ANNUAL REPORT

2017-2018



monno

Monno Ceramic Industries Ltd.

AMAR STOCK

Monno Ceramic Industries Ltd.

BOARD OF DIRECTORS :

MRS. HURON NAHAR RASHID
Chairman

MRS. AFROZA KHAN
Managing Director

MR. RASHEED MYMUNUL ISLAM
Director

MR. RASHEED SAMIUL ISLAM
Director

MR. RASHEED RAFIUL ISLAM
Director

DR. MD. ANWAR HOSSAIN
Independent Director

MRS. MINARA HAI
Independent Director

MR. BENOY PAUL ACS
Acting Company Secretary

AUDITORS :

Messrs. A. Wahab & Co.,
Chartered Accountants,
Hotel Purbani, Annex-2, 4th floor,
1 Dilkusha Commercial Area,
Dhaka-1000.

BANKER:
Social Islami Bank Ltd., Principal Branch.

FACTORY:
Islampur, Dhamrai,
Dhaka.

REGISTERED OFFICE :
Islampur, Dhamrai,
Dhaka-1350.

LIAISON OFFICE :
9, Wyre Street, Wari,
Dhaka-1203.

AMAR STOCK

Monno Ceramic Industries Ltd.

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the thirty-seventh Annual General Meeting of the shareholders of Monno Ceramic Industries Limited will be held on Thursday the 6th December 2018 at 11-30 a.m. at the Registered Office of the Company at Islampur, Dhamrai, Dhaka-1350, to transact the following businesses:

1. To confirm the proceedings of the thirty-sixth Annual General Meeting held on Thursday the 28th December 2017.
2. To receive, consider and adopt the Directors' Report and Audited Financial Statement of the Company for the year ended the 30th June 2018 along with the report of the Auditors thereon.
3. To declare 30% stock dividend to the shareholders.
4. To elect Directors.
5. To appoint Auditors for the year ending the 30th June 2019 & to fix their remuneration and also appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2019 & to fix their remuneration.

By order of the Board,



Afroza Khan
Managing Director

Dated: Dhaka, the 25th October 2018.

Notes:

1. November 15, 2018 is scheduled as record date. Shareholders whose names would appear in the Register of Members/CDS record on the record date would be entitled to dividend/stock.
2. Any member of the Company entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, with duly affixed revenue stamps of Tk.20.00, should be submitted at the Liaison Office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48 hours before the time fixed for the meeting.
3. Members are requested to notify change of address, if any, to the Company.
4. Admission to the meeting will be strictly on production of the attendance slip attached with the proxy form.

Members may please note that no gift or benefit in cash or kind shall be given at the Annual General Meeting as per BSEC Notification No. BSEC/SRMI/2000-953/1950 dated October 24, 2000.

AMAR STOCK

Monno Ceramic Industries Ltd.

Vision We see business as a means to the well-being of the shareholders and all other stakeholders, society as well as the national interest as a whole.

Mission Our Mission is to provide world class quality products to our valued customers, strictly maintain ethical standard in business operation.

Objectives Our objectives are to conduct transparent business operation within the legal & social frame work with aims to attain the mission with a quantitative/qualitative target in business operation.

Corporate Focus Our vision, our mission and our objectives are to emphasise on the continuous development in making value addition to our products for producing the higher end products, to keep well prepared for competitive world market.

Financial Management Policy

All financial policies like investments policy, dividend policy and financing policy is to maximise the value of the organisation.

Corporate Governance:

Top Management : Board of Directors

As per provisions of the Article of Association, Board of Directors hold periodic meetings to resolve issue of policies and strategies, recording minutes/decisions for implementation by the Executive Management.

Executive Management:

The Executive Management is headed by the Managing Director/the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management. The Executive Management is responsible for preparation of segment plans/sub-segment plans for every profit centres with budgetary targets for every items of goods & services and are held accountable for deficiencies with appreciation for exceptional performance.

WE STRIVE FOR

◊ Protection of shareholders' capital as well as to ensure maximise the value of the organisation.

◊ Best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company through a pay-package composing salary/wages, allowances, bonuses, profit participation and leave salary as per Company rules.

Monno Ceramic Industries Ltd.

- ◊ The best co-operation of the suppliers by timely payment of their bills, the banks & financial Institutions by repayment of loan before due date and the authority relating to utilities-power, gas etc. by regular payment of their bills.

- ◊ Fulfillment of our responsibility to the Government through regular payment of taxes, VAT and duties etc.

- ◊ As responsible citizen, for a social order devoid of malpractices, anti-environmental behaviours, unethical and immoral activities and corruptive dealings.

- ◊ Practicing good-governance in every sphere of activities covering full disclosure & reporting to shareholders, holding AGM and distribution of dividends and other benefits to shareholders in time, reporting/dissemination of price sensitive information, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees and the government.

- ◊ Regular repayment of loan and lease installments to the financial institutions is the ideology of Monno.

AMARSTOCK

Monno Ceramic Industries Ltd.

FIVE YEARS FINANCIAL STATISTICS

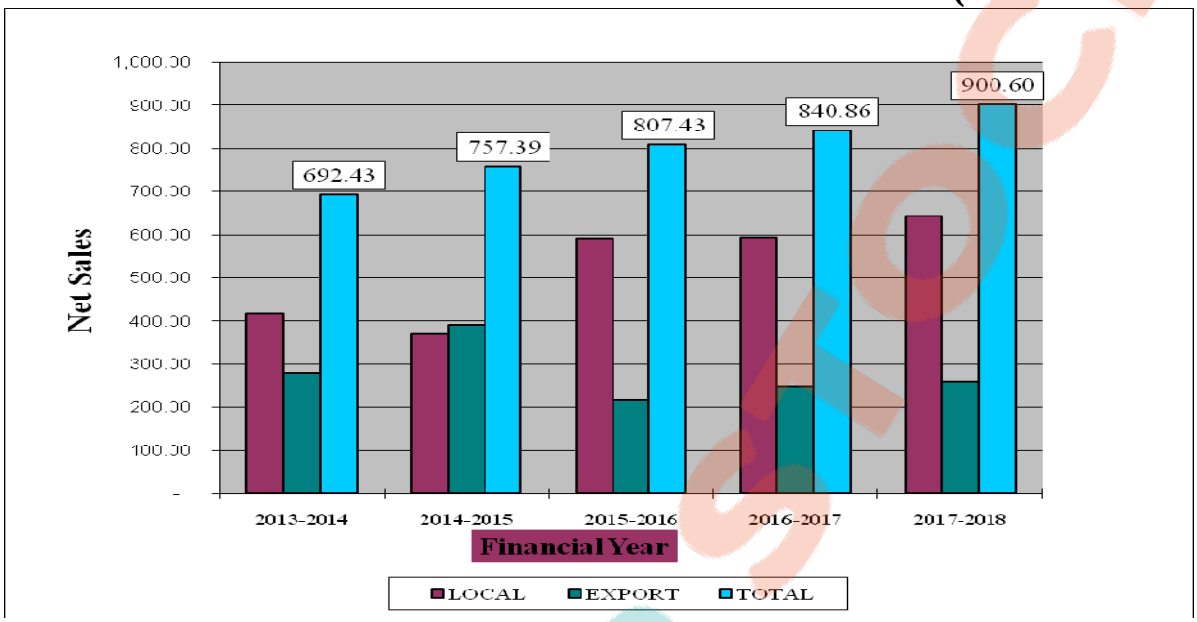
(Figures in '000 taka)

PARTICULARS	Financial years				
	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Authorised capital	500,000	500,000	500,000	500,000	500,000
Paid-up capital	251,244	239,280	239,280	239,280	239,280
Revenue reserves & surplus	2,046,698	2,017,523	2,026,770	2,036,553	2,038,529
Shareholders equity	2,297,943	2,256,803	2,266,050	2,275,833	2,277,809
Fixed assets (gross)	3,232,500	3,232,550	3,071,927	3,044,171	3,005,365
Fixed assets (net)	2,190,855	2,242,000	2,135,547	2,154,087	2,161,290
Turnover (net)	906,031	859,493	819,056	757,385	692,428
Gross margin	168,626	159,283	151,509	140,051	146,219
Net profit before income tax provision	71,071	4,023	3,285	4,711	3,534
Net profit after income tax provision	53,103	2,717	2,181	3,070	2,544
Surplus available for appropriation	176,835	124,349	109,182	93,392	68,581
Amount of cash dividend	-	11,964	11,964	11,964	5,046
Number of shares	25,124,421	23,928,020	23,928,020	23,928,020	23,928,020
Shareholders equity per share	91	94	95	95	95
Return on paid-up capital	21%	1%	1%	1%	1%
Rate of dividend	30% stock	5% cash 5% stock	5%	5%	5%
Earning per share	2.11	0.11	0.09	0.13	0.11
Net asset value per share	91	94	95	95	95
Pay out ratio	-	455%	556%	385%	455%
Net operating cash flow per share	8.00	7.82	(7.42)	(0.47)	1.52
Number of shareholders	7,823	7,338	7,413	8,549	9,346

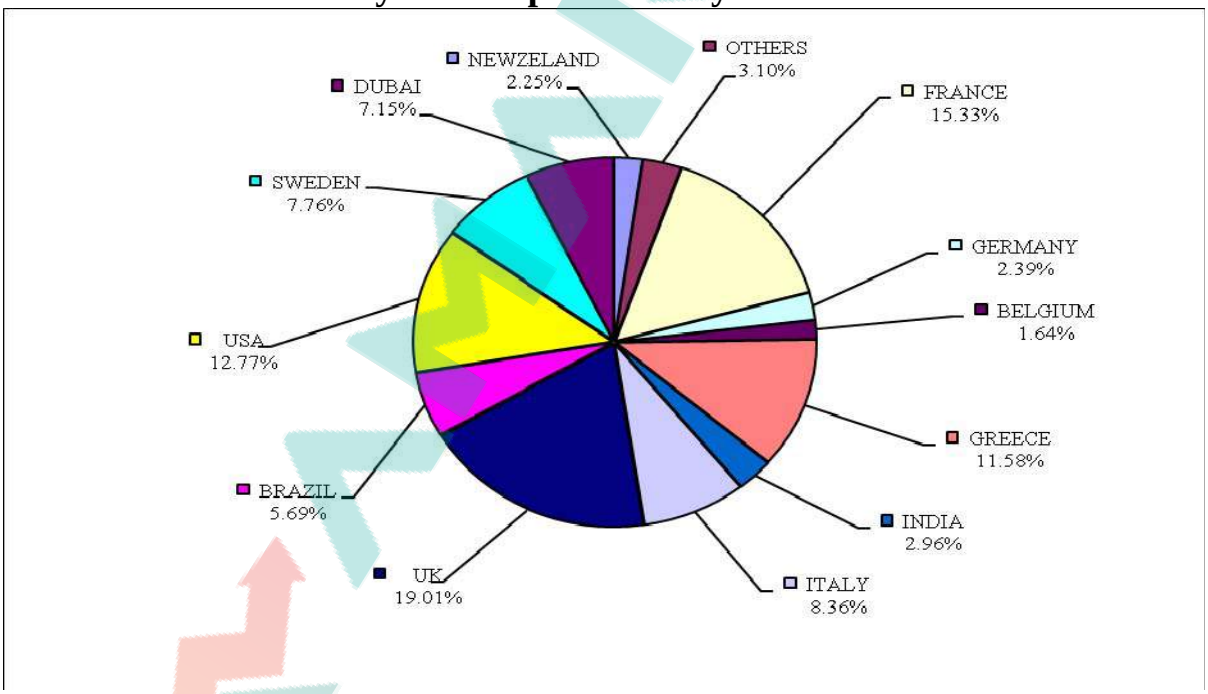
Monno Ceramic Industries Ltd

STATISTICS OF FIVE YEARS NET SALES

(Taka in million)



Country Wise Export for the year 2017-2018



Monno Ceramic Industries Ltd.

CHAIRMAN'S REPORT

Dear shareholders,

It gives me immense pleasure to welcome you all to this the thirty-seventh Annual General Meeting of Monno Ceramic Industries Limited. On behalf of the Board of Directors of your Company, I have the privilege to present to you the Auditor's Report which includes the Audited Financial Statements and the Directors Report for the year ended the 30th June 2018.

TURNOVER

Dear shareholders,

You will be glad to know that by the grace of Almighty Allah and with all our untiring efforts we have been able to increase the turnover of the Company. I am happy to report that 2017-2018 is a year of success of your Company. You will be happy to know that during the year under review we achieved an increased turnover of Tk.906.03 million against Tk.859.50 million during the previous year. We achieved a profit before tax of Tk.71.07 million representing a substantial growth over the previous year. The net profit after tax of the Company is Tk.53.10 million against Tk.2.72 million of previous year. It is to be noted that Cost/Expenses control initiatives has been taken by the Company throughout the year contributed improvement in the profitability of the Company.

সভাপতির প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

মুন্নু সিরামিক ইন্ডাষ্ট্রিজ লিমিটেডের ৩৭তম বার্ষিক সাধারণ সভায় আমি আনন্দের সাথে আপনাদের সবাইকে স্বাগত জানাচ্ছি এবং আপনাদের কোম্পানীর পরিচালক পর্ষদের পক্ষ থেকে কোম্পানীর ৩০শে জুন ২০১৮ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদন সম্বলিত নিরীক্ষকদের প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন আপনাদের নিকট উপস্থাপন করছি।

বিক্রয়

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনারা জেনে আনন্দিত হবেন যে সর্বশক্তিমাণ আল্লাহ তায়লার দয়ায় এবং আমাদের সকলের ঐকান্তিক প্রচেষ্টায় আমরা আলোচ্য বছরেও বিক্রয় বৃদ্ধিতে সক্ষম হয়েছি। আমি আনন্দের সাথে জানাচ্ছি যে ২০১৭-২০১৮ সাল আপনাদের কোম্পানীর জন্য একটি সাফল্যের বছর। আপনারা জেনে আনন্দিত হবেন যে আলোচ্য বছরে বিক্রয় বৃদ্ধি পেয়ে ৯০৬.০৩ মিলিয়ন টাকায় দাঁড়ায় যা গত বছরের ৮৫৯.৫০ মিলিয়ন টাকা বিক্রয়ের বিপরীতে। আলোচ্য বছরে কোম্পানী ৭১.০৭ মিলিয়ন টাকা কর পূর্ব মুনাফা অর্জন করেছে যা গত বছরের তুলনায় উল্লেখযোগ্য হারে বৃদ্ধি পেয়েছে। আলোচ্য বছরে কোম্পানীর কর বাদ নীট মুনাফা ৫৩.১০ মিলিয়ন টাকা যা গত বছরে ছিল ২.৭২ মিলিয়ন টাকা। এখানে উল্লেখ্য যে, বছর ব্যাপী আপনাদের কোম্পানী যে খরচ/ব্যয় নিয়ন্ত্রণ উদ্যোগ গ্রহণ করেছে তা কোম্পানীকে আরও লাভজনক প্রতিষ্ঠানে পরিণত করতে সহায়তা করেছে।

Monno Ceramic Industries Ltd.

FINANCE COST

It is to be noted that interest on long term loan and interest on working capital loan constitute the major finance cost of the Company during the year under review. Finance cost will remain the same until the Bank Loan repayments are cleared in full.

DIVIDEND

Maintaining sound liquidity—to finance the proper working capital requirements for smooth and uninterrupted production, to pay timely installments of term loan, to reallocate internal funds for modernization of the factory according to the need of time, to consistently maintain the rate of dividend and to meet any unforeseen circumstances—is the dividend policy of Monno.

In view of the availability of substantial amount of reserve and the net operational results have been better during the year under review in comparison to the previous year, the Board of Directors has recommended 30% stock dividend i.e. 0.3 bonus share for every 1(one) ordinary shares for the year under review, which requires your approval. We are confident that you will stand by this decision in the interest of long term prospects of the Company.

It would be evident from cash flow statement that during the year under review, we paid Tk.29.71 million as installments of the long term loan, Tk.78.23 million as interest of the loan and Tk.4.84 million for payment of dividend for the year 2016-2017. Aggregating the above payments we find that the Company does not at present have the desired level of liquidity to offer as much dividend.

আর্থিক ব্যয়

এখানে উল্লেখ্য যে, আলোচ্য বছরে কোম্পানীর আর্থিক ব্যয়ের প্রধান অংশ হচ্ছে কোম্পানীর দীর্ঘ মেয়াদী ঋণের সুদ এবং চলতি মূলধনের সুদ। ব্যাংক ঋণ যতক্ষণ পর্যন্ত সম্পূর্ণভাবে পরিশোধ না হচ্ছে আর্থিক ব্যয় একই ভাবে থাকবে।

লভ্যাংশ

আর্থিক তহবিল তারল্য বজায় রেখে প্রয়োজনীয় চলতি মূলধনের মাধ্যমে স্বচ্ছন্দ ও নিরবচ্ছিন্ন উৎপাদন, যথা সময়ে ঋণের কিস্তি পরিশোধ, সময়ের চাহিদা অনুযায়ী কারখানা আধুনিকীকরণে অভ্যন্তরীণ তহবিলকে পূনর্বিন্যস্ত করা, লভ্যাংশের ধারাবাহিকতা বজায় রাখা এবং যে কোন অনাকাংখিত পরিস্থিতি মোকাবেলা করা মুন্নু'র লভ্যাংশ প্রদানের নীতি।

সংরক্ষিত তহবিলে পর্যাপ্ত পরিমাণ অর্থ থাকায় এবং পূর্ববর্তী বছরের তুলনায় আলোচ্য বছরে কোম্পানীর কার্যক্রমের নীট ফলাফল খুবই ভাল হওয়ায়, আলোচ্য বছরে পরিচালনা পর্ষদ ৩০% স্টক ডিভিডেন্ড অর্থাৎ ১টি সাধারণ শেয়ারের বিপরীতে ০.৩টি স্টক ডিভিডেন্ড প্রদানের সুপারিশ করেছেন যা আপনাদের অনুমোদনের অপেক্ষায় রয়েছে। কোম্পানীর ভবিষ্যত বিবেচনা করে পরিচালনা পর্ষদের সাথে আপনারাও এ বিষয়ে একমত হবেন বলে আমাদের বিশ্বাস।

আলোচ্য বছরে নগদ অর্থ প্রবাহ থেকে সুস্পষ্ট যে আমরা দীর্ঘ মেয়াদী ঋণের কিস্তি হিসাবে ২৯.৭১ মিলিয়ন টাকা, ঋণের সুদ হিসাবে ৭৮.২৩ মিলিয়ন টাকা এবং ২০১৬-২০১৭ সালের লভ্যাংশ বাবদ ৪.৮৪ মিলিয়ন টাকা পরিশোধ করেছি। উপরোক্ত পরিশোধসমূহের পর আমরা দেখতে পাচ্ছি বর্তমানে কোম্পানীর কাংখিত মাত্রায় তারল্য না থাকায় আপনাদেরকে অধিক হারে লভ্যাংশ প্রদান করা সম্ভব হচ্ছে না।

Monno Ceramic Industries Ltd.

It is to be noted the Company contributed Tk.11.17 million to the country's National Exchequer for the year 2017-2018 as the leading manufacturer and marketer in the country's porcelain table ware industry.

Please also note that the shares of the Company are listed in the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and the Company's shares of a nominal value of Tk.10.00 were traded @Tk.305.90 on the Dhaka Stock Exchange Limited and @ Tk.306.30 on the Chittagong Stock Exchange Limited as on 30th June 2018.

INSTALLATION OF NEW MACHINERIES

You are aware from our last Annual Report 2016-2017 we were trying to import some new automatic machineries for improving our products quality and quantity with in short period of time. Now we are glad to inform you that machineries are being imported and installation work is going on in the factory. With these new facilities we will be able to cater to the increasing demand for tableware both in the domestic & international market. The new machineries are follows :

(a) Ball Mill (Body)+Ball Mill (Glaze)- (10mt & 2mt) - 2 sets
(b) Automatic Cup Making Machine - 2 sets.
(c) Fast Firing Turnel glost Kiln - 1 set.
(d)Roller Hearth Biscuit Kiln & Decoration Kiln – 1 set.
(e) Automatic Mould Making Plant - 1 set.
(f) Automatic Dip Glazing Machine - 2 sets.
(g) LPG Reticulated Tank System - 1 set.

এখানে উল্লেখ্য যে, দেশের শীর্ষ স্থানীয় পোরসেলিন টেবল ওয়্যার উৎপাদনকারী এবং বাজারজাতকারী হিসাবে আপনাদের কোম্পানী ২০১৭-২০১৮ সালে জাতীয় কোষাগারে ১১.১৭ মিলিয়ন টাকা প্রদান করেছে।

এখানে আরও উল্লেখ্য যে, কোম্পানীর শেয়ার ঢাকা ষ্টক এক্সচেঞ্জ লিমিটেড এবং চট্টগ্রাম ষ্টক এক্সচেঞ্জ লিমিটেড-এ তালিকাভূক্ত রয়েছে এবং ২০১৮ সালের ৩০শে জুন আপনাদের কোম্পানীর ১০.০০ টাকা মূল্যের প্রতিটি শেয়ার ঢাকা ষ্টক এক্সচেঞ্জ লিমিটেডে ৩০৫.৯০ টাকায় এবং চট্টগ্রাম ষ্টক এক্সচেঞ্জ লিমিটেডে ৩০৬.৩০ টাকায় ক্রয় বিক্রয় হয়।

নতুন যন্ত্রপাতি স্থাপন

গত ২০১৬-২০১৭ সালের বার্ষিক প্রতিবেদনে আপনারা অবগত হয়েছেন যে, আমাদের উৎপাদিত পণ্যের গুনগত মান ও পরিমাণ উন্নয়নের লক্ষ্যে স্বল্প সময়ের মধ্যে আরও নতুন স্বয়ংক্রিয় যন্ত্রপাতি আমদানীর চেষ্টা করছিলাম। আপনারা জেনে আনন্দিত হবেন যে, নতুন যন্ত্রপাতিসমূহ আমদানী করা হয়েছে এবং যন্ত্রপাতিগুলো ফ্যাক্টরীতে স্থাপনার কাজ চলছে। নতুন সুবিধাকে কাজে লাগিয়ে আমরা দেশ ও আন্তর্জাতিক বাজারের কাঙ্খিত চাহিদা পূরণে সক্ষম হবো। নতুন মেশিনারীসমূহের নাম নিম্নে উল্লেখ করা হলো ঃ

(ক) বল মিল (বডি) + বল মিল (গ্লেজ)- (১০এমটি+২এমটি) - ২ সেট।
(খ) অটোম্যাটিক কাপ মেকিং মেশিন - ২ সেট।
(গ) ফাষ্ট ফায়ারিং টানেল গ্লোস্ট কিল্ন - ১ সেট।
(ঘ) রোলার হার্থ বিস্কুট কিল্ন এন্ড ডেকোরেশন কিল্ন - ১ সেট।
(ঙ) অটোম্যাটিক মোল্ড মেকিং প্লান্ট - ১ সেট।
(চ) অটোমেটিক ডিপ গ্লেজিং মেশিন - ২ সেট।
(ছ) এলপিজি রেটিকুলেটেড ট্যাংক সিষ্টেম - ১ সেট।

Monno Ceramic Industries Ltd.

CONCLUSION

Dear shareholders,

With a view to meeting the new challenges in this free and competitive market environment and worldwide economic recession all our effects and activities are aimed at efficient management, reduction of operational cost and to increase more profitability of the Company. The most important is price competitiveness with our competitors compared to high local cost. We will do all our best to make the Company more profitable, value added and reputed enterprise. I seek your co-operation on our new journey.

I take this opportunity to express my sincere thanks and gratitude to our business associates, financial Institutions and everyone else the Company interacted with, in conducting its business. Our main strength is our dedicated and sincere human resources. I thankfully acknowledge their contribution to the Company.

Finally, we are very grateful to our valued shareholders for extending their valuable support and co-operation at all times 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. Let us pray to Almighty Allah that He may guide us in all our endeavours.

Thanking you everybody.

Sd/- H. N. Rashid,
Chairman.

Dated : 25th October 2018

উপসংহার

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বর্তমান মুক্ত ও প্রতিযোগিতামূলক বাজার পরিবেশের নতুন প্রতিদ্বন্দ্বিতা এবং বিশ্বব্যাপী অর্থনৈতিক মন্দা মোকাবেলায় আমাদের সকল কর্মক্ষমতা এবং কর্মতৎপরতার উদ্দেশ্য একটি দক্ষ ব্যবস্থাপনা, পরিচালনা ব্যয় কমানো এবং অধিক মুনাফা বৃদ্ধিকরণ। আমাদের প্রতিযোগীদের সাথে মূল্য প্রতিযোগিতায় স্থানীয় উচ্চ মূল্য বৃদ্ধি তুলনা করে প্রতিযোগিতামূলক মূল্য নির্ধারণ করা হচ্ছে বিশেষ গুরুত্বপূর্ণ। কোম্পানীকে লাভজনক, উচ্চ মূল্যমান সম্পন্ন পণ্য উৎপাদন এবং সুনাম অক্ষুন্ন রাখতে আমরা যথাসাধ্য চেষ্টা করব। আমাদের এই নতুন যাত্রাপথে আমি আপনাদের সহযোগিতা কামনা করছি।

আমাদের ব্যবসায়িক সহযোগী, আর্থিক প্রতিষ্ঠানসমূহ এবং আমাদের কর্মকান্ডের সাথে সংশ্লিষ্ঠ প্রত্যেককে আমার আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। আমাদের অন্যতম শক্তি হচ্ছে উৎসর্গীকৃত সচেতন ও দায়িত্বসম্পন্ন কর্মীবাহিনী। আমি কৃতজ্ঞতার সাথে তাঁদের অবদানের প্রশংসা করছি।

পরিশেষে, আমরা আমাদের সম্মানিত শেয়ারহোল্ডারগণের নিকট গভীর কৃতজ্ঞতা জ্ঞাপন করছি। তাঁদের সার্বক্ষণিক সক্রিয় সমর্থন এবং সহযোগিতার ফলেই কোম্পানী বর্তমান পর্যায়ে পৌঁছাতে সক্ষম হয়েছে। এ পর্যন্ত আমাদের যে সাফল্য তা সকলের সম্মিলিত প্রচেষ্টার ফসল। আসুন আমরা সর্বশক্তিমান আল্লাহ তায়লার নিকট প্রার্থনা করি তিনি যেন আমাদের সকল প্রচেষ্টায় সঠিক দিক নির্দেশনা প্রদান করেন।

আপনাদের সকলকে ধন্যবাদ।

স্বাক্ষর/- হুরণ নাহার রশিদ,
সভাপতি।

তারিখঃ ২৫শে অক্টোবর ২০১৮।

Monno Ceramic Industries Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in submitting their report and the audited accounts of the Company for the fiscal year ended the 30th June 2018 along with the Auditors' Report thereon.

FINANCIAL RESULTS

		For the year ended 30.06.2018	For the year ended 30.06.2017
Net Revenue		906,030,890	859,492,844
Cost of goods sold		(737,404,665)	(700,209,653)
Gross Profit		**168,626,225**	**159,283,191**
Operating expenses		(70.785,342)	(74,745,182)
Profit from Operations		**97,840,883**	**84,538,009**
Finance cost		(79,700,665)	(80,313,549)
Provision against Investment		(655,959)	-
Other Income		57,140,546	-
Net Profit before Contribution to WPPF & WWF		**74,624,805**	**4,224,460**
Contribution to WPPF & WWF		(3,553,562)	(201,165)
Net Profit before tax		71,071,243	4,023,295
Income tax provision		(17,767,811)	(1,106,406)
Deferred Tax Liability		(200,000)	(200,000)
Net Profit after tax		**53,103,432**	**2,716,889**
Surplus brought forward from previous year		123,732,026	121,631,760
Profit/Surplus available for appropriation	**Taka**	**176,835,458**	**124,348,649**

APPROPRIATION OF AVAILABLE PROFIT/SURPLUS

Maintaining sound liquidity—to finance the proper working capital requirements for smooth and uninterrupted production, to pay timely installments of term loan, to reallocate internal funds for modernisation of the factory according to the need of time, and to meet any unforeseen circumstances— is the ideology of Monno.

Worldwide economic recessions and free & competitive market environment during the year under review, we could not earn more profit. Keeping in view the performance of the Company during the year under review, the Board of Directors has recommended 30% stock dividend to the shareholders for the year under review, which requires your approval. We are confident that you will stand by this decision in the interest of long term prospects of the Company.

Monno Ceramic Industries Ltd.

DIRECTORS

Mr. Rasheed Mymunul Islam and Mr. Rasheed Samiul Islam retire from the Board of Directors by rotation in accordance with provisions of Articles 137 and 138 of the Articles of Association of the Company and being eligible, offers themselves for re-election as per Article 139.

Brief Resume of the Directors

Directors who seek re-appointed

Mr. Rasheed Mymunul Islam

Mr. Rasheed Mymunul Islam, is a Director & Deputy Managing Director of the Company, Son of Mr. Moynul Islam & Mrs. Afroza Khan of House No. 9 (new), Road No. 16 (new), Dhanmondi R/A, Dhaka. He is an energetic young man having a Chemical Engineering degree from Imperial College London. Mr. Rasheed Mymunul Islam is also the Director of Monno Jute Stafflers Limited and Monno Fabrics Limited. Due to his dynamic efforts and sincere services in the field of Planning and Development and also one of the main contributors, under whose dynamic leadership the group has achieved such a high success and majority of the reputation.

Mr. Rasheed Mymunul Islam is looking after the local & export business of the group and travelled most of the countries of the world in connection with promotion of international business of the group.

Mr. Rasheed Samiul Islam

Mr. Rasheed Samiul Islam is a Director of the Company nominated by Monno Welfare Foundation and son of Mr. Moynul Islam and Mrs. Afroza Khan. He is an energetic young man having Mechanical Engineer degree from Imperial College of London. Mr. Samiul, due to his dynamic efforts and sincere services in the field of Research and Development, made appreciable contributions towards development of high quality Porcelain Tableware in Monno Ceramic Industries Limited.

AUDITORS

The retiring auditors of the Company, Messrs. A. Wahab & Co., Chartered Accountants, being eligible for re-appointment, expressed their willingness to continue in office for the next term and offered themselves for re-appointment as auditors for the year ending the 30th June 2019.

In compliance of the condition no. 9.2 of Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, Chowdhury Bhattacharjee & Co., Chartered Accountants, offer themselves to appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2019.

Monno Ceramic Industries Ltd.

BOARD MEETINGS AND ATTENDANCE :

The number of Board Meetings and the attendance of Directors during the year 2017-2018 were as follows:-

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended
Mrs. Huron Nahar Rashid Chairman	12	12
Mrs. Afroza Khan Managing Director	12	12
Mr. Rasheed Mymunul Islam Director	12	12
Mr. Rasheed Samiul Islam Nominee Director	12	10
Mr. Rasheed Rafiul Islam Nominee Director	12	12
Dr. Md. Anwar Hossain Independent Director	12	12
Mrs. Minara Hai Independent Director	12	12

AUDIT COMMITTEE

Mrs. Minara Hai	Chairman
Mr. Rasheed Mymunul Islam	Member
Mr. Rasheed Samiul Islam	Member
Mr. Benoy Paul ACS	Member Secretary

AMARSTOCK

Monno Ceramic Industries Ltd.

SHAREHOLDING STRUCTURE

Number of shares held by the Directors of the Company, Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children as on June 30, 2018 are as follows :

Name of the Directors	Designation	No. of shares	% of shareholding
Mrs. Huron Nahar Rashid	Chairman	711,564	2.83
Mrs. Afroza Khan	Managing Director	2,834,489	11.28
Mr. Rasheed Mymunul Islam	Director	503,990	2.01
Mr. Rasheed Samiul Islam	Nominee of Monno Welfare Foundation	11,626,532	46.28
Mr. Rasheed Rafiul Islam	Nominee of Monno Welfare Foundation		
Dr. Md. Anwar Hossain	Independent Director	-	-
Mrs. Minara Hai	Independent Director	-	-
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and children.	-	-	-

Shareholders holdings ten percent (10%) or more in the Company as on June 30, 2018 is as follows:

Name of shareholder	Number of shares	% of shareholding
Mrs. Afroza Khan	2,834,489	11.28
Monno Welfare Foundation	11,626,532	46.28

The Director's also report that

- The Financial Statements of the Company present a true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates were reasonable and prudent.
- The Financial Statements was prepared in accordance with Bangladesh Accounting Standards (BAS) /Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh.
- The Internal Control System is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of last year.
- Bangladesh Securities and Exchange Commission's Corporate Governance Compliance Report is enclosed herewith.

Monno Ceramic Industries Ltd.

KEY OPERATING AND FINANCIAL DATA

(Figures in '000 taka)

Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Turnover	906,030	859,493	819,056	757,385	692,428
Cost of goods sold	737,405	700,210	667,546	617,334	546,208
Gross profit	168,626	159,283	151,509	140,051	146,219
Operating expenses	70,785	74,745	86,902	84,313	76,900
Operating profit	97,841	84,538	64,608	55,737	69,319
Finance cost	79,701	80,314	61,159	50,791	65,609
Net Profit before tax	71,071	4,023	3,285	4,711	3,534
Net Profit after tax	53,103	2,717	2,181	3,070	2,544
Shareholders' equity	2,297,943	2,256,803	2,266,050	2,275,833	2,277,809
Total asset	3,099,069	3,208,032	3,214,883	3,050,664	3,068,425
Total bank borrowings	544,214	747,845	7,72,813	432,781	398,265
Total current assets	795,674	852,836	887,940	783,381	793,939
Total current liabilities	635,368	759,965	708,812	762,967	772,844

Current ratio (time)	1.25	1.12	1.25	1.03	1.02
Shareholders equity per share	91	94	95	95	95
Return on paid-up capital	21%	1%	1%	1%	1%
Rate of dividend/stock dividend	30% stock	5% cash 5% stock	5%	5%	5%
Earning per share	2.11	0.11	0.09	0.13	0.11
Net asset value per share	91	94	95	95	95
Pay out ratio	-	455%	556%	385%	455%
Net operating cash flow per share	8.00	7.82	(7.42)	(0.47)	1.52
Number of shareholders	7,823	7,338	7,413	8,549	9,346

VALUE ADDED STATEMENT

Particulars		2017-2018		2016-2017	
		Amount	%	Amount	%
Turnover & other Income		906,030,890	-	859,492,844	-
Bought-in-Materials & Services		(321,890,873	-	(272,583,237)	-
Value Added	**Taka**	**584,140,017**	-	**586,909,607**	-
Applications:					
Duties & Taxes to Government Exchequer		11,168,737	3.47	15,227,817	5.59
Salaries and benefits to employees		179,386,943	55.73	175,858,684	64.52
Interest to lenders		78,231,761	24.30	78,779,847	28.90
Retained by the Company		53,103,432	16.50	2,716,889	1.00
	Taka	**321,890,873**	**100**	**272,583,237**	**100**

Monno Ceramic Industries Ltd.

Industry outlook and possible future developments in the industry

Monno Ceramic Industries Limited owns and operates modern ceramic wares factory and produces high quality **Porcelain tableware** products and sells them in the local as well as International Markets. This sector in the country witnessed a moderate growth during the year.

For the capacity and quality improvement of the products, management have been processing to replace some new machineries in place of old machineries in the factory of the company.

As a result, it is expected that the growth trend will be increased under the prevailing market conditions. The growth is expected to the better level after complete of processing.

Segment-wise or product-wise performance

Monno Ceramic Industries Limited produces high quality **Porcelain tableware** products. It is very difficult to separation of Product wise performance reporting. However, the major products of the Company are Dinner Set, Coffee Set, Tea Set, Soup Set, Tea Cup & Saucer, Coffee Cup & Saucer, Tea Pot, Sugar Pot, Milk Pot, Flower Vase, Coffee Mug, Soup Spoon, Salt Pot, Casserole, Salad Bowl, Oval Platter, Tray, etc.

Risks and concerns

Company's management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks. Besides, the power/gas problem has slightly eased off but more uninterrupted power supply needs to be ensured throughout the year to run the industries efficiently.

Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin

This year's cost of goods sold was Tk.737.40 million as compared to last year's cost of goods sold of Tk. 700.21 million. Gross profit earned during the year was Tk.168.63 million as against last year's gross profit of Tk. 159.28 million. Net profit after tax earned during the year was Tk.53.10 million as compared to last year's Net Profit after tax of Tk. 2.72 million. The Ceramic Sectors of the country has made a better market progress both at home and in global context. But economic recession & other prevailing, we could not earn more profit during the year.

Extra-Ordinary gain or loss

During the year there was no realized extra-ordinary gain or loss made by the company.

Related party transactions

During the year there are related parties transactions in the normal course of business shown in the note 30.00 of the Annual Report 2017-2018.

Utilization of proceeds from public issues and/ or rights issues:

There was no public issues and/or right issue offered during the year.

Monno Ceramic Industries Ltd.

Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made on February 26, 1985. Since then the company is performing well.

Remuneration to directors including independent directors:

The remunerations of Directors have been shown in the note 32.01 of the Annual Report 2017-2018 and Independent Directors have not taken any remunerations/perquisites from the Company during the year.

Other Information

The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of account of the issuer company have been maintained.

Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

Bangladesh Accounting Standards (BAS) /Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the issuer company's ability to continue as a going concern.

Dividend

The Board of Directors has recommended 30% stock dividend for the year 2017-2018 which is subject to approval by the shareholders in the ensuring annual general meeting. Upon your approval in this General Meeting, the dividend will be paid to the Shareholders whose names would appear in the Register of Members/CDS Record as on November 15, 2018 at the close of office.

RESEARCH AND NEW PRODUCTS DEVELOPMENT

As a part of Corporate Social Responsibility for Good Governance the company maintains a team of scientific Porcelain Tableware experts who continuously conduct research & development programs for improving quality of products, reduction of cost, adaptation of products that are free of intellectual property rights and innovative products. These efforts have enabled the company to add new products to its product lines every year to the benefit of the common men of the country and the shareholders. The success in this field has secured the leading position for the company in the Ceramic sector.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Board of Directors is also awoken of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion-regional equality, non-employment of child labour, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and population control programs, elimination of corruption programs, participation in charitable activities etc. in non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled etc.

HUMAN RESOURCES DEVELOPMENT

In order to improve productivity of human input, the company continuously provides formal and informal training to the employees at every echelon of operation and management. During the year under review 1,948 persons (note – 32.12) of employees working in factory as well as Head Office of the Company which will ultimately make great contribution to the company's profitability as well as their own remuneration in due course.

FAIRNESS OF THE ACCOUNTS

As per Companies Act 1994, it is the responsibility of the Directors to prepare financial statements for each year to be presented before the shareholders in the general meeting. The financial statements and other financial information included in this report fairly present in all material respects, the financial conditions, results of operations, cash flow and changes in equity of company as of and for the year ended June 30, 2018.

REPORTING ON THE CORPORATE GOVERNANCE COMPLIANCE

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, keeping in view its accountability to the shareholders/stakeholders and to the society. Pursuant to the condition no. 7.00 of the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013, we attach the Corporate Governance Compliance Report on compliance with the conditions in prescribed format.

On behalf of the Board of Directors,

Sd/- Huron Nahar Rashid,
Chairman

AUDIT COMMITTEE REPORT
For the Year 2017-2018

The Audit Committee as a sub-committee of the Board of Directors of the Company and the Audit Committee assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of the affairs of the Company and in assuring a good monitoring system within the business.

Composition of the Audit Committee

In accordance with the requirements of Corporate Governance of BSEC, the Audit Committee of Monno Ceramic Industries Limited consists of the following members :

Sl. No.	N a m e	Status of the Company	Status of the Committee
1.	Mrs. Minara Hai	Independent Director	Chairman
2.	Mr. Rasheed Mymunul Islam	Director	Member
3.	Mr. Rasheed Samiul Islam	Director	Member
4.	Mr. Benoy Paul ACS	Acting Company Secretary	Member Secretary

The scope of Audit Committee was defined as under:

(a) Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;

(b) Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;

(c) Review statement of significant related party transactions submitted by the management.

(d) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and

(e) Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Activities carried out during the year

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn’t find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Acknowledgements

The Audit Committee would like to express their thanks to the members of the Board, Managements and the Auditors for their support in carrying out its duties and responsibilities effectively.

Sd/-
Chairman
Audit Committee

চৌধুরী ভট্টাচার্য্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/8, Indira Road, (Gr. Floor), Dhaka-1215
Ph : 9123236, Fax : 8802-8120178

CTG. OFFICE : 922, Jubilee Road, Ctg.-4000
Ph : 031-614907 (O) 624228 (R)

Certificate on Compliance of Conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission (BSEC) to the Shareholders of Monno Ceramic Industries Limited

We have examined the Statement of compliance to the BSEC guidelines on Corporate Governance by Monno Ceramic Industries Limited for the year ended 30 June, 2018. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities & Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an audit or expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Saptam Biswas, ACA
Partner
Chowdhury Bhattacharjee & co.
(CHARTERED ACCOUNTANTS)

Dhaka : 28 October 2018

Chowdhury Bhattacharjee & Co. Chartered Accountants Dhaka

Monno Ceramic Industries Ltd.

Dated : October 25, 2018

The Board of Directors,
Monno Ceramic Industries Ltd.,
Islampur, Dhamrai,
Dhaka-1350.

Dear Sirs,

Certificate on Compliance with the Condition no. 6 of the Corporate Governance Guidelines of BSEC for Financial Statements 2017-2018.

This is to certify that :-

1. We have reviewed the financial statements for the year ended 30th June 2018 and that to the best of our knowledge and belief :

   a) The Financial Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

   b) The Financial Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 30th June 2018 which are fraudulent, illegal or violation of the Company's code of conduct.

SD/-
(Md. Faiz Mahfuiz Ullah)
Chief Financial Officer

SD/-
(A f r o z a K h a n)
Chief Executive Officer

AMARSTOCK

Monno Ceramic Industries Ltd.

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 7.00)

Condition no.	Title	Compliance status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	**BOARD OF DIRECTORS**			
1.1	Board's Size : The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	**Independent Directors**			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1.2(ii)	**Independent director" means a director :**			
1.2(ii)(a)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1.2(ii)(b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	√		
1.2(ii)(c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2(ii)(d)	who is not a member, director or officer of any stock exchange;	√		
1.2(ii)(e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1.2(ii)(f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	√		
1.2(ii)(g)	who shall not be an independent director in more than 3 (three) listed companies;	√		
1.2(ii)(h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2(ii)(i)	who has not been convicted for a criminal offence involving moral turpitude.	√		

Monno Ceramic Industries Ltd.

Condition no.	Title	Compliance status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.2(iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2(iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days.	None		No vacancy occurred
1.2(v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2(vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	**Qualification of Independent Director (ID)**			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3(ii)	The Independent Director should be a Business Leader/Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	None		N/A
1.4	**Chairman of the Board and Chief Executive Officer**			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	**The Directors' Report to Shareholders**			
	The Directors Report shall include the following additional statements:			
1.5(i)	Industry outlook and possible future developments in the industry.	√		
1.5(ii)	Segment-wise or product-wise performance.	√		
1.5(iii)	Risks and concerns.	√		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		

Monno Ceramic Industries Ltd.

Condition no.	Title	Compliance status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the Annual Report.	√		
1.5(vii)	Basis Utilization of proceeds from public issues, rights issues and/or through any others instruments.	None		N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	None		N/A
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	None		N/A
1.5(x)	Remuneration to directors including independent directors.	√		
1.5(xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5(xii)	Proper books of account have been maintained.	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		

Monno Ceramic Industries Ltd.

Condition no.	Title	Compliance status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares)**			
1.5(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	√		
1.5(xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	√		
1.5(xxi)(c)	Executives	√		
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	√		
1.5(xxii)	**In case of the appointment/re-appointment of a director of the company, disclose:**			
1.5(xxii)(a)	a brief resume of the director;	√		
1.5(xxii)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):**			
2.1	Appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS) and define their respective roles, responsibilities and duties.	√		
2.2	The CFO and the Company Secretary shall attend the meetings of the Board of Directors	√		
3	**AUDIT COMMITTEE:**			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1	**Constitution of the Audit Committee**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		

Monno Ceramic Industries Ltd.

Condition no.	Title	Compliance status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	None		No Vacancy occurred
3.1(v)	The Company Secretary shall act as the Secretary of Audit the Committee.	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2	**Chairman of the Audit Committee**			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of Audit Committee**			
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	None		
3.3(v)	Review the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management	√		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus.	None		
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii)(a)	Report on conflicts of interests	None		
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	None		

Monno Ceramic Industries Ltd.

Condition no.	Title	Compliance status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	None		
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately	None		
3.4.2	Reporting to BSEC (If any material impact on the financial condition and results of operation, unreasonably ignored by the management)	None		
3.5	Report to the Shareholders of Audit Committee activities shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report	√		
4	**EXTERNAL/STATUTORY AUDITORS:**			
4(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
4(ii)	Non-engagement in designed and implementation of Financial information systems.	√		
4(iii)	Non-engagement in Book-keeping or other services related to the accounting records or financial statements	√		
4(iv)	Non-engagement in Broker-dealer services	√		
4(v)	Non-engagement in Actuarial services	√		
4(vi)	Non-engagement in Internal audit services	√		
4(vii)	Non-engagement in any other service that the Audit Committee determines	√		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	√		
4(ix)	Audit/certification services on compliance of corporate governance.	√		
5	**SUBSIDIARY COMPANY:**			
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	None		
5(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	None		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	None		
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	None		
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	None		

Monno Ceramic Industries Ltd.

Condition no.	Title	Compliance status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	**DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):**			
	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
6(i)(a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
6(i)(b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report.	√		
7(ii)	The directors of the company shall state in the directors' report whether the company has complied with these conditions.	√		

Monno Ceramic Industries Ltd.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying Statement of Financial Position of Monno Ceramic Industries Limited as of June 30, 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended and a summary of significant accounting policies & 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Companies Act 1994 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 misstatement, 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). 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 of 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 our 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 expression an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles 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 opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS), give a true and fair view of the state of the Company's affairs as of June 30, 2018 and of the results of its operations and it's cash flows for the year then ended and comply with the applicable section of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Emphasis of Matter:

In forming our opinion on the financial statements, which is not modified, we considered the matter and the fact that as per the statement of financial position in Note # 17.00 the company reported Unclaimed Dividend of Tk. 29,154,265. Where as the designated bank accounts for dividend show a balance of Tk. 1,406,015. The company declared cash dividend @ 5% in 2017 which is Tk. 11,964,010 out of this amount Tk. 3,707,073 was deposited. This is a non-compliance of the Section 28(1) of Dhaka Stock Exchange (Listing) Regulations, 2015.

We 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, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flow dealt with by the report are in agreement with the books of accounts; and
d) The expenditure incurred was for the purposes of the company's business.

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Dated: Dhaka, October 25, 2018

Monno Ceramic Industries Ltd.

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

(Amount in Taka)

Particulars	Notes	30.06.2018	30.06.2017
ASSETS			
NON-CURRENT ASSETS		**2,303,395,284**	**2,355,196,220**
Property, Plant and Equipment - At cost Less Depreciation	**3.00**	2,190,855,284	2,242,000,261
Investments	**4.00**	112,540,000	113,195,959
CURRENT ASSETS		**795,674,180**	**852,835,853**
Inventories	**5.00**	344,779,884	354,041,573
Trade & other Receivables	**6.00**	94,861,867	116,081,721
Advance, Deposits & Pre-payments	**7.00**	203,559,344	218,588,167
Group Current Account	**8.00**	144,265,311	148,368,311
Cash and cash Equivalents	**9.00**	8,207,774	15,756,081
TOTAL ASSETS	**Taka**	**3,099,069,464**	**3,208,032,072**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		**2,297,942,551**	**2,256,803,129**
Issued and Paid-up Share Capital	**10.00**	251,244,210	239,280,200
Revenue Reserve & Surplus	**11.00**	2,046,698,341	2,017,522,929
NON-CURRENT LIABILITIES		**165,759,069**	**191,264,041**
Long Term Loan (Secured)	**12.00**	156,227,167	181,732,139
Deferred Liability	**13.00**	9,531,902	9,531,902
CURRENT LIABILITIES		**635,367,844**	**759,964,902**
Short Term Borrowings	**14.00**	313,646,839	487,571,981
Long Term Loans (Current portion)	**12.00**	74,340,000	78,541,200
Trade & other Payables	**15.00**	112,883,437	88,225,487
Accrued Expenses	**16.00**	17,470,099	17,792,264
Unclaimed Dividend	**17.00**	29,154,265	22,034,927
Provision for Income Tax	**18.00**	47,408,262	29,640,451
Deferred Tax Liability	**19.00**	1,100,000	900,000
Liabilities for other Finance	**20.00**	39,364,942	35,258,592
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**Taka**	**3,099,069,464**	**3,208,032,072**
Ne Net Assets Value per share (Restated)	**27.00**	**91.46**	**89.83**

The annexed Notes from 1.00 to 32.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 25-10-2018 and were signed on its behalf by:

SD/-	SD/-	SD/-	
BENOY PAUL ACS	AFROZA KHAN	HURON NAHAR RASHID	Subject to our separate report
ACTING COMPANY SECRETARY	MANAGING DIRECTOR	CHAIRMAN	of even date.

Dated : Dhaka, October 25, 2018

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Monno Ceramic Industries Ltd.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

Amount in Taka

Particulars	Notes	30.06.2018	30.06.2017
Net Revenue	**21.00**	906,030,890	859,492,844
Cost of Goods Sold	**22.00**	(737,404,665)	(700,209,653)
Gross Profit		**168,626,225**	**159,283,191**
Operating Expenses		**(70,785,342)**	**(74,745,182)**
Administrative Expenses	**23.00**	(46,082,341)	(46,977,837)
Selling and Distribution Expenses	**24.00**	(24,703,001)	(27,767,345)
Profit from Operations		**97,840,883**	**84,538,009**
Finance cost	**25.00**	(79,700,665)	(80,313,549)
Provision against Investment	**4.00**	(655,959)	-
Other Income	**26.00**	57,140,546	-
Net Profit Before Contribution to WPPF		**74,624,805**	**4,224,460**
Contribution to WPPF & WWF	**20.01**	(3,553,562)	(201,165)
Net Profit Before Tax		**71,071,243**	**4,023,295**
Income Tax Provision	**18.00**	(17,767,811)	(1,106,406)
Deffered Tax Liability	**19.00**	(200,000)	(200,000)
Net Profit after Tax	**Taka**	**53,103,432**	**2,716,889**
Basic Earnings per share (Restated)	**28.00**	**2.11**	**0.11**

The annexed Notes from 1.00 to 32.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 25-10-2018 and were signed on its behalf by:

SD/-	SD/-	SD/-	
BENOY PAUL ACS	AFROZA KHAN	HURON NAHAR RASHID	Subject to our separate report
ACTING COMPANY SECRETARY	MANAGING DIRECTOR	CHAIRMAN	of even date.

Dated : Dhaka, October 25, 2018

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

AMARSTOCK

Monno Ceramic Industries Ltd.

STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2018

For the Year-2017-2018 *(Amount in Taka)*

Particulars	Share Capital	Dividend equalisation Reserve	General Reserve	Capital Reserve	Revaluation Reserve	Retained Earning	Proposed Dividend	Total
Balance, July 01, 2017	**239,280,200**	**21,700,000**	**149,491,999**	**9,081,550**	**1,712,900,731**	**124,348,649**	**-**	**2,256,803,129**
Depreciation on Revaluation of Assets	-	-	-	-	(23,311,397)	23,311,397	-	-
Net Profit for the year	-	-	-	-	-	53,103,432	-	53,103,432
Bonus share issued during the year	11,964,010	-	-	-	-	(11,964,010)	-	-
Cash dividend declared during the year	-	-	-	-	-	(11,964,010)	-	(11,964,010)
At the end of the year	**251,244,210**	**21,700,000**	**149,491,999**	**9,081,550**	**1,689,589,334**	**176,835,458**	**-**	**2,297,942,551**

For the Year-2016-2017 *(Amount in Taka)*

Particulars	Share Capital	Dividend equalisation Reserve	General Reserve	Capital Reserve	Revaluation Reserve	Retained Earning	Proposed Dividend	Total
Balance, July 01, 2016	**239,280,200**	**21,700,000**	**149,491,999**	**9,081,550**	**1,737,314,954**	**97,217,537**	**11,964,010**	**2,266,050,250**
Transferred to Dividend Payable	-	-	-	-	-	-	(11,964,010)	(11,964,010)
Depreciation on Revaluation of Assets	-	-	-	-	(24,414,223)	24,414,223	-	-
Net Profit for the year	-	-		-	-	2,716,889	-	2,716,889
At the end of the year	**239,280,200**	**21,700,000**	**149,491,999**	**9,081,550**	**1,712,900,731**	**124,348,649**	**-**	**2,256,803,129**

The annexed Notes from 1.00 to 32.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 25-10-2018 and were signed on its behalf by:

SD/-	SD/-	SD/-	
BENOY PAUL ACS	AFROZA KHAN	HURON NAHAR RASHID	Subject to our separate report
ACTING COMPANY SECRETARY	MANAGING DIRECTOR	CHAIRMAN	of even date.

Dated : Dhaka, October 25, 2018

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

Monno Ceramic Industries Ltd.

STATEMENT OF CASH FLOWS
For the year ended June 30, 2018

Amount in Taka

Particulars	Note	30.06.2018	30.06.2017
Cash Flows from Operating Activities:		**200,927,679**	**187,107,704**
Cash Receipts from Customers and Others		927,250,744	917,762,442
Cash Paid to Suppliers, Employees and others		(648,091,304)	(651,874,891)
Interest Paid		78,231,761)	(78,779,847)
Cash Flows from Investing Activities		**-**	**(160,622,649)**
Acquisition of Property, Plant and Equipment		-	(160,622,649)
Cash Flows From Financing Activities:		**(208,475,986)**	**(29,058,708)**
Increase/(Decrease) in Long Term Borrowings		(29,706,172)	(23,354,141)
Increase/ (Decrease) in Short Term Borrowings		(173,925,142)	(1,613,150)
Dividend Paid		(4,844,672)	(3,757,625)
Deferred Liability		-	(333,792)
Increase/(Decrease) in cash & cash equivalents		**(7,548,307)**	**(2,573,653)**
Cash and Cash Equivalents at Beginning of year	**9.00**	15,756,081	18,329,734
Cash and Cash Equivalents at end of year	**29.00**	**8,207,774**	**15,756,081**
Net operating cash flows per share (Restated)		**8.00**	**7.45**

The annexed Notes from 1.00 to 32.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 25-10-2018 and were signed on its behalf by:

SD/- BENOY PAUL ACS ACTING COMPANY SECRETARY	SD/- AFROZA KHAN MANAGING DIRECTOR	SD/- HURON NAHAR RASHID CHAIRMAN	Subject to our separate report of even date.

Dated : Dhaka, October 25, 2018

SD/-
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

AMARSTOCK

Monno Ceramic Industries Ltd.

Notes to the Financial Statements
for the year ended June 30, 2018

1.00. COMPANY AND ITS ACTIVITES

1.01. Corporate History of the Reporting Entity

Monno Ceramic Industries Limited (The Company) was incorporated in Bangladesh on 21st April, 1981 as a Public Limited Company under The Companies Act, 1913. The Company went for public issue of shares in 1985 and its shares are listed with the Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited since 1983 and 1995 respectively.

1.02. The principal place of business of the company and its registered office and the factory is situated at Islampur, Dhamrai, Dhaka-1350.

1.03. Corporate Business

The Company owns and operates modern ceramic wares factory and produces high quality **Porcelain tableware** products and sells them in the local as well as International Markets.

2.00. SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION

2.01. Corporate Financial Statements and Reporting's

Financial statements which comprise the following:

a) Statement of Financial Position
b) Statement of Profit or Loss and other Comprehensive Income
c) Statement of Changes in Equity
d) Statement of Cash Flows, for the year then ended, and,
e) A summary of significant accounting policies and other explanatory notes.

Financial statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as well as those standards, disclosures recommended by IASs and as applicable to this company.

The Management of the Company primarily responsible for the preparation and presentation of the financial statements including adequate disclosures. The Board of Directors approved and authorized for issue of these financial statements.

The preparation of financial statements in conformity with International Accounting Standards requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

2.02. Fundamental Accounting Concepts/Assumption

The financial statements have been prepared based on Going concern, Consistency concept, Accrual concept and such other convention as required by IAS-1 for fair presentation of financial statements.

2.03. Corporate Accounting Standards Practiced

The Following IASs are applied for the preparation for the financial statement:

IAS 1 Presentation of Financial Statements
IAS 2 Inventories
IAS 7 Cash Flow Statements
IAS 8 Net Profit or Loss for the period, Fundamental Errors and Changes in Accounting Policies
IAS 10 Events after the Balance Sheet Date
IAS 12 Income Taxes
IAS 16 Property, Plant and Equipment
IAS 17 Leases
IAS 18 Revenue
IAS 21 The effects of Changes in Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related Party Disclosures
IAS 25 Accounting for Investments
IAS 28 Accounting for Investment in Associates
IAS 33 Earnings Per Share
IAS 36 Impairment of Assets
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IAS 41 Agriculture

2.04. Reporting Currency and Level of Precision

(a) The financial statements are presented in Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

(b) Figures in brackets indicate negative balance.

2.05. Comparative Amounts

Wherever necessary, figures of the prior year have been re-arranged to conform with the current year's presentation as required by IAS-1.

2.06. Historical Cost Profit and Losses

There was no revaluation of fixed assets in previous year and during the year under audit. Therefore, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets, etc. Accordingly, no separate note of historical cost profit and loss has been presented.

2.07. Principal Accounting Policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS 1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS 1 "Presentation of Financial Statements". The recommendation of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

a) Recognition of Property, Plant & Equipment

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs & 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.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the Statement of Profit or Loss and other Comprehensive Income which is determined with reference to the net book value of assets and the net sales proceeds.

b) Depreciation of Property, Plant & Equipment

No depreciation is charged on land and land development and capital work in progress. Depreciation on all other Property, Plant & Equipment is computed using the Reducing Balance Method. Full year depreciation has been charged on addition of Property, Plant & Equipment, irrespective of this date of addition.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under, which is considered reasonable by the management.

	2017-2018	2016-2017
Building and other Constructions	2.5%	2.5%
Plant, Machinery & Equipments	5%	5%
Vehicles	10%	10%
Furniture & Fixtures	10%	10%
Sundry Assets	10%	10%

c) Impairment of Assets

In accordance with the provisions of IAS 36 : Impairment of Assets, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated and impairment losses are recognized in Statement of Profit or Loss and other Comprehensive Income. No such indication of impairment has been observed till to date.

d) Revenue Recognition

In compliance with the requirements of IAS 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.

Revenue from sales is exclusive of VAT.

e) Inventories

Inventories comprise of Raw Materials, Work-in-process, Finished goods, Stores & Spares and Materials-in-transit. Raw Materials and Stores and Spares have been valued at average cost. Materials-in-transit have been valued at the cost incurred upto the date of Statement of Financial Position. Work-in-process have been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at the lower of cost and net realizable value basis.

f) Income Tax-Current Tax

The Company qualifies as a "Publicly Traded Company" as per income tax law and therefore provision for income tax has been made at the existing rate of 25% on business income with due consideration of rebate allowable on profit attributable from export (as applicable).

g) Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was insignificant risk of changes in value of the same.

h) Cash Flow Statement

Cash flow statement is prepared principally in accordance with IAS-7 "Cash Flow Statements" and the cash flows from the operating activities have been presented under Direct method as required by the Securities and Exchange rules 1987 and considering the provisions of paragraph-19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

i) Transactions in Foreign Currencies

Transactions in foreign currencies are converted into Bangladesh Taka at the exchange rate ruling on the date of Balance Sheet. Any gain/loss in foreign currency transaction is recognized as gain/loss from foreign currency transaction in the profit and loss account.

j) Borrowing Costs

Finance Cost (Borrowing Costs) incurred during the year was recognized as revenue expenses, except for IDCP which has been capitalized with due consideration of IAS-23.

k) Leases

The lease is classified as an operating lease.

Lease payments are recognized as finance cost in the Statement of Profit or Loss and other Comprehensive Income.

l) Earning Per Share (EPS)

The company calculates Basic Earnings per share (EPS) in accordance with the International Accounting Standards (IAS-33). Diluted earning per share is not applicable for the Company as it has no such convertible securities.

m) Reporting Period

The financial period of the company covers one fiscal year from 1st July to 30th June Consistently.

3.00. PROPERTY, PLANT & EQUIPMENT:

The movement in property, Plant & equipment is as under :

Particulars	COST			DEPRECIATION				Written down Value as on 30.06.2018	Written down Value as on 30.06.2017
	Balance as on 01.07.2017	Addition during the year	Balance as on 30.06.2018	Balance as on 01.07.2017	Charged during the year	Rate	Balance as on 30.06.2018		
AT COST									
Land & Land Development	26,527,530	-	26,527,530	-	-	0.00%	-	26,527,530	26,527,530
Building and Other Construction	239,384,976	-	239,384,976	176,825,626	1,563,984	2.50%	178,389,610	60,995,366	62,559,350
Plant, Machinery and Equipment	1,032,497,060	-	1,032,497,060	677,863,688	17,731,669	5.00%	695,595,357	336,901,703	354,633,372
Vehicles	46,747,550	-	46,747,550	5,824,938	4,092,261	10.0%	9,917,199	36,830,351	40,922,612
Furniture and Fixtures	9,543,256	-	9,543,256	7,919,893	162,336	10.0%	8,082,229	1,461,027	1,623,363
Sundry Assets	60,112,386	-	60,112,386	17,279,083	4,283,330	10.0%	21,562,413	38,549,973	42,833,303
Sub Total :	**1,414,812,758**	-	**1,414,812,758**	**885,713,228**	**27,833,580**		**913,546,808**	**501,265,950**	**529,099,530**
AT REVALUATION :									
Land & land development	1,154,722,470	-	1,154,722,470	-	-	0.00%	-	1,154,722,470	1,154,722,470
Building and other construction	203,500,193	-	203,500,193	19,599,533	4,597,517	2.50%	24,197,050	179,303,143	183,900,660
Plant , machinery and equipment	459,514,707	-	459,514,707	85,237,106	18,713,880	5.00%	103,950,986	355,563,721	374,277,601
Sub Total :	**1,817,737,370**	-	**1,817,737,370**	**104,836,639**	**23,311,397**		**128,148,036**	**1,689,589,334**	**1,712,900,731**
Total as on 30.06.2018 :	**3,232,550,128**	-	**3,232,550,128**	**990,549,867**	**51,144,977**		**1,041,694,844**	**2,190,855,284**	**2,242,000,261**

Notes :

1) Depreciation has been apportioned as below :

		30.06.2018
Conversion cost	(Note : 22.1.2)	46,890,380
Administrative expenses	(Note : 23.00)	4,092,261
Selling and distribution expenses	(Note : 24.00)	162,336
	Taka	**51,144,977**

4.00. INVESTMENTS:

This is made up as follows:		30.06.2018	30.06.2017
Investment in share	(Note-4.01)	113,195,959	113,195,959
Less: Provision against Investment		(655,959)	-
	Taka	112,540,000	113,195,959

4.01. Investment in shares represents the cost of 11,254,000 Ordinary shares of Tk.10.00 each of Monno Fabrics Ltd. (MFL) an associated undertaking of the company.

5.00. INVENTORIES :

Break-up of the amount is given below :		30.06.2018	30.06.2017
Raw & other auxiliary materials	(Note-5.01 & 22.1.1)	130,187,412	120,498,929
Finished goods	(Note-5.02 & 22.00)	53,215,494	57,982,143
Stores & spares	(Note-5.03)	43,381,210	45,751,519
Work-in-process	(Note-5.04 & 22.01)	103,879,746	102,115,455
Materials-in-transit	(Note-5.05)	14,116,022	27,693,527
	Taka	344,779,884	354,041,573

5.01. The raw & other auxiliary materials have been valued at average cost.

5.02. The finished goods have been valued at lower of cost and net realizable value basis.

5.03. Stores & spares have been valued at average cost.

5.04. The work-in-process have been valued at prime cost with proportionate addition of factory overhead.

5.05. Materials-in-transit represents the cost incurred up to the date of Statement of Financial Position for consignment which have subsequently been cleared.

6.00. TRADE & OTHER RECEIVABLE:

The details break-up is made up as follows:		30.06.2018	30.06.2017
Export bills receivable	(secured)	70,131,960	92,746,316
Duty draw back	(secured)	8,027,320	9,187,467
Parties/Institutions		16,702,587	14,147,938
	Taka	94,861,867	116,081,721

6.01. The amount due from parties / institutions are considered good and most of them have been realized subsequently.

6.02. No amount was due from the directors (including Managing Director), managers and other officers of the company and from any of them severally or jointly with any other person.

7.00. ADVANCES, DEPOSITS & PREPAYMENTS:

This is made up as follows:		30.06.2018	30.06.2017
i) **ADVANCES:**			
Advance against purchase/supplies	(Note 7.01)	4,266,348	25,908,968
Advance income tax	(Note 7.02)	179,489,747	169,066,608
Advance rent, rates & taxes		1,077,732	2,816,732
Other advances		1,466,314	4,075,924
		186,300,141	201,868,232
ii) **DEPOSITS:**			
Security deposits		10,286,856	10,286,856
Value added tax		6,972,347	6,433,079
		17,259,203	16,719,935
	Taka	203,559,344	218,588,167

7.01. This represents the amount paid to different suppliers against purchase of raw and other auxiliary materials. Such advances were made in the normal course of business where no collateral security is required. The entire amount has been adjusted subsequently.

7.02. **ADVANCE INCOME TAX:**

This is made-up as follows:	30.06.2018	30.06.2017
Opening Balance	169,066,608	155,685,916
Add.: Addition During the Year	10,423,139	13,380,692
Closing Balance		
Taka	179,489,747	169,066,608

8.00. GROUP CURRENT ACCOUNT:

This is made-up as follows:	30.06.2018	30.06.2017
Monno Attire Ltd.	43,194,322	45,594,322
Monno Fabrics Ltd.	66,897,000	68,600,000
Monno General Hospital	12,400,902	12,400,902
Monno Jute Stafflers Ltd	962,737	962,737
Monno Welfare Foundation	20,810,350	20,810,350
Taka	144,265,311	148,368,311

9.00. CASH AND CASH EQUIVALENTS :

This is made-up as follows:		30.06.2018	30.06.2017
a. Cash in hand	(Note-9.01)	1,449,673	2,361,111
b. Cash at banks	(Note-9.02)	4,806,078	11,579,917
In current accounts		4,665,520	11,442,293
In STD accounts		140,558	137,624
c. Foreign currency retention account, $ 16,575.46 & EURO 5,731.83		1,952,023	1,815,053
	Taka	8,207,774	15,756,081

9.01. The amount of cash in hand has been certified by the management.

9.02. The above bank balances have been confirmed with respective bank statement balances as on 30.06.2018. The above balances were held and available for use by the company without any restriction.

10.00. SHARE CAPITAL

AUTHORIZED CAPITAL:	30.06.2018	30.06.2017
50,000,000 Ordinary shares of Tk. 10.00 each	**500,000,000**	**500,000,000**

10.01. **ISSUED, SUBSCRIBED & PAID UP CAPITAL:**

This represents :	30.06.2018	30.06.2017
90,00,000 Ordinary shares of Tk.10.00 each fully paid in cash.	90,000,000	90,000,000
1,12,50,000 Ordinary shares of Tk.10.00 each fully paid as bonus.	112,500,000	112,500,000
23,07,690 Ordinary shares of Tk.10.00 each fully paid issued in exchange of share of Monno Jutex Industries Ltd. for amalgamation.	23,076,900	23,076,900
13,70,330 Ordinary shares of Tk.10.00 each fully paid issued in exchange of share of Monno Printing & Packaging Ltd. for amalgamation.	13,703,300	13,703,300
11,96,401 Ordinary shares of Tk.10.00 each fully paid as bonus.	11,964,010	-
Taka	251,244,210	239,280,200

(a) The break-up of share holding is given below:

	30.06.2018		30.06.2017	
	No.of shares	**%**	**No.of shares**	**%**
Sponsors & Directors	15,676,575	62.40	14,676,469	61.34
Institutions	2,298,885	9.15	3,790,198	15.84
General public	7,118,812	28.33	5,451,782	22.78
Foreign investors	1,417	0.01	1,350	0.01
Non Resident investors	28,732	0.11	8,221	0.03
Total	25,124,421	100.00	23,928,020	100.00

(b) The distribution schedule showing the number of shareholders and their shareholdings in percentage are as follows:

(c)

Range of holdings In number of shares		No. of shareholders		No. of shares		Holding %	
		30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017
1 to	499	6,271	5,895	1,514,380	836,754	6.03	3.50
500 to	5,000	1,350	1,268	1,592,353	1,125,553	6.34	4.70
5,001 to	10,000	98	84	948,642	546,747	3.78	2.28
10,001 to	20,000	42	36	752,325	474,482	2.99	1.98
20,001 to	30,000	24	18	562,650	424,680	2.24	1.78
30,001 to	40,000	10	7	418,372	251,761	1.67	1.05
40,001 to	50,000	6	2	425,350	85,325	1.69	0.36
50,001 to	100,000	9	10	716,925	808,172	2.85	3.38
100,001 to	1,000,000	11	15	3,732,403	4,119,923	14.85	17.22
Over	1,000,000	2	3	14,461,021	15,254,623	57.56	63.75
Total		7,823	7,338	25,124,421	23,928,020	100.00	100.00

(c) Option on unissued shares:
There is no option regarding authorized capital not yet issued but can be issued to increase the issued, subscribed and paid up capital through the issuance of new shares against cash contribution and bonus.

(e) Market Price :
The Shares of the company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and quoted @Tk. 305.90 and @Tk. 306.30 per share respectively in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. as on June 30, 2018.

11.00. REVENUE RESERVES & SURPLUS:

The break-up of the amount is shown below :		30.06.2018	30.06.2017
Dividend equalisation reserve		21,700,000	21,700,000
General reserve	(Note 11.01)	149,491,999	149,491,999
Capital reserve		9,081,550	9,081,550
Revaluation Reserve	(Note 11.02)	1,689,589,334	1,712,900,731
Retained Earnings as of June 30, 2018	(Note 11.01)	176,835,458	124,348,649
	Taka	2,046,698,341	2,017,522,929

11.01. Details of the balance have been shown in the statement of changes in equity.

11.02. **Revaluation Reserve**

Break-up of the amount is given below:		30.06.2018	30.06.2017
Opening Balance		1,712,900,731	1,737,314,954
Less: Depreciation on Revaluation of Assets	(Note 3.00)	(23,311,397)	(24,414,223)
Closing Balance	**Taka**	1,689,589,334	1,712,900,731

12.00. LONG TERM LOAN:

12.01	The break-up of the amount is given below :		30.06.2018	30.06.2017
	Opening Balance		260,273,339	283,627,480
			35,235,413	**53,569,859**
	Add: Addition during the year		-	18,453,622
	Interest during the year	(Note 25.00)	35,147,745	35,116,237
	Bank Charge		87,668	-
	Less: Paid during the year		64,941,585	76,924,000
	Closing Balance	**Taka**	230,567,167	260,273,339

12.02	The break-up of the amount is given below :	30.06.2018	30.06.2017
	Total Long Term Loan	230,567,167	260,273,339
	Less : Current Portion which has been shown in current Liabilities.	(74,340,000)	(78,541,200)
	Balance of Long Term Loan	----------	----------
	Taka	156,227,167	181,732,139
		==========	==========

12.03. **Nature of Security of loans :**

The above balance is with Social Islami Bank Limited, Principal Branch, Dhaka and fully secured by first charge on the fixed assets of the company and personal guarantee of the Directors.

12.04. **Terms of repayment :**

The loans are refundable in installments and the last installment was due on 30.06.2018, which was paid on 30.07.2018.

12.05. **Bank interest :**

Bank interest on the above loan has been charged in Statement of Profit or Loss and Other Comprehensive Income as financial costs.

12.06. Current portion of the above loan has been shown under the head Current Liabilities as required by BAS.

13.00. DEFERRED LIABILITY:

The amount of represents liability on account of Gratuity as on 30.06.2018 but calculated upto 31.08.2007. This has been calculated on the basis of one month's basic pay (last drawn) for each completed year of service in respect of permanent employees who have completed 10 years of service as on 31.08.2007. Gratuity has been discontinued as per management decision and therefore no provision has been made during the current year.

14.00. SHORT TERM BORROWINGS:

The balance includes working capital loan of Tk. 313,646,839 taken from Social Islami Bank Limited Tk. 277,783,416.98, Principal Branch, Dhaka, Mercantile Bank Ltd. Tk. 44,839,849.12 Main Branch Dhaka and Sonali Bank Ltd. Tk. (8,976,427.13) Local Office, Dhaka which is secured by first charge on stock in trade and collateral security on the fixed assets of the company. The rate of interest applicable on the loan is governed by the interest policy of the Bank and subject to change from time to time which is being applied on monthly rest.

15.00. TRADE & OTHER PAYABLES:

Trade & Other payables Tk.112,883,437 represent the Bills Payable against Materials & Utility Service to third parties.

16.00. ACCRUED EXPENSES:

This is in-respect of:		30.06.2018	30.06.2017
Salaries & Wages payable		16,278,203	17,076,615
Audit Fees		128,800	111,550
Others		1,063,096	604,099
	Taka	17,470,099	17,792,264

The above amounts were provided as on 30.06.2018 and majority of the amount were paid subsequently.

17.00. UNCLAIMED DIVIDEND:

This is in-respect of:		30.06.2018	30.06.2017
Opening Balance		22,034,927	13,828,542
Add. Dividend 2015-16		-	11,964,010
Add. Cash Dividend 2016-17		11,964,010	-
Less. Dividend payment		(4,844,672)	(3,757,625)
Closing Balance	**Taka**	29,154,265	22,034,927

The above amount represents dividend declared and paid to different shareholders from to the bank upto the date of balance sheet.

18.00. PROVISION FOR INCOME TAX:

The balance is arrived at as follows:		30.06.2018	30.06.2017
Opening Balance		29,640,451	28,534,045
Add. Provision for the Year (Deferred)		17,767,811	1,106,406
Closing Balance	**Taka**	**47,408,262**	29,640,451

18.01. Income tax assessment has been finalized upto Financial year 2013-2014.

19.00. DEFFERED TAX LIABILITY:

The balance is arrived at as follows:		30.06.2018	30.06.2017
Opening Balance		900,000	700,000
Add. Provision for the Year (Deferred)		200,000	200,000
Closing Balance	**Taka**	1,100,000	900,000

19.01 Provision for deferred tax has been made on lump sum basis.

20.00. LIABILITIES FOR OTHER FINANCE:

This is arrived at as follows:		30.06.2018	30.06.2017
Security deposit		17,528,438	17,528,438
WPPF & WF	20.01	10,079,575	6,526,013
Tax deducted at source against supply of goods/services		1,060,334	1,139,019
VAT deducted at source against supply of goods/services		-	19,527
Tax deducted from the salary of employees		1,227,250	576,250
Amount payable to shareholders against sale-proceeds of right issue of shares		3,000	3,000
Temporary loan Received from Monno Power Generation & Distribution Ltd.		916,515	916,515
Temporary loan Received from Monno Bone China Ltd.		2,727,830	2,727,830
Temporary loan Received from Mrs. Afroza Khan		5,822,000	5,822,000
	Taka	39,364,942	35,258,592

20.01. WPPF & WWF

The details break-up is made up as follows:		30.06.2018	30.06.2017
Opening Balance		6,526,013	6,324,848
Add. Contribution to WPPF & WWF		3,553,562	201,165
Closing Balance	**Taka**	10,079,575	6,526,013

21.00. NET REVENUE:

This is made up as follows :		30.06.2018	30.06.2017
A. Local Sales (Net local sales)		642,782,005	592,674,515
B. Export Sales (Net export sales)		257,823,868	248,193,175
C. Duty Drawback against Export		5,425,017	18,625,154
D. Total Net Sales (A+B+C)	**Taka**	906,030,890	859,492,844

Monno Ceramic Industries Ltd.

22.00. COST OF GOODS SOLD:

This is made up as under :		30.06.2018	30.06.2017
Opening stock of finished goods		57,982,143	51,611,250
Add: Cost of production	(note 22.01)	732,638,016	706,580,546
Total		790,620,159	758,191,796
Less: Closing stock of finished goods	(note 5.00)	53,215,494	57,982,143
Cost of goods sold	**Taka**	737,404,665	700,209,653

22.01. COST OF PRODUCTION :

This is made up as follows :		30.06.2018	30.06.2017
Opening work-in-process		102,115,455	103,205,793
Add: Raw & other auxiliary materials consumed during the year	(Note : 22.01.1)	412,846,406	385,778,149
Add : Conversion cost	(Note : 22.01.2)	321,555,901	319,712,059
Total		**836,517,762**	**808,696,001**
Less: Closing work-in-process	(Note : 5.00)	103,879,746	102,115,455
Cost of production	**Taka**	732,638,016	706,580,546

22.01.1. RAW & OTHER AUXILIARY MATERIALS CONSUMED:

This is made up as follows :		30.06.2018	30.06.2017
Opening stock		120,498,929	128,284,007
Add : Purchase during the year		422,534,889	377,993,071
		543,033,818	**506,277,078**
Less : Closing stock	(Note : 5.00)	130,187,412	120,498,929
Raw & other auxiliary materials consumed during the year	**Taka**	412,846,406	385,778,149

22.01.2. CONVERSION COST:

This consists of the followings :	30.06.2018	30.06.2017
Salaries & wages	142,263,832	137,127,703
Consumable stores & spares	40,399,370	38,112,351
Office stationary expenses	24,591	87,438
Insurance	2,975,136	3,546,368
Gas consumption	60,771,574	57,478,427
Electricity charges	26,971,064	32,549,423
Oil & lubricants	489,558	477,590
Welfare expenses	138,409	186,923
Uniform & liveries	-	3,440
Traveling & conveyance	284,527	288,573
Postage, telegram & telephone	48,243	35,450
Entertainment expenses	226,750	241,173

This consists of the followings :			30.06.2018	30.06.2017
General expenses			72,467	134,721
Depreciation	(note-3.00)		46,890,380	49,442,479
		Taka	321,555,901	319,712,059

23.00. ADMINISTRATIVE EXPENSES:

This is made up as under :			30.06.2018	30.06.2017
Salaries & allowances			21,753,236	22,577,737
Repairs & maintenance			1,071,473	889,756
Office stationary expenses			202,227	234,350
Power & fuel			2,430,468	2,364,053
Rent, rates & taxes			4,350,000	5,082,500
Traveling & conveyance			1,221,315	1,286,788
Postage, telegram & telex			680,270	545,558
Entertainment expenses			312,821	272,844
Auditors remuneration			128,800	111,550
Membership fees & Subscription			2,657,212	1,845,521
Advertisement & publicity			140,020	113,235
Directors emolument			6,700,000	6,700,000
A G M expenses			27,740	60,321
Books & periodicals			61,920	63,832
Donation			40,500	35,000
Uniform & liveries			14,965	32,000
General expenses			197,113	215,835
Depreciation	(Note-3.00)		4,092,261	4,546,957
		Taka	46,082,341	46,977,837

24.00. SELLING & DISTRIBUTION EXPENSES:

This consist of as follows:			30.06.2018	30.06.2017
Salaries & allowances			15,369,875	16,153,244
Repairs & maintenance			211,386	215,940
Office stationary expenses			63,798	27,720
Power & fuel			549,693	351,224
Rent, rates & taxes			2,482,584	5,391,958
Traveling & conveyance			589,467	564,959
Postage, telegram & telex			161,761	119,576
Entertainment expenses			155,389	164,745
Sample expenses for export			842,090	1,396,654
Delivery charges			3,953,937	3,002,709
General expenses			160,685	198,242
Depreciation	(Note-3.00)		162,336	180,374
		Taka	24,703,001	27,767,345

25.00. FINANCE COST:

This is made up as follows:		30.06.2018	30.06.2017
Interest on long term loan	(Note-12.01)	35,147,745	35,116,237
Interest on cash credit		43,084,016	43,663,610
Bank charges		1,468,904	1,533,702
	Taka	79,700,665	80,313,549

26.00. OTHER INCOME:

This is made up as follows:	30.06.2018	30.06.2017
Interest on STD #000113100000351	249	-
Interest on STD #0002636000566	2,514	-
Interest on STD #0002636000665	2,041	-
Rent Receipt A/C #163120000001 SB Nayarhat Br	43,888	-
Wastage Sale	57,091,854	-
Taka	57,140,546	-

27.00. NET ASSETS VALUE PER SHARE

The details break-up is made up as follows:	30.06.2018	30.06.2017
a) Shareholders Equity	2,297,942,551	2,256,803,129
b) No. of Ordinary Shares as on 30.06.2018	25,124,421	25,124,421
c) Net Assets Value per share (Restated)		
Taka	91.46	89.83

28.00. BASIC EARNINGS PER SHARE:

The details break-up is made up as follows:	30.06.2018	30.06.2017
(a) Earnings attributable to the Ordinary Shareholders (net profit after tax)	53,103,432	2,716,889
b) No. of Ordinary Shares as on 30.06.2018	25,124,421	25,124,421
c) Basic EPS (Restated)		
Taka	2.11	0.11

29.00. NET OPERATING CASH FLOWS PER SHARE

The details break-up is made up as follows:	30.06.2018	30.06.2017
a) Cash and Cash Equivalents	200,927,679	187,107,704
b) No. of Ordinary Shares as on 30.06.2018	25,124,421	25,124,421
c) Net operating cash flows per share (Restated)		
Taka	8.00	7.45

30.00. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard (BAS) 24: " Related Party Disclosures". Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 30 June 2018 as follows:

Name of the related party	Relationship	Note Ref.	Balance as at July 01, 2017	Addition Taka	Adjustment Taka	Balance at Period end receivable/ (payable) Taka
Various Party (Monno Power Generation & Distribution)	Inter Co.		5,636,144	28,039,225	33,675,369	-
Monno Power Generation & Distribution Ltd.	-do-	21.00	(916,515)	-	-	(916,515)
Monno Bone China Ltd.	-do-	21.00	(2,727,830)	-	-	(2,727,830)
Mrs. Afroza Khan	Managing Director	21.00	(5,822,000)	-	-	(5,822,000)
Monno Attire Ltd	Inter Co.	8.00	45,594,322	-	2,400,000	43,194,322
Monno Fabrics Ltd	-do-	8.00	68,600,000	-	1,703,000	66,897,000
Monno General Hospital	-do-	8.00	12,400,902	-	-	12,400,902
Monno Jute Stafflers Ltd	-do-	8.00	962,737	-	-	962,737
Mnno Welfare Foundation	-do-	8.00	20,810,350	-	-	20,810,350
Monno Fabrics Ltd.	-do-	4.00	113,195,959	-	-	113,195,959

31.00. EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the Balance Sheet date, the Board of Directors recommended in it's meeting held on 25-10-2018 for payment 30% stock dividend to the shareholders on paid up capital out of reserve and surplus available for distribution at the end of the year 2018, which is subject to the approval of the shareholders in the ensuing Annual General Meeting of the company.

32.00. OTHER RELEVANT INFORMATION

32.01. DIRECTORS/OFFICERS REMUNERATION ETC.

The aggregate amount paid/provided during the year in respect of Directors and Officers of the company as defined in the Securities and Exchange Rules 1987 are disclosed below:

Particulars		Directors	Officers
2017-2018			
Directors' Remuneration		4,200,000	-
Managerial Remuneration		-	4,558,554
Bonus		700,000	759,759
Perquisites:			
Housing		1,680,000	2,279,277
Medical allowance		-	455,855
Conveyance allowance		-	455,855
Entertainment allowance		120,000	455,855
Directors/Officers Remuneration Etc. (2017-2018)	**Taka**	**6,700,000**	**8,965,156**
Directors/Officers Remuneration Etc. (2016-2017)	**Taka**	**6,700,000**	**9,195,032**

During the year under review :

(a) No compensation was allowed by the company to the Managing Director of the company.

(b) No Board meeting attendance fee was paid to the directors of the company.

(c) No amount of money was spent by the company for compensating any member of the Board for special services rendered, other than those mentioned.

32.02. FOREIGN INVESTORS

32.03. As on the date of Balance Sheet there were 2 Foreign shareholders whose total shareholdings were 1,417 shares.

32.04. No dividend is paid in foreign currencies. However dividend to the foreign investors are paid in local currency through their local custodian bankers..

32.05. PRODUCTION CAPACITY AND ACTUAL PRODUCTION.

The position noted below represents production capacity of Porcelain tableware on 2/3 shift basis:

Description	2017-2018	%	2016-2017	%
Production capacity (in million pieces.)	22.00	-	22.00	-
Actual Production (in million pieces.)	15.45	70.23	14.16	64.36

During the year under review the Company operated keeping in view the market demand for its products.

32.06. CONTINGENT ASSETS / LIABILITIES

There was no contingent liability as on 30th June, 2018 and there was no claim against the company not acknowledged as debt as on 30.06.2018.

32.07. CREDIT FACILITY NOT AVAILED

There was no credit facilities available to the Company under any contract but not availed of as on 30.06.2018 other than trade credit available in ordinary course of business.

32.08. CAPITAL EXPENDITURE COMMITMENT

There was no capital expenditure commitment of the company as of 30th June, 2018.

32.09. FOREIGN EXCHANGE EARNED

Export of goods calculated on FOB basis is US$ 3.680 million.

32.10. PAYMENTS IN FOREIGN CURRENCY

For Raw & Other auxiliary materials US$ 2.8213 million.
For Stores & Spares US$ 0.5961 million.

32.11. VALUE ADDITION:

During the year the company made the value-addition of Tk. 584,140,017 which has been shown below:

Particulars		2017-2018	%
Turnover & Other Income		906,030,890	-
Bought-in-Materials & Services		(321,890,873)	-
Value Added	**Taka**	584,140,017	-
Applications:			
Duties & Taxes to Government Exchequer		11,168,737	3.47
Salaries and Benefits to Employees		179,386,943	55.73
Interest to Lenders		78,231,761	24.30
Retained by the Company		53,103,432	16.50
Total :	**Taka**	321,890,873	**100.00**

32.12. MANPOWER

As on 30th June, 2018 the total number of employees working in factory as well as Head Office of the company was 1948. As on 30th June, 2017 the total number of employees working in factory as well as Head Office of the company was 1,859.

32.13. WPPF & WWF POLICY

The company has a "Recognized" Workers Profit Participation Fund & Welfare Fund. These funds are controlled and managed by separate Trustee Board.

SD/-	SD/-	SD/-
BENOY PAUL	AFROZA KHAN	HURON NAHAR RASHID
ACTING COMPANY SECRETARY	MANAGING DIRECTOR	CHAIRMAN

Dated : Dhaka, October 25, 2018

AMAR STOCK

Monno Ceramic Industries Ltd.

Liaison Office : 9 Wyre Street, Wari, Dhaka-1203

PROXY FORM

I/We,.....

of .....

being shareholder(s) of MONNO CERAMIC INDUSTRIES LIMITED, hereby appoint

Mr./Mrs./Miss.....

of.....

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the thirty-sventh Annual General Meeting of the Company to be held on Thursday the 6th December 2018 at 11:30 a.m. at the Registered Office of the Company at Islampur, Dhamrai, Dhaka-1350, and at any adjournment thereof.

Shareholder's Folio/BO No. :

Number of shares held :

Affix Tk.20.00 revenue stamps

Signature of proxy

Signature of witness

Signature of shareholder(s)

Date :

FOR OFFICIAL USE

Received in the office on .....

Signature verified

Note:

Authorised Signatory

The proxy form duly filled in/signed and affixed with revenue stamps of Tk.20.00 must be deposited at the Liaison Office of the Company at 9, Wyre Street, Wari, Dhaka-1203 not less than 48 hours before the time fixed for the meeting.

.....

MONNO CERAMIC INDUSTRIES LTD.

Shareholder's Attendance Slip

I/We, ...

Folio/BO No. .....holding .....ordinary shares of Monno Ceramic Industries Limited, am/are recording my/our attendance at the thirty-seventh Annual General Meeting of the Company for the year 2018 to be held on Thursday the 6th December 2018 at 11:30 a.m. at the Registered Office of the Company at Islampur, Dhamrai, Dhaka-1350.

Signature of shareholder(s)

Notes: (1) Please present this slip at the Reception Desk.

(2) Shareholders/proxies only are entitled to attend at the Annual General Meeting.

Date: October 25, 2018

