MABS & J Partners

Chartered Accountants

Member firm of Nexia International, UK

AUDITORS' REPORT AND FINANCIAL STATEMENTS

Of

FU-WANG CERAMIC INDUSTRY LIMITED

204/B (4th Floor), Bir Uttam Mir Shawkat Road,
Tejgaon-Gulshan Link Road, Dhaka-1208

For the Year Ended 30 June 2016

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AMARSTOCK

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Auditors' Report to the Shareholders of Fu-Wang Ceramic Industry Limited

We have audited the accompanying financial statements of **Fu-Wang Ceramic Industry Limited**, which comprise the Statement of Financial Position as at 30 June 2016 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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. The responsibilities 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.

Auditors' 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 (BSAs). 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 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 assessments, 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of **Fu-Wang Ceramic Industry Limited** as at 30 June 2016 and (of) its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), comply with the Companies Act 1994 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 purposes of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(c) the Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account; and

(d) the expenditure incurred and payments made were for the purposes of the Company's business.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 23 October 2016

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

Particulars	Notes	Amount in Taka	
		30.06.2016	30.06.2015
ASSETS			
Non-current Assets		**855,346,100**	**900,845,526**
Property, Plant & Equipment (Net of Acc. Dep.)	3.00	836,084,383	852,229,550
Investment in Property	4.00	14,016,828	31,586,080
Capital Work in Progress for Machinery	5.00	5,244,889	17,029,896
Current Assets		**717,973,645**	**631,828,460**
Inventories	6.00	487,372,462	426,979,967
Trade and Other Receivables	7.00	87,876,934	86,560,370
Advance, Deposit and Prepayments	8.00	129,626,009	108,335,543
Cash and Cash Equivalents	9.00	13,098,240	9,952,580
TOTAL ASSETS		**1,573,319,745**	**1,532,673,986**
Shareholders' Equity		**1,282,044,722**	**1,149,804,549**
Share Capital	10.00	1,023,809,880	930,736,260
Share Premium	11.00	110,596,499	110,596,499
Tax Holiday Reserve	12.00	-	58,960,533
Retained Earnings	13.00	147,638,343	49,511,257
Non-current Liabilities		**68,063,405**	**86,930,007**
Long Term Loan	14.00	24,486,446	50,430,007
Deferred Tax		43,576,959	36,500,000
Current Liabilities		**223,211,618**	**295,939,430**
Short Term Bank Loans and Others	15.00	120,233,754	210,211,742
Current Portion of Long Term Loan	14.00	35,900,084	44,936,620
Trade and Other Payables	16.00	31,328,086	26,053,976
Liabilities for Expenses	17.00	13,157,991	12,689,437
Provision for Income Tax	18.00	22,591,703	2,047,655
Total Equity and Liabilities		**1,573,319,745**	**1,532,673,986**
Net Asset Value (NAV) per Share	19.00	**12.52**	**12.35**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Alexander Lee	**Lee Pak Tang**	**Ahmed Monabbi**
Chairman	Managing Director	Company Secretary

Signed in term of our separate report annexed.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 23 October 2016

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

Particulars	Notes	Amount in Taka	
		2015-2016	2014-2015
Turnover (Net of SD &VAT)	20.00	836,889,015	676,314,432
Cost of Goods Sold	21.00	(594,204,332)	(513,941,489)
Gross Profit		**242,684,683**	**162,372,943**
Operating Expenses		**103,457,766**	**98,292,101**
Administrative Expenses	22.00	40,940,077	40,617,170
Selling and Distribution Expenses	23.00	62,517,689	57,674,931
Operating Income before Financial Expenses		**139,226,917**	**64,080,842**
Financial Expenses	24.00	(20,770,595)	(23,211,614)
Provision for Gratuity		(2,400,000)	(2,000,000)
Trade Mark Written-off		-	(45,060)
Operating Income		**116,056,322**	**38,824,168**
Non Operating Income	25.00	53,947,955	6,237,368
Net Profit before Tax and WPPF		**170,004,277**	**45,061,536**
Contribution to WPPF and Welfare Fund		(8,095,442)	(2,145,787)
Net Profit before Tax		**161,908,835**	**42,915,749**
Tax Expenses	26.00	(29,668,662)	(8,547,655)
Net Profit after Tax		**132,240,173**	**34,368,094**
Earning Per Share (EPS)- Adjusted	27.00	**1.29**	**0.34**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Alexander Lee	Lee Pak Tang	Ahmed Monabbi
Chairman	Managing Director	Company Secretary

Signed in term of our separate report annexed.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 23 October 2016

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

Particulars	Amount in Taka	
	2015-2016	2014-2015
A. Cash Flows From Operating Activities		
Collections from turnover and others	846,593,082	676,299,517
Payment for cost and expenses	(706,120,272)	(678,391,644)
Financial expenses	(20,770,595)	(23,211,614)
Income tax paid and deducted at source	(27,260,927)	(16,128,365)
Net Cash Flows from Operating Activities	**92,441,288**	**(41,432,106)**
B. Cash Flows From Investing Activities		
Acquision of property, plant and equipment	(27,020,342)	(43,173,272)
Capital working progress	(6,412,162)	(12,702,396)
Disposed of fixed asset	69,094,961	1,150,000
Net Cash Flows from Investing Activities	**35,662,457**	**(54,725,668)**
C. Cash Flows From Financing Activities		
Short term loan/LATR received	(89,977,988)	59,723,270
Long term loan (current portion) received	(9,036,536)	22,236,372
Long term loan received/(paid)	(25,943,561)	14,865,484
Net Cash Flows from Financing Activities	**(124,958,085)**	**96,825,126**
D. Net Inflows of Cash and Cash Equivalents	3,145,660	667,352
Add: Cash and Cash Equivalents at Opening	9,952,580	9,285,228
E. Cash and Cash Equivalents at Closing	**13,098,240**	**9,952,580**
Net Operating Cash Flows Per Share-Adjusted	**0.90**	**(0.40)**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Alexander Lee	**Lee Pak Tang**	**Ahmed Monabbi**
Chairman	Managing Director	Company Secretary

Signed in term of our separate report annexed.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 23 October 2016

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Total
Balance as at 01 July 2015	930,736,260	110,596,499	58,960,533	49,511,257	1,149,804,549
Bonus Share	93,073,620	-	(58,960,533)	(34,113,087)	-
Net Profit for the year	-	-	-	132,240,173	132,240,173
Balance as at 30 June 2016	**1,023,809,880**	**110,596,499**	-	**147,638,343**	**1,282,044,722**

FOR THE YEAR ENDED 30 JUNE 2015

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Total
Balance as at 01 July 2014	846,123,880	110,596,499	78,960,533	79,755,543	1,115,436,455
Bonus Share	84,612,380	-	(20,000,000)	(64,612,380)	-
Net Profit for the year	-	-	-	34,368,094	34,368,094
Balance as at 30 June 2015	**930,736,260**	**110,596,499**	**58,960,533**	**49,511,257**	**1,149,804,549**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Alexander Lee
Chairman

Lee Pak Tang
Managing Director

Ahmed Monabbi
Company Secretary

Signed in term of our separate report annexed.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 23 October 2016

FU-WANG CERAMIC INDUSTRY LIMITED
Notes to the Financial Statements
As at and for the Year Ended 30 June 2016

1.0 Corporate Information and Nature of Business Activities:

1.1 Corporate Information

The Company was incorporated on 31 May 1995 as a private company limited by shares and by a resolution passed on 28 February 1998 it was converted into a Public Limited Company. The company is now a public limited company with foreign and local shareholders. The company is engaged in manufacturing and marketing of various types and sizes of Floor Tiles and Glazed wall Tiles in its factory facilities at Hotapara, Gazipur. The industry has utilized its 59% yearly production capacity of 40 million Sft. (Homogenous and Glazed). Production capacity has been calculated at 100% efficiency based on 3 shifts of 8 hours in a day.

The principal place of business is the registered office at 204/B (4th Floor), Bir Uttam Mir Shawkat Road, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh and the factories are located at Bokran Monipur, Hotapara, Gazipur.

1.2 Nature of Business Activities

The company owns and operates two industrial units for manufacturing of various types and sizes of ceramic floor tiles and glazed wall tiles and sales thereof.

1.3 Number of Employees

On the payroll of the company, there were 82 officers 392 staff and workers /technicians apart from many casual/contract technicians/workers.

		Amount in Taka
474	Staff/Officers/Employees drew yearly salary and allowances of Tk. 36,000 or more	58,143,012
Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages and allowances less than Tk. 36,000	Nil
474		58,143,012

2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements:

2.1 Statement of Compliance

The financial statements have been prepared and disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules 1987, and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws and regulations.

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The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

Sl. No.	Applicable Accounting Standards	Note Reference
1	IAS/BAS – 1	2.4
2	IAS/BAS – 2	2.10
3	IAS/BAS – 7	2.12 and 2.13
4	IAS/BAS –10	2.23
5	IAS/BAS –12	2.16
6	IAS/BAS –16	2.8
7	IAS/BAS –18	2.18
8	IAS/BAS –19	2.26
9	IAS/BAS – 21	2.19
10	IAS/BAS – 23	2.20
11	IAS/BAS– 24	2.21
12	IAS/BAS –33	2.24
13	IAS/BAS –36	2.25
14	IAS/BAS –37	26

2.2 Basis of Preparation

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

2.3 Basis of Reporting

The financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, BAS 1- Presentation of Financial Statements.

i. Reporting Period

Financial statements of the company cover one financial year from 01 July 2015 to 30 June 2016.

ii. Going Concern

There is no significant doubt upon the company's ability to continue as a going concern.

2.4 Components of the Financial Statements

According to the BAS-1 "*Presentation of Financial Statements*" the complete set of Financial Statements includes the following components:

i) Statement of Financial Position as at 30 June 2016;

ii) Statement of Profit or Loss and Comprehensive Income for the year ended 30 June 2016;

iii) Statement of Cash Flows for the year ended 30 June 2016;

iv) Statement of Changes in Equity for the year ended 30 June 2016 and

v) Accounting Policies and Explanatory Notes for the year ended 30 June 2016.

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2.5 Accounting Estimates

Preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual result could differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of Management estimates in these financial statements relate to the useful life of depreciable assets and valuation of inventories. However, assumptions and judgments made by Management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amounts of assets and liabilities in the next year.

2.6 Risk and Uncertainty for Use of Estimates

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by BAS 37 *"Provisions, Contingent Liabilities and Contingent Assets"*, provisions are recognized in the following situations:

i) When the company has an obligation as a result of past events;

ii) When it is provable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii) Reliable estimate can be made of the amount of the obligation.

2.7 Consistency

In accordance with the BFRS framework for the presentation of financial statements together with BAS 1 and BAS 8, the Company applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS-8.

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2.8 Recognition of Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at their cost less accumulated depreciation in accordance with IAS 16 as adopted by ICAB as BAS 16 *"Property, Plant and Equipment"*. Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction periods. No depreciation is charged on land and land development. Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditure of maintenance and repairs are expensed; major replacements, renewals and betterments are capitalized.

The annual depreciation rates applicable to the principal categories are:

Category of fixed assets	Rate of Depreciation
Factory building and other construction	2.50%
Plant and machinery	5%
Office equipment	10%
Furniture and fixtures	10%
Motor vehicles	10%
Other assets	10% to 25%

2.9 Retirement and Disposals

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under the head other income/(loss) in the comprehensive income statement.

2.10 Inventories

Inventories comprise of raw materials, stock in transit, finished goods, packing materials and stores & spares. They are stated at the lower of cost or net realizable value in accordance with BAS-2 *"Inventories"* after making due allowance for any obsolete or slow moving items. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

2.11 Advance, Deposits and Prepayments

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. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit and loss account.

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2.12 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with BAS-7, *"Cash Flows Statement"* and the cash flows from operating activities has been presented under direct method as required by the Securities and Exchange Rules, 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using Direct Method."

2.13 Cash and Cash Equivalents

According to IAS 7 as adopted by ICAB as BAS 7 *"Statement of Cash Flows"*, cash comprises cash in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. IAS 1 as adopted by ICAB as BAS 1 *"Presentation of Financial Statements"* also provides that cash and cash equivalents are those which have no restriction in use considering the provision of IAS 7 and IAS 1. Cash in hand and bank balances have been considered as cash and cash equivalents.

2.14 Share Capital

Share capital represents paid up capital of the company which is contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.15 Tax Holiday Reserve

Both the industrial units of the company, viz, Unit No-1 enjoyed tax holiday from October 1996 to September 2001 while Unit No- 2 has been enjoyed tax holiday for five years effective from October 2000 and the tax holiday reserve has been provided as per provision of the Income Tax Ordinance, 1984.

2.16 Income Tax Expenses

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per the Income Tax Ordinance, 1984. The company qualifies for being treated as a "Publicly Traded Company for which the rate for tax at 25% has been applied for while making provision for income tax.

2.17 Trade creditors and Other Liabilities

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

2.18 Revenue Recognition

The revenue during the year represents revenue arising from the sale of various types and sizes of Tiles items which are recognized when deliveries are made, against the sales order received from the respective customers and after satisfying all the conditions for revenue recognition as provided in IAS 18 as adopted by ICAB as BAS 18 *"Revenue Recognition"*.

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Turnover

Turnover comprises sales of the company excluding VAT, Supplementary Duty etc.

Commission

Commission/bonus has been paid to sales agents during the year under audit.

Brokerage or discount

The company did not pay any brokerage or discount other than the conventional trade discount against sales.

2.19 Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 as adopted by ICAB as BAS 21 *"The Effects of Changes in Foreign Currency Rates"*.

2.20 Borrowing Costs

In compliance with the requirements of BAS 23 *"Borrowing Costs"* borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.21 Transaction with Related Parties

As per BAS - 24 *"Related Party Disclosures"* parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has no transactions with any related parties in the year 2015-2016.

2.22 Responsibility for the Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of financial statements under Section 183 of the Companies Act, 1994 and as per the provision of "The framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

2.23 Proposed Dividend

This is not considered as "Liability" in accordance with the provisions of the IAS 10 (original version) "*Contingencies and Events Occurring after the Balance Sheet Date*". IAS 10 as adopted by ICAB as BAS 10 (original version) provides that *"Dividend Proposed or Declared after the Balance Sheet Date but before Approval of the Financial Statements should be either Adjusted for or Disclosed"*.

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2.24 Earning Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 as adopted by ICAB as BAS 33 *"Earnings Per Share"* which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note -26

i. Basic Earnings

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

ii. Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

iii. 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.

2.25 Assets of the Company

As all assets of the company shown in the financial statement that are within the scope of BAS-36 are in physical existence and valued no more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to *"Impairment of Assets"* as per BAS-36 have not been considered necessary.

2.26 Employee Benefit Obligations

The Company operates a contributory provident fund, gratuity and group insurance for its permanent employees. Provident fund is administrated by a Board of Trustees and is funded by contributions partly from the employees and partly from the Company at pre-determined rates. These contributions are invested separately from the company's assets.

2.27 Events after the Balance Sheet Date

In compliance with the requirements of BAS 10: Events after the balance sheet date are those events that occur between the balance sheet and the date when the financial statements are authorized for issue. All material events occurring after the balance sheet date have been considered in these financial statements (Note-29).

2.28 Acknowledgement of Claims

There was no claim against the company acknowledged as debt as on 30 June 2016.

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2.29 Credit Facility not Availed of

There were no general credit facilities other than those are stated in "Note-14 and 15" were available to the company under any contract to be availed of at the Statement of Financial Position date.

2.30 Board Meeting and Board Members

There were 7 members in the Board of Directors of the company and 93 board meetings were held in the year under review.

2.31 Miscellaneous Expenses

Miscellaneous expenses do not include any item exceeding 1% of total revenue.

2.32 Paid to directors

During the year the company paid Tk. 4,800,000 to managing director and deputy managing director as his remuneration, car facility, medical assistance and bonus.

2.33 Related Party Disclosures

As per BAS-24 "*Related Party Disclosures*" parties are considered to be related if one of the parties have the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.34 Audit Fee

As per decision taken in the 19th Annual General Meeting of the company held on 22th December 2015 the auditor's remuneration of Tk. 250,000 has been provided for in the accounts which is the only sum to be paid to auditors as remuneration.

2.35 Comparative Figures

Comparative figure and account titles in the financial statements have been re-arranged and classified, where necessary, to conform with changes in presentation in the current period.

2.36 General

i) The financial statement are presented in Bangladeshi Taka which in the company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

ii) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the financial statements of the company.

iii) Figures of previous year have been re-arranged whenever necessary to conform to current year's presentation.

		Amount in Taka	
		30.06.2016	30.06.2015

3.00 Property, Plant and Equipment: Tk. 836,084,383

The break up of the above amount is as under:

Cost	3.01	1,311,532,583	1,284,512,241
Accumulated Depreciation	3.02	(475,448,200)	(432,282,691)
Written down value		**836,084,383**	**852,229,550**

3.01 Cost: Tk. 1,311,532,583

The break up of the above amount is as under:

Balance as on 01 July	1,284,512,241	1,250,860,241
Addition during the year	27,020,342	67,038,080
	1,311,532,583	**1,317,898,321**
Adjustment made during the year	-	(1,800,000)
Transferred to property in investment	-	(31,586,080)
Balance as on 30 June	**1,311,532,583**	**1,284,512,241**

3.02 Accumulated Depreciation: Tk. 475,448,200

The break up of the above amount is as under:

Balance as on 01 July	432,282,691	390,926,290
Addition during the year	43,165,509	42,892,985
	475,448,200	**433,819,275**
Adjustment made during the year	-	(1,536,584)
Balance as on 30 June	**475,448,200**	**432,282,691**

4.00 Investment in Property: Tk. 14,016,828

The break up of the above amount is as under:

Balance as on 01 July	31,586,080	31,586,080
Less: Adjustment made during the year	(17,569,252)	-
Balance as on 30 June	**14,016,828**	**31,586,080**

Details in schedule of property, plant and equipment have been shown in "Annexure-A"

5.00 Capital Work in Progress for Machinery: Tk. 5,244,889

The break up of the above amount is as under:

Balance as on 01 July	17,029,896	28,192,308
Addition during the year	6,412,162	12,702,396
	23,442,058	**40,894,704**
Adjustment made during the year	(18,197,169)	(23,864,808)
Balance as on 30 June	**5,244,889**	**17,029,896**

6.00 Inventories: Tk. 487,372,462

The break up of the above amount is as under:

Stock of Raw Materials	6.01	299,732,381	239,217,477
Finished Tiles	6.02	52,430,332	53,228,872
Packing Materials	6.03	10,373,022	6,073,984
Stores and Spares		70,879,596	78,769,845
Raw Materials in Transit		53,957,131	49,689,789
		487,372,462	**426,979,967**

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		Amount in Taka	
		30.06.2016	30.06.2015

6.01 Stock of Raw Materials: Tk. 299,732,381

The break up of the above amount is as under:

A. Local Raw Material	**Qty Ton**		
White Clay	6,643.15	9,300,395	13,276,023
Red Clay	2,586.90	1,164,109	1,139,392
Sand	590.41	267,608	494,845
S. Silicate	6.04	108,659	702,154
Lime Stone	2,665.30	5,992,763	8,492,065
Sub -Total of A	**12,491.79**	**16,833,533**	**24,104,479**

B. Imported Raw Material

The break up of the above amount is as under:

	Qty Ton		
Kaolin	43.72	888,031	684,577
Zirconium Silicate	10.00	1,399,720	4,714,220
Adhesive/CMC	4.43	3,145,733	3,125,143
STPP/Diluting Agent	28.36	7,164,987	1,041,442
Engobe and Glazes	937.40	57,181,338	55,561,145
Frit	199.51	10,374,364	7,255,656
Luster Glazze	2.24	872,056	1,863,826
Printing Glaze/Prepared	208.26	31,496,421	24,988,477
MgO Calcined	6.63	555,373	733,796
Pigment	148.29	87,335,377	30,358,900
Composed Glaze	96.81	3,954,729	3,527,720
Soda Feldsper	2,588.56	16,074,964	13,063,803
Potash Feldsper	501.24	3,097,663	12,157,832
Clay Non Plastic	3,206.89	18,343,428	13,920,505
Clay Plastic	2,008.97	12,274,819	11,406,087
Ball Clay	239.02	6,649,609	7,893,609
Aluminium Ball Stone	246.42	21,985,236	22,798,260
Emulsion	0.07	105,000	18,000
Sub-Total of B	**10,476.82**	**282,898,848**	**215,112,998**
Total (A+B)	**22,968.61**	**299,732,381**	**239,217,477**

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6.02 Finished Tiles: Tk. 52,430,332

The break up of the above amount is as under:

	Qty SFT	Amount in Taka	
		30.06.2016	30.06.2015
Ceramic Floor Tiles	6,972	185,813	178,592
Ceramic Special Floor Tiles	3,515	99,675	95,381
Ceramic Luxury Floor Tiles	4,781	143,143	115,891
Ceramic Wall Tiles	422	11,238	10,801
Ceramic Special Wall Tiles	67	1,894	1,810
Ceramic Dis and Lux Wall Tiles	641	19,402	17,745
Ceramic Luxury Wall Tiles	6,968	208,622	170,402
Glazed Floor Special Tiles	1,536	30,736	2,207,974
Glazed Floor Tiles	-	-	157,495
Glazed Wall Tiles	121,949	3,340,538	1,236,731
Glazed Wall Special Tiles	29,926	944,284	2,691,269
Glazed Wall Tiles	2,563	68,304	107,476
Floor Tiles Plain Color	1,165	33,039	65,228
Floor Tiles Design & Luxury	4,152	130,633	31,618
Wall Lux Roto Tiles	2,116	34,804	107,889
Ceramic Floor Tiles	772	14,016	39,556
Ceramic Special Floor Tiles	5,006	106,928	14,016
Ceramic Luxury Floor Tiles	999	15,974	106,928
Ceramic Luxury Floor Tiles	3,713	61,086	15,974
Ceramic Wall Tiles	1,197	21,723	69,426
Ceramic Special Wall Tiles	72	1,221	22,897
Ceramic Dis and Lux Wall Tiles	415	8,872	1,221
Ceramic Luxury Wall Tiles	199	3,385	8,872
Ceramic Luxury Wall Tiles	-	-	3,385
Glazed Floor Tiles	708	24,616	-
Glazed Floor Special Tiles	-	-	761,204
Glazed Floor Tiles	-	-	53,654
Glazed Floor Tiles	-	-	27,803
Glazed Wall Tiles	-	-	470,412
Glazed Wall Special Tiles	202	3,025	372,857
Glazed Wall Tiles	301,355	8,935,799	2,439,444
Floor Tiles Plain Color	89,148	3,218,495	3,777
Glazed Floor Luxury Tiles	-	-	3,298,947
Glazed Luxury Wall Tiles	154,373	5,767,568	806,267
Glazed Wall Luxury	8,391	345,635	5,481,774
Glazed Digital Wall Tiles	87,691	3,775,438	3,656,067
Glazed Digital Special Wall Tiles	198,156	8,157,281	977,796
Homogeneous Tiles	206,546	9,420,999	9,111,117
Homogeneous Tiles	48,400	2,060,592	8,832,560
Homogeneous Tiles	62,228	3,567,084	6,269,856
Homogeneous Tiles (Porcelain)	14,144	557,583	3,186,760
Homogeneous Tiles (Porcelain)	24,963	1,110,884	
Total	**1,395,453**	**52,430,332**	**53,228,872**

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		Amount in Taka	
		30.06.2016	30.06.2015

6.03 Packing Materials: Tk. 10,373,022

The break up of the above amount is as under:

Carton	Qty PCs		
A 20x30	119,148	1,473,918	776,278
B 20x30	25,080	289,283	311,785
A 25x33	74	1,036	1,036
B 25x33	2,789	36,954	36,954
A 31x31	77,079	807,879	101,723
B 31x31	7,558	79,224	25,343
A 31x44	74,924	1,720,166	1,433,988
B 31x44	29,864	596,362	445,939
A 42x42	-	-	338,251
B 42x42	-	-	108,238
A 25x40	27,395	274,596	405,432
B 25x40	6,669	80,028	85,104
A 26x30.5	14,377	161,175	185,563
B 26x30.5	3,266	33,477	42,568
A 30.5x30.5	62,669	705,768	119,474
B 30.5x30.5	15,291	160,857	82,268
A 40.5x40.5	48,427	1,137,348	289,873
B 40.5x40.5	1,840	39,560	57,706
A 60.5x60.5	3,594	137,680	120,840
B 60.5x60.5	7,636	288,030	19,000
Gum Tape	7,875,091	2,349,681	1,086,621
	8,402,771	**10,373,022**	**6,073,984**

7.00 Trade and Other Receivables: Tk. 87,876,934

The break up of the above amount is as under:

Dhaka City Dealers		35,689,789	37,080,389
Sylhet Division Dealers		3,569,881	3,989,768
Chittagong City Dealers		4,658,987	4,969,974
Other Division's Dealer		35,359,892	30,762,654
Other Receivables	7.01	8,598,385	9,757,585
		87,876,934	**86,560,370**

7.01 Other Receivables: Tk. 8,598,385

The break up of the above amount is as under:

Rent receivable from Hua-Thai Ceramic Industry Ltd.	9,757,585	14,091,000
Less: Rent and utility bills payable for sales office to Hua Thai	1,159,200	4,333,415
	8,598,385	**9,757,585**

8.00 Advances, Deposits and Prepayments (Considered Good): Tk. 129,626,009

The break up of the above amount is as under:

Advances	8.01	118,224,304	97,559,127
Pre-paid BSTI License Fee and Land Rent		2,174,711	1,549,422
Deposits	8.02	9,226,994	9,226,994
		129,626,009	**108,335,543**

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		Amount in Taka	
		30.06.2016	30.06.2015

8.01 Advances: Tk. 118,224,304

The break up of the above amount is as under:

VAT Current Account and Supplementary Duty		1,365,622	7,880,659
Advance Income Tax	8.01.1	110,449,551	85,236,279
Advance for Appeal Fee		288,719	288,719
Advance against Purchasing		3,839,778	1,872,836
Advance Paid to Provident Fund A/C		390,867	390,867
Advance for Tribunal (10%)		1,889,767	1,889,767
		118,224,304	**97,559,127**

8.01.1 Advance Income Tax: Tk. 110,449,551

The break up of the above amount is as under:

Balance as on 01 July	85,236,279	71,715,883
Addition during the year	27,260,927	16,128,365
	112,497,206	**87,844,248**
Adjustment made during the year	(2,047,655)	(2,607,969)
Balance as on 30 June	**110,449,551**	**85,236,279**

8.02 Deposits: Tk. 9,226,994

The break up of the above amount is as under:

International Trade Fair	20,000	20,000
T & T Board for Telephone	127,000	127,000
Eacm Business International for 4 Gas Cylinders	20,000	20,000
Titas gas T & D (gas connection-factory)	6,618,525	6,618,525
DESA for 1 Meter of 200 KVA Substation	300,000	300,000
B. I. S. F	10,000	10,000
Grameen Phone	6,000	6,000
Nitrogen Gas Cylinder	50,000	50,000
China (BD.) Great Wall Ltd.	15,000	15,000
Prime Finance and Investment Securities	10,000	10,000
VAT Deposit against Appeal	1,934,719	1,934,719
Linde Bangladesh Limited	24,000	24,000
Institution of Diploma Engineers, Bangladesh (IDEB)	40,000	40,000
Institution of Engineers Bangladesh (IEB)	51,750	51,750
	9,226,994	**9,226,994**

9.00 Cash and Cash Equivalents: Tk. 13,098,240

The break up of the above amount is as under:

Cash in Hand	9.01	146,039	150,516
Cash at Bank	9.02	12,952,201	9,802,064
		13,098,240	**9,952,580**

9.01 Cash in Hand: Tk. 146,039

The break up of the above amount is as under:

At Head Office	46,039	50,516
At Factory	100,000	100,000
	146,039	**150,516**

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		Amount in Taka	
		30.06.2016	30.06.2015

9.02 Cash at Bank: Tk. 12,952,201

The break up of the above amount is as under:

Pubali Bank Ltd., Gulshan Br., Dhaka (CA-17877)		3,485,122	881,166
Pubali Bank Ltd. Local Office, Dhaka (STD-974)		443,205	402,394
Shahjalal Islami Bank Ltd. – Gulshan, Dhaka		3,045	4,195
Standard Bank Ltd. (STD-286)		639,502	390,698
Southeast Bank Ltd., Principal Branch, Dhaka (CD-8058)		441,181	755,650
Southeast Bank Ltd., Principal Branch, Dhaka (STD-2127)		15,152	15,790
Short Term Fixed Deposit	9.02.1	7,924,994	7,352,171
		12,952,201	**9,802,064**

9.02.1 Short Term Fixed Deposit: Tk. 7,924,994

The break up of the above amount is as under:

Balance as on 01 July	7,352,171	6,749,313
Interest Earned During the Year	572,823	602,858
Balance as on 30 June	**7,924,994**	**7,352,171**

Notes on Discontinuation of Bank Accounts:

***UCBL (CD-4082)**: There was virtually no transactions in this account for several years up to year ended 30 June 2007. So, the then auditors charged the balance amounting to Taka 10,000 as bank charges in the year ended 30 June 2008 and shown nil balance in the year ended 30 June 2008 and discontinued the account from accounting year ended 30 June 2009. The account was operated by the sole signature of the then Chairman of the Company.

****SCB (CD-01-623611-01)**: There was virtually no transactions from the year ended 30 June 2009 excepting showing a balance amounting to Taka 25,666. In the year ended 30 June 2010 the Company transferred Taka 25,000 to Company's another banking account and the then auditors charged Taka 666 as bank charges and accordingly there was nil balance reflected in the audited accounts for the year ended 30 June 2010.

From the audited accounts for the year ended 30 June 2011, then the auditors discontinued the accounts reflected in the audited accounts. SCB letter dated 11 July 2010 signed by Mr. K. Rais Ahmed, Associated Director of SCB informed the Company that as there was no transaction by long time, so the account status had been converted into "DORMANT" and no transaction will be allowed as long as the account remains the "DORMANT" status. The account was also operated by the sole signature of the then Chairman of the Company.

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		Amount in Taka	
		30.06.2016	30.06.2015

10.00 Share Capital: Tk. 1,023,809,880

10.01 Authorized Capital: Tk. 3,000,000,000

The break up of the above amount is as under:
300,000,000 ordinary shares @ of Tk. 10/= each

10.02 Issued, Subscribed and Fully Paid-Up Capital: Tk. 1,023,809,880

102,380,988 ordinary shares @ of Tk. 10 each issued for cash		**1,023,809,880**	**930,736,260**
The break up of the above amount is as under:			
25,000,000	Ordinary of Tk. 10 each fully paid- up	250,000,000	250,000,000
8,000,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	80,000,000	80,000,000
3,300,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	33,000,000	33,000,000
16,500,000	Ordinary of Tk. 10 each fully paid- up issued as right shares	165,000,000	165,000,000
10,770,540	Ordinary of Tk.10 each against loan conversion as private placement	107,705,400	107,705,400
6,357,054	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	63,570,540	63,570,540
6,992,759	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	69,927,590	69,927,590
7,692,035	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	76,920,350	76,920,350
8,461,238	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	84,612,380	84,612,380
9,307,362	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	93,073,620	-
102,380,988		**1,023,809,880**	**930,736,260**

10.03 The percentage of shareholding by different categories of shareholders are as follows :

No. of Holders		Holdings	Total Holding %	
30.06.2016	30.06.2015		30.06.2016	30.06.15
4,170	5,331	Less than 500 shares	0.66%	0.90%
5,058	6,904	500 to 5,000 shares	8.42%	12.36%
709	972	5,001 to 10,000 shares	5.16%	7.47%
442	517	10,001 to 20,000 shares	6.35%	7.77%
137	143	20,001 to 30,000 shares	3.33%	3.82%
66	62	30,001 to 40,000 shares	2.29%	2.34%
57	35	40,001 to 50,000 shares	2.61%	1.73%
79	79	50,001 to 100,000 shares	5.49%	5.58%
76	62	100,001 to 1,000,000 shares	17.18%	17.58%
12	9	Over 1,000,000 shares	48.51%	40.45%
		Total	**100.00%**	**100.00%**

10.04 Composition of the Shareholders:

Sl No.	Particulars	30.06.2016			30.06.2015		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
1	Directors/Sponsors	23,505,655	235,056,550	22.96%	17,862,342	178,623,420	19.35%
2	Institutions	26,762,545	267,625,450	26.14%	24,450,852	244,508,520	28.39%
3	Foreigners	849,016	8,490,160	0.83%	11,200	112,000	0.02%
4	General Public	51,263,772	512,637,720	50.07%	50,749,232	507,492,320	52.24%
Total		**102,380,988**	**1,023,809,880**	**100.00%**	**93,073,626**	**930,736,260**	**100%**

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	Amount in Taka	
	30.06.2016	30.06.2015

11.00 Share Premium: Tk. 110,596,499

The break up of the above amount is as under:

Balance as on 01 July	110,596,499	110,596,499
Balance as on 30 June	**110,596,499**	**110,596,499**

In 2011, total amount of Tk. 110,596,499 was received as share premium in respect of right shares issued to shareholders and private placement. The cost of issue was set off against share premium.

12.00 Tax Holiday Reserve: Tk. Nil

The break up of the above amount is as under:

Balance as on 01 July	58,960,533	78,960,533
Utilized for Bonus Share	(58,960,533)	(20,000,000)
Balance as on 30 June	-	**58,960,533**

Unit Wise Break-up of Tax Holiday Reserve:

UNIT-1 (Expired September 2001)	59,962,114	59,962,114
UNIT-2 (Expired October 2005)	46,998,419	46,998,419
	106,960,533	**106,960,533**
Utilized for Bonus Share	(106,960,533)	(48,000,000)
	-	**58,960,533**

13.00 Retained Earnings: Tk. 147,638,343

The break up of the above amount is as under:

Balance as on 01 July	49,511,257	79,755,543
Add: Profit after Tax for the Year	132,240,173	34,368,094
Profit Available for Appropriation	**181,751,430**	**114,123,637**
Less: Appropriations		
Utilized for Bonus Share	(34,113,087)	(64,612,380)
Balance as on 30 June (carried-forward)	**147,638,343**	**49,511,257**

14.00 Long Term Loan: Tk. 24,486,446

The break up of the above amount is as under:

Balance as on 01 July	95,366,627	58,264,771
Addition During the Year	-	47,224,398
Bank interest	9,979,555	12,598,358
	105,346,182	**118,087,527**
Repayment Made During the Year	(44,959,652)	(22,720,900)
	60,386,530	**95,366,627**
Long Term Loan Current Portion	(35,900,084)	(44,936,620)
Balance as on 30 June	**24,486,446**	**50,430,007**

Current portion of the term loan @ Tk. 51.07 lac each quarter and @ Tk. 24.35 lac each month favoring the Bank. The rate of interest @ 11.50%.

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	Amount in Taka	
	30.06.2016	30.06.2015

15.00 Short Term Bank Loans and Others: Tk. 120,233,754

The break up of the above amount is as under:

Southeast Bank Ltd., OD-73300001693	65,538,696	102,715,474
Southeast Bank Ltd., LATR	54,695,058	107,496,268
	120,233,754	**210,211,742**

Cash credits with Southeast Bank Ltd. is secured by hypothecation of inventories and first charge on Company's fixed assets and interest at 11.50% per annum.

16.00 Trade and Other Payables: Tk. 31,328,086

The break up of the above amount is as under:

Trade Creditors		1,675,182	1,523,988
Security Deposit against Sale and Others		7,850,950	8,000,950
Workers' Profit Participation and Welfare Fund	16.01	20,625,590	15,352,674
*Advance Received from Sun Power Ceramic Ind. Ltd		1,176,364	1,176,364
		31,328,086	**26,053,976**

*In the year 2006-2007 Audited Financial Statements presented an amount of Tk. 5,250,000 which was shown under the head of Creditors (Note No.-27) as liability to Sun Power Ceramic Industry Ltd. (SPCIL). Actually it was the balance of Sundry Creditors. Although transaction with SPCIL in the year 2007-2008, but an amount of Tk. 1,176,364 taken from an unsigned statement for the period ended February 2008 of previous management though there was no record in the Company's books of accounts. But inadvertently recorded Tk. 6,426,364 against SPCIL as due from said company by adding the previous error amount of Tk. 5,250,000.

Therefore from the year 2008-2009, the then auditors amended this amount in the Financial Statements reflecting Tk. 1,176,364 that referred in this paragraph.

16.01 Workers' Profit Participation and Welfare Fund: Tk. 20,625,590

The break up of the above amount is as under:

Balance as on 01 July	15,352,674	16,165,313
Addition During the Year	8,095,442	2,145,787
	23,448,116	**18,311,100**
Adjustment During the Year	(2,822,526)	(2,958,426)
Balance as on 30 June	**20,625,590**	**15,352,674**

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		Amount in Taka	
		30.06.2016	30.06.2015

17.00 Liabilities for Expenses: Tk. 13,157,991

The break up of the above amount is as under:

Directors' Remuneration		-	400,000
Salary and Allowances (Factory)		3,847	2,185,796
Salary and Allowances (Head Office)		-	1,197,319
Electricity/Gas		7,413,503	5,017,619
Telephone and Fax (head office and sales)		4,996	5,267
Audit Fee		250,000	150,000
Provision for Gratuity	17.01	5,213,970	3,538,556
Tax and VAT Payable on Rent and Others		271,675	194,880
		13,157,991	**12,689,437**

17.01 Provision for Gratuity: Tk. 5,213,970

The break up of the above amount is as under:

Balance as on 01 July		3,538,556	**2,410,049**
Addition During the Year		2,400,000	2,000,000
		5,938,556	**4,410,049**
Paid During the Year		(724,586)	(871,493)
Balance as on 30 June		**5,213,970**	**3,538,556**

18.00 Provision for Income Tax : Tk. 22,591,703

The break up of the above amount is as under:

Balance as on 01 July		2,047,655	2,607,969
Addition During the Year	26.00	22,591,703	2,047,655
		24,639,358	**4,655,624**
Adjustment During the Year		(2,047,655)	(2,607,969)
Balance as on 30 June		**22,591,703**	**2,047,655**

19.00 Net Asset Value (NAV) Per Share:

The break up of the above amount is as under:

Total Assets	1,573,319,745	1,532,673,986
Total Outside Liabilities	(291,275,023)	(382,869,437)
Net Assets	**1,282,044,722**	**1,149,804,549**
Number of ordinary Share	102,380,988	93,073,626
Net Asset Value (NAV) Per Share	**12.52**	**12.35**

AMAR STOCK

		Amount in Taka	
		2015-2016	2014-2015

20.00 Turnover (Net of SD and VAT etc.): Tk. 836,889,015

The break up of the above amount is as under:

Local Sales	835,340,015	675,930,705
Export Sales	1,549,000	383,727
Total Turnover	**836,889,015**	**676,314,432**

The local sales are excluding of SD and VAT Tk. 269,397,156.

21.00 Cost of Goods Sold: Tk. 594,204,332

The break up of the above amount is as under:

Opening Stock of Raw Materials		239,217,477	154,286,701
Raw Material Purchased During the Year		421,689,010	404,832,694
Raw Materials Available for Use		**660,906,487**	**559,119,395**
Closing Stock of Raw Materials		(299,732,381)	(239,217,477)
Raw Materials Consumed		**361,174,106**	**319,901,918**
Direct Expenses	21.01	148,377,727	115,408,439
Prime Cost		**509,551,833**	**435,310,357**
Factory Overhead	21.02	85,911,612	82,854,680
Total Manufactured Cost		**595,463,445**	**518,165,037**
Opening Finished Goods		53,228,872	50,098,574
Cost of Goods Available for Sales		**648,692,317**	**568,263,611**
Closing Finished Goods		(52,430,332)	(53,228,872)
Sample		(2,057,653)	(1,093,250)
Cost of Goods Sold		**594,204,332**	**513,941,489**

21.01 Direct Expenses: Tk. 148,377,727

The break up of the above amount is as under:

Wages		46,117,286	42,961,863
Electricity and Gas		73,167,093	46,800,105
Spare Parts	21.01.1	29,093,348	25,646,471
		148,377,727	**115,408,439**

21.01.1 Spare Parts: Tk. 29,093,348

The break up of the above amount is as under:

Balance as on 01 July	78,769,845	77,987,936
Purchase During the Year	21,203,099	26,428,380
	99,972,944	**104,416,316**
Balance as on 30 June	(70,879,596)	(78,769,845)
Consumable During the Year	**29,093,348**	**25,646,471**

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		Amount in Taka	
		2015-2016	2014-2015

21.02 Other Factory Overheads: Tk. 85,911,612

The break up of the above amount is as under:

Factory repair and maintenance		2,962,658	2,421,202
Bonus to staff and workers		3,225,486	2,847,884
Medical expenses		175,087	92,467
Maternity benefits		143,508	249,236
Packing materials	21.02.1	24,332,949	23,973,417
Oil and lubricants		6,987,648	5,940,972
Uniform		515,110	396,970
Conveyance		288,685	115,498
Printing and stationary		429,023	251,128
Telephone, telex and fax		245,885	223,376
Fooding expenses		1,635,168	1,758,065
Labor charge		1,044,901	1,421,910
Carriage inward		1,432,568	1,341,659
Insurance premium (fire)		825,000	614,677
Other direct expenses		89,597	84,569
Group insurance		741,710	487,466
Depreciation		40,836,629	40,634,184
		85,911,612	**82,854,680**

21.02.1 Packing Materials: Tk. 24,332,949

The break up of the above amount is as under:

Balance as on 01 July	6,073,984	4,198,521
Purchase During the Year	28,631,987	25,848,880
	34,705,971	**30,047,401**
Balance as on 30 June	(10,373,022)	(6,073,984)
Packaging Materials Used	**24,332,949**	**23,973,417**

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	Amount in Taka	
	2015-2016	2014-2015

22.00 Administrative Expenses: Tk. 40,940,077

The break up of the above amount is as under:

MD and DMD Remuneration and Others	4,800,000	6,000,000
Salary and Allowances	12,025,726	11,854,933
Bonus to Staff	3,100,817	2,857,896
Conveyance	1,308,524	1,126,598
Printing and Stationery	1,365,473	1,010,667
Postage and Telegram	334,308	255,539
Telephone, Telex and Fax	301,555	285,298
Office Rent	3,034,560	3,034,560
Electricity, Gas and WASA	439,097	440,008
Audit Fee	250,000	150,000
Meeting Fees	534,750	534,750
Maintenance of Vehicles	1,035,689	1,138,969
Rent, Rates and Taxes	944,186	1,765,883
Legal and Other Professional Fees	2,573,493	2,462,478
Fooding Expenses	231,287	219,911
Books and Periodicals	55,310	28,589
Travelling Expenses	1,730,365	1,458,764
Insurance Premium	282,234	387,530
Fuel for Transport	753,776	781,971
Maintenance of Office	892,166	745,321
AGM Expenses	1,174,953	1,070,945
EGM Expenses	-	94,193
Royalty	1,224,923	508,013
Training and Seminar	80,217	36,318
Group Insurance Premium	137,788	109,235
Depreciation	2,328,880	2,258,801
	40,940,077	**40,617,170**

23.00 Selling and Distribution Expenses: Tk. 62,517,689

The break up of the above amount is as under:

Advertisements	399,458	456,923
Carriage Outward	13,315,038	12,608,212
Sample	2,057,653	1,093,250
Business Promotion and Development Expenses	767,950	622,765
Commission to Dealers	44,255,960	41,132,080
Rent for Sales Center (Hatirpol)	1,159,200	1,159,200
Electricity Expenses of Sales Centre (Hatirpol)	480,000	416,240
Office Maintenance of Sales Centre (Hatirpol)	82,430	186,261
	62,517,689	**57,674,931**

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	Amount in Taka	
	2015-2016	2014-2015

24.00 Financial Expenses: Tk. 20,770,595

The break up of the above amount is as under:

Bank Charges and Commission	262,876	219,882
Bank Interest	20,507,719	22,991,732
	20,770,595	**23,211,614**

25.00 Non Operating Income: Tk. 53,947,955

The break up of the above amount is as under:

Rental Income	-	3,993,000
Interest Received	1,963,753	713,114
Profit on Sale of Car	-	886,584
Capital Gain on Sale of Land	51,525,709	-
Scrap Sales	458,493	644,670
	53,947,955	**6,237,368**

26.00 Tax Expenses: Tk. 29,668,662

The break up of the above amount is as under:

Profit Before Tax	**161,908,835**	**42,915,749**
Accounting Depreciation	43,165,509	42,892,985
Provision for Gratuity	2,400,000	2,000,000
	45,565,509	**44,892,985**
Tax Depreciation as per Third Schedule	(73,148,758)	(84,530,673)
Gratuity Paid	(724,586)	(871,493)
	(73,873,344)	**(85,402,166)**
Taxable Income	**133,601,000**	**2,406,568**
Current Tax	22,591,703	2,047,655
Deferred Tax	7,076,959	6,500,000
Total Tax Expenses	**29,668,662**	**8,547,655**

27.00 Earnings per Share (EPS)- Adjusted

The break up of the above amount is as under:

Earnings attributable to the ordinary shareholders	132,240,173	34,368,094
Number of ordinary shares used to compute EPS	102,380,988	102,380,988
Earnings per Share (EPS)- Adjusted	**1.29**	**0.34**

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28.0 Contingent Liability (as per last year):

A. There was a demand of Tk. 10,931,183 (Taka Ten million nine hundred thirty one thousand one hundred eighty three) only made by the Deputy Commissioner of Customs, Excise and VAT, Gazipur Division, for payment of VAT in excess of the amount paid by the Company during the financial years 1997-1998, 1998-1999 and 1999-2000. The demand was made vide his memo No-4/MUSAK/TILES/1/95/3531 dated 30-09-2001. The company preferred appeal against the aforesaid demand before the learned Commissioner, Appeal. The learned Commissioner, Appeal in his award dated 03-09-2002 quashed Tk. 6,693,314 out of total demand of Tk. 10,931,183 while for the balance demand of Tk. 4,237,869 "remand" was ordered for a decision. Subsequently the company on 10-10-2005 preferred appeal with Appellate Tribunal against the demand of Tk. 4,237,869. Against the verdict of the learned Appellate Tribunal, the Company filed a writ petition before the Hon'ble High Court and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

B. There is a further demand of Tk. 79,039,872.30 by the Custom Authority for payment of VAT and supplementary duty in excess of the amount paid by the company during the period from 01-10-1998 to 31-07-2001. The management filed civil suit # 53/2002 before the learned 2nd Sub-Judge Court, Dhaka challenging the basis of the demand. The management stated in the plaint that the papers on the basis of which the demand was created did not belong to the company and prayed for a decree to that effect. The suit is yet to be disposed off by the learned Court. This liability is therefore contingent upon "Verdict" of the Court and disposal of appeals, if any, at all arises.

C. There is a further demand of Tk. 129,978,478.00 by the Commissioner of LTU-VAT vide Nothi No. 4/LTU (Mushok) 02/Ceramic/Demand/Division/04/1996 dated July 17, 2007 against Unit - 1 of the Company arising out of audit covering the period from November 1997 through April 2003. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

D. There is a further demand of Tk. 33,300,749.17 by the Commissioner of LTU- VAT vide Nothi No. 4/LTU(Mushok)2/Ceramic/Division/05/1993 dated July 17, 2007 against Unit - 2 of the Company arising out of audit covering the period from October 2000 through April 2003. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

E. There is a further demand of Tk. 390,365.00 & penalty amount of Tk. 345,000.00 by the Preventive Team vide Nothi No. 4/Mushak/8(111) Fuwang/Aniom/Bichar/2008/1414 dated August 31, 2008 against Unit-2. The Preventive Team claimed stock difference between physical & register. The Company filled Appellate Tribunal against such claimed.

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F. There is a further demand of Tk. 861,438.00 & penalty amount of Tk. 600,000.00 by the Preventive Team vide Nothi No. 4/Mushak/8(110) Fuwang/Aniom/Bichar/2008/1466 dated September 10, 2008 against Unit-1. The Preventive Team claimed stock difference between physical & register. The Company filled Appellate Tribunal against such claimed.

G. There is a further demand of Tk. 77,007,568.00 by the Directorate of VAT Audit Intelligence & Investigation (DIT) vide Nothi No. 4/Mushak/8(118) Fuwang/Aniom/Bichar/2008/271 dated February 15, 2009 against Unit-1 of the Company arising out of audit covering the period from May 2003 to November 2007. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises. Further development that NBR filed appeal being C.P. No. 1258/2009 against stay order which was dismissed on December 02, 2012. Now stay will continue.

H. There is a further demand of Tk. 58,199,865.00 by the Directorate of VAT Audit Intelligence & Investigation (DIT) vide . Nothi No. 4/Mushak/8(119) Fuwang/Aniom/Bichar/2008/291 dated February 16, 2009 against Unit-2 of the Company arising out of audit covering the period from May 2003 to November 2007. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

29.0 Events after the Balance Sheet Date

The Board of Directors in its meeting held on 23 October 2016 has approved the Financial Statement for the year ended 30 June 2016 and decided to recommend stock dividend for the year 2016. The Board of Directors recommended 10% stock dividend to all the Shareholders only subject to necessary approval in the upcoming AGM.

Alexander Lee	**Lee Pak Tang**	**Ahmed Monabbi**
Chairman	Managing Director	Company Secretary

Dated: Dhaka, 23 October 2016

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FU-WANG CERAMIC INDUSTRY LIMITED

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2016

Annexure-A

Particulars	Cost				Dep. Rate	Depreciation				Written down value as on 30 June 2016
	Balance as on 01 July 2015	Addition during the year	Adjustment during the year	Total as on 30 June 2016		Balance as on 01 July 2015	Charged during the year	Adjustment during the year	Total as on 30 June 2016	
Freehold Land and Land Development	19,665,312	-	-	19,665,312	-	-	-	-	-	19,665,312
Investment in Property	31,586,080	-	17,569,252	14,016,828	-	-	-		-	14,016,828
Factory Building and Other Construction	139,278,418	20,936,167	-	160,214,585	2.5%	32,837,199	2,760,738	-	35,597,937	124,616,648
Plant and Machinery	913,409,760	3,852,769	-	917,262,529	5%	305,150,938	30,733,581	-	335,884,519	581,378,010
Gas Generator and Gas Line	65,054,520	650,000	-	65,704,520	10%	30,473,968	3,637,381	-	34,111,349	31,593,171
Electrical Installation	873,785	-	-	873,785	10%	752,470	14,713	-	767,183	106,602
Deep Tube Well and Pump	3,396,609	-	-	3,396,609	10%	1,162,220	229,376	-	1,391,596	2,005,013
Sign Board	2,081.800	558,501	-	2,640,301	20%	897,884	282,329	-	1,180,213	1,460,088
Telephone and PABX Installation	1,057,947	-	-	1,057,947	10%	802,136	28,541	-	830,677	227,270
Furniture and Fixture	11,840,826	247,000	-	12,087,826	10%	5,427,567	549,584	-	5,977,151	6,110,675
Motor Vehicle	36,292,725	-	-	36,292,725	10%	10,985,755	2,494,625	-	13,480,380	22,812,345
Electric Equipment	11,228,608	-	-	11,228,608	10%	7,324,139	570,384	-	7,894,523	3,334,085
Office Equipment	11,058,335	775,905	-	11,834,240	10%	4,527,503	664,236	-	5,191,739	6,642,501
Soft Furniture and Fixture	227,438	-	-	227,438	25%	226,171	354	-	226,525	913
Factory Building (No. 2)	14,469,813	-	-	14,469,813	2.5%	5,293,365	239,130	-	5,532,495	8,937,318
Labor Shed (Fac)	75,403	-	-	75,403	20%	74,249	246	-	74,495	908
Bicycle	15,220	-	-	15,220	10%	9,828	432	-	10,260	4,960
Crockery and Cutleries	115,683	-	-	115,683	10%	92,523	2,295	-	94,818	20,865
Gas Cylinder	220,000	-	-	220,000	10%	164,079	4,194	-	168,273	51,727
Oxygen Cylinder	46,531	-	-	46,531	2.5%	17,150	551	-	17,701	28,830
Effluent Testament Plant (ETP) Constriction	1,962,268	-	-	1,962,268	10%	777,117	88,886	-	866,003	1,096,265
Office Building	12,801,686	-	-	12,801,686	2.5%	4,263,982	217,481	-	4,481,463	8,320,223
Electric Substation Construction	2,034,969	-	-	2,034,969	10%	1,602,977	37,558	-	1,640,535	394,434
Sub-Total	**1,278,793,736**	**27,020,342**	**17,569,252**	**1,288,244,826**		**412,863,220**	**42,556,615**	-	**455,419,835**	**832,824,991**
Raw Material Processing Plant										
Factory Building	9,553,900	-	-	9,553,900	2.5%	3,341,502	171,167	-	3,512,669	6,041,231
Plant and Machinery	27,750,685	-	-	27,750,685	5%	16,077,969	437,727	-	16,515,696	11,234,989
Sub-Total	**37,304,585**	-	-	**37,304,585**		**19,419,471**	**608,894**	-	**20,028,365**	**17,276,220**
Grand Total	**1,316,098,321**	**27,020,342**	**17,569,252**	**1,325,549,411**		**432,282,691**	**43,165,509**	-	**475,448,200**	**850,101,211**

Depreciation has been charged to:	**Taka**
Production	40,836,629
Administration	2,328,880
	43,165,509