

2011 ANNUAL REPORT



SHINEPUKUR CERAMICS LIMITED



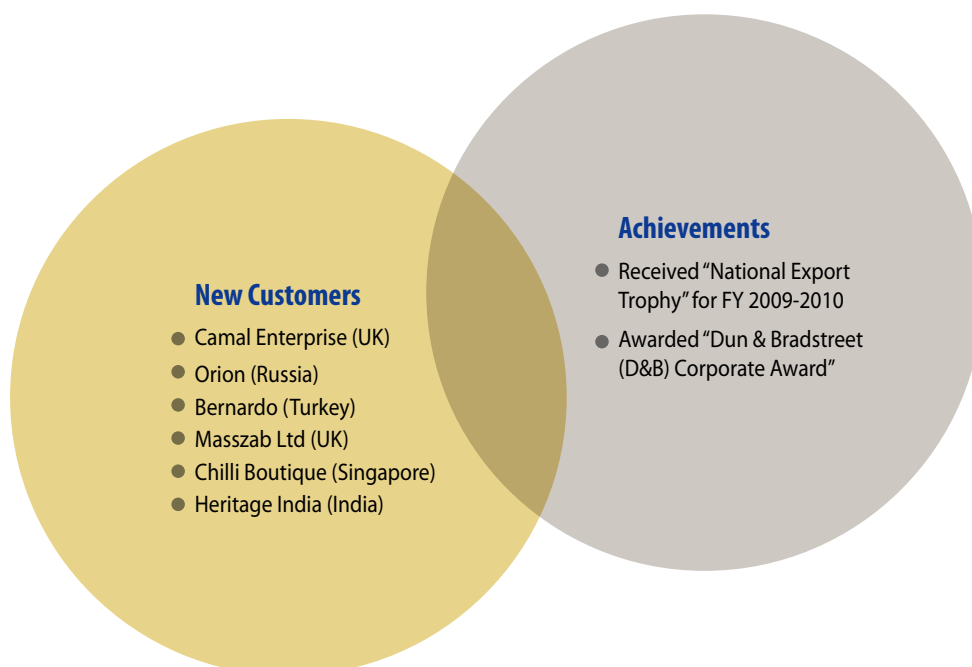
MISSION

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 constituencies with whom we interact; namely: our employees, our customers, our business associates, our fellow citizens and our shareholders.

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HIGHLIGHTS: 2011



KEY DATA

Year of Establishment (registration)	1997
Commercial Production	1999
Status	Public Limited Company
First Export	1999
Business Lines	Manufacturing, Marketing and Exporting of Bone China and Porcelain tableware.
Overseas Offices & Associates	USA and UK
Current Export Markets	USA, Canada, UK, Germany, France, Italy, Sweden, Norway, Poland, Turkey, Japan, Australia, UAE, Brazil, India, Chile, Egypt, Russia etc.
Authorized Capital (Taka)	5000 million
Paid-up Capital (Taka)	1,111.27 million
Number of Shareholders	28,730
Stock Exchange Listing	2008
Number of Employees	3000



A GLANCE ON: SHINEPUKUR CERAMICS LTD.

Shinepukur Ceramics Limited is a member of BEXIMCO Group which is the Largest Private Sector Business Conglomerate in Bangladesh with about over 45,000 people worldwide in the permanent payroll, have over 300,000 shareholders, handling a diversified range of merchandise to and from Bangladesh. The Group's operations and investments across a wide range of industries including Textiles, Trading, Marine Food, Real Estate Development, Hospitality, Construction, Information and Communication Technologies, Media, Ceramics, Aviation, Pharmaceuticals, Financial Services and Energy.

Shinepukur Ceramics has been registered in Bangladesh in 1997 and the Plants were commissioned in 1998. Commercial production of Porcelain Tableware started in



April 1999 and Bone China in November 1999. The manufacturing facility is located in the BEXIMCO Industrial Park, near Dhaka Export Processing Zone (DEPZ), 40 Km from Capital Dhaka City, where captive power generation, water supply, effluent waste water treatment and all other infrastructural facilities are available. Total Investment in the Company is in excess of US\$ 35 Million. The Company has already made additional Investment of US\$ 10 Million to expand its Bone China Unit.

Shinepukur Ceramics is the leader in Bone China and Porcelain Tableware Manufacturing and the largest Exporter from Bangladesh, equipped with the most modern state-of-the-art and latest Machineries from TAKASAGO, MINO and SKK of Japan, having more than 3,000 highly skilled & motivated employees, cutting-edge technology, world class product quality and its blue chip overseas customers. The Bone China Unit has in fact been set up with technology transfer from NIKKO Japan, coupled with extensive training facilities to our Production team.

Today, Shinepukur exports to more than 40 countries including USA, UK, Canada, Germany, France, Italy, Sweden, Norway, Poland, Turkey, Russia, Japan, Australia, UAE, Brazil, Chile, India, Singapore, Egypt etc.

From inception till date, Shinepukur achieved few significant accolades, namely,

- (i) 'National Export Trophy' for record consecutive 4 (four) times as the highest exporter in Ceramic Tableware from Bangladesh
- (ii) 'Superbrands' award
- (iii) 'Dun & Bradstreet (D&B) Corporate 2010' Award
- (iv) ISO 9001: 2008 certification (DNV, Netherlands)



CORPORATE DIRECTORIES

BOARD OF DIRECTORS

A S F Rahman
Chairman

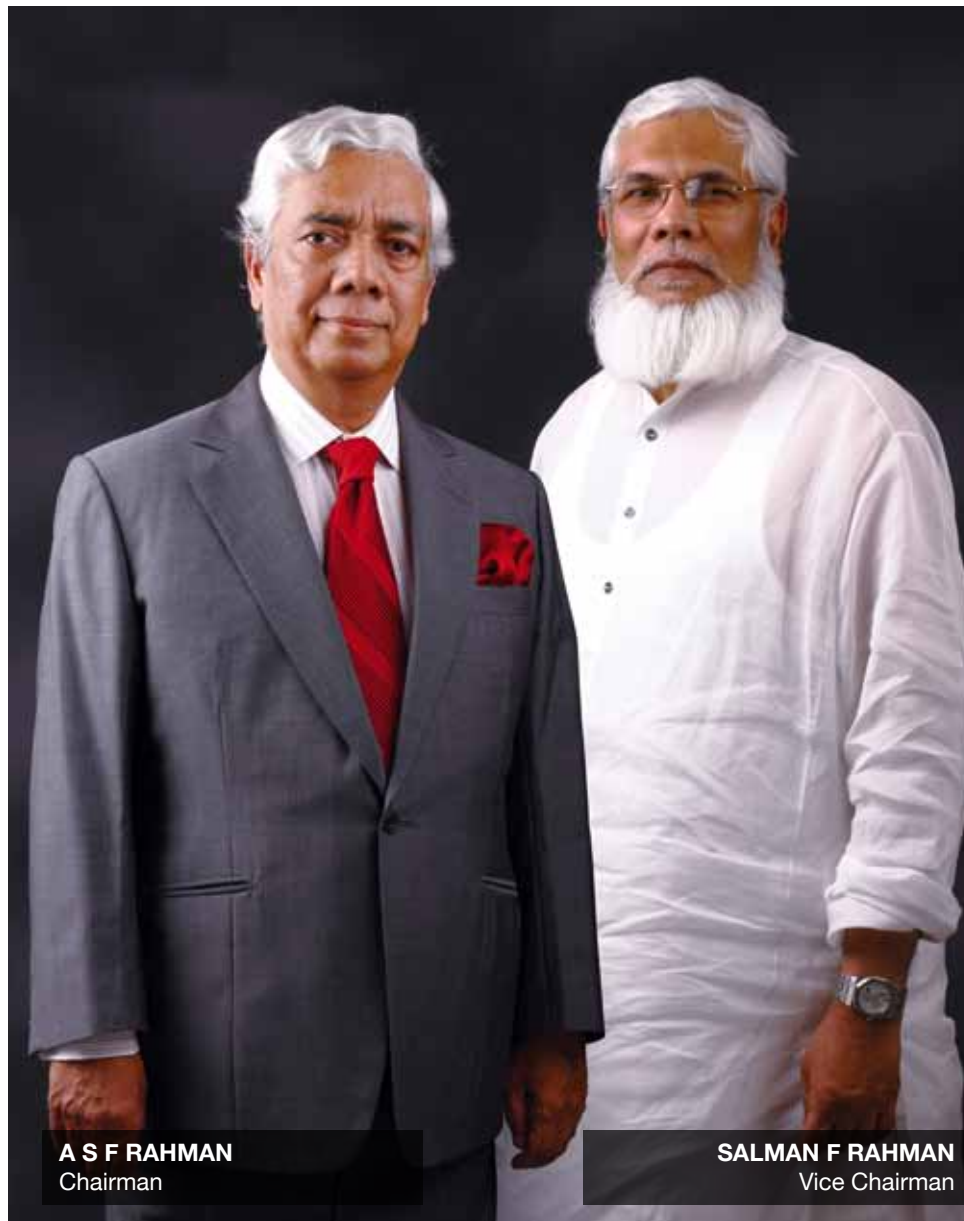
Salman F Rahman
Vice Chairman

Iqbal Ahmed
Director

O K Chowdhury
Director

Nazmul Hassan
Managing Director

Md. Asad Ullah
Company Secretary





NAZMUL HASSAN
Managing Director

MANAGEMENT COMMITTEE

Nazmul Hassan

Managing Director

Rizvi Ul Kabir

Chief Operating Officer

Md. Faruque Ali

Sr. General Manager, Production

Md. Luthfor Rahman

General Manager, Finance

Auditors

M/S M. J. Abedin & Co,
Chartered Accountants
National Plaza (3rd Floor)
109, Bir Uttam C R Datta Road
Dhaka-1205

Legal Advisers

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

Banker

Sonali Bank Ltd. &
Southeast Bank Ltd.

Registered Office

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

Plant

Beximco Industrial Park
Sarabo, Kashimpur, Gazipur



WITH THE PASSAGE OF TIME: CHRONOLOGY

1997

Shinepukur Ceramics Ltd. was registered in Bangladesh.

1999

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

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

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

2000

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

2001

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

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

2003

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

Shinepukur's own Packaging Plant started its Production with capacity of 120,000 sheets per day.

Received "National Export Trophy (Gold)" for FY 2000-2001 by the Govt. of Bangladesh as recognition for highest export



2005

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

2008

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

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

2009

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

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

2010

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

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

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

2011

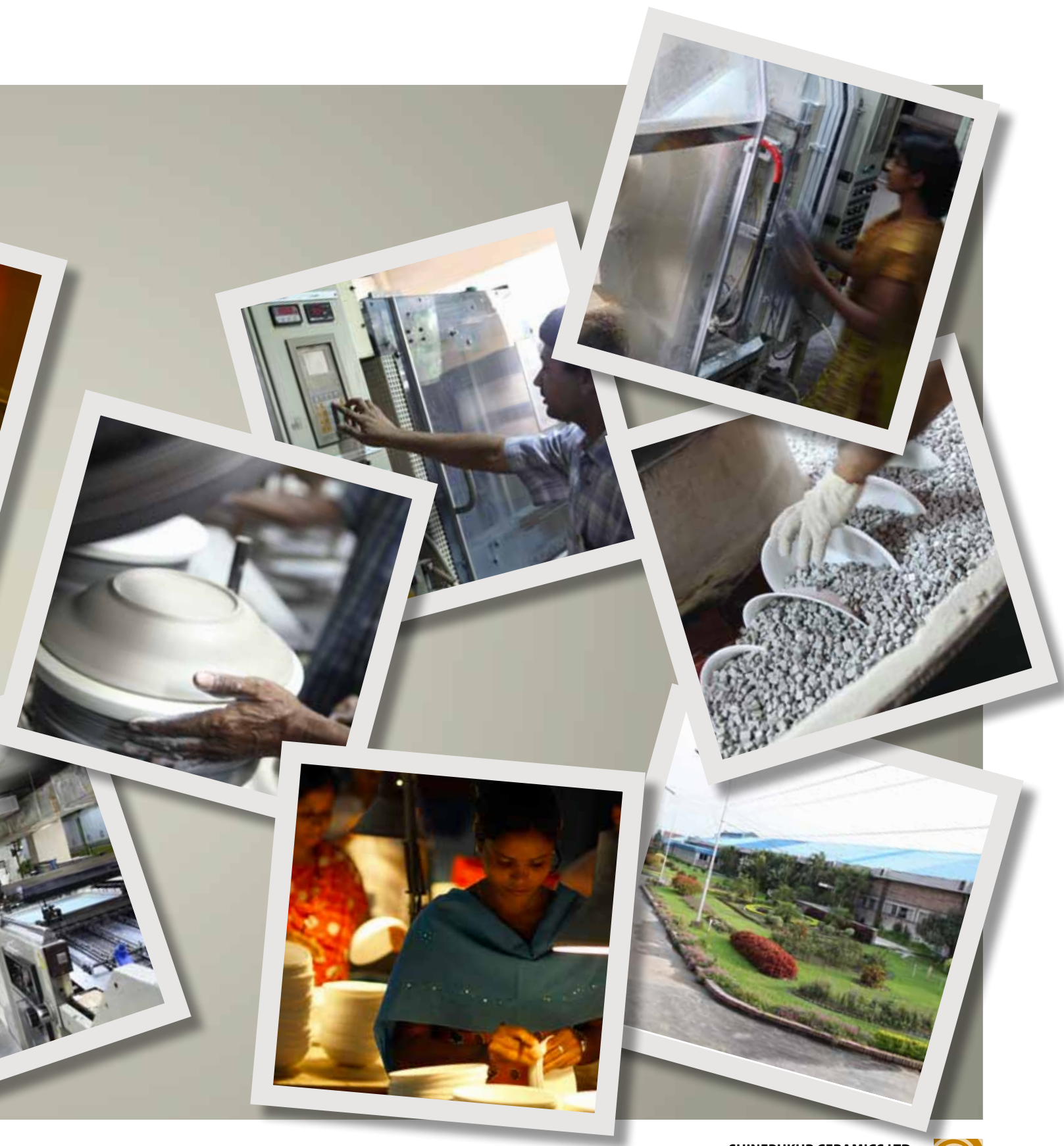
Received 'National Export Trophy (SILVER)' for FY 2009-2010 by the Govt. of Bangladesh as recognition for highest export.

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



A STATE-OF-THE-ART: MANUFACTURING FACILITY





REALM OF MAGNIFICENT COLLECTIONS: PRODUCTS





SHINEPUKUR WORLDWIDE: BLUE-CHIP CUSTOMERS



PROUDLY DELIVERED TO -



RASHTRAPATI BHAVAN, INDIA



LONDON OLYMPIC GAMES 2012



RECOGNITION OF PERFORMANCE: ACHIEVEMENTS 2011

The **only** ceramic tableware company to receive all 4 times - "National Export Trophy"



RECEIVED "NATIONAL EXPORT TROPHY" FOR FY 2009-2010



The **only** Listed ceramic tableware company to receive D&B Award

AWARDED 'DUN & BRADSTREET (D&B) CORPORATE AWARD'

FEW VISIT GLIMPSES 2011



VISIT OF UKRAINE'S MINISTER FOR FOOD & AGRARIAN POLICY



VISIT OF THE RUSSIAN AMBASSADOR



POST 2011 ACTIVITIES



LAUNCHING OF SHINEPUKUR SIGNATURE SHOWROOM AT THE WESTIN DHAKA



AMBIENTE 2012 FRANKFURT FAIR PARTICIPATION

NOTICE OF THE 15TH ANNUAL GENERAL MEETING

NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Shareholders of Shinepukur Ceramics Limited will be held on Saturday, the 30th June, 2012 at 12.00 noon at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

AGENDA

1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2011 together with reports of the Auditors and the Directors thereon.
2.	To elect Directors.
3.	To declare 15% Stock Dividend.
4.	To appoint Auditors for the year 2012 and to fix their remuneration.
5.	To transact any other business of the Company with the permission of the Chair.

By order of the Board,



(MOHAMMAD ASAD ULLAH, FCS)

Executive Director & Company Secretary

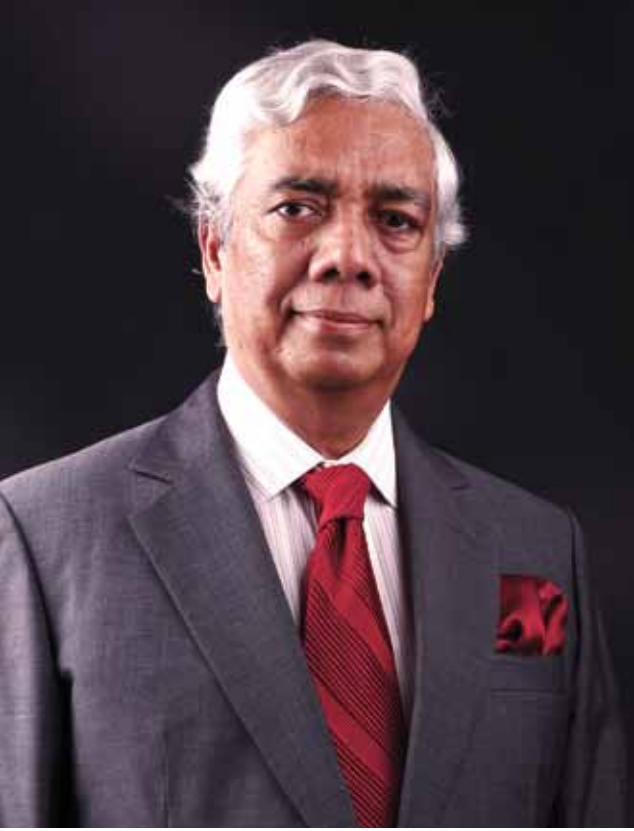
Dated : 17 May, 2012

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. 21 May, 2012, 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)	Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
(4)	No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No.SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.



চেয়ারম্যানের প্রতিবেদন



প্রিয় শেয়ারহোল্ডারবন্দ,

আমি কোম্পানীর পঞ্চদশ বার্ষিক সাধারণ সভায় পরিচালক পর্ষদের পক্ষ থেকে আপনাদের সকলকে স্বাগত জানাচ্ছি। আমি কোম্পানীর ২০১১ সালের সার্বিক কার্যক্রমের বিবরণ এবং ভবিষ্যৎ পরিকল্পনা আপনাদের সামনে উপস্থাপন করছি।

কার্যক্রম

এ বছর কোম্পানীর নীট বিক্রয়ের পরিমাণ দাড়িয়েছে ১,৯০১.৪৪ মিলিয়ন টাকা যা ২০১০ সালে ছিল ১৯২৬.৭৫ মিলিয়ন টাকা। এ বছর বিশ্ব অর্থনীতির মন্দার কারনে আমাদের বিক্রয় হ্রাস পেয়েছে।

আপনাদের কোম্পানী এ বছর কর পূর্ব মুনাফা করেছে ২১৪.৯৭ মিলিয়ন টাকা যা ২০১০ সালে ছিল ৩০৫.০৭ মিলিয়ন টাকা। আপনারা জানেন যে আমাদের অধিকাংশ কাঁচামাল ইউরোপীয় দেশসমূহ থেকে আমদানি করা হয়। ২০০৯ সালের প্রথম থেকে ২০১১ সালের শেষভাগের দিকে ইউরোর বিপরীতে টাকার কয়েক দফা অবমূল্যায়নের দরুন কাঁচামালের দাম বেড়ে গিয়েছিল। সেজন্যে গত বছরের তুলনায় আমাদের মোট মুনাফা এবং কর পূর্ব মুনাফা হ্রাস পেয়েছে।

সম্প্রসারণ কর্মসূচী

দৈনিক ৪.৫ মে.টন উৎপাদন ক্ষমতাসম্পন্ন বোন চায়না সম্প্রসারণ প্রকল্প ২০১২ সালের মধ্যে পরীক্ষামূলক উৎপাদন শুরু করতে পারবে বলে আশা করছি। ইহার ফলে বোন চায়না উৎপাদন ক্ষমতা বর্তমান উৎপাদন ক্ষমতার ১৫০% বৃদ্ধি পাবে। আমরা বর্ধিত উৎপাদন ও সরবরাহের ব্যাপারে ইতিমধ্যে আন্তর্জাতিক ক্রেতাদের পক্ষ থেকে অনুকূল সাড়া পেয়েছি। তবে আমাদের নীতি অনুযায়ী যেকোন চূড়ান্ত চুক্তি স্বাক্ষরের পূর্বে সবকিছু যাচাই বাছাইয়ের অপেক্ষায় আছে। সম্প্রসারণ প্রকল্প বাস্তবায়িত হলে রপ্তানী বিক্রি আনুমানিক ১,৩০০.০০ মিলিয়ন টাকা বৃদ্ধি পাবে বলে প্রত্যাশা করছি।

সামাজিক প্রতিশ্রুতি

শাইনপুকুর সিরামিকস্ -এ আমাদের কর্মকাণ্ড সমাজের প্রতি দায়িত্ববোধ এর দৃষ্টিকোণ থেকে আমরা পরিচালনা করছি বলে বিশ্বাস করি। সেজন্য আমাদের সকল কার্যক্রম প্রধানতঃ সমাজের মঙ্গলের দিকে লক্ষ্য রেখেই সম্পাদিত হয়ে থাকে। সামাজিক অঙ্গিকারের অংশ হিসাবে কোম্পানী





সামাজিক গুরুত্ব সম্পন্ন অনুষ্ঠানাদি উপলক্ষে ক্রোড়পত্র প্রকাশনায় সহযোগিতা করে থাকে। বিভিন্ন প্রতিষ্ঠান ও পেশাদারিত্ব প্রতিষ্ঠানের আর্থ-সামাজিক ও সাংস্কৃতিক উন্নয়ন কার্যক্রমে আমরা একান্ত সহযোগিতা ও সমর্থন যুগিয়ে থাকি।

কৃতজ্ঞতা স্বীকার

আমি আমাদের সম্মানিত ক্রেতা, বিক্রেতা, ব্যাংকার, সরকারী সংস্থাসমূহ, বিধিবদ্ধ প্রতিষ্ঠান এবং আমাদের ব্যবসা পরিচালনার সাথে যারা জড়িত তাদের সকলকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমি কোম্পানীর শেয়ারহোল্ডারদের প্রতি কৃতজ্ঞ, যাদের সার্বক্ষণিক মূল্যবান সহযোগিতা এবং সমর্থন কোম্পানীকে আজকের এই অবস্থানে এনেছে। আমরা যে সাফল্য অর্জন করেছি তা সকলের সম্মিলিত প্রচেষ্টারই ফল।

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

X. K. P. Lakshmi

এ এস এফ রহমান
চেয়ারম্যান

তারিখ : ২৮ এপ্রিল, ২০১২





Chairman's Statements

Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 15th Annual General Meeting of your Company, and to lay before you a brief resume of the affairs of the company for the year 2011 and its future plan.

During the year the company attained net sales of Tk. 1,901.44 million as against Tk. 1,926.75 million of 2010. During the year the sales have a negative growth due to Global Financial meltdown.

Your company earned a pre-tax profit of Tk.214.97 million as against Tk. 305.07 million of 2010. As you are aware, most of our raw materials are imported from European countries. And due to devaluation of Taka from 2009 to end of 2011 against euro these materials have become very costly. For this reason our gross profit and pre-tax profit reduced compared to last year.

Expansion Program

The expansion unit having a capacity of 4.5 Metric Tons per day is expected to be ready for trial production by end 2012. This will increase the Bone China production capacity by 150%. We are already getting very positive feed back from our international buyers for increased supply commitments. However, our policy is to wait and see before signing any final contract. The expansion can provide additional sales of taka 1,300.00 millions approximately.

Social Commitment

In Shinepukur Ceramics, we believe in our responsibilities towards the society we operate in. All our activities are therefore directed to the well being of the society in general. As part of the social commitment, the company sponsors news supplements on important social occasions. We also provided active co-operation and support to different organizations and professional institutions in their socio-cultural development programs.

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.

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



A S F Rahman
Chairman

Dated: 28 April, 2012



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 Managing Director (MD) under whom there are Chief Operating Officer (COO) and General Managers (GMs) for various departments and according to hierarchy, various senior & mid level management staffs. The Managing Director and the COO, GMs 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 to that date. In preparing those financial statements the directors are required:

- to select suitable accounting policies and the apply them in a consistent manner;
- to make reasonable and prudent judgements 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 COMMITTEES

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 ended 31 December 2011 stood at three 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, two Directors and Managing Director. The name of the Directors appears on page 4.

Appraisal Review Board – Appraisal review board annually appraises the performances of every level of employees as per established policy. It determines the annual increment, promotion and parameter of remuneration for all level of executives.

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.



Directors' Report to the Shareholders

For the year ended 31 December 2011

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report together with the Audited Accounts for the year ended on 31st December, 2011 and Auditors' Report thereon:

WORKING RESULTS

The Directors are pleased to report that the working results of the company for the year 2011 are as follows:

Taka in million

	For the year 2011	For the year 2010
Net profit before tax	214.97	305.07
Less: Provision for income tax	46.20	51.83
Net profit after tax	168.77	253.24
Add: Balance brought forward from previous year	266.40	158.11
Profit available for appropriation	435.17	411.35
APPROPRIATION RECOMMENDED		
Stock Dividend (Bonus Share) at 15%	166.69	144.95
Balance carried forward	268.48	266.40
	435.17	411.35

DIVIDEND

The Directors have recommended a stock dividend (Bonus share) @ 15% per share of Tk. 10 each, subject to approval of the shareholders in the AGM.

DIRECTORS

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

The Board appointed Mr. Iqbal Ahmed and Mr. O K Chowdhury as Directors of the Company in its meeting held on 28-04-2012, who also retire at this AGM and being eligible offer themselves for re-election as per Article 132 of the Articles of Association of the Company.

BOARD MEETING AND ATTENDANCE

During the year 10 (ten) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meetings attended
Mr. A S F Rahman	10
Mr. Salman F Rahman	10
Mr. Nazmul Hassan	10

BOARD AUDIT COMMITTEE

The Company has an Audit Committee, which met four times in 2011 to consider its Annual Financial Statements for the year ended 31st December 2010, 1st quarter ended 31st March 2011, half year ended on 30th June 2011 and 3rd quarter ended on 30th September, 2011.

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to confirm that:

- The financial statements together with the notes thereon have drawn up conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.



- (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 judgement.
- (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) There is no significant doubts about the ability of the Company to continue as a going concern.
- (g) There is no significant deviations in operating result compared to last year.
- (h) The summarised key operating and financial data of last five preceding years is annexed as “Comparative Statistics” in the Annual Report.
- (i) The Pattern of shareholding is as followings:

	Name	Shares held
(i)	Parent/Subsidiary/Associated Companies and other related Parties: Bangladesh Export Import Co. Ltd. As on 31-12-2011	55,563,713
(ii)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and Minor children:	
	Mr. A S F Rahman, Chairman	2
	Mr. Salman F Rahman, Vice Chairman	1
	Mr. Nazmul Hassan, Managing Director	1
	Mr. O K Chowdhury, Shareholder	1
	Chief Executive Officer, Spouse and minor children	Nil
	Company Secretary, Spouse and minor children	Nil
	Chief Financial Officer, Spouse and minor children	Nil
	Head of Internal Audit, Spouse and minor children	Nil
(iii)	Executives	Nil
(iv)	Shareholders holding 10% or more Voting interest in the company: Bangladesh Export Import Co. Ltd (Mentioned in SL. No. (i) above.)	55,563,713

CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

In accordance with the requirement of the Securities and Exchange Commission, “Corporate Governance Compliance Status Report” is annexed.

AUDITORS

The Directors hereby report that the existing Auditors M/s. M. J. Abedin & Co. , Chartered Accountants, National Plaza (6th floor), 109, Bir Uttam C R Datta Road, Dhaka-1205 who appointed as Auditors of the Company in Fourteenth Annual General Meeting carried out the audit for the year ended on 31 December, 2011.

M/s. M. J. Abedin & Co. , Chartered Accountants, National Plaza (6th floor), Bir Uttam C R Datta Road, Dhaka-1205 the Auditors of the Company retire at this meeting and have expressed their willingness to continue in the office for the year 2012.

On behalf of the Board of Directors.

X. S. F. Rahman

A S F Rahman
Chairman

Dated : 28 April, 2012



Corporate Governance Compliance Status Report

Status of Compliance with the conditions imposed by the SEC's Notification No.
SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February, 2006 issued under Section 2CC of the
Securities and Exchange Ordinance, 1969: (Report under Condition No. 5.00)

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Explanation For non-compliance:
		Complied	Not Complied	
1.1	Board Size	√		
1.2	Independent Director	√		
1.3	Chairman & Chief Executive	√		
1.4(a)	Directors Report on Financial Statements	√		
1.4(b)	Books of Accounts	√		
1.4(c)	Accounting Policies	√		
1.4(d)	IAS applicable in Bangladesh	√		
1.4(e)	System of Internal Control	√		
1.4(f)	Going Concern	√		
1.4(g)	Deviation in Operating Results	√		
1.4(h)	Key Operating & Financial Data	√		
1.4(i)	Declaration of Dividend	√		
1.4(j)	No. of Board Meetings	√		
1.4(k)	Pattern of Shareholdings	√		
2.1	CFO, HIA & Company Secretary Appointment	√		
2.2	Board Meeting Attendance	√		
3.00	Audit Committee	√		
4.00	External/ Statutory Auditors	√		
5.00	Reporting the Compliance in the Directors' report	√		



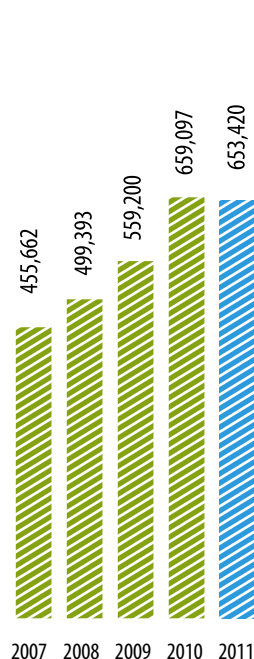
Comparative Statistics

Taka In '000

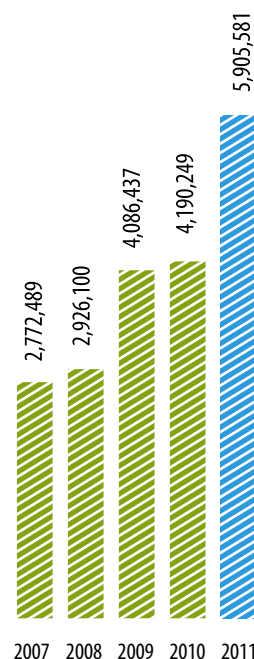
Particulars	2011	2010	2009	2008	2007
Paid Up Capital	1,111,275	966,326	840,283	700,236	660,600
Revenue	1,901,445	1,926,746	1,695,711	1,529,918	1,386,131
Gross Profit	653,420	659,097	559,200	499,393	455,662
Profit Before Income Tax	214,966	305,074	249,187	210,397	172,863
Net Profit after Income Tax	168,768	253,247	172,372	179,916	130,231
Tangible Assets (Gross)	5,905,581	4,190,249	4,086,437	2,926,100	2,772,489
Cumulative Surplus	435,167	411,348	284,143	321,842	181,563
Dividend-Both Cash and Stock	15% (B)	15% (B)	15% (B)	10% (C) & 20% (B)	15% (C) & 6% (B)
Return on Paid up Capital	15%	26%	21%	26%	20%
Shareholders Equity	4,499,760	2,731,959	2,478,711	2,376,363	1,034,629
Earning per Share (Taka)	1.52	2.62	2.05	2.57	1.97
Shareholders Equity Per Share (Taka)	40	28	29	34	16
Number of Shareholders	28,730	24,172	27,803	2,204	7



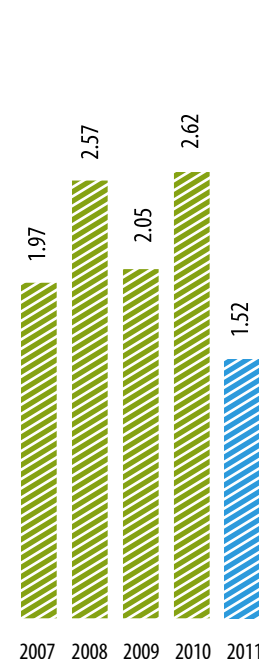
Revenue
Taka in '000



Gross Profit
Taka in '000



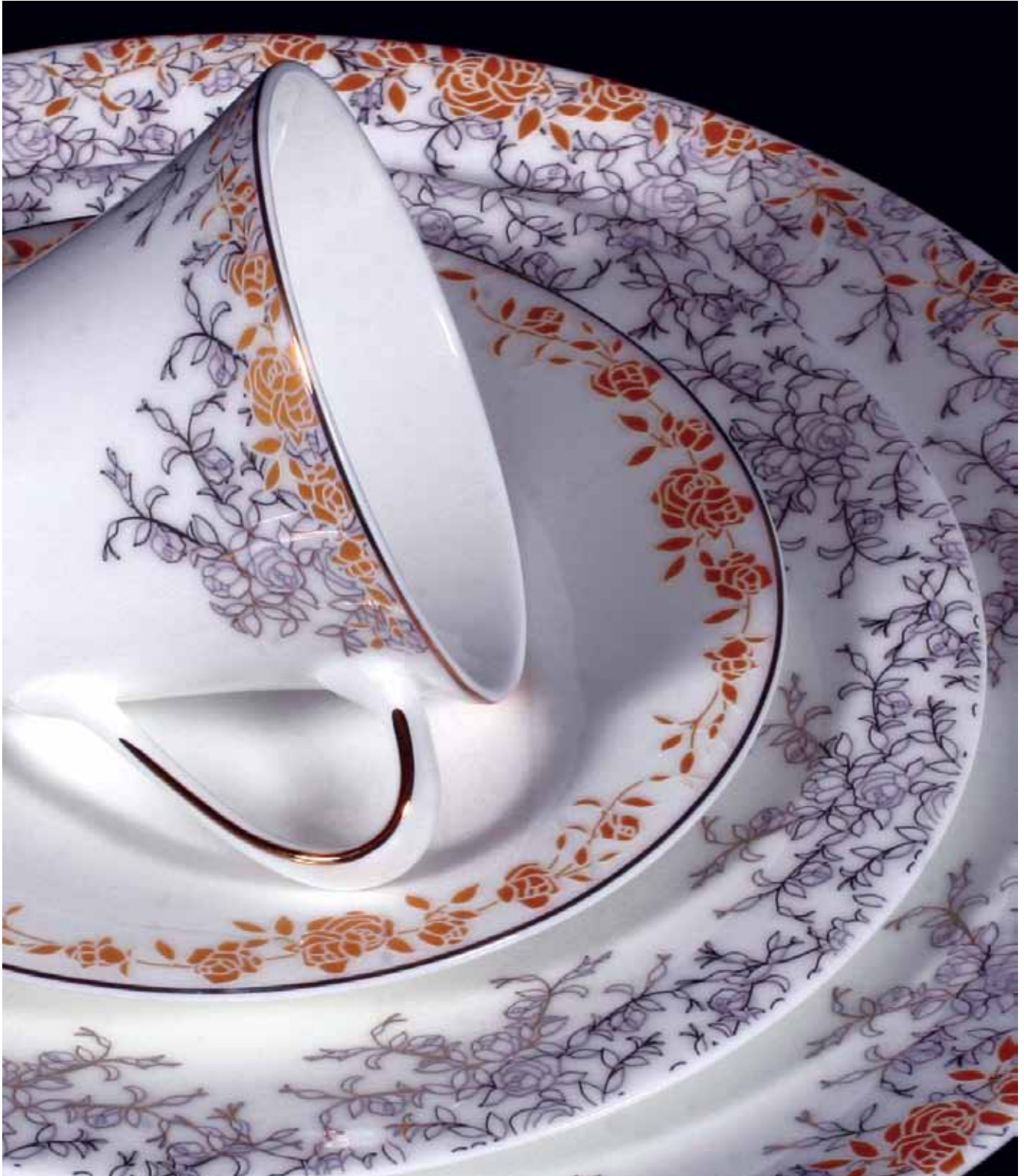
Tangible Assets (gross)
Taka in '000



Earning per Share
Figure in Taka



Financials



AUDITORS' REPORT

TO THE SHAREHOLDERS OF SHINEPUKUR CERAMICS LIMITED

Introduction

We have audited the accompanying financial statements of Shinepukur Ceramics Limited which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements 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 International Standards on Auditing (ISA) and Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures 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 material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, we consider 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 prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December 2011, and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) 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 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 (balance sheet) and statement of comprehensive income (profit and loss account) 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
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants




SHINEPUKUR CERAMICS LTD.
STATEMENT OF FINANCIAL POSITION
as at 31 December 2011


Amount in Taka


	Notes	31-Dec-11	31-Dec-10
ASSETS			
Non-Current Assets		5,536,817,925	3,489,126,921
Property, Plant and Equipment - Carrying Value	4	4,493,055,461	2,886,465,234
Investment in Shares	5	225,870,721	262,285,884
Capital Work in Progress		817,891,743	340,375,803
Current Assets		1,617,231,951	1,636,600,076
Inventories	6	891,674,750	845,195,056
Accounts & Other Receivables	7	587,933,889	477,473,540
Advances, Deposits & Prepayments	8	112,190,532	278,773,841
Cash and Cash Equivalents	9	25,432,780	35,157,639
Total Assets		7,154,049,876	5,125,726,997
EQUITY AND LIABILITIES			
Shareholders' Equity		4,499,760,423	2,731,958,854
Issued Share Capital	10	1,111,274,530	966,325,680
Revaluation Surplus	11	2,953,318,420	1,354,284,953
Retained Earnings		435,167,473	411,348,221
Non-Current Liabilities		1,005,382,500	928,724,372
Long Term Loan (Secured) (Net-off Current Maturity)	12	396,579,272	429,143,129
Long Term Loan (Unsecured)	13	598,837,779	485,689,185
Deferred Tax Liability	14	9,965,449	13,892,058
Current Liabilities		1,648,906,953	1,465,043,771
Short Term Loan from Banks (Secured)	15	1,147,673,708	955,808,744
Long Term Loan-Current Maturity (Secured)	16	91,818,692	243,718,941
Creditors, Accruals and other Payables	17	291,823,065	166,416,040
Income Tax Payable	18	117,591,488	99,100,046
Total Equity and Liabilities		7,154,049,876	5,125,726,997
Net Asset Value Per Share		40.49	28.27

The accompanying notes form an integral part of this financial statement.

Approved and authorized for issue by the board of directors on 28 April 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman


Salman F. Rahman
Vice-Chairman


Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012


M. J. ABEDIN & CO
Chartered Accountants



SHINEPUKUR CERAMICS LTD.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

Amount in Taka

	Notes	2011	2010
Revenue	19	1,901,444,562	1,926,745,719
Cost of Goods Sold	20	(1,248,024,942)	(1,267,648,737)
Gross Profit		653,419,620	659,096,982
Operating Expenses		(121,100,868)	(88,993,320)
Administrative Expenses	21	(61,433,037)	(38,611,923)
Selling Expenses	22	(49,547,627)	(50,381,397)
Exchange Loss		(10,120,204)	-
Profit from Operations		532,318,752	570,103,662
Finance Cost	23	(306,604,938)	(249,775,873)
Profit before contribution to WPPF		225,713,814	320,327,789
Contribution to Workers' Profit Participation / Welfare Funds		(10,748,277)	(15,253,704)
Net Profit before Tax		214,965,537	305,074,085
Income Tax Expense	24	(46,197,435)	(51,826,714)
Net Profit After Tax (NPAT) for the year		168,768,102	253,247,371
Other Comprehensive Income:			
Revaluation Surplus on Property, Plant and Equipments		1,612,405,062	-
Fair Value Loss on Investment in Shares		(13,371,595)	-
Total Comprehensive Income for the year		1,767,801,569	253,247,371
Earning per share based on NPAT (Adjusted EPS of 2010) Tk.	25	1.52	2.28

The accompanying notes form an integral part of this financial statement.

Approved and authorized for issue by the board of directors on 28 April 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman



Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants



SHINEPUKUR CERAMICS LTD.
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2011

Amount in Taka

	Share Capital	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on 31 December 2010	966,325,680	1,354,284,953	411,348,221	2,731,958,854
Net Profit after tax for the year	-	-	168,768,102	168,768,102
Other Comprehensive Income:				
Revaluation Surplus on Property, Plant & Equipment	-	1,612,405,062	-	1,612,405,062
Fair Value Loss on Investment in Shares	-	(13,371,595)	-	(13,371,595)
Transaction with Share Holders:				
Issue of Bonus Shares for the prior year (2010)	144,948,850	-	(144,948,850)	-
Total Balance as on 31 December 2011	1,111,274,530	2,953,318,420	435,167,473	4,499,760,423

The accompanying notes form an integral part of this financial statement.

Approved and authorized for issue by the board of directors on 28 April 2012 and signed for and on behalf of the Board:



A S F Rahman
Chairman



Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012



M. J. ABEDIN & CO
Chartered Accountants




SHINEPUKUR CERAMICS LTD.
STATEMENT OF CASH FLOWS
for the year ended 31 December 2011


Amount in Taka


	2011	2010
Cash Flows From Operating Activities:		
Collections from turnover and other income	1,774,197,732	1,810,813,275
Payments for costs, expenses & others	(1,089,611,868)	(1,417,186,680)
Interest Paid	(221,035,344)	(197,793,786)
Income-Tax paid and / or deducted at sources	(26,306,168)	(66,573,115)
Net cash Generated from operating activities	<u>437,244,352</u>	<u>129,259,694</u>
Cash Flows From Investing Activities:		
Property, Plant and Equipment acquired	(102,926,087)	(62,727,624)
Disposal of Asset	-	500,000
Sales of Shares	23,043,568	-
Capital Work in Progress	(477,515,940)	(167,555,177)
Net cash used in investing activities	<u>(557,398,459)</u>	<u>(229,782,801)</u>
Cash Flows From Financing Activities:		
Long Term Loan increase/(decreased)	(81,435,716)	79,064,386
Short Term Loan increased	191,864,964	38,204,890
Net cash Generated from financing activities	<u>110,429,248</u>	<u>117,269,276</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>(9,724,859)</u>	<u>16,746,169</u>
Cash and Cash Equivalents at the beginning of the year	35,157,639	18,411,470
Cash and Cash Equivalents at the end of the year	<u>25,432,780</u>	<u>35,157,639</u>
Net Operating Cash Flow Per Share	<u>3.93</u>	<u>1.33</u>

The accompanying notes form an integral part of this financial statement.

Approved and authorized for issue by the board of directors on 28 April 2012 and signed for and on behalf of the Board:


A S F Rahman
Chairman


Salman F. Rahman
Vice-Chairman


Nazmul Hassan
Managing Director

As per our separate report of even date annexed.

Dated, Dhaka
28 April 2012


M. J. ABEDIN & CO
Chartered Accountants



NOTES TO THE FINANCIAL STATEMENTS

*as at and for the year ended 31 December 2011***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 Statement – Its 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 year end quoted price of Dhaka Stock Exchange Ltd.

2.2 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws and regulations as applicable and in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.3 Presentation of Financial Statements

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

The Financial Statements Comprises:

- (a) a statement of financial position as at the end of the year 2011;
- (b) a Statement of comprehensive income for the year 2011;
- (c) a statement of changes in equity for the year 2011;
- (d) a statement of cash flows for the year 2011; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Reporting Period

The financial statements cover one calendar year from 1st January 2011 to 31st December 2011.

2.5 Authorization for Issue

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

The financial statements have been authorized for issue by the Board of Directors on 28 April, 2012.

2.6 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 have been rounded off to the nearest Taka except where indicated otherwise.

2.7 Comparative Information

Comparative information has been disclosed in respect of the year 2010 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2010 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.8 Use of Estimates and Judgments

The preparation of financial statement in conformity with BFRSs / BASs 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 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. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

3. Significant Accounting Policies

3.1 Revenue Recognition

In compliance with the requirements of BAS 18: Revenue, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Receipts from customers comprise sales price against domestic sales including value added tax paid to the Government of Bangladesh and export sales. However, VAT included in sales is not considered as revenue as it is collected on behalf of customers.

3.2.0 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 BAS 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 BAS 23: Borrowing Costs.

3.2.3 Subsequent Expenditure



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

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 maintenance 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 profit and loss account 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 software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.2.5 Disposal of Fixed Assets

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

3.2.6 Depreciation on Fixed Assets

Depreciation is provided on all fixed assets except Land & Land Development at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	2.5% to 5%
Plant and Machinery	5% to 7.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

3.3 Leased Assets

In compliance with the BAS: 17 Leases, costs of assets acquired under finance lease along with obligation there against have accounted for as assets and liabilities respectively of the company, and the interest element has been charged as expenses.

3.4 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

3.4.1 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 year 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



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of 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 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.

3.4.2 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 expire.

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

3.5 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.

3.6 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 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.

3.7 Provisions

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



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

3.8 Income Tax Expenses*Current Tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted after the reporting date, and any adjustment to tax payable in respect of prior years.

Provision for taxation for the year ended 31 December 2011 has been made on the basis of the provisions of the Income Tax ordinance 1984 and the Finance Act 2011. Currently the tax rate applicable for listed companies is 27.50 % and there is a 50% exemption of income tax on profit relating to export sales.

Deferred Tax

The company has recognized deferred tax using balance sheet method in compliance with the provisions of BAS 12: Income Taxes. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences (taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

The tax base of assets is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to an entity (the company / SCL) when it recovers the carrying amount of the assets. The tax base of liabilities is their carrying amount, less any amount that will be deductible for tax purposes in respect of the liabilities in future periods. In 2011, deferred tax liability is arrived at by applying the corporate tax rate applicable for listed companies (27.50%) on the temporary taxable differences. Exemption of 50 % income tax on profit relating to export is considered for deferred tax purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and / are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The deferred tax asset / income or liability / expense do not create a legal obligation to, or recoverability from, the income tax authority.

3.9 Interest Income

Interest Income is recognized on accrual basis

3.10 Borrowing Costs

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

Borrowing costs relating to projects in commercial operation are recognized as expenses in the year in which they are incurred. In respect of projects that have not yet commenced commercial production, borrowing costs are debited to capital work in progress.

3.11 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



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

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 Law, 2006 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.

3.12 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (BAS) 1 (Revised 2008): Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of Bangladesh Accounting Standard (BAS) 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.

3.13 Earnings per Share

This has been calculated in compliance with the requirements of BAS 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 period 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)

Current Year (2011)

The Bonus Shares issued during the year 2011 were treated as if they always had been in issue. Hence, in computing the basic EPS of 2011, the total number of shares including the said bonus shares has been considered as the Weighted Average number of Shares outstanding during the year 2011.

Earlier Year (2010)

The number of shares outstanding before the bonus issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported (2010), and accordingly, in calculating the adjusted EPS of 2010, the total number of shares including the subsequent bonus issue in 2011 has been considered as the Weighted Average Number of Shares outstanding during the year 2010.

The basis of computation of number of shares as stated above is in line with the provisions of BAS 33: "Earnings Per Share". The logic behind this basis, as stated in the said BAS is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resource generating new earnings.

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.



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

3.14 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 BAS 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.

3.15 Segmental Reporting

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

3.16 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as encouraged by BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.17 Events after the Reporting Period

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



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

4.00 Property, Plant And Equipment : Tk. 4,493,055,461

	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total Taka
Cost or Valuation							
At 31 December 2010	732,637,500	826,370,799	2,528,269,964	50,358,666	22,580,940	30,031,544	4,190,249,413
Revaluation Surplus on Property, Plant & Equipments	953,362,500	547,975,861	111,066,701				1,612,405,062
Addition during the Year	-		97,203,771	2,500,183	2,031,808	1,190,325	102,926,087
As at 31 December 2011	1,686,000,000	1,374,346,660	2,736,540,436	52,858,849	24,612,748	31,221,869	5,905,580,562
Depreciation							
At 31 December 2010	-	196,108,952	1,034,839,884	40,134,185	19,219,632	13,481,526	1,303,784,179
Depreciation for the year	-	16,177,850	85,391,447	2,544,933	1,078,623	3,548,069	108,740,922
As at 31 December 2011	-	212,286,802	1,120,231,331	42,679,118	20,298,255	17,029,595	1,412,525,101
Carrying Amount As at 31 December 2011	1,686,000,000	1,162,059,858	1,616,309,105	10,179,731	4,314,493	14,192,274	4,493,055,461
Carrying Amount As at 31 December 2010	732,637,500	630,261,847	1,493,430,080	10,224,481	3,361,308	16,550,018	2,886,465,234

Assets include Leased Assets of Tk. 7,750,000 at cost and Tk. 1,837,630 at written down value.

Disclosure on Revaluation:

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

	Land & land Development	Building & other Construction	Plant & Machinery	Total Taka
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 31 December 2011

		Amount in Taka	
		as at 31-Dec-11	as at 31-Dec-10
5.00 Investment In Shares : Tk. 225,870,721			
The basis of valuation is stated in Note 3.4.1 (a).			
This consists of Investment in Shares of listed Companies as follows :			
(a) In 51,950 (2010: 4,518) Shares of Tk. 10 each Beximco Synthetics Ltd.		1,968,905	1,185,680
(b) In 1,981,432 (2010: 9,448,840) Shares of Tk. 10 each Bangladesh Export Import Co. Ltd.		223,901,816	-
(c) In 9,448,840 Shares of Bextex Ltd.		-	261,100,204
		225,870,721	262,285,884
This is arrived at as follows:			
	Beximco Synthetics Ltd.	Beximco Ltd.	Total
At Cost	1,185,680	238,056,636	239,242,316
Adjustment for change in fair value [Note - 3.4.1 (a)]	783,225	(14,154,820)	(13,371,595)
Tk.	1,968,905	223,901,816	225,870,721

6.00 Inventories : Tk. 891,674,750

This represents as follows:

Raw Material & Chemical	336,855,654	324,497,027
Finished Goods	231,646,878	200,152,708
Work-In- Process	177,721,484	174,729,359
Stores & Spares	93,617,938	96,431,802
Packing Material	51,832,796	49,384,160
	891,674,750	845,195,056

7.00 Accounts & Other Receivables : Tk. 587,933,889

This is considered good and is falling due within one 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.



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

Amount in Taka

8.00 Advances, Deposits and Prepayments: Tk. 112,190,532

This is considered good and consists of as follows:

	as at 31-Dec-11	as at 31-Dec-10
Advances	83,826,878	260,598,180
Deposits	28,363,654	18,175,661
	112,190,532	278,773,841
The break -up of advances and prepayments are as follows:		
L/C-Margin	16,437,051	53,226,809
Suppliers	11,946,190	12,130,461
Income Tax (Note -8.1)	23,744,845	29,071,279
Trade Fair	5,463,275	4,158,156
Employees (other than officers)	331,798	448,798
Advance against Construction	14,546,240	145,313,382
Marketing Expenses	8,714,661	8,714,661
L/C-Insurance	643,240	2,300,146
L/C- Commission	721,358	3,506,768
Advance Travel	828,220	827,720
Show Room	450,000	900,000
	83,826,878	260,598,180

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.

The break -up of deposits is as follows:

Bank Guarantee Margin	2,755,718	2,755,718
Security Deposit	12,455,760	10,519,402
Lease Deposit	3,518,794	3,518,794
VAT Deposit	9,633,382	1,381,747
	28,363,654	18,175,661

8.01 Advance Income Tax Paid : Tk. 23,744,845

This has been arrived at :

Opening Balance	29,071,279	11,335,968
Paid/Deducted during the year under review	23,806,168	17,735,311
	52,877,447	29,071,279
Less : Adjustment made during the year under review for 2009	11,459,513	-
Less : Adjustment made during the year under review for 2010	17,673,089	-
	23,744,845	29,071,279



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

Amount in Taka

9.00 Cash And Cash Equivalents : Tk. 25,432,780

This consists of :

(a) In Hand**9,083,571****9,177,954****(b) At Banks in :****16,349,209****25,979,685**

(i) Current Deposit

13,070,656

20,418,739

(ii) STD

2,579,111

5,052,954

(iii) FDR

699,442

507,992

25,432,780**35,157,639****10.00 Share Capital : Tk.1,111,274,530**

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

45,067,453 Ordinary Shares of Tk.10/-each fully paid-up bonus shares

450,674,530

305,725,680

Total 111,127,453 shares of Tk. 10/- each fully paid-up**1,111,274,530****966,325,680****(c) Statement of Share Position**

Name of the Shareholders	31-Dec-11		31-Dec-10	
	No. of Shares	Holding %	No. of Shares	Holding %
Bangladesh Export Import Co.Ltd	55,563,713	50.00	48,316,273	50.00
Directors & Associates	7	-	7	-
ICB including ICB investors Account	4,268,314	3.84	2,514,270	2.60
General Public and Institutions	51,295,419	46.16	45,802,018	47.40
	111,127,453	100.00	96,632,568	100.00

(d) Distribution Schedule:**Share holdings****No. of Shareholders****No. of Shares****Holding %**

Less than 500 shares

17,299

2,378,575

2.14

500 to 5,000 shares

10,111

14,369,069

12.93

5001 to 10,000 shares

704

5,065,644

4.56

10,001 to 20,000 shares

341

4,703,681

4.23

20,001 to 30,000 shares

110

2,714,505

2.44

30,001 to 40,000 shares

43

1,492,985

1.34

40,001 to 50,000 shares

22

1,006,012

0.91

50,001 to 100,000 shares

46

3,198,589

2.88

100,001 to 1,000,000 shares

48

12,952,786

11.66

Over 1,000,000 shares

6

63,245,607

56.91

28,730**111,127,453****100.00**

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

Amount in Taka

	as at 31-Dec-11	as at 31-Dec-10
11.00 Revaluation Surplus : Tk. 2,953,318,420		
Revaluation Surplus on Property, Plant & Equipment (Note -4)	2,966,690,015	1,354,284,953
Fair Value Loss on Investment in Shares (Note-5)	(13,371,595)	-
	2,953,318,420	1,354,284,953

12.00 Long Term Loan - Secured (Net Off Current Maturity) : Tk. 396,579,272

This represents loans from :

Sonali Bank Ltd. - PAD Blocked Loan	96,199,542	131,404,703
Sonali Bank Ltd. - Project Loan	124,894,280	157,432,561
Sonali Bank Ltd. - CC Blocked Loan	7,966,848	15,941,240
Southeast Bank Ltd. - Term Loan	167,518,602	124,364,625
	396,579,272	429,143,129

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 :

IPDC :

In 12 (Twelve) equal half-yearly installments commencing from October, 1999.

Sonali Bank Project Loan :

In 41 (Forty-one) equal quarterly installments commencing from 31 March 2005.

Sonali Bank PAD Blocked Loan :

In 64 (Sixty-four) equal monthly installments commencing from 31 March 2010, as per revised sanction.

Sonali Bank CC Blocked Loan :

In 108 (One hundred eight) equal monthly installments commencing from 31 January 2005.

Rate of interest :**Sonali Bank Project Loan :**

12.50% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank PAD Block Loan :

14% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

Sonali Bank CC Blocked Loan :

Interest Free

13.00 Long Term Loan (Un Secured) : Tk. 598,837,779

This is due to Bangladesh Export Import Company Limited, an associated undertaking.

This Loan is Unsecured and bears interest @ 14% p.a. which is repayable as mutually agreed upon.



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	as at 31-Dec-11	as at 31-Dec-10
14.00 Deferred Tax Liability : Tk. 9,965,449		
This is arrived at as follows:		
Opening Balance	13,892,058	12,654,931
Provided during the year (Note - 24)	(3,926,609)	1,237,127
	9,965,449	13,892,058
15.00 Short Term Loan From Banks : Tk. 1,147,673,708		
This is secured and consists of as follows:		
Sonali Bank Ltd. - CC (H)	528,641,321	541,401,159
Bank Asia Ltd. Over Draft	261,010,676	257,160,938
Sonali Bank Ltd. - LTR	95,526,384	97,317,506
Southeast Bank Ltd. - LTR	62,495,327	59,929,141
Phoenix Finance & Investment	200,000,000	-
	1,147,673,708	955,808,744
16.00 Long Term Loan - Current Maturity Portion : Tk. 91,818,692		
This consists of as follows:		
Foreign Currency Loans :		
Marubeni Corporation (in 2010 J.Yen 185,764,219)	-	163,565,395
Local Currency Loans :	91,818,692	80,153,546
Sonali Bank Ltd. - PAD Blocked	34,406,437	24,290,734
Sonali Bank Ltd. - Project	31,580,660	25,913,181
Sonali Bank Ltd. - CC Blocked	7,781,725	7,905,658
First Lease International Ltd.	306,281	1,224,407
Southeast Bank Ltd. - Term Loan	17,743,589	20,819,566
	91,818,692	243,718,941
17.00 Creditors, Accruals and Other Payables: TK. 291,823,065		
This consists of as follows:		
L/C & Others	6,183,000	-
Creditors for Goods	8,571,455	8,239,003
Security Deposit	3,215,000	3,145,000
Outstanding Export Commission	4,521,572	3,847,097
Employees' Provident Fund	5,172,483	4,001,866
Other Payables	53,282,372	38,232,894
Tax deducted at source	1,519,523	450,805
Bank Interest due	128,776,375	53,305,191
Salary & Wages	25,761,057	21,565,678
Gas & Electricity	54,393,228	33,319,506
Audit Fees	418,000	300,000
Provision of Legal Fees	9,000	9,000
	291,823,065	166,416,040



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

Amount in Taka

18.00 Income Tax Payable : Tk. 117,591,488

This is arrived at as follows :

Opening Balance

Add: Tax provided in the period (Note - 24)

Less: Adjustments of Advance Tax (Note-8.1)

Less: Tax paid

as at 31-Dec-11	as at 31-Dec-10
99,100,046	97,348,263
50,124,044	50,589,587
149,224,090	147,937,850
(29,132,602)	
(2,500,000)	(48,837,804)
117,591,488	99,100,046

Amount in Taka

for the year 2011

for the year 2010

19.00 Revenue : Tk. 1,901,444,562

This is made up as follows :

A. Local Gross Sales

Value added tax

Commission

Net Local Sales**B. Export Sales Less : Freight,C&F and Others Charges****C. Duty Drawback****D. Capital Gain on Sale of Shares**

344,456,914	423,347,985
(44,929,163)	(55,219,299)
(23,226,061)	(28,594,649)
276,301,690	339,534,037
1,604,853,532	1,567,749,633
19,973,970	19,462,049
315,370	-
1,901,444,562	1,926,745,719

20.00 Cost of Goods Sold : Tk. 1,248,024,942

This is arrived at as follows:

Opening WIP

Raw Material Issued (Note- 20.1)

Material available for consumption

Closing WIP

Consumption

Manufacturing overhead (Note- 20.2)

Cost of production

Opening Finished Goods

Cost of Goods Available for Sale

Closing Finished Goods

Cost of Free Distribution of Sample

174,729,359	176,073,235
681,727,067	714,454,162
856,456,426	890,527,397
(177,721,484)	(174,729,359)
678,734,942	715,798,038
602,983,014	538,072,719
1,281,717,956	1,253,870,757
200,152,708	215,961,579
1,481,870,664	1,469,832,336
(231,646,878)	(200,152,708)
(2,198,844)	(2,030,891)
1,248,024,942	1,267,648,737



SHINEPUKUR CERAMICS LTD.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

Amount in Taka

	for the year 2011	for the year 2010
20.01 Raw Material Issued :Tk. 681,727,067		
This is arrived at as follows:		
Opening Stock of Raw Material	324,497,027	327,976,606
Purchase of Raw Material	694,085,694	710,974,583
	1,018,582,721	1,038,951,189
Closing Stock of Raw Material	(336,855,654)	(324,497,027)
	681,727,067	714,454,162
20.02 Manufacturing Overhead :TK. 602,983,014		
This consists of as follows :		
Depreciation	98,333,727	95,825,033
Salaries ,Wages,etc	221,495,608	208,314,062
Power & Fuel	92,979,648	78,801,831
Packing Materials	86,925,505	61,808,031
Consumable Store & Spares	49,162,241	58,246,939
Transport Expenses	22,759,499	12,835,467
Office Expenses	7,672,393	5,331,807
Welfare Expenses	11,401,168	6,267,219
Insurance Expenses	3,319,802	3,283,001
Communication Expenses	901,007	511,197
Occupancy Expenses	213,515	236,177
Travelling & Conveyance	961,393	1,403,080
Handling & Carrying Expenses	1,030,016	826,356
Repairs & Maintenance	5,811,492	3,948,371
Legal & Prof. Expenses	-	434,148
Training & Conference	16,000	-
	602,983,014	538,072,719
21.00 Administrative Expenses : TK. 61,433,037		
This consists of as follows :		
Depreciation	10,407,195	10,857,494
Salaries & Allowances	18,836,525	11,991,809
Welfare Expenses	2,234,521	2,165,280
Office Expenses	3,001,444	3,031,368
Transport Expenses	2,457,187	2,420,164
Debtors (Net) written off	16,028,085	-
Legal Fees, Prof. & Others Fees	1,658,889	771,410
AGM Expenses	1,413,273	1,202,513
Communication Expenses	973,579	591,860
Occupancy Expenses	1,294,240	1,280,100
Travelling & Conveyance Expenses	1,961,178	2,442,559
Utilities Expenses	517,576	542,109
Repairs & Maintenance	45,790	91,600
Audit Fees	418,000	300,000
General Expenses	148,041	59,315
Loss on Disposal of Fixed Assets	-	864,342
Training & Conference	37,514	-
	61,433,037	38,611,923



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

Amount in Taka

	for the year 2011	for the year 2010
22.00 Selling & Distribution Expenses : TK. 49,547,627		
This consists of as follows :		
Promotional Expenses	16,823,502	19,382,522
Salaries & Allowances	16,380,110	14,148,676
Advertising & Publicity	1,697,767	1,278,953
Occupancy Expenses	3,533,504	3,582,140
Office Expenses	3,367,602	5,307,042
Transport Expenses	1,969,531	1,413,937
Travelling & Conveyance Expenses	1,517,157	1,463,508
Welfare Expenses	1,407,648	1,309,553
Communication Expenses	789,413	799,969
Utilities Expenses	552,183	628,591
Show Room Expenses	361,297	320,284
Handling & Carrying Expenses	776,522	244,296
Repairs & Maintenance	5,900	61,750
Legal & Professional Fees	187,071	380,167
General Expenses	20,020	17,890
Product Research	50,000	42,119
Training & Conference	108,400	-
	49,547,627	50,381,397

23.00 Finance Cost : Tk. 306,604,938

This consists of as follows :

Interest on Loan from Banks & Others	220,379,804	196,743,033
Interest on Long Term Loan from a Related Party	76,478,564	46,095,687
Bank Interest Receipt	(351,840)	(235,147)
Bank Commission & Charges	10,098,410	7,172,300
	306,604,938	249,775,873

24.00 Income Tax Expenses : Tk. 46,197,435

This represents:

(a) Current Tax		
Tax for the year under review	34,727,850	50,589,587
Short Provision for the Year 2009	15,396,194	-
Current Tax	50,124,044	50,589,587
(b) Deferred Tax	(3,926,609)	1,237,127
	46,197,435	51,826,714



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

	Amount in Taka	
	for the year 2011	for the year 2010
25.00 Earning Per Share (EPS):		
(a) Earning Attributable to the Ordinary Shareholders (Net Profit After Tax)	168,768,102	253,247,371
(b) Weighted Average number of Ordinary Shares outstanding during the year (Note 3.13)	111,127,453	111,127,453
(c) EPS (Adjusted EPS of 2010) (a/b)	1.52	2.28

26.00 Payments/Perquisites to Directors and Officers

(a) Directors		
No amount of money was expended by the company for compensating any member of the board for special services rendered.		
No board meeting attendance fee was paid to the directors of the company.		
(b) Officers		
Managerial Remuneration	38,711,545	33,531,778
Bonus	6,120,938	5,309,198
Perquisites		
Housing	16,423,160	14,219,187
Medical	-	2,271,334
Transport	1,586,439	757,338
	62,842,082	56,088,835

27.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 31 December 2011.

There was no material capital expenditure authorised by the board but not contracted for as on 31 December 2011.

28.00 Contingent Liabilities

There was no sums for which the company is contingently liable as on 31 December 2011.

29.00 Claims not Acknowledged

There was no claim against the company not acknowledged as debt as on 31 December 2011.

30.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 31 December 2011. under any contract, other than trade credit available in the ordinary course of business.

31.00 Commission, Brokerage Or Discount Against Sales

Selling commission of Tk. 23,226,061 was incurred and paid during the year 2011.

No other commission, brokerage or discount was incurred or paid by the company against sales during the year 2011.



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

32.00 Related Party Disclosure

Name of Related Party	Nature of Transactions	Value of Transactions During the year	Balance at the year end
Bangladesh Export Import Co. Ltd.	Investment in Shares	(23,043,568)	223,901,816
Beximco Synthetics Ltd.	Investment in Shares	-	1,968,905
Bangladesh Export Import Co. Ltd.	Long Term Loan	113,148,594	598,837,779
Bangladesh Export Import Co. Ltd.	Interest Expenses	76,478,564	123,932,081

33.00 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.

Credit risk
Liquidity risk
Market risk

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency Risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and EURO and relate to procurement of raw materials, machineries and equipment from abroad.

(b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There is 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.



NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2011

34 Events After The Reporting Period

On 28 April 2012 the board of directors recommended 15 % stock dividend (15 Bonus shares for each 100 shares held) which is subject to the shareholder's approval at the forth-coming annual general meeting.



A S F Rahman
Chairman



Salman F. Rahman
Vice-Chairman



Nazmul Hassan
Managing Director

Dated, Dhaka
28 April 2012



Shinepukur Ceramics

Proudly launches its first ever **Signature Showroom** at The Westin



Shinepukur *Signature* Showroom



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DHAKA

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