year ended 30 June, 2016 and recommended to place it to the Board for consideration and we found those in order.
2. The Committee reviewed the internal audit findings and recommendations, monitoring system and found in order.
3. The Committee also reviewed the related party transactions.
4. The Committee considered and made recommendations to the Board on the appointment of external Auditors for the year 2016-17.
5. The Committee reviewed Policy and guidelines to comply with the rules and regulations of the BSEC as adopted by the company.
6. The Committee did not find any irregularities or any other matter which should be reported to the Board of Directors / Shareholders.
7. Standard Ceramic Industries Ltd. did not raise any money through initial public offering/Reputed Public Offering/Rights Issue during the period.

Acknowledgement

The Audit Committee expressed their sincere thanks to the Chairman and members of the Board, Management and the Auditors for their support in carrying out its duties and responsibilities effectively.

Thanking you,
On behalf of the Audit Committee



A.K. Mizanur Rahman, FCA
Chairman
Audit Committee

Corporate Governance Compliance Report

Status of compliance with a conditions imposed by the
Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012.
(Report under Condition No. 7.00)

Condition No.	Title	Compliance status (Put in the appropriate column)		Explanation for non-compliance with the condition.
		Complied	Not complied	
1.	Board of Directors			
1.1	Board's Size	✓		
1.2	Independent Directors			
1.2 (i)	At least 1/5th of the total number of Directors of board shall be Independent Directors.	✓		
1.2 (ii) a)	Who holds less than 1% shares of total paid-up shares of the company;	✓		
1.2 (ii) b)	Not a sponsor of the company and is not connected with the company's any sponsor or Director or shareholder who hold 1% or more shares;	✓		
1.2 (ii) c)	Not have any other relationship with the company its subsidiary/associated companies;	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or	✓		
1.2 (ii) f)	Not or was not a partner or executive during the preceding 3 (three) years of the company's statutory audit firm;	✓		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction;	✓		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude;	✓		
1.2 (iii)	Appointed by the board of directors approved by the shareholders in the Annual General Meeting (AGM);	✓		
1.2 (iv)	Independent director's post can't remain vacant for more than 90 days;	✓		
1.2 (v)	The board shall lay down a code of conduct of all board members and annual compliance be recorded;	✓		
1.2 (vi)	The tenure of office for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director.	✓		
1.3 (i)	A knowledgeable individual with integrity and able to ensure compliance with financial regulatory and corporate laws and can make meaningful;	✓		
1.3 (ii)	Independent directors will be business leader/corporate leader with economics or business studies or law background and	✓		
1.3 (iii)	In special cases the above qualification may be relaxed subject to prior approval of the commission;	✓		
1.4	Chairman of the Board and Chief Executive Officer be different person	✓		
1.5	Director's Report include declarations on:	✓		
	(i) Industry outlook and possible future developments in the industry	✓		
	(ii) Segment-wise or product-wise performance		✓	Not possible
	(iii) Risks and Concerns	✓		
	(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		

	(v) Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
	(vi) Related party transactions			Not applicable
	(vii) Utilization of proceeds	✓		
	(viii) Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			Not applicable
	(ix) Significant variance			Do
	(x) Remuneration to directors	✓		
	(xi) Fairness of state of the affairs	✓		
	(xii) Keeping proper books of accounts	✓		
	(xiii) Consistent application of Accounting Policies and preparation of financial statements	✓		
	(xiv) Observance of Bangladesh Accounting Standards (BAS)	✓		
	(xv) Soundness and efficiency of internal control	✓		
	(xvi) Ability of Standard Ceramic Industries Ltd. to continue as a going concern	✓		
	(xvii) Significant deviations from last year in operation results			No such incidence
	(xviii) Presentation of key operation and financial data for last five years	✓		
	xix) Declaration of dividend	✓		
	(xx) Number of Board Meeting held during the year and attendance by each other	✓		
	(xxi) Shareholding pattern	✓		
	(xxii) Appointment / re-appointment of a Director	✓		
2.1	Appointment of Chief Financial Officer (CFO) and Company Secretary	✓		
2.2	Requirement as to attendance of CFO and Company Secretary in the Board Meeting	✓		
3.00	Formation of Audit Committee	✓		
3 (i)	Sub-committee of the Board of Directors.	✓		
3 (ii)	Assisting the Board of Directors for ensuring true and fair view of the state of affairs;			
3 (iii)	Duties of the audit committee clearly set forth in writing.	✓		
3.1	(i) Numbers of members of audit committee	✓		
	(ii) Inclusion of Independent Director in the Audit Committee	✓		
	(iii) Financially literate & Financial management expertise member	✓		
	(iv) Fill the casual vacancy in Audit Committee	✓		
	(v) Company Secretary as the Secretary of the committee	✓		
	(vi) inclusion of Independent Director in the quorum of the Audit Committee	✓		
3.2	(i) Selection of the Chairman of Audit Committee	✓		
	(ii) Attendance of the Chairman of the audit committee shall remain present in the AGM.	✓		
3.3	(i) Investigate financial reporting process	✓		
	(ii) Monitoring accounting policies and principles	✓		
	(iii) Monitoring Internal Control Risk management process	✓		
	(iv) Investigate hiring and performance of external auditors.	✓		
	(v) Review of annual financial statements.	✓		
	(vi) Review of quarterly and half yearly financial statements	✓		
	(vii) Review of adequacy of internal audit function.	✓		
	(viii) Related party transaction			Not applicable
	(ix) Management Letters/ Letter of Internal Control weakness	✓		
	(x) Purposes of fund utilized	✓		

3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1	(i) Report by the Audit Committee on its activities to the Board of Directors	✓		
	(ii) Report to the Board by the Audit Committee on :	✓		
	(a) Conflicts of interest	✓		
	(b) suspected or presumed fraud or irregularity or material defect in the internal control system	✓		
	(c) suspected infringement of laws, including securities related laws, rules and regulations	✓		
	(d) Any other matter	✓		
3.4.2	Reporting to the BSEC by the Audit Committee			No such incidence
3.5	Reporting to the shareholders and general investors			No such incidence
4	Statutory Auditors not to engage in:			
	(i) Appraisal or valuation services	✓		
	(ii) Financial information systems design and implementation.	✓		
	(iii) Book-keeping or other services related to the accounting records or financial statements	✓		
	(iv) Broker-dealer services.	✓		
	(v) Actuarial services.	✓		
	(vi) Internal audit services.	✓		
	(vii) Any other service that the Audit Committee determines	✓		
	viii) Shares of partners or employees of the external audit firm	✓		
	ix) Audit Certification services.	✓		
5	Subsidiary company:			Not existence
	(i) Composition of the Board of Directors of the subsidiary company.			do
	(ii) Independent director on the Board of Directors of the holding company			do
	(iii) Subsidiary company shall be placed for review at the following Board meeting of the holding company			do
	(iv) Reviewed the affairs of the subsidiary company			do
	(v) Financial statement is reviewed by the Audit Committee			do
	(vi) Review the financial statements by holding company's audit committee.			do
6.	(i) Review financial statements to the best of their knowledge	✓		
	a. Materially	✓		
	b. True and fair view of the company's affairs	✓		
	(ii) No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.	Reporting and Compliance of Corporate Governance.	✓		
7. (i)	Compliance certificate from a Professional Accountant / Secretary.	✓		
7. (ii)	Statement of Directors in accordance with the annexure attached whether the company has complied with.	✓		

স্ট্যান্ডার্ড সিরামিক ইন্ডাস্ট্রিজ লিঃ

৬২-৬৩ মতিঝিল বা/এ, ঢাকা- ১০০০

৩২তম বার্ষিক সাধারণ সভায় পরিচালক মন্ডলীর প্রতিবেদন

বিস্মিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ :

আসসালামু আলাইকুম। প্রথমে পরিচালনা পর্ষদের পক্ষ থেকে কোম্পানীর ৩২তম বার্ষিক সাধারণ সভায় আপনাদেরকে সাদর আমন্ত্রণ জানাচ্ছি। এই সভায় ৩০শে জুন, ২০১৬ইং তারিখে সমাপ্ত বৎসরের নিরীক্ষিত আর্থিক প্রতিবেদন আমি আনন্দের সহিত উপস্থাপন করছি।

বিশ্ব অর্থনীতি ও সামগ্রিক পরিস্থিতি পর্যালোচনাঃ

আলোচ্য বৎসরে (২০১৫-১৬) আমাদের পণ্যের ব্যবহারকারীদের অর্থনৈতিক অবস্থা সন্তোষজনক কিংবা অসন্তোষজনক কোনটিই ছিল না। এমতাবস্থায় আমাদের বিক্রি কিছুটা বেড়েছে। আন্তর্জাতিক প্রতিযোগিতার কারণে রপ্তানী সন্তোষজনক ছিল না। স্থায়ী সম্পদের সংযোজনের ফলে অবচয় বৃদ্ধি পেয়েছে। আয়করও বৃদ্ধি পেয়েছে। এতদসত্ত্বেও কোম্পানীর Operating Profit ইতিবাচক ছিল।

উন্নয়ন পরিকল্পনাঃ

পরিচালক পর্ষদ দেশে ও বিদেশে বিক্রয় বৃদ্ধির জন্য প্রচেষ্টা অব্যাহত রেখেছেন।

গুণগত মান উন্নয়নঃ

পণ্যের গুণগত মান উন্নয়ন ও উৎপাদন খরচ কমানোর জন্য ইতিমধ্যে ডিকেল মেশিনারীজ স্থাপন করা হয়েছে এবং ডিকেল উৎপাদনও আরম্ভ হয়েছে। ডিকেল প্লাস্ট বিল্ডিং ও আংশিক সমাপ্ত হয়েছে। এছাড়াও পণ্যের উৎপাদন খরচ কমানোর জন্য নতুন নতুন মেশিনারীজ স্থাপনের চেষ্টা অব্যাহত আছে।

ব্যবসায়িক কার্যক্রমঃ

গত বৎসরে (২০১৪-২০১৫) ২৮ কোটি ৫৪ লক্ষ টাকা বিক্রয়ের বিপরীতে আলোচ্য বৎসরে (২০১৫-২০১৬) বিক্রয় দাঁড়ায় ২৯ কোটি ১৯ লক্ষ টাকা। গত বৎসরের ৫ কোটি ৬২ লক্ষ টাকার মোট লাভের বিপরীতে আলোচ্য বৎসরে মোট লাভ দাঁড়ায় ৫ কোটি ৯০ লক্ষ টাকা। আলোচ্য বৎসরে মোট লাভ বৃদ্ধি পায় ০.৫২%।

আর্থিক প্রতিবেদন ও মুনাফা বন্টনঃ

নিচে কোম্পানীর সামগ্রিক চিত্র দেওয়া হলোঃ

বিবরণ	উপাত্তগুলি ('০০০) হাজারে প্রকাশিত	
	২০১৫-২০১৬	২০১৪-২০১৫
আয়কর পূর্ব নিট মুনাফা/(ক্ষতি)	১১,২১০	৭,২০৯
বিয়োগঃ আয়কর বাবদ সঞ্চিতি	(৩,৪১০)	(১,৮০২)
বিয়োগঃ WPPF বাবদ সঞ্চিতি	(৫৩৪)	(৩৪৩)
যোগ/(বিয়োগ)ঃ বিলম্বিত কর (আয়)	(৩৯২)	৪,৬২৪
আয়কর ইত্যাদি উত্তর নিট মুনাফা	৬,৮৭৪	৯,৬৮৮
বিয়োগঃ প্রস্তাবিত লভ্যাংশ	(৬,৪৬১)	০
বিয়োগঃ লভ্যাংশ	০	(৩,৩৮৫)
বিয়োগঃ পূর্ববর্তী বৎসরের পুঞ্জীভূত লাভ/(লোকসান)	(১৩,৪০৯)	(১৯,৭১২)
পূর্ববর্তী বৎসরের সমন্বয়(Deferred exps.)	(৩,৯১০)	০
	(১৭,৩১৯)	০
পুঞ্জীভূত লাভ/(লোকসান)	(১৬,৯০৬)	(১৩,৪০৯)

রাষ্ট্রীয় কোষাগারে অবদান :

কোম্পানী আলোচ্য আর্থিক বৎসরে (২০১৫-২০১৬) রাষ্ট্রীয় কোষাগারে গ্যাস ও বিদ্যুৎ বাদে কাষ্টম ডিউটি, এ.আই.টি, ভ্যাট ইত্যাদি খাতে ৪ কোটি ৮৯ লক্ষ টাকা প্রদান করে।

লভ্যাংশ ঘোষণা :

আলোচ্য বৎসরের প্রারম্ভ পর্যন্ত কোম্পানী ১.৩৪ কোটি টাকা পুঞ্জীভূত ক্ষতি, যা প্রতিষ্ঠানের সঞ্চিতির পরিমাণকে ঋণাত্মক করেছে। আলোচ্য অর্থ বৎসরে কোম্পানী কর পরবর্তী মুনাফা করেছে ৬৮.৭০ লক্ষ টাকা। এমতাবস্থায় পরিচালক মন্ডল প্রতিটি ১০ টাকা মূল্যের সাধারণ শেয়ারের বিপরীতে ১ টাকা হারে (১০%) সকল শেয়ার হোল্ডারদেরকে নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন। যা আপনাদের অনুমোদনের অপেক্ষায় রয়েছে।

পরিচালকদের অবসর গ্রহণ ও নিয়োগ :

পরিচালক (১) জনাব নাসির উদ্দিন আহমেদ এবং (২) জনাব এনামুল মাকসুদ কোম্পানীর সংঘবিধির ৪৪ ধারা অনুযায়ী অবসর গ্রহণ করেছেন এবং যোগ্য বিধায়, পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন।

স্বতন্ত্র পরিচালকের নিয়োগ :

পরিচালনা পর্ষদের ২৭/০৪/২০১৬ইং তারিখের অনুষ্ঠিত সভায় সর্ব সম্মতিক্রমে জনাব এ.কে.মিজানুর রহমান এফসিএ-কে প্রথম তিন বৎসর অতিক্রান্ত হওয়ায় স্বতন্ত্র পরিচালক হিসাবে পুনঃনিয়োগ প্রদান করেন যাহা ৩২তম বার্ষিক সভায় সম্মানিত শেয়ার হোল্ডারদের অনুমোদনের অপেক্ষায় আছে।

কোম্পানীর বিষয়াবলী ও আর্থিক প্রতিবেদন :

কোম্পানী কর্পোরেট গভর্নেন্সে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের প্রয়োজনীয় দিক নির্দেশনার সাথে একাত্ম হয়েছে এবং তদানুযায়ী পরিচালকমন্ডলী আনন্দের সাথে নিশ্চিত করেছেন যে:

ক. আর্থিক বিবরণী ও তদসংক্রান্ত টীকাসমূহ কোম্পানী আইন ১৯৯৪ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নীতিমালা ১৯৮৭ এর আলোকে প্রস্তুত করা হয়েছে। এই সকল বিবরণীসমূহে কোম্পানী সংক্রান্ত বিষয়াবলী, এর পরিচালন নীতিমালা, অর্থ প্রবাহ এবং তারল্যের পরিবর্তন সঠিকভাবে উপস্থাপিত হয়েছে।

খ. কোম্পানীর হিসাব বহি যথাযথভাবে রক্ষিত হয়েছে।

গ. আর্থিক বিবরণীসমূহ প্রস্তুতকালে হিসাব সংক্রান্ত নীতিমালা যথাযথভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত প্রাক্কলনসমূহ যৌক্তিকতা ও বিচক্ষণতার আলোকে করা হয়েছে।

ঘ. আর্থিক বিবরণী প্রস্তুতকালে বাংলাদেশে প্রযোজ্যতার ভিত্তিতে আন্তর্জাতিক হিসাব মানসমূহ অনুসরণ করা হয়েছে।

ঙ. আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা ছিল যথাযথ এবং এর কার্যকর প্রয়োগ নিশ্চিত করা হয়েছে।

চ. চলমান প্রতিষ্ঠান হিসাবে কোম্পানীর সক্ষমতা নিঃসন্দেহে প্রমাণিত।

ছ. পরিচালনা পর্ষদের সভা ও উপস্থিতি

কোম্পানীর পরিচালনা পর্ষদ ৮ জন সদস্য দ্বারা গঠিত। আলোচ্য বছরে পরিচালনা পর্ষদের ৬টি সভা অনুষ্ঠিত হয়। উক্ত সভা সমূহে পরিচালকদের উপস্থিতি নিম্নরূপঃ

ক্রঃনং	পরিচালকদের নাম	পদবী	সভায় উপস্থিতি
০১.	জনাব এ.কে.এম. জাহাঙ্গীর খান	চেয়ারম্যান	৬
০২.	জনাব হেলাল উদ্দিন আহমেদ	ব্যবস্থাপনা পরিচালক	৬
০৩.	জনাব লুৎফর রহমান	পরিচালক	৫
০৪.	জনাব এনামুল মাকসুদ	পরিচালক	৬
০৫.	জনাব নাসির উদ্দিন আহমেদ	পরিচালক	৬
০৬.	জনাব এ.কে.এম. আলমগীর খান	পরিচালক	৬
০৭.	জনাব এ.কে.মিজানুর রহমান, এফ.সি.এ	স্বতন্ত্র পরিচালক	৬
০৮.	জনাব এম. ইসমাইল	স্বতন্ত্র পরিচালক	৬

যে সকল পরিচালক সভায় উপস্থিত হতে পারেননি তাঁদের ছুটি মঞ্জুর করা হয়েছে।

ঝ. বিগত পাঁচ বছরের পরিচালন ও আর্থিক ফলাফলসমূহ সংযুক্ত করা হয়েছে।

ঞ. কোম্পানীর শেয়ার হোল্ডিং প্যাটার্ন ছিল নিম্নরূপঃ

ক্রঃ নং	নামানুসারে বিবরণ	শেয়ারের পরিমাণ
০১.	জনাব এ.কে.এম. জাহাঙ্গীর খান, (চেয়ারম্যান)	২২৫,৪৫০
০২.	জনাব হেলাল উদ্দিন আহমেদ, (ব্যবস্থাপনা পরিচালক)	৩৭৩,৮৮০
০৩.	জনাব লুৎফর রহমান, (পরিচালক)	৩৭৩,৮৮০
০৪.	জনাব নাসির উদ্দিন আহমেদ, (পরিচালক)	৩৭৩,৮৮০
০৫.	জনাব এনামুল মাকসুদ, (পরিচালক)	২০৩,৯৬০
০৬.	জনাব এ.কে.এম. আলমগীর খান, (পরিচালক)	২,৫৯,০৮০
০৭.	জনাব এম. ইসমাইল, (স্বতন্ত্র পরিচালক)	নাই
০৮.	জনাব এ.কে. মিজানুর রহমান এফ.সি.এ. (স্বতন্ত্র পরিচালক)	নাই
০৯.	জনাব জামাল উদ্দিন ভূঁইয়া, (কোম্পানী সেক্রেটারী)	নাই
১০.	জনাব আব্দুর রহিম পাটোয়ারী, (সি.এফ.ও)	নাই
১১.	জনাব সিরাজুল ইসলাম, প্রধান আভ্যন্তরীণ নিরীক্ষক	নাই
১২.	জনাব মোঃ আবু তাহের, সিনিয়র ম্যানেজার (আমদানী)	১০
১৩.	জনাব মুশফিকুর রহমান, ম্যানেজার (রপ্তানী)	১৫০
১৪.	জনাব কাজল অর রশিদ, ডিপুটি ম্যানেজার	নাই
১৫.	জনাব জিয়াউল হক, পি.পি.ও	নাই
১৬.	জনাব মোঃ মোস্তাফিজুর রহমান, ডিপুটি ম্যানেজার	১০
১৭.	আইসিবি (ইউনিট ফান্ড)	১,০৬৩,৬৩০

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট :

বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশনের দিক নির্দেশনা অনুযায়ী “কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট” সংযুক্ত করা হল।

নিরীক্ষক বৃন্দ :

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন অনুযায়ী কোন নিরীক্ষক পর পর তিন বছরের বেশী নিয়োগ প্রাপ্ত হতে পারে না। বর্তমানে M/s. Artisan, Chartered Accountant, শাহআলী টাওয়ার (৭ম ও ৮ম তলা), ৩৩ কারওয়ান বাজার, ঢাকা-১২১৫ কোম্পানীর নিরীক্ষক, যার মেয়াদ ৩২তম বার্ষিক সাধারণ সভায় শেষ হবে, সাথে সাথে তাঁরা পর পর তিন বছরের নিয়োগ লাভের শর্তও পূরণ করবে। এমতাবস্থায় বর্তমান নিরীক্ষক পুনঃ নিয়োগের জন্য যোগ্য নয় বিধায় কোম্পানীর পরিচালনা পর্ষদ ২,২৫,০০০/- টাকা পারিশ্রমিকের বিনিময়ে M/s. FAMES & R, Chartered Accountant, বাড়ি নং ৪০৬ (২য় তলা), রোড নং ২৯, মাহাখালী ডিওএইচএস, ঢাকা-১২০৬ এর প্রস্তাবের প্রেক্ষিতে ২০১৬-১৭ সালের নিরীক্ষক হিসাবে নিয়োগের জন্য শেয়ার হোল্ডারদের অনুমোদনের জন্য সুপারিশ করছেন।

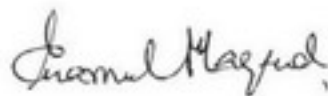
কৃতজ্ঞতা স্বীকার ও উপসংহার :

কোম্পানীর পরিচালনা পর্ষদ, সম্মানিত শেয়ার হোল্ডার, বিনিয়োগকারী, ব্যাংক এবং আর্থিক প্রতিষ্ঠান, বাংলাদেশ সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশন, স্টক এক্সচেঞ্জ, আই.সি.বি, সরকারী প্রতিষ্ঠান, সংবাদ সংস্থা, সরবরাহকারী এবং ক্রেতা সাধারণ এর সাহায্য সহযোগিতার জন্য আন্তরিক ধন্যবাদ এবং কৃতজ্ঞতা জ্ঞাপন করছে। পরিচালকমন্ডলী কোম্পানীর শ্রমিক, কর্মচারী ও কর্মকর্তাবৃন্দের আনুগত্য, একনিষ্ঠতা ও শ্রমের কথা কৃতজ্ঞতা সহকারে স্মরণ করছে এবং আস্থার সাথে আশা করে যে তাদের এই আন্তরিকতা কোম্পানীর ভবিষ্যত প্রবৃদ্ধি আনয়ন করবে।

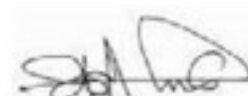
পরিচালক পর্ষদের পক্ষে-

ঢাকা -১০০০

২৭.১০.২০১৬ইং



এনামুল মাকসুদ
পরিচালক



হেলাল উদ্দিন আহমেদ
ব্যবস্থাপনা পরিচালক

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF
STANDARD CERAMIC INDUSTRIES LTD**

We have audited the accompanying Financial Statements of "STANDARD CERAMIC INDUSTRIES LTD." which comprise the statement of financial position as at 30th June, 2016 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

The Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the companies' act 1994, the securities and exchange rules 1987 regulations its financial performance for the period then ended in accordance with Bangladesh financial reporting standards (BFRSs) and other applicable laws. This responsibility includes: designing, implementing and maintaining internal control relevant the preparation and fair presentation of financial statement that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility:

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

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

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

Opinion:

In our opinion, the financial statements fairly, in all material respects, the financial position of "STANDARD CERAMIC INDUSTRIES LTD." as at 30th June, 2016 and its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- The company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account;
- The expenditure incurred and payments made were for the purposes of the company's business.

Date: 27 October, 2016
Place: Dhaka-1000.


ARTISAN
Chartered Accountants

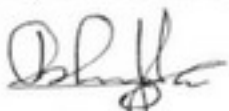
STANDARD CERAMIC INDUSTRIES LTD.
"AMIN COURT", 62-63 MOTIJHEEL C/A, DHAKA-1000.

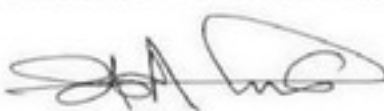
STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE, 2016

		Amount in Taka	
ASSETS	NOTES	30/06/16	30/06/15
<u>Non Current Assets</u>			
Property, Plant & Equipment	2	117,655,369	109,366,244
Deferred Exps	3	-	3,910,400
		117,655,369	113,276,644
<u>Current Asset</u>			
Inventories	4	48,228,704	43,247,357
Claim receivable	5	-	4,350,454
Advances, deposits & pre-payments	6	10,878,081	9,570,616
Accounts Receivable	7	494,379	441,327
Short Term Investment	8	26,889,516	36,479,446
Cash & Cash Equivalents	9	5,782,758	9,487,989
		92,273,438	103,577,189
Total Assets		209,928,807	216,853,833
<u>EQUITY & LIABILITIES</u>			
<u>Shareholder's equity:</u>			
Share Capital	10	64,606,500	64,606,500
Reserve & Surplus	11	31,652,693	32,074,283
		96,259,193	96,680,783
<u>Non Current Liabilities</u>			
Deferred Tax Liabilities	12	11,532,153	11,140,016
<u>Current Liabilities</u>			
Cash Credit (Secured)	13	9,453,924	8,112,439
Bank Overdraft	14	1,563,460	1,332,669
Unclaimed Dividend		8,036,643	7,301,994
Creditors, Accrued exps and Others	15	34,245,993	34,512,301
Liabilities for other finance	16	48,837,441	57,773,631
		102,137,461	109,033,034
Total Shareholders' Equity & liabilities		209,928,807	216,853,833
NAV per share		14.90	14.36

The annexed notes 1 to 42 form an integral part of these financial statements . These financial statements were approved by the Board of Directors on 27th October 2016 and were signed on its behalf by:


(Jamal Uddin Bhuiyan)
Company Secretary


(Helal Uddin Ahmed)
Managing Director


(Lutfur Rahman)
Director

As per report of even date annexed

Date: 27-10-2016
Place: Dhaka-1000.


ARTISAN
(Chartered Accountants)

STANDARD CERAMIC INDUSTRIES LTD.

"AMIN COURT", 62-63 MOTIJHEEL C/A,

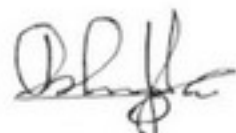
DHAKA-1000.

STATEMENT OF COMPREHENSIVE INCOME

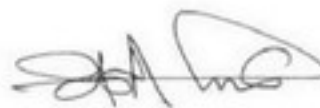
FOR THE YEAR ENDED 30TH JUNE, 2016

		<u>Amount in Taka</u>	
		<u>01/07/15</u>	<u>01/07/14</u>
		<u>to</u>	<u>to</u>
		<u>30/06/16</u>	<u>30/06/15</u>
	<u>NOTES</u>		
Revenue	18	291,867,354	285,359,604
Less: Cost of Goods Sold	19	232,881,710	229,167,333
Gross Profit		58,985,644	56,192,271
Operating Expenses:		46,072,121	42,083,857
Less:Administrative & Selling Expenses	20	43,664,775	40,253,931
Less:Finance cost	21	2,407,346	1,829,926
Operating Profit/(Loss)		12,913,523	14,108,414
Add: Other Income	22	2,646,849	3,101,132
Less:Write off	23	4,350,454	10,000,000
Net Profit / (Loss)		11,209,918	7,209,546
Less:Contribution to Workers P.Participation Fund		533,806	343,312
Net Profit / (Loss) before Tax		10,676,112	6,866,234
Less: Income Tax Expenses:	24	3,410,035	1,802,387
Less: Deferred Tax Expenses/(Income):	24(a)	392,137	(4,624,373)
Net Profit after Tax- Transferred to Statement of changes in Equity		6,873,940	9,688,220
Earning per share(EPS)	37	1.06	1.50

The annexed notes 1 to 42 form an integral part of these financial statements . These financial statements were approved by the Board of Directors on 27th october 2016 and were signed on its behalf by:



(Jamal Uddin Bhuiyan)
Company Secretary

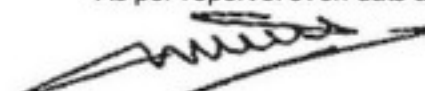


(Helal Uddin Ahmed)
Managing Director



(Lutfur Rahman)
Director

As per report of even date annexed



ARTISAN
(Chartered Accountants)

Date: 27-10-2016
Place: Dhaka-1000.

STANDARD CERAMIC INDUSTRIES LTD.

"AMIN COURT", 62-63 MOTIJHEEL C/A,

DHAKA-1000.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2016

Amount in Taka

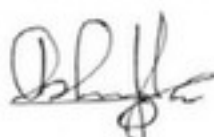
PARTICULARS	SHARE CAPITAL	REVALUATION & TAX HOLIDAY RESERVE	SHARE PREMIUM	RETAINED EARNINGS	TOTAL
As at July 1, 2015	64,606,500	27,447,361	14,650,000	(10,023,078)	96,680,783
Prior year's adjustment	-	-	-	(3,910,400)	(3,910,400)
Restated	64,606,500	27,447,361	14,650,000	(13,933,478)	92,770,383
Changes during the period					
Cash dividend (2014-15)					
Transferred to Dividend payable				(3,385,130)	(3,385,130)
Account					
Profit after tax				6,873,940	6,873,940
As at June 30, 2016	64,606,500	27,447,361	14,650,000	(10,444,668)	96,259,193

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2015

Amount in Taka

PARTICULARS	SHARE CAPITAL	REVALUATION & TAX HOLIDAY RESERVE	SHARE PREMIUM	RETAINED EARNINGS	TOTAL
As at July 1, 2014	64,606,500	27,447,361	14,650,000	(572,299)	106,131,562
Prior year's adjustment (Deferred Tax)				(15,764,389)	(15,764,389)
Restated	64,606,500	27,447,361	14,650,000	(16,336,688)	90,367,173
Changes during the period:					
Cash dividend (2013-14)				(3,374,610)	(3,374,610)
Transferred to Dividend payable					
Profit / (Loss) after tax				9,688,220	9,688,220
As at June 30, 2015	64,606,500	27,447,361	14,650,000	(10,023,078)	96,680,783

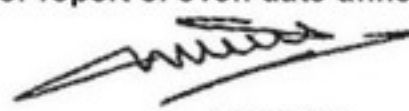
The annexed notes 1 to 42 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 27th October 2016 and were signed on its behalf its behalf by:


(Jamal Uddin Bhuiyan)
Company Secretary


(Helal Uddin Ahmed)
Managing Director


(Lutfur Rahman)
Director
As per report of even date annexed

Date: 27-10-2016
Place : Dhaka-1000


ARTISAN
(Chartered Accountants)

STANDARD CERAMIC INDUSTRIES LTD.

"AMIN COURT", 62-63 MOTIJHEEL C/A,
DHAKA-1000.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE, 2016

Amount in Taka

CASH-FLOW FROM OPERATING ACTIVITIES

	2015-16	2014-15
Receipts from customers and others	323,286,000	325,340,826
Paid to suppliers, employees & others	(315,660,608)	(309,632,042)
Finance cost paid	(2,407,346)	(1,829,926)
Income Tax paid and/or deducted at source etc.	(3,466,555)	(3,470,541)
Net cash inflow from operating activities	1,751,491	10,408,317

CASH FLOW FROM INVESTING ACTIVITIES.

Acquisition of Fixed Assets	(16,615,296)	(6,251,654)
Interest Received	2,646,849	3,101,132
Short Term Investment	9,589,930	(6,025,592)
Net cash outflow from investing activities	(4,378,517)	(9,176,114)

CASH FLOW FROM FINANCING ACTIVITIES

Cash Credit Loan (Paid)/Received	1,341,485	197,471
Dividend Paid	(2,650,481)	(2,678,652)
Bank O/D (Paid)/Received	230,791	433,616
Net cash outflow from financing activities	(1,078,205)	(2,047,565)
Net increase/(decrease) in Cash & Cash Equivalents	(3,705,231)	(815,362)
Cash and Cash equivalents at beginning of the year	9,487,989	10,303,351
Cash and Cash equivalents at end of the year	5,782,758	9,487,989

Net Operating Cash Flow Per Share

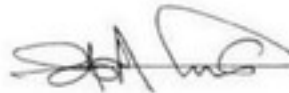
0.27

1.61

The annexed notes 1 to 42 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 27 October 2016 and were signed on its behalf by:



(Jamal Uddin Bhuiyan)
Company Secretary



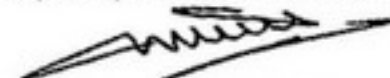
(Helal Uddin Ahmed)
Managing Director



(Lutfur Rahman)
Director

Date: 27-10-2016
Place: Dhaka-1000.

As per report of even date annexed



ARTISAN
(Chartered Accountants)

STANDARD CERAMIC INDUSTRIES LTD.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30TH JUNE 2016

1.01 (A) **Structure and Objects:**

The company is a public limited company registered on 13-08-84 with authorized Share capital of Tk. 10 crores divided into 1 crore ordinary shares of Tk.10.00 each for manufacture of Ceramic Stone wares & Table wares. In addition to sponsors, the project was initially funded by BSB, IPDC & SABINCO. Production started in the later part of 1993. Approval of prospectus from Securities & Exchange Commission had been obtained on 14th September, 1996. The company was listed with Dhaka Stock Exchange and Chittagong Stock Exchange on 7th December, 1996 and on 4th December 1996 respectively.

(B) **Nature of Business:**

The company is a ceramic industry for manufacture of ceramic stone wares & table wares for local & foreign markets.

(C) **Enclosures of The Financial Statement:**

(i) Statement of Financial Position as of 30th June, 2016. (ii) Statement of Comprehensive Income for the year ended 30th June, 2016, (iii) Statement of Cash Flows for the year ended 30th June, 2016, (iv) Statement of Changes in Equity for the year ended 30th June, 2016 (v) Accounting policies and explanatory notes.

(D) **Comparative Information :**

Comparative information have been furnished in respect of the year 2014-2015 for all numericals in the financial statements and also the narrative and descriptive information considered relevant to understanding of the current year financial statements. Last years figures have been rearranged to conform those of current year.

(E) The financial statements have been prepared in compliance with requirements of the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other relevant local laws as applicable.

(F) **Compliance with Auditing and Accounting Standards :**

The financial statements complied with the requirements of the Bangladesh Standard of Auditing (BSA's) and Bangladesh Accounting Standard (BAS's) as far as applicable.

1.02 **Significant Accounting Policies:**

(A) **Basis of preparation:**

These financial statements are prepared as going concern under historical cost convention subject to revaluation of land and land development on 29-02-1996.

(B) **Revenue recognition:**

Sales is recognized at the time of delivery from godown.

(C) **Recognition of Property, Plant & Equipment and Depreciation:**

Property, Plant & Equipment are stated at cost less accumulated depreciation in accordance with IAS 16 "Property, Plant & Equipment". Cost represents cost of acquisition of construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use, but do not include any capitalized borrowing cost. No. depreciation is charged on land and land development. Depreciation on all other fixed assets are computed using the reducing balance method in amount sufficient to write off depreciable assets over their estimated useful life. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss or such disposal is reflected in operations for the year.

The annual depreciation rates applicable to the principal categories are

- | | |
|---------------------------------------|-------------------------------|
| i) Building & Civil Construction 7.5% | v) Car Vehicles 20% |
| ii) Plant & Machinery 10% | vi) Tools 25% |
| iii) Deep Tubewell 5% | vii) Furniture & Fittings 10% |
| iv) Electric Equipment 10% | viii) Office Equipment 15% |

Depreciation is charged on fixed assets for full year on opening written down value and on addition during the year from the date of use. Depreciation has been charged to cost of goods sold & administrative expenses consistently."

Impairment of Assets

The company reviews the recoverable amount of its assets at each reporting date. If there exists any indication that the carrying amount of assets exceeds the recoverable amount, the company recognise such impairment loss in accordance with BAS-36 "Impairment of Assets"

(D) Inventories:

The raw materials have been valued at weighted average method. The finished goods have been valued at cost and realizable price which is lower. The work-in-process have been valued at cost of materials with proportion of electricity & gas and factory overhead absorbed in production.

(E) Revenue (Turnover):

Turnover are stated at net value.

(F) Retirement benefits :

Retirement benefits are incorporated on payment basis.

(G) Reporting Currency:

The figures in the financial statements represent Bangladesh Taka Currency.

(H) Foreign Exchange:

Transactions in foreign currencies are converted into Taka currency at rates prevailing on the transaction dates.

(I) Others:

(i) Amount appearing in these statements are rounded off to the nearest taka. (ii) These notes form an integral part of the annexed statements and accordingly are to be read in conjunction therewith. (iii) Wherever considered necessary, previous year's phrases and figures have been rearranged to conform to the current year's classification.

(J) Earning per Share:

The company calculates earnings per share is Tk.1.06 against the previous year in 2014-15 Tk1.50 in accordance with the International Accounting Standards (IAS)-33 "Earning per share" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

(K) Related Party:

The Company does not have any transactions which require to be disclosed under related party disclosure.

(L) Statement of Cash Flows :

Statement of Cash Flows has been prepared as per requirement of (IAS)-7 as adopted in Bangladesh following direct method as required by the BSEC.

(M) Reporting Period:

Financial Statements of the Company covers one year from 1st July to 30th June consistently.

	30/06/16	30/06/15
2.00 Property, Plant & Equipment: Tk.117,655,369 .	Amount in Taka	
Details are as under:		
Cost on 01/07/2015	327,867,464	323,615,970
Capital Work In Progress on 01/07/2015	2,000,160	-
Total cost on 01/07/2015	329,867,624	323,615,970
Addition during the year	16,615,296	6,251,654
	346,482,920	329,867,624
Less: Accumulated Depreciation	(228,827,551)	(220,501,380)
	117,655,369	109,366,244

Addition of fixed asset represents are major repairs and replacement of factory building, new partly completed building for Decal Plant, some machineries ,Decal machineries installation and Office equipment purchase etc.

3.00 Deferred Expenses: Tk.0.

Opening Balance	3,910,400	3,910,400
Less: Prior Year Adjustment	3,910,400	-
	-	3,910,400

The amount paid as Environmental damage assessment imposed by Environmental Court was accounted for as deferred expenses in the financial year 2012-2013, now as per BAS prior year adjustment has been made and considered as contingent assets (Note-41).

4.00 Inventories: Tk.48,228,704 .

Details are as follows:	Qty in M.ton/Pcs.		
i) Raw Materials (4.01)		11,703,210	8,170,317
ii) Work-in process	209 M.Ton	10,357,554	3,346,637
iii) Finished products	793,608 pcs	20,070,920	25,422,289
iv) Stores & spares		5,863,270	6,073,120
vi) Packing Materials	7,105 Pcs	233,750	234,994
		48,228,704	43,247,357

The inventories on 30-06-16 was taken and certified by the management and i) inventories (Raw materials) have been valued at weighted average cost. ii) Work-in-process have been valued at cost of raw materials with proportion of electricity, gas and factory overhead absorbed in production. iii) Finished products have been valued at cost and realizable price which is lower and iv) spare parts at cost. Inventories were mortgaged to Rupali Bank Ltd , Ramna Corporate Branch as security of working capital.

4.01 Detail of raw materials:

Particular		Total vale in
Opening stock	Body& glaze	4,375,482
	Auxiliary Materials	2,964,996
	Decoration materials	829,839
A	Total	8,170,317
Purchase	Body& glaze	76,044,541
	Auxiliary Materials	1,896,409
	Decoration materials	16,248,722
B	Total	94,189,672
A+B	Total	102,359,989
Issued for production	Body& glaze	75,144,999
	Auxiliary Materials	2,916,577
	Decoration materials	12,595,203
C	Total	90,656,779
Closing Stock	Body& glaze	5,275,024
	Auxiliary Materials	1,944,828
	Decoration materials	4,483,358
[A+B]-C		11,703,210

	30/06/16	30/06/15
	Amount in Taka	
5.00 Claim Receivable :		
Opening balance	4,350,454	14,350,454
Less: Write off	4,350,454	10,000,000
	-	4,350,454

The Factory has been devastated by tornado on 7th May, 1991. The claim admitted by the Janata Insurance Co. Ltd. Tk. 3,97,81,085 from which Tk. 2,00,00,000 realised and balance has been written off.

6.00 Advance Deposits & Pre-payment: Tk.10,878,081.		
i) Advances	483,302	955,410
ii) Security deposits	2,826,901	2,826,901
iii) Advance Income Tax	5,173,484	4,116,871
iv) Bank Margins	531,000	770,000
v) VAT(Value Added Tax)	1,863,394	901,434
	10,878,081	9,570,616
i) Advances: Tk.483,302.		
a) Advance against works	455,899	928,007
b) Other Advance	27,403	27,403
	483,302	955,410
ii) Security deposits: Tk.2,826,901.		
T&T Board	145,025	145,025
PDB	253,800	253,800
Bangladesh Oxygen Ltd.	8,000	8,000
Amin Mohiuddin Foundation	811,800	811,800
Titas Gas Transmission & Distribution Co. Ltd.	1,408,276	1,408,276
CDBL	200,000	200,000
	2,826,901	2,826,901
iii) Advance Income-Tax: Tk.5,173,484 .		
a) Opening balance	4,116,871	2,990,421
b) Addition during the year	3,466,555	3,470,541
	7,583,426	6,460,962
Less: 1.Adjustment against assessment year 2015-2016	(1,802,387)	(2,409,942)
2.Prior year tax	(607,555)	(2,344,091)
Total	5,173,484	4,116,871
iv) Bank Margins:TK.531,000.		
L/C Margin	531,000	770,000
	-	-
	531,000	770,000
v) VAT (Value Added Tax):Tk.1,863,394.		
Opening Balance	901,435	678,230
Add:Cash Deposit and Vat on Raw materials etc.	42,369,940	41,307,730
	43,271,375	41,985,960
Less:Adjustment on local sales	(41,407,981)	(41,084,526)
Closing Balance	1,863,394	901,434
a) The Company has no advances which may be classified as doubtful/bad.		
b) No amount was due by the Directors (including Managing Director) and officers of the Company or any of them severally or jointly with any other person.		
c) No amount was due by the Associated under-taking.		
7.00 Accounts Receivable Tk.494,379	494,379	441,327
The amount represents mainly duty draw back etc. receivable outstanding for a period :Exceeding six months	Tk.160,361	
Below six months	Tk.334,018	

		30/06/16	30/06/15
		Amount in Taka	
8.00	Short Term Investment: Tk. 26,889,516.	26,889,516	36,479,446
	The company has invested this fund in FDR. Such fund has been accumulated for payment of expenses required for heavy repair and replacement of depreciated fixed assets especially Kiln.		
9.00	Cash & Cash Equivalents: Tk. 5,782,758.		
a)	Cash in hand	926,164	876,332
b)	Cash at Bank		
	In Current Accounts	2,863,822	4,627,022
	In STD Accounts	514,972	1,356,196
	In F/C Account	1,477,800	2,628,439
		4,856,594	8,611,657
		5,782,758	9,487,989
	i) Cash -in-hand has been verified and certified by the Management.		
	ii) Balances with Banks are confirmed by the certificates.		
10.00	Share Capital: Tk. 64,606,500.		
(a)	Authorized Capital: Tk. 100,000,000		
	10,000,000 Ordinary share of Taka 10.00 each	100,000,000	100,000,000
(b)	Issued, Subscribed & Paid-up Capital:		
	6,460,650 Ordinary shares of Tk. 10/= each fully paid up:		
	5,860,000 ordinary shares of Tk. 10 each fully paid up in cash	58,600,000	58,600,000
	600,650 ordinary shares of Tk. 10 each issued as	6,006,500	6,006,500
	fully paid Bonus shares	64,606,500	64,606,500
	Share holding		
	Sponsors: 3,075,020 shares of Tk. 10/= each	30,750,200	30,855,400
	Public: 3,385,630 shares of Tk. 10/= each	33,856,300	33,751,100
		64,606,500	64,606,500
(c)	The position of Shareholders as on 30th June, 2016 is as follows :		
	Description	No. of Shareholders	No. of Shares
			Share holding %
	Sponsors and directors	40	3,075,020
	Financial Institutions(bank & Insurance)	7	44,550
	Financial Institutions(others)	57	172,151
	BSRS 1st Mutual Fund	1	1,000
	ICB investor's A/c	193	13,690
	IFIC investor's A/c	12	930
	Other investor's A/c	1	20
	Foreign investor (company)	1	1,000
	ICB Mutual Fund	9	48,290
	ICB Capital Management	4	440
	ICB Unit Fund	1	1,063,630
	Others Mutual Fund and Unit Fund	1	270
	General Public	7,448	2,039,659
		7,775	6,460,650
			100.00

30/06/16

(d) The Shareholding pattern is as below :

<u>Description</u>	<u>No. of Shareholders</u>	<u>No. of Share held</u>	<u>Share holding %</u>
Upto 500 Shares	6,767	419,092	6.49
501 to 5000 Shares	909	912,613	14.13
5001 to 10000 Shares	31	218,239	3.38
10001 to 20000 Shares	28	383,943	5.94
20001 to 30000 Shares	14	351,558	5.44
30001 to 40000 Shares	5	179,939	2.78
40001 to 50000 Shares	1	41,830	0.65
50001 to 100000 Shares	12	966,686	14.96
100001 to 1000000 Shares	7	1,923,120	29.77
1000001 to above Shares	1	1,063,630	16.46
	<u>7,775</u>	<u>6,460,650</u>	<u>100.00</u>

11.00 Reserve & Surplus Tk.31,652,693.

30/06/16

30/06/15

Make up is as follows

Amount in Taka

Revaluation Surplus (11.01)	26,383,861	26,383,861
Tax holiday reserve (11.02)	1,063,500	1,063,500
Share premium	14,650,000	14,650,000
Retained Earnings (11.03)	<u>(10,444,668)</u>	<u>(10,023,078)</u>
	<u>31,652,693</u>	<u>32,074,283</u>

11.01 Revaluation Surplus: Tk. 26,383,861.

Capital Reserve represents revaluation surplus arising out of revaluation of land & land development of the company as of 29 Feb, 1996 by M/s. Golam Mostafa & Associates (professional valuers) following market rate.

11.02 Tax holiday Reserve: Tk.1,063,500.**1,063,500****1,063,500**

The above amount represents last year's balance .

11.03 Retained Earnings: Tk.(10,444,668)

Opening Balance	(10,023,078)	(572,299)
Prior Year Adjustment	<u>(3,910,400)</u>	<u>(15,764,389)</u>
	<u>(13,933,478)</u>	<u>(16,336,688)</u>
Cash Dividend (2014-15)	(3,385,130)	(3,374,610)
Profit after tax	6,873,940	9,688,220
	<u>(10,444,668)</u>	<u>(10,023,078)</u>

12.00 Deferred Tax Liabilities Tk.11,532,153.

Book Value of Depreciated Assets	87,099,768	76,810,483
Tax Base of Depreciated Assets	<u>(40,971,157)</u>	<u>(32,250,421)</u>
Net Taxable Temporary Difference	46,128,611	44,560,062
Effective Rate	25%	25%
Deferred Tax Liability closing	11,532,153	11,140,016
Deferred Tax Liability opening	<u>(11,140,016)</u>	<u>(15,764,389)</u>
Deferred Tax Expenses / (Income)	<u>392,137</u>	<u>(4,624,373)</u>

13.00 Cash Credit (secured): Tk.9,453,924 .

i) Cash Credit (Hypo)	836,637	3,833,044
ii) Cash Credit (Pledge)	6,335,508	3,228,036
iii) LIM	1,331,779	1,051,359
v) P.C	950,000	-
	<u>9,453,924</u>	<u>8,112,439</u>

The Company is enjoying cash credit facilities from Rupali Bank Ltd., Ramna Corporate Branch, Dhaka. Interest charge on all credit at 14.00% to 15.00% . All the fixed assets (both present and future) furnished as collateral and floating assets and book debts (both present and future) charged out as primary securities.

	30/06/16	30/06/15
14.00	<u>Bank Overdraft: Tk.1,563,460.</u>	
	<u>Amount in Taka</u>	
	-	-
In Current Accounts	1,563,460	1,332,669
	<u>1,563,460</u>	<u>1,332,669</u>
15.00	<u>Creditors ,Accrued Exps and Others:Tk.34,245,993.</u>	
i) Directors' remuneration	1,090,000	940,000
ii) Salary & O.T	7,007,762	8,926,592
iii) Gas bill	7,554,423	5,551,635
iv) Electric bill	1,682,634	683,115
v) Audit fees	100,000	78,000
vi) Workers Profit Participation Fund	877,118	343,312
vii) Providend Fund	12,457,945	12,084,162
ix) Others payable	3,476,111	5,905,485
	<u>34,245,993</u>	<u>34,512,301</u>
16.00	<u>Liabilities for other finance:Tk.48,837,441 .</u>	
i) Security money employees	679,400	729,050
ii) Security money (Agency) and advances etc.	45,248,126	55,031,490
iii) <u>Provision for Income Tax:</u>		
Income Tax etc.	2,802,480	1,802,387
iv) Others	107,435	210,704
	<u>48,837,441</u>	<u>57,773,631</u>
Income Tax finalised upto Assessment year 2014-15.		
17.00	<u>Proposed dividend:Tk. 6,460,650.</u>	<u>3,385,130</u>

The Board of Directors has recommended cash dividend Tk.1.00(Taka one) per share (10%) to all shareholders for the year ended 30th June 2016 at the Board Meeting held on October 27, 2016 subject to the shareholder's approval at the forth coming Annual General Meeting. The proposed dividend is not recognized as a liability at the Balance Sheet date in accordance with Bangladesh Accounting Standard (BAS) 10 "Events after the Balance Sheet Date".

Bangladesh Accounting Standard (BAS) 1 "Presentation of Financial Statements" also require that the dividend proposed after the Balance Sheet date but before the financial statements are authorized for issue, be disclosed either on the face of the Balance Sheet as separate component of equity or in the notes to the financial statements.

The provision of Companies Act, 1994, requires that dividend stated to be in respect of period covered by the financial statements and that are proposed or declared after the balance sheet date but before approval of the financial statements should be either adjusted or disclosed.

Considering the requirements of BAS-1, BAS-10 and Companies Act 1994 dividend proposed have been disclosed as notes in the financial statements and not shown as liability.

		<u>01/07/15</u> <u>to</u> <u>30/06/16</u> <u>Amount in Taka</u>	<u>01/07/14</u> <u>to</u> <u>30/06/15</u> <u>Amount in Taka</u>
18.00 Revenue: Tk. 291,867,354.			
<u>Break-up as follows</u>			
	<u>Quantity/</u> <u>Assorted</u> <u>pcs.</u> <u>2015-16</u>		<u>Quantity/</u> <u>Assorted</u> <u>pcs.</u> <u>2014-15</u>
Net local Sales	8,863,204	276,053,183	9,017,774
Export Sales	144,330	15,480,153	135,216
Duty Draw Back		334,018	
Total		<u>291,867,354</u>	<u>285,359,604</u>
19.00 Cost of Goods Sold: Tk. 232,881,710.			
<u>Materials Consumed:</u>			
Stock on 01-07-15		8,170,317	8,696,009
Purchased during the year		94,189,672	113,201,232
		102,359,989	121,897,241
Less: Stock on 30-06-16		11,703,210	8,170,317
		90,656,779	113,726,924
Add: Work-in -process on 01-07-15		3,346,637	11,925,727
		94,003,416	125,652,651
Less: Work-in-process on 30-06-16		10,357,554	3,346,637
		<u>83,645,862</u>	<u>122,306,014</u>
<u>Factory Overhead:</u>			
Wages, Salaries, O.T & Bonus		64,874,526	52,532,325
P.F Contribution.		1,347,542	1,030,363
Gratuity		1,580,393	1,616,622
Packing Materials		15,057,691	9,962,008
Power, Water & Gas		31,746,080	30,789,726
Insurance		212,362	162,133
Consumable stores		6,899,414	10,045,942
Miscellaneous factory		2,084,465	1,561,800
Repairs & Maintenance		11,839,097	9,621,792
Depreciation		8,242,909	8,158,481
		143,884,479	125,481,192
		<u>227,530,341</u>	<u>247,787,206</u>
Add: Stock of finished products on 01-07-15		25,422,289	6,802,416
		252,952,630	254,589,622
Less: Stock of finished products on 30-06-16		20,070,920	25,422,289
		<u>232,881,710</u>	<u>229,167,333</u>
Total production		2,465 M.Ton	2,686 M.Ton
Gratuity treated on cash basis.			
Repairs & Maintenance includes all factory building repairs and maintainence and factory machineries repairs and maintainence etc.			

	<u>Total</u> <u>01/07/15</u> <u>to</u> <u>30/06/16</u>	<u>Total</u> <u>01/07/14</u> <u>to</u> <u>30/06/15</u>
20.00 Administrative & Selling	Amount in Taka	
<u>expenses: TK.43,664,775</u>		
Director's Emolument	8,675,000	6,477,400
Office Salaries	16,441,587	18,756,892
P.F. Contribution.	249,859	185,065
Gratuity	2,519,517	1,017,173
Travelling & Conveyance	743,245	1,087,382
Business Promotional expenses	1,934,105	1,293,261
Trade Fair expenses	3,135,282	2,029,634
Rent, Rates & Taxes	1,618,650	1,618,650
Postage, Telegram & Telephone	624,718	626,307
Printing & Stationery	184,190	303,865
Religious & Festival Expenses	231,695	230,240
Legal & Professional and Other fees	63,000	119,000
Audit fees	100,000	78,000
Forms & Fees	2,160,234	672,559
Utility bill	244,272	250,857
Motor Vehicles maintenance	657,944	1,369,687
Petrol, Oil & Lubricant	367,958	534,483
Office Maintenance etc.	73,745	58,186
AGM & Other meeting Expenses etc	1,032,540	1,423,713
Selling exps	1,757,973	1,305,277
Entertainment expenses	383,219	334,091
Miscellaneous expenses	382,780	399,800
Depreciation	83,262	82,409
	<u>43,664,775</u>	<u>40,253,931</u>

a) M.D.'s Remuneration was Tk. @ 400,000 per month.

b) Gratuity treated on cash basis.

	<u>Total</u> <u>01/07/15</u> to <u>30/06/16</u>	<u>Total</u> <u>01/07/14</u> to <u>30/06/15</u>
	<u>Amount in Taka</u>	
21.00 Finance cost: Tk.2,407,346.		
Bank interest	1,856,470	1,263,560
Bank charges	550,876	566,366
	<u>2,407,346</u>	<u>1,829,926</u>
22.00 Other Income: Tk.2,646,849 .		
Interest on STD Account etc.	37,183	71,919
Interest on FDR	2,609,666	3,029,213
	<u>2,646,849</u>	<u>3,101,132</u>
Interest income is recognized on accrual basis.		
23.00 Write Off: Tk.4,350,454.		
The write off amount consists of as follows:		
Claim Receivable	4,350,454	10,000,000
	<u>4,350,454</u>	<u>10,000,000</u>
24.00 Income Tax Expenses: Tk.3,410,035.		
Current year tax	2,802,480	1,802,387
Prior year tax	607,555	0
	<u>3,410,035</u>	<u>1,802,387</u>
Income Tax Expenses:		
Income tax expense represents current tax and prior year tax. Income tax expense is recognised in the profit and loss account.		
24(a) Deferred Tax Expenses/ Income Tk.392,137.		
Deferred Tax Expenses/(Income) (note-12)	392,137	(4,624,373)
25.00 Credit facilities:		
There was no credit facilities that has not been availed of at the date of Statement of Financial Position.		
26.00 Trade Debtors Statement:		
The company does not have credit sales. As such usual classification of debtors (good,		
27.00 Aggregate amount due by Directors & Officers:		
There was no such amount in the Statement of Financial Position.		
28.00 Capacity of the industrial unit:		
Installed capacity - 4500 M/Tons. Capacity utilisation for the year was 55 % (Approx).as against 68.00 %(approx) of the previous year.		

29.00 Auditors Remuneration for auditing:

The fees were for audit service only.

30.00 Sales - Item-wise:

The company sells Stonewares approx. 121 different items with different shapes and different prices under the brand name Classic Stone.

31.00 Number of employees drawing more than Tk. 3000 & less than Tk. 3000 per month:

The factory is labour intensive. There are permanent labours as well as daily labours.

The daily labour frequently changes and as such it is not possible to keep correct track by name to count the number annually. However on an average the following is number of workers/employees (permanent, daily).

i) Workers/Employees drawings Tk. 3000.00 or more per month 750 Nos.

ii) Workers & Employees drawing less than Tk. 3000.00 per month nil.

32.00 Claims against the company not acknowledgement as debt:

There was no contractual claim against the company not acknowledged as debt.

33.00 Aggregate amount of contracts for capital expenditure:

There was no contractor & contract for capital expenditure on 30-06-16.

34.00 Expenses incurred in Foreign Currency:

There was no expenses in foreign currency for royalty, technical expert, professional advising fees, interest etc. except imported items and expenses of foreign trade fare of US\$ 743,220 Euro18,990 and £ 3,496.

35.00 Value of imported Raw Materials:

The value of imported raw materials was Tk.57,699,336/= including duty ,clearing charge, insurance and carrying etc.

36.00 Amount of Foreign Exchange Earned:

US\$ 198,704 was earned during the financial year under review against export of goods.

37.00 Basic Earnings per Share (EPS) :

Basic earnings per shares has been calculated as follows:

Earnings attributable to the Ordinary Shareholders Net Profit/(Loss) after tax

Divided by number of Ordinary Shares

EPS - Taka

30.06.16	30.06.15
<u>EPS</u>	<u>EPS</u>
6,873,940	9,688,220
6,460,650	6,460,650
1.06	1.50

38.00 During the year under review 6 (six) board meeting and four audit committee meeting were held and each Director present was paid Tk. 8,000/= per meeting as Board Meeting. Fee.

39.00 Related party transactions**a) Key management personnel compensation****Short term employee benefits (Salary and allowances etc.)**

	30.06.2016		30.06.2015	
	Directors	All managers	Directors	All managers
Board Meeting Fee	96,000	0	80,000	0
Remuneration & allowances	7,470,000	5,895,390	5,807,400	5,899,620
Bonus	1,205,000	512,000	670,000	790,303
	8,771,000	6,407,390	6,557,400	6,689,923

Long term employee benefits3,066,6231,081,888**(Provident Fund and Gratuity)**

Managing Director, Director and GM are provided transport facilities along with their remuneration.

Key management personnel includes Managing Director, Director, GM, DGM, Managers and Deputy Managers.

b) Other related party transactions

During the period under review the company does not have any other related party transactions, which require to be disclosed under related party disclosure.

40.00 Employee Benefits:

The Company maintains defined contribution plan (provident fund) and Gratuity benefits (payment- cash basis) for its eligible permanent employees.

I) Defined contribution plan (Provident fund)

The Company operates a contributory Provident fund for its eligible permanent employees. The fund is approved by the National Board of Revenue (NBR). The fund is administered by a Board of Trustees and is funded by contribution partly from the employee and partly from the Company as predetermined rates. The contribution is invested separately from the Company's assets.

II) Gratuity benefits

Gratuity benefits are incorporated on payment basis under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

41.00 Contingent Assets: Tk. 3,910,400

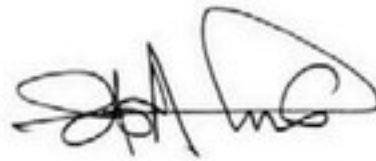
An amount of Tk. 3,910,400 paid as environmental damages imposed by environmental court in the financial year 2012-13. However, the company filed a writ (writ petition no-9226 of 2013) to recover the full amount paid by the company. Management believes that, verdict will be in favor of the company and full amount will be recovered. Hence, this amount has been recognized as contingent assets.

42.00 Management information:
Ratio analysis:

		<u>30.06.16</u>	<u>30.06.15</u>
		<u>Amount in Taka</u>	
a) Net Profit/(Loss) - Turnover ratio	$= \frac{\text{Net Profit/(Loss)}}{\text{Sales}} \times 100$ $= \frac{6,873,940}{291,867,354} \times 100 = 2.36\%$	2.36%	3.40%
b) Current ratio	$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$ $= \frac{92,273,438}{102,137,461} = 90.34:100$	90.34:100	95:100
c) Gross Profit - Turnover ratio	$= \frac{\text{Gross profit}}{\text{Sales}} \times 100$ $= \frac{58,985,644}{291,867,354} \times 100 = 20.21\%$	20.21%	19.69%
d) Turn-over /total Assets ratio	$= \frac{\text{Sales}}{\text{Total assets}} \times 100$ $= \frac{291,867,354}{209,928,807} \times 100 = 139.03\%$	139.03%	131.59%
e) Inventory turn-over ratio	$= \frac{\text{Inventory}}{\text{Sales}} \times 100$ $= \frac{48,228,704}{291,867,354} \times 100 = 16.52\%$	16.52%	15.16%
f) Return on Investment ratio	$= \frac{\text{Net profit/(Loss)}}{\text{Net Investment}} \times 100$ $= \frac{6,873,940}{96,259,193} \times 100 = 7.14\%$	7.14%	10.44%



(Jamal Uddin Bhuiyan)
 Company Secretary

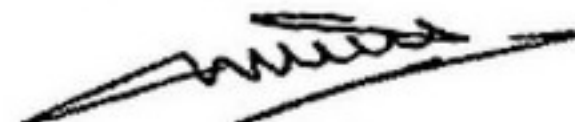


(Helal Uddin Ahmed)
 Managing Director



(Lutfur Rahman)
 Director
 As per report of date annexed

Date: 27-10-2016
 Place: Dhaka-1000.



ARTISAN
 (Chartered Accountants)

STANDARD CERAMIC INDUSTRIES LTD.

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT AS AT 30TH JUNE, 2016

(Refer to Note No.2.00)

Amount in Taka

Particulars	COST				Rate of Depreciation.
	Balance as at 01-07-15	Addition during the year	Sales/ Adjustment	Total as at 30-06-16	
Land and Land development	30,555,601	0	0	30,555,601	0%
Building & Civil constructions	82,894,169	4,162,175	0	87,056,344	7.5%
Plant & Machineries	188,633,794	10,902,312	0	199,536,106	10%
Deep Tube Well	1,105,519	0	0	1,105,519	5%
Electric & Security Equipment	6,898,807	1,309,909	0	8,208,716	10%
Car & other vehicles	15,452,549	165,000	0	15,617,549	20%
Tools	338,065	0	0	338,065	25%
Office Equipment	2,086,727	74,700	0	2,161,427	15%
Furniture & Fixture	1,857,921	1,200	0	1,859,121	10%
Other Assets	44,472	0	0	44,472	20%
Total as on 30 June 2016	329,867,624	16,615,296	0	346,482,920	
Total as on 30 June 2015	323,615,970	6,251,654	0	329,867,624	

Particulars	DEPRECIATION				Written down value on 30-06-16
	Balance as at 01-07-15	Addition during the year	Sales/ Adjustment	Total as at 30-06-16	
Land and Land development	0	0	0	0	30,555,601
Building & Civil constructions	51,839,881	2,470,852	0	54,310,733	32,745,611
Plant & Machinery	151,190,719	4,188,579	0	155,379,298	44,156,808
Deep Tube Well	489,144	30,819	0	519,963	585,556
Electric & Security Equipment	3,586,748	414,715	0	4,001,463	4,207,253
Car & other vehicles	10,136,311	1,079,974	0	11,216,285	4,401,264
Tools	337,700	91	0	337,791	274
Office Equipment	1,538,438	89,083	0	1,627,521	533,906
Furniture & Fixture	1,338,599	51,932	0	1,390,531	468,590
Other Assets	43,840	126	0	43,966	506
Total as on 30 June 2016	220,501,380	8,326,171	0	228,827,551	117,655,369
Total as on 30 June 2015	212,260,491	8,240,889	0	220,501,380	109,366,244

Notes:

- * Depreciation is charged on property, plant and equipment for full year on opening written down value and on addition during the year from the date of use. Depreciation is charged Tk. 8,242,909/= & Tk. 83,262/= to cost of goods sold and administration & selling expenses respectively.
- ** Opening balance of Work in progress is included with opening balance of Building & Civil constructions.

STANDARD CERAMIC INDUSTRIES LTD.
Amin Court (3rd Floor), 62-63 Motijheel C/A, Dhaka-1000.

PROXY FORM

I
of being a member hereby appoint
Mr. /Mrs. /Ms.
of
as my proxy to attend and vote for me and on my behalf at the 32nd Annual General Meeting of the Company to be held
on December 24, 2016 at 10.30 A.M and at any adjournment thereof. As witness my hand this
.....
..... day of 2016.

(Signature of the Proxy)

Date :

Revenue
Stamp
Tk. 20.00

(Signature of the Shareholder)

Holder of _____ Share(s)

Dated : _____

(Signature of the witness)

Register Folio/BO ID No.

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Note: A member entitled to attend and vote at the general meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Head Office of the Company not less than 48 hours before the time fixed for holding the meeting.

SIGNATURE VERIFIED

(AUTHORISED SIGNATURE)

STANDARD CERAMIC INDUSTRIES LTD.

Amin Court (3rd Floor), 62-63 Motijheel C/A, Dhaka-1000.

Identification card to attend 32nd AGM on 24.12.2016

I, the under signed or my Proxy or Mr./Mrs./Ms.
hereby record(s) presence at the 32nd Annual General Meeting of 2016.

Name of Shareholder:

Address :

Numbers of Share:

Register Folio/BO ID No.

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(Signature of the Proxy)

Signature of the Shareholder

Note: Please fill-in the blanks & present the card at the entrance.





Standard Ceramic Industries Ltd. (Manufacturer of Stoneware Tableware)

Amin Court (3rd Floor), 62-63 Motijheel Commercial Area, Dhaka, Bangladesh.
Phones: PABX 956 1947-8, 957 7033, Fax : (880-2) 956 1950

E-mail : info@standardceramic.net, **Web:** www.standardceramic.net
Factory : Holding No.-738, Ward No.-34, Post Office-National University
Saydana, Gazipur City Corporation, Gazipur-1700

