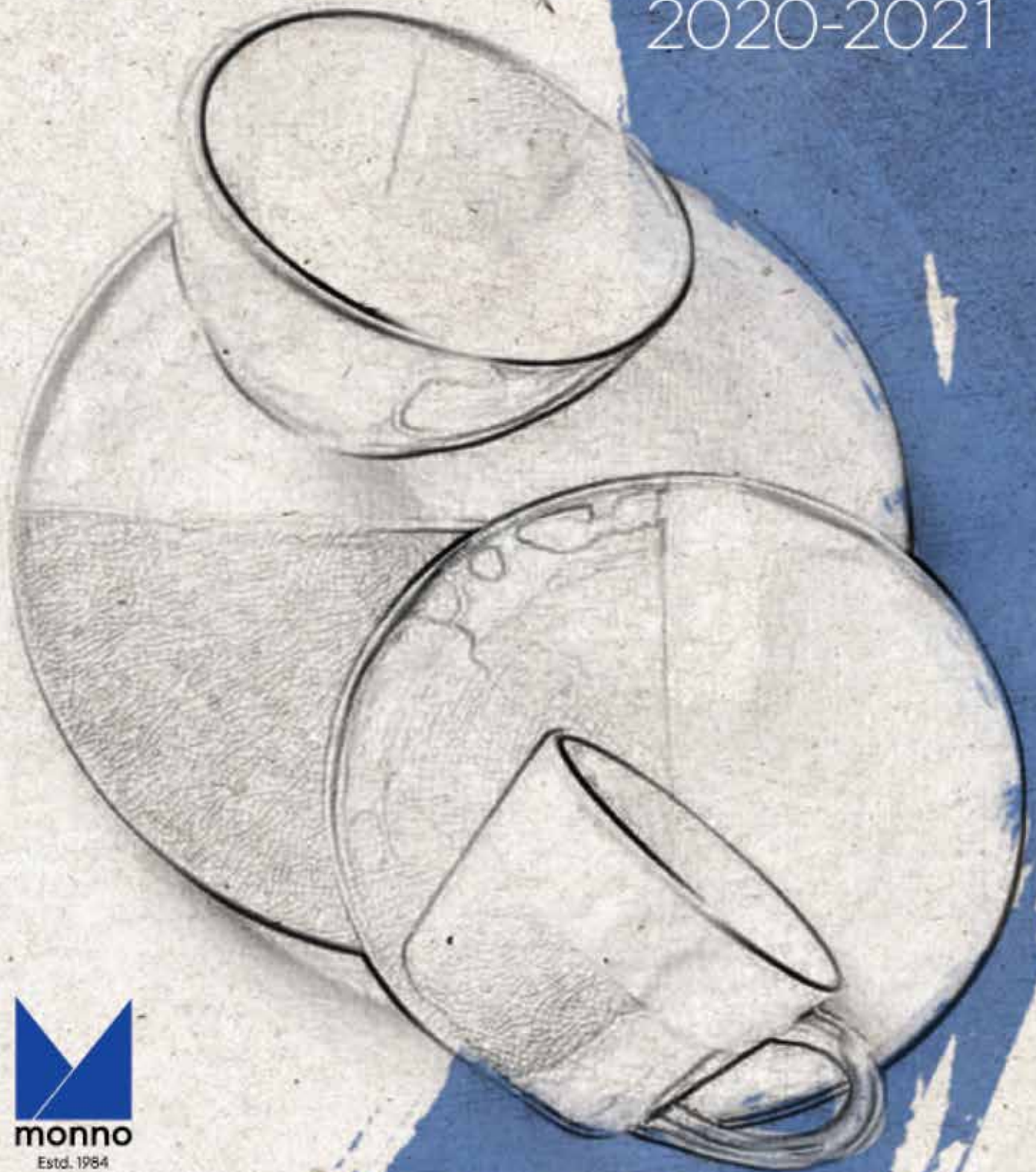


# ANNUAL REPORT

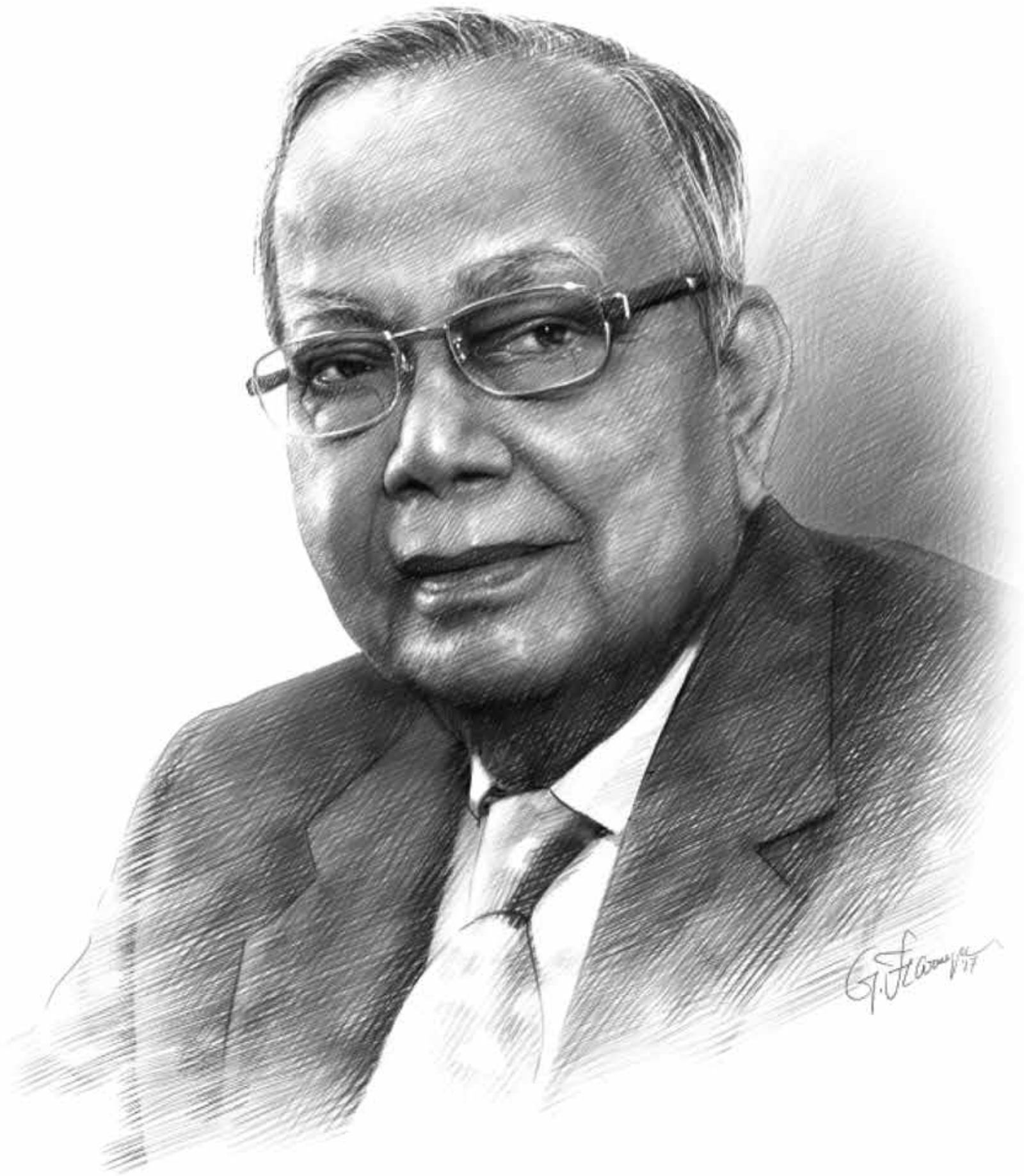
2020-2021



**monno**

Estd. 1984

**MONNO CERAMIC INDUSTRIES LTD.**



**Harunar Rashid Khan Monno**  
Founding Chairman, Monno Group of Industries  
1932-2017



**BOARD OF DIRECTORS:**

**MRS. AFROZA KHANAM**

Chairman

**MR. RASHEED MYMUNUL ISLAM**

Managing Director

**MRS. HURON NAHAR RASHID**

Director

**MR. RASHEED SAMIUL ISLAM**

Director

**MR. RASHEED RAFIUL ISLAM**

Director

**MR. MOHD. ASLAM MIAZI**

Independent Director

**MR. MD. NAZMUS SAADAT**

Independent Director (Resigned on 26.08.2021)

**MR. NASIR UDDIN FCS**

Company Secretary

**AUDITORS:**

Messrs. Shiraz Khan Basak & Co.  
Chartered Accountants,  
R. K. Tower (Level-10),  
86 Bir Uttam C. R. Datta Road,  
(312, Sonargaon Road),  
Dhaka-1205

**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.



## NOTICE OF THE FORTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting of the shareholders of Monno Ceramic Industries Limited will be held on Saturday, December 11, 2021, at 12:00 noon Virtually by using **Digital Platform** as per BSEC order SEC/SRMRC/04/231/91 dated March 31, 2021 through the link <https://monnoceramic.virtualagmbd.com>, to transact the following businesses:

1. To confirm the proceedings of the Thirty Ninth Annual General Meeting held on Monday the 28th December 2020.
2. To receive, consider and adopt the Directors' Report and Audited Financial Statement of the Company for the year ended the 30th June 2021 along with the report of the Auditors thereon.
3. To declare 10% Cash Dividend to the Public Shareholders other than Sponsors and/or Directors for the year ended on June 30, 2021.
4. To retire & re-elect of Directors.
5. To appoint Auditors for the year ending 30 June 2022 and to fix their remuneration.
6. To appoint Corporate Governance Auditors for providing a certificate on compliance with Corporate Governance Code for the year ending June 30, 2022, & to fix their remuneration.

By order of the Board,

Nasir Uddin FCS  
Company Secretary

Dated: Dhaka, the 28th October 2021.

### Notes:

1. November 23, 2021, 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 attend virtual AGM and vote thereat and also to receive dividend.
2. Any member of the Company entitled to attend and vote at the AGM 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(forty-eight) hours before the time fixed for the AGM.
3. The Shareholders will join the virtual AGM through the above link prior to 24 (twenty-four) hours of the meeting. The Shareholders will be able to register, comments and vote before commencement of the AGM and during the AGM.
4. No gift or benefit in cash or kind shall be paid/offered to the shareholders in the AGM as per BSEC Circular No.SEC/CMRRCD/2006-193/154 dated 24.10.2013.



**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.



- ◇ 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.
- ◇ Fulfilment 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 instalments to the financial institutions is the ideology of Monno.



## FIVE YEARS FINANCIAL STATISTICS

(Figures in '000 taka)

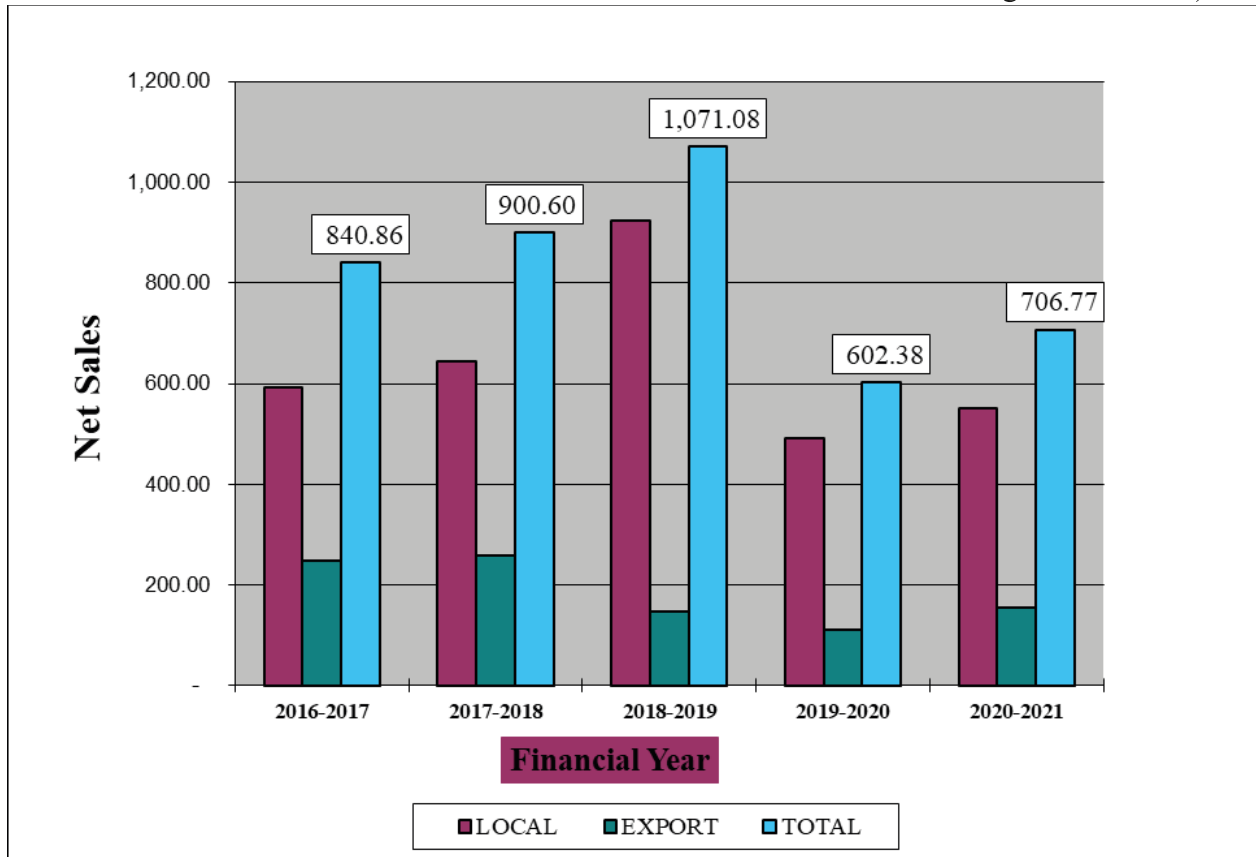
P A R T I C U L A R S	F i n a n c i a l y e a r s				
	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Authorised capital	1,000,000	1,000,000	1,000,000	500,000	500,000
Paid-up capital	377,243	359,279	326,617	251,244	239,280
Revenue reserves & surplus	1,787,167	1,778,607	1,825,828	2,046,698	2,017,523
Shareholders equity	2,164,410	2,137,887	2,152,445	2,297,943	2,256,803
Fixed assets (gross)	3,378,698	3,297,145	3,297,145	3,232,500	3,232,550
Fixed assets (net)	2,189,592	2,155,172	2,203,905	2,190,855	2,242,000
Turnover (net)	706,771	602,380	1,071,078	906,031	859,493
Gross margin	131,907	110,208	199,503	168,626	159,283
Net profit before income tax provision	10,152	17,942	92,167	71,071	4,023
Net profit after income tax provision	33,915	18,103	72,653	53,103	2,717
Amount of cash dividend	16,004	-	-	-	11,964

Number of shares	37,724,317	35,927,921	32,661,747	25,124,421	23,928,020
Shareholders' equity per share	57	60	66	91	94
Return on paid-up capital	9%	2%	22%	21%	1%
Rate of dividend	10% cash	5% cash 5% stock	10% cash 10% stock	30% stock	5% cash 5% stock
Earning per share	0.90	0.50	2.22	2.11	0.11
Net asset value per share	57	60	66	91	94
Pay out ratio	111%	100%	-	-	455%
Net operating cash flow per share	0.26	0.22	3.35	8.00	7.82
Number of shareholders	14,548	14,631	14,210	7,823	7,338

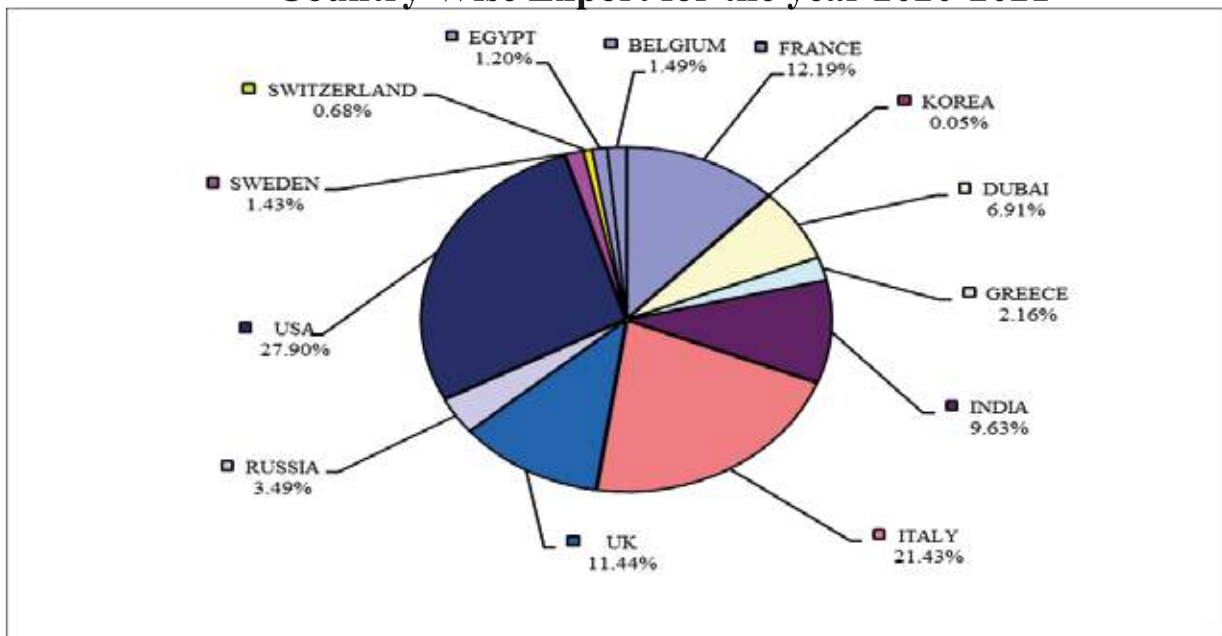


### STATISTICS OF FIVE YEARS NET SALES

Figure in million)



### Country Wise Export for the year 2020-2021







## CHAIRMAN'S REPORT

**Dear shareholders,**

It gives me immense pleasure to welcome you all to this the Fortieth 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 2021.

## TURNOVER

**Dear shareholders,**

You all know that, your Company puts its focus on the present, but always with an eye on the future. We have always strive to create sustainable value for all our stake holders. FY 2020-2021 was a challenging year for the entire sector due to the COVID-19 pandemic's First and subsequently Second waive. By the grace of almighty Allah and with all our untiring efforts we have opened our production partially and now we are able to increase the turnover of the company in the recession of business environment. During the year under review we achieved turnover of Tk. 706.77 million against Tk. 602.38 million during the previous year. We achieved a profit before tax of Tk.10.15 million representing during the year. The net profit after tax of the Company is Tk.33.91 million against Tk.18.10 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,

মুন্সি সিরামিক ইন্ডাস্ট্রিজ লিমিটেডের ৪০তম বার্ষিক সাধারণ সভায় আমি আনন্দের সাথে আপনাদের সবাইকে স্বাগত জানাচ্ছি এবং আপনাদের কোম্পানীর পরিচালক পর্যদের পক্ষ থেকে কোম্পানীর ৩০শে জুন ২০২১ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদন সম্বলিত নিরীক্ষকদের প্রতিবেদন ও পরিচালকবৃন্দের প্রতিবেদন আপনাদের নিকট উপস্থাপন করছি।

## বিক্রয়

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনারা সবাই জানেন যে, আপনার কোম্পানী বর্তমানের উপর তার ফোকাস রাখে। কিন্তু সবসময় ভবিষ্যতের দিকে নজর রাখে। আমরা আমাদের সকল স্টেকহোল্ডারদের জন্য টেকসই মূল্য তৈরি করার চেষ্টা করছি। ২০২০-২০২১ অর্থবছর ছিল কভিড-১৯ মহামারীর কারণে সমগ্র সেক্টরের জন্য চ্যালেঞ্জিং বছর প্রথম এবং পরবর্তী দ্বিতীয় তরঙ্গ। এই পরিস্থিতিতে আমরা আংশিকভাবে উৎপাদন চালু করেছি। মন্দা ব্যবসা পরিবেশ সত্ত্বেও, সর্বশক্তিমান আল্লাহ তায়ালার দয়ায় এবং আমাদের সকলের ঐকান্তিক প্রচেষ্টায় আমরা এখন বিক্রয় বৃদ্ধি করতে সক্ষম। আপনারা জেনে আনন্দিত হবেন যে আলোচ্য বছরে বিক্রয় বৃদ্ধি পেয়ে ৭০৬.৭৭ মিলিয়ন টাকায় দাঁড়ায় যা গত বছরের ৬০২.৩৮ মিলিয়ন টাকা বিক্রয়ের বিপরীতে। আলোচ্য বছরে কোম্পানী ১০.১৫ মিলিয়ন টাকা কর পূর্ব মুনাফা অর্জন করেছে। আলোচ্য বছরে কোম্পানীর কর বাদ নীট মুনাফা ৩৩.৯১ মিলিয়ন টাকা যা গত বছরে ছিল ১৮.১০ 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।



## 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.

The Board of Directors is always candid about its concern for your interest and it is evident from its activities over the years. After due consideration of liquidity, available surplus, fund needed to meet unforeseen circumstances and to maintain a consistency in the rate of dividend payable to shareholders, the Board of Directors has recommended 10% cash dividend to general public other than Sponsor or Director 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.68.26 million as instalments of the long term loan, Tk. 40.84 million as interest of the loan and Tk.8.12 million for payment of dividend for the year 2019-2020. 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 পূর্নবিন্যস্ত করা, লভ্যাংশের ধারাবাহিকতা বজায় রাখা এবং যে কোন অনাকাঙ্খিত পরিস্থিতি মোকাবেলা করা মুন্নুর লভ্যাংশ প্রদানের নীতি।

কোম্পানীর পরিচালনা পর্ষদ আপনাদের স্বার্থ রক্ষায় সর্বদাই আন্তরিক এবং পূর্ববর্তী বছর সমূহের কার্যক্রম তার স্বাক্ষর বহন করে। তহবিল তারল্য, পর্যাপ্ত উদ্বৃত্ত, অপ্রত্যাশিত পরিস্থিতি মোকাবেলার জন্য প্রয়োজনীয় তহবিলের প্রাপ্যতা এবং শেয়ারহোল্ডারবৃন্দকে লভ্যাংশ প্রদানের ধারাবাহিকতা বজায় রেখে পরিচালনা পর্ষদ আলোচ্য বছরের জন্য উদ্যোক্তা/পরিচালক ছাড়া অন্য সাধারণ শেয়ারের জন্য ১০% নগদ লভ্যাংশের সুপারিশ করেছেন যা আপনাদের অনুমোদনের অপেক্ষায় রয়েছে। কোম্পানীর ভবিষ্যৎ উন্নয়নের কথা বিবেচনা করে আপনারাও এ বিষয়ে একমত হবেন বলে আমাদের বিশ্বাস।

আলোচ্য বছরে নগদ অর্থ প্রবাহ থেকে সুস্পষ্ট যে আমরা দীর্ঘ মেয়াদী ঋণের কিস্তি হিসাবে ৬৮.২৬ মিলিয়ন টাকা, ঋণের সুদ হিসাবে ৪০.৮৪ মিলিয়ন টাকা এবং ২০১৯-২০২০ সালের লভ্যাংশ বাবদ ৮.১২ মিলিয়ন টাকা পরিশোধ করেছি। উপরোক্ত পরিশোধসমূহের পর আমরা দেখতে পাচ্ছি বর্তমানে কোম্পানীর কাঙ্খিত মাত্রায় তারল্য না থাকায় আপনাদেরকে অধিক হারে লভ্যাংশ প্রদান করা সম্ভব হচ্ছে না।



It is to be noted the Company contributed Tk.77.76 million to the country's National Exchequer for the year 2020-2021 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.117.30 on the Dhaka Stock Exchange Limited and @ Tk.118.00 on the Chittagong Stock Exchange Limited as on 30th June 2021.

#### INSTALLATION OF NEW MACHINERIES

In future, we have plans to set up modern machinery to make new ceramic products to keep pace with times, Hopefully then we will be able to meet the national and international demand by using new opportunities.

#### CONCLUSION

**Dear shareholders,**

The new competitions in the current free and competitive market environment and post COVID-19 challenges are aimed at efficient management, reduction of operational cost and maximizing profits. Post COVID-19 world is going to new define in future, post COVID-19 will present its own set of challenges and opportunities 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.

এখানে উল্লেখ্য যে, দেশের শীর্ষ স্থানীয় পোরসেলিন টেবল ওয়্যার উৎপাদনকারী এবং বাজারজাতকারী হিসাবে আপনাদের কোম্পানী ২০২০-২০২১ সালে জাতীয় কোষাগারে ৭৭.৭৬ মিলিয়ন টাকা প্রদান করেছে।

এখানে আরও উল্লেখ্য যে, কোম্পানীর শেয়ার ঢাকা স্টক এক্সচেঞ্জ লিমিটেড এবং চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড-এ তালিকাভুক্ত রয়েছে এবং ২০২১ সালের ৩০শে জুন আপনাদের কোম্পানীর ১০.০০ টাকা মূল্যের প্রতিটি শেয়ার ঢাকা স্টক এক্সচেঞ্জ লিমিটেডে ১১৭.৩০ টাকায় এবং চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেডে ১১৮.০০ টাকায় ক্রয় বিক্রয় হয়।

#### নতুন যন্ত্রপাতি স্থাপন

আগামীতে আমরা যুগের সাথে তাল মিলে সিরামিকে নিত্য নতুন পণ্য তৈরী করতে আধুনিক মেশিনারীজ স্থাপনের পরিকল্পনা রয়েছে। আশাকরি তখন নতুন সুবিধাকে কাজে লাগিয়ে দেশে ও আন্তর্জাতিক নিত্য নতুন চাহিদা পূরণে সক্ষম হবো।

#### উপসংহার

**প্রিয় শেয়ারহোল্ডারবৃন্দ,**

বর্তমান মুক্ত ও প্রতিযোগিতামূলক বাজার পরিবেশের নতুন প্রতিদ্বন্দ্বিতা এবং করোনা পরবর্তী চ্যালেঞ্জ মোকাবেলায় আমাদের সকল কর্মক্ষমতা এবং কর্মতৎপরতার উদ্দেশ্যে একটি দক্ষ ব্যবস্থাপনা, পরিচালনা ব্যয় কমানো এবং অধিক মুনাফা বৃদ্ধিকরণ। কভিড পরবর্তী বিশ্ব ভবিষ্যতে নতুন সংগা দিতে চলছে, পোস্ট কভিড তার নিজস্ব চ্যালেঞ্জ এবং সুযোগ উপস্থাপন করবে। 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 অক্ষুণ্ন রাখতে আমরা যথাসাধ্য চেষ্টা করব। আমাদের এই নতুন যাত্রাপথে আমি আপনাদের সহযোগিতা কামনা করছি।



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.

Thank you.

Afroza Khanam  
Chairman.

Dated : 28th October 2021.

আমাদের ব্যবসায়িক সহযোগী, আর্থিক প্রতিষ্ঠানসমূহ এবং আমাদের কর্মকর্তাদের সাথে সংশ্লিষ্ট 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।

ধন্যবাদ।

আফরোজা খানম  
সভাপতি।

তারিখঃ ২৮শে অক্টোবর ২০২১।



## MANAGING DIRECTOR'S STATEMENT

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements as per condition no. 1.5(XXV) of Corporate Governance Code dated June 03, 2018:

### Accounting policies and estimation for preparation of financial statements:

The Financial Statements 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 Stock Exchange Ltd. and the International Accounting Standards (IASs) as well as those standards, disclosures recommended by IASs and as applicable to the company.

### Changes in accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

### Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons:

(Figures in '000 taka)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Turnover	706,771	602,380	1,071,078	906,030	859,493	819,056
Cost of goods sold	574,864	492,172	871,575	737,405	700,210	667,546
Gross profit	131,907	110,208	199,503	168,626	159,283	151,509
Operating expenses	51,480	53,292	69,125	70,785	74,745	86,902
Operating profit	80,427	56,917	130,377	97,841	84,538	64,608
Finance cost	69,810	66,464	73,978	79,701	80,314	61,159
Net Profit before tax	10,152	17,942	92,167	71,071	4,023	3,285
Net Profit after tax	33,915	18,103	72,653	53,103	2,717	2,181
Shareholders' equity	2,164,410	2,137,887	2,152,445	2,297,943	2,256,803	2,266,050
Total asset	3,236,996	3,170,944	3,135,473	3,099,069	3,208,032	3,214,883
Total bank borrowings	630,169	553,499	530,978	544,214	747,845	7,72,813
Total current assets	934,864	903,232	819,028	795,674	852,836	887,940
Total current liabilities	747,581	678,200	611,294	634,268	759,965	708,812
Current ratio (time)	1.25	1.33	1.34	1.25	1.12	1.25
Shareholders equity per share	57	60	66	91	94	95
Rate of dividend/stock dividend	10% cash	5% cash 5% stock	10% cash 10% stock	30% stock	5% cash 5% stock	5%
Earning per share	0.90	0.50	2.22	2.11	0.11	0.09
Net asset value per share	57	60	66	91	94	95
Pay out ratio	111%	100%	-	-	455%	556%
Net operating cash flow per share	0.26	0.22	3.35	8.00	7.82	(7.42)
Number of shareholders	14,548	14,631	14,210	7,823	7,338	7,413



**Briefly explain the financial and economic scenario of the country and the globe:**

The economic Scenario of Bangladesh mostly depending on Agriculture represents 13.1% of GDP and employs 39.7% of the total workforce. It is also relies on its enormous human resources, rich agricultural soils and abundant water resources. Industry represents 28.5% of GDP and employs 20.5% of the total workforce. Textile is by far the largest industry, accounting for more than 80% of the country's total exports.

Textile export income fell to USD 30.1 billion in January-November 2019 from USD 32.9 billion in the same time a year earlier. A risk factor for the clothing industry is the gap between local supply and demand of cotton. Secondary industries include paper, leather, fertilizers, metals, and pharmaceuticals. Services account for 53.5% of GDP and employ 39.8% of the total workforce. Microfinance and computing are among the largest sectors, with the country's technology exports reaching around USD 1 billion per year. The government aims to increase technology exports to USD 5 billion by 2021.

Bangladesh achieved one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities. GDP growth was estimated to have reached 7.9% in 2019 and is forecast to fall to 2% in 2020 due to the outbreak of the COVID-19 and pick up to 9.5% in 2021. The post-pandemic global economic upturn and the private consumption boosted by strong remittance flows from the Bangladeshi Diaspora around the world are projected to be the key drivers of growth in 2021.

**Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:**

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.

**Future plan:**

As a dynamic company, we recognize that our success depends on our ability to grow. Therefore, we plan to expand the business put in advance technology and automated modern machinery in the production process of the company. So, we are committed to produce porcelain tableware production with various specifications of our customers. We intend to continue to focus on research and development, product development as well as development of manpower skills, capacity and productivity to ensure that our products meet the evolving and stringent requirements of the ceramic industries

Rasheed Mymunul Islam  
Managing Director

Dated : October 28, 2021



## 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 2021 along with the Auditors' Report thereon.

### FINANCIAL RESULTS

	For the year ended 30.06.2021	For the year ended 30.06.2020
<b>Revenue</b>	706,770,914	602,380,125
Cost of goods sold	(574,864,051)	(492,171,629)
<b>Gross Profit</b>	<b>131,906,863</b>	<b>110,208,496</b>
Operating expenses	(51,489,710)	(53,291,714)
<b>Profit from Operations</b>	<b>80,427,153</b>	<b>56,916,782</b>
Finance cost	(67,809,989)	(66,464,450)
Other Income	42,941	28,387,011
<b>Net Profit before Contribution to WPPF &amp; WWF</b>	<b>10,660,105</b>	<b>18,839,343</b>
Contribution to WPPF & WWF	(507,624)	(897,112)
Net Profit before tax	10,152,481	17,942,232
Income tax provision	(2,284,308)	(4,485,558)
Deferred Tax Income/Expenses	26,046,445	4,646,284
<b>Net Profit after tax</b>	<b>33,914,618</b>	<b>18,102,958</b>

Taka

### APPROPRIATION OF AVAILABLE PROFIT/SURPLUS

Maintaining sound liquidity—to finance the proper working capital requirements for smooth and uninterrupted production, to pay timely instalments 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 for pandemic COVID-19 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 10% Cash Dividend to the Public Shareholders other than Sponsors and/or Directors 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.



## **DIRECTORS**

Mrs. Afroza Khanam and Mrs. Huron Nahar Rashid 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.

## **AUDITORS**

The present Auditors of the Company, Messrs. Shiraz Khan Basak & Co., Chartered Accountants, retire in this meeting and they are not interested for re-appointment. Messrs. A. Wahab & Co., Chartered Accountants, expressed their willingness and offered themselves to appoint as Auditors of the Company for the year ending the 30th June 2022 with a consolidated remuneration of Tk.230,000.00 (Taka two lac and thirty thousand) only. Accordingly, the matter be placed in the Fortieth Annual General Meeting of the Company for consideration of the shareholders.

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, the present professional auditors of the Company, Messrs. Chowdhury Bhattachrjee & Co., Chartered Accountants, retire in this meeting and they are not apply for re-appointment. Messrs M. Mohashin & Co., Chartered Secretaries in Practice expressed their willingness and offer themselves to appoint professional auditors for providing certificate on compliance of Corporate Governance Code for the year ending the 30th June 2022 with a consolidated remuneration of Tk.20,000.00 (Taka twenty thousand) only. Accordingly, the matter be placed in this Annual General Meeting for consideration of the shareholders.





## **Brief Resume of the Directors**

### **Directors who seek re-appointed**

#### **MRS. AFROZA KHANAMAM**

Mrs. Afroza Khanam, wife of Mr. Moynul Islam & Daughter of Late Mr. Harunar Rashid Khan & Mrs. Huron Nahar Rashid of House No. 9 (new), Road No. 16 (new), Dhanmondi R/A, Dhaka. She is the Managing Director of Monno Fabrics Limited and the Chairman of Monno Ceramic Industries Limited, Monno Agro & General Machinery Ltd. & other concern of Monno Group of Industries. Mrs. Afroza Khanam is an Honours Graduate and Master's Degree holder of the University of Dhaka has gathered commendable experience in the field of Industrial and Business management.

Mrs. Afroza Khanam travelled most of the countries of the world in connection with international trade and business of the group.

#### **MRS. HURON NAHAR RASHID**

Mrs. Huron Nahar Rashid, is a Director of the Company, wife of Mr. Harunar Rashid Khan of House No. 9 (new), Road No. 16 (new), Dhanmondi R/A, Dhaka. She is the Managing Director of Monno Agro & General Machinery Ltd. and Director of other concern of Monno Group of Industries. She has travelled most of the countries of the world in connection with international trade and business of the group.



### BOARD MEETINGS AND ATTENDANCE:

The number of Board Meetings and the attendance of Directors during the year 2020-2021 were as follows:-

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended
Mrs. Afroza Khanam Chairman	11	11
Mr. Rasheed Mymunul Islam Managing Director	11	11
Mrs. Huron Nahar Rashid Director	11	10
Mr. Rasheed Samiul Islam Nominee Director	11	10
Mr. Rasheed Rafiul Islam Nominee Director	11	9
Mr. Mohd. Aslam Miazi Independent Director	11	7
Mr. Md. Nazmus Saadat Independent Director (Retired on 26.08.2021)	11	8

### AUDIT COMMITTEE

The number of Board Meetings and the attendance of the Members of the Audit Committee of the Company for the year ended on June 30, 2021 were as follows:-

Name of the Member of Audit Committee	Status of Audit Committee	Number of Meetings held	Number of Meetings attended
Mr. Md. Nazmus Saadat	Chairman	4	4
Mr. Rasheed Samiul Islam	Member	4	4
Mr. Rasheed Rafiul Islam	Member	4	3
Mr. Nasir Uddin FCS	Member Secretary	4	4

### NOMINATION & REMUNERATION COMMITTEE (NRC)

The number of Board Meetings and the attendance of the Members of the Nomination & Remuneration Committee (NRC) of the Company for the year ended on June 30, 2021 were as follows:-

Name of the Member of NRC Committee	Status of NRC	Number of Meetings held	Number of Meetings attended
Mr. Md. Nazmus Saadat	Chairman	1	1
Mr. Rasheed Samiul Islam	Member	1	1
Mr. Rasheed Rafiul Islam	Member	1	1
Mr. Nasir Uddin FCS	Member Secretary	1	1



## 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, 2021 are as follows:

Name of the Directors	Designation	No. of shares	% of shareholding
Mrs. Afroza Khanam	Chairman	4,255,980	11.28
Mr. Rasheed Mymunul Islam	Managing Director	756,734	2.01
Mrs. Huron Nahar Rashid	Director	1,068,409	2.83
Mr. Rasheed Samiul Islam	Nominee of Monno Welfare Foundation	15,639,077	41.46
Mr. Rasheed Rafiul Islam	Nominee of Monno Welfare Foundation		
Mr. Mohd. Aslam Miazi Independent Director	Independent Director		
Mr. Md. Nazmus Saadat Independent Director (Resigned on 26.08.2021)	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, 2021 is as follows:

Name of shareholder	Number of shares	% of shareholding
Mrs. Afroza Khan	4,255,980	11.28
Monno Welfare Foundation	15,639,077	41.46

### 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 (IAS) /Bangladesh Financial Reporting Standards (IFRS) 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 Code is enclosed herewith.



### KEY OPERATING AND FINANCIAL DATA

(Figures in '000 taka)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover	706,771	602,380	1,071,078	906,030	859,493
Cost of goods sold	578,864	492,172	871,575	737,405	700,210
Gross profit	131,907	110,208	199,503	168,626	159,283
Operating expenses	51,480	53,292	69,125	70,785	74,745
Operating profit	80,472	56,917	130,377	97,841	84,538
Finance cost	69,810	66,464	73,978	79,701	80,314
Net Profit before tax	10,152	17,942	92,167	71,071	4,023
Net Profit after tax	33,915	18,103	72,653	53,103	2,717
Shareholders' equity	2,164,410	2,137,887	2,152,445	2,297,943	2,256,803
Total asset	3,236,996	3,170,944	3,135,473	3,099,069	3,208,032
Total bank borrowings	630,169	553,499	530,978	544,214	747,845
Total current assets	934,864	903,232	819,028	795,674	852,836
Total current liabilities	747,581	678,200	611,294	634,268	759,965
Current ratio (time)	1.25	1.33	1.34	1.25	1.12
Shareholders equity per share	57	60	66	91	94
Return on paid-up capital	9%	2%	22%	21%	1%
Rate of dividend/stock dividend	10% cash	5% cash 5% stock	10% cash 10% stock	30% stock	5% cash 5% stock
Earning per share	0.90	0.50	2.22	2.11	0.11
Net asset value per share	57	60	66	91	94
Pay out ratio	111%	100%	-	-	455%
Net operating cash flow per share	0.26	0.22	3.35	8.00	7.82
Number of shareholders	14,548	14,631	14,210	7,823	7,338

### VALUE ADDED STATEMENT

Particulars	2020-2021		2019-2020	
	Amount	%	Amount	%
Turnover & other Income	706,770,914	-	602,380,125	-
Bought-in-Materials & Services	351,835,399	-	257,964,064	-
<b>Value Added</b>	<b>354,935,515</b>	<b>-</b>	<b>344,416,061</b>	<b>-</b>
<b>Applications:</b>				
Duties & Taxes to Government Exchequer	77,760,304	22.10	11,784,775	4.57
Salaries and benefits to employees	171,898,595	48.86	163,305,858	63.31
Interest to lenders	68,261,882	19.40	64,770,474	25.10
Retained by the Company	33,914,618	9.64	18,102,958	7.02
<b>Taka</b>	<b>351,835,399</b>	<b>100</b>	<b>257,964,064</b>	<b>100</b>



### **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.574.86 million as compared to last year's cost of goods sold of Tk. 492.17 million. Gross profit earned during the year was Tk.131.91million as against last year's gross profit of Tk. 110.21 million. Net profit after tax earned during the year was Tk.33.91 million as compared to last year's Net Profit after tax of Tk. 18.10 million. The Ceramic Sectors of the country has made a better market progress both at home and in global context. Though economic recession & other prevailing, we could 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 35.00 of the Annual Report 2020-2021.

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

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



### **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 37.01 of the Annual Report 2020-2021 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 (IAS) /Bangladesh Financial Reporting Standards (IFRS), 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 10% Cash Dividend to the Public Shareholders other than Sponsors and/or Directors for the year ended on June 30, 2021 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 23, 2021 at the close of office.

### **RESEARCH AND NEW PRODUCTS DEVELOPMENT**

We have 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.



## EXPLANATION OF QUALIFIED OPINION & EMPHASIS OF MATTER

1. The revaluation of Property Plant & Equipment of **Monno Ceramics Industries Limited** was done in year 2011. No revaluation has been commensurate till the date of reporting. So it is not understandable whether the Property Plant & Equipment are presented at fair value.

In the situation of pandemic COVID-19 we could not revaluation of Property Plant & Equipment of Monno Ceramics Industries Limited. Now we collect quotation from penal Firms for revaluation of Property Plant & Equipment of the Company. Therefore we shall complete this matter within a few months.

2. As disclosed in note # 21.01 of the Annual Report 2020-201, the Auditors has given Emphasis of Matter that the Company has shown an amount of Tk. 16,092,656 as liabilities for WPPF & WWF which includes prior years' amount of Tk. 15,585,032 that has not been paid by the Company to the Fund. As per section 234 (b) of Labor Act, 2006 the company should pay the amount to the WPPF & WWF not later than nine months from the end of the respective year. Further, the company did not make any interest provision for the utilization of fund balance as per section 240 (2) of the said Act.

We have taken initiative plan to distributed the above amounts among the employees and the Govt. fund as per Section 234 of Bangladesh Labour Act, 2006 (Amendments in 2013) but the pandemic COVID-19 spread all over the world including Bangladesh. Therefore we could not update this matter. We hope that we shall make this payment within December 30, 2021.

3. As disclosed in note # 15.00, the Company has shown an amount of Tk. 9,531,902 as deferred liabilities for account of Gratuity as on 30.06.2021. Provision was continued till 31.08.2007 after which gratuity was discontinued by the management. The provision remains unadjusted till reporting date.

The amount of Tk 9,531,902 represents liability on account of Gratuity as on 30.06.2021 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. Among the Employees who have resigned from their service they will get their gratuity amount. Therefore the Management of the Company will take decision for this matter in future.



## **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 the human skills, capacity and their productivity, the company continuously provides formal and informal training to the employees at every echelon of operation and management. During the year under review 1,687 persons (note – 37.12) 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**

According to 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, 2021.

## **REPORTING ON THE CORPORATE GOVERNANCE CODE**

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. 9.00 of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, we attach the Corporate Governance Code with the conditions in prescribed format.

On behalf of the Board of Directors,

Afroza Khanam  
Chairman





## AUDIT COMMITTEE REPORT For the Year 2020-2021

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 Code 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.	Mr. Mohd. Aslam Miazi	Independent Director	Acting Chairman
2.	Mr. Rasheed Samiul Islam	Director	Member
3.	Mr. Rasheed Rafiul Islam	Director	Member
4.	Mr. Nasir Uddin FCS	Company Secretary	Member Secretary

### The scope of Audit Committee was defined as under:

- Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- Review statement of significant related party transactions submitted by the management.
- Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- 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.

Acting Chairman  
Audit Committee

Date: October 28, 2021



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

চৌধুরী ভট্টাচার্য্য এন্ড কোং  
CHOWDHURY BHATTACHARJEE & CO.  
CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/8, Indira Road, (Gr. Floor), Dhaka-1215  
Phone: +88 02 48110567, Fax: +88 02 48110567  
Mob: 01711-832387, 01711-115171, 01819-227413  
CTG. OFFICE : 922, Jubilee Road, Chattogram-4000  
Ph: 031-614907 (O) 624228 (R), Mob : 01971-115171

**Monno Ceramic Industries Ltd.**  
**Certificate of Compliance**  
Under Condition # 1(5) (xxvii) of CGC

**Report to the Shareholders' of Monno Ceramic Industries Ltd.  
on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Monno Ceramic Industries Ltd.** for the year ended on 30<sup>th</sup> June, 2021. This Code relates to the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied except condition no: 1(7)(b) with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Dated, Dhaka  
25 November, 2021

**B. K. Bhattacharjee, FCA**  
Partner  
Enrollment No: 0517  
Chowdhury Bhattacharjee & Co.  
Chartered Accountants



E-mail: bimalcbc@gmail.com, saptamcbc@gmail.com, kalkch57@gmail.com



### Declaration by CEO and CFO

Dated : October 28, 2021

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

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

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Monno Ceramic Industries Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- i) We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Rasheed Mymunul Islam)  
Chief Executive Officer

(Md. Saiful Huq Shafeen, FCMA)  
Chief Financial Officer

Dated : October 28, 2021



## Nomination and Remuneration Policy

### 1.00 Introduction

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory Nomination and Remuneration for the Directors and Top Level Executives of the Monno Ceramic Industries Limited.

The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Monno Ceramic Industries Limited.

### 2.00 Definitions

“NRC or the Committee” means Nomination and Remuneration Committee

“the Company” means Monno Ceramic Industries Limited.

“Board” means Board of Directors of Monno Ceramic Industries Limited.

“Director” means Member of the Board.

“Top Level Executive” means the Managing Director or Chief Executive Officer, Additional or Deputy Managing Director, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Compliance, Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

### 3.00 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been Constituted by the Board of Directors of the Company as a Sub-committee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

The NRC consists of the following Non-Executive Director of the Board:

Name of the Member of NRC Committee	Status of NRC
Mr. Mohd. Aslam Miazhi	Acting Chairman
Mr. Rasheed Samiul Islam	Member
Mr. Rasheed Rafiul Islam	Member
Mr. Nasir Uddin FCS	Member Secretary

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company.

### 4.00 Objectives

The objective of the NRC is to oversee, assist and guide the Board of Directors:-



To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top Level Executives.

To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.

To the appointment, fixation of remuneration and removal of Directors and Top Level Executives.

To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.

To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

To develop, recommend and review the company's human resources and training policies.

To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.

To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.

To Implement and monitor policies and processes regarding principles of corporate governance.

#### 5.00 Nomination and Appointment of Directors and Top Level Executives

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top Level Executives.

#### 6.00 Remuneration for Directors and Top Level Executives

The committee shall oversee, review and make report with recommendation to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top Level Executive. They also consider and review the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

#### 7.00 Validation of the Policy

This policy on Nomination and Remuneration of Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Monno Ceramic Industries Limited.



## 8.00 Amendments to the Policy

The Board preserve the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

### A. Evaluation of Performance

Evaluation of performance of Directors be carried out through completion of a present confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top Level Executives of the Company.

### B. Activities of the NRC carried out during the reporting period

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- a. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- b. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- c. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- d. Reviewed the Company's existing Human Resource and Training policies.



## Dividend Distribution Policy

### 1.0 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

### 2.00 Definitions

“the Act” means Companies Act 1994

“the Company” means Monno Ceramic Industries Limited.

“AGM” means Annual General Meeting

“Board” means Board of Directors of Monno Ceramic Industries Limited.

“Shareholders” means Members whose name is registered in the Member Register of the Company.

“Shares” means Ordinary Equity Shares.

### 3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

### 4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

- **Interim** dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- **Final** dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

### 5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);



- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.  
Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.  
In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

#### 6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

##### 6.01 External Factors:

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

##### 6.02 Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.





Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

#### 7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

#### 8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

#### 9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

#### 10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

##### 10.01 May Expect Dividend:

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

##### 10.02 May Not Expect Dividend:

- Non availability of profits for dividend distribution
- Funds available for dividend but need to be conserved due to:
  - Business needs;
  - Adverse economic /market scenario expected in near future;
  - Augmenting internal resources.



#### 11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.monno-group.com](http://www.monno-group.com)

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

#### 12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 10th February, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

#### 13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.



**Status of Compliance  
( Under condition No. 1(5)(xxvii) of CGC)**

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>1.0</b>	<b>Board of Directors</b>			
1.1	Board Size (minimum - 5 and maximum - 20)	✓		Board of Directors comprises of 6 Directors including 01 Independent Directors. But financial year 2020-2021 ID was 02. ( One ID resigned on 26.08.2021).
<b>1.2</b>	<b>Independent Directors</b>			
1.2 (a)	1/5th of total as Independent Director (ID)	✓		
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	✓		Does not hold any share of the Company.
1.2 (b) (ii)	Not a Sponsor of the Company	✓		
1.2 (b) (iii)	Who has not been an executive of the company	✓		
1.2 (b) (iv)	Does not have other relationship	✓		
1.2 (b) (v)	Not a Member or TREC, Director or Officer of any Stock Exchange	✓		
1.2 (b) (vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	✓		
1.2 (b) (vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	✓		
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	✓		
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	✓		
1.2 (b)(x)	Not convicted for a Criminal Offence	✓		
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	✓		One Independent director (Mr. Md. Nazmus Saadat) retired on 26.08.2021.
1.2 (d)	Post cannot remain vacant more than 90 days.	✓		
1.2 (e)	Tenure of the Independent Director.	✓		
<b>1.3</b>	<b>Qualification of Independent Director</b>			
1.3(a)	Independent Director shall be a knowledgeable individual.	✓		





1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.	✓		
1.(3)(b)(ii)	Should be a Corporate Leader/Business Leader.	✓		
1(3)(b)(iii)	Former official of government.			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.			N/A
1 (3) ( c )	The independent director shall have at least 10(ten) years of experiences.	✓		
1 (3) ( d )	Relaxation in special cases.			No such deviation occurred.
<b>1.4</b>	<b>Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	✓		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	✓		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	✓		
1(4)(e)	In absence of Chairperson of the Board etc.			N/A
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	Industry outlook and possible future developments in the industry.	✓		
1(5)(ii)	Segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns including internal and external risk factor.	✓		
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	✓		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	✓		
1(5)(vi)	Detailed discussion and statement on related party transactions.	✓		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing,			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			No such event arose.
1(5)(x)	Remuneration to Directors including Independent Director.	✓		





1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		The Statutory Auditor given qualified opinion.
1(5)(xii)	Proper books of account of the issuer company have been maintained.	✓		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1(5)(xiv)	International Accounting Statement (IAS) or International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any Departure there-from has been adequately disclosed.	✓		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	✓		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.			No such event arose.
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	✓		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the Year, the reasons there of shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		Disclosed in the audited financial statements Note No: 35 but not separately disclosed in the Directors' report.
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	✓		
1(5)(xxiii)(c)	Executives	✓		





1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5) (xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	✓		
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas.	✓		
1(5) (xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the board.	✓		
<b>1(5) (xxv)</b>	<b>Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and</b>			
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statements.	✓		
1(5)(xxv) (b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.			N/A
1(5)(xxv) (c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons.	✓		
1(5)(xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	✓		
1(5)(xxv) (e)	Briefly explain the financial and economic scenario of the country and globe.	✓		
1(5)(xxv) (f)	Risks and concerns issues related to the financial statements.	✓		
1(5)(xxv) (g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi) )	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	✓		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed.	✓		
<b>1(6)</b>	<b>Meeting of the Board of Directors</b>			
1(6)	Compliance under Bangladesh Secretarial Standards	✓		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior...		✓	Under Process
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.			N/A





2(b)	Independent Director of holding company also in the subsidiary company.			N/A
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			N/A
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary</b>			
<b>3.1</b>	<b>Appointment</b>			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	✓		
3(1)(b)	The positions of the MD, CEO, CS, CFO & HIAC shall be filled by different individuals.	✓		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	✓		
<b>3.2</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
3 (2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	✓		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance.	✓		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	✓		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4</b>	<b>Board of Directors' Committee</b>			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee	✓		
<b>5</b>	<b>Audit Committee</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors</b>			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	✓		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	✓		





5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	✓		
<b>5.2</b>	<b>Constitution of the Audit committee</b>			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non- executive director.	✓		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	✓		
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold ....	✓		
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	✓		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	✓		
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	✓		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	✓		
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	✓		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	✓		
<b>5.5</b>	<b>Role of the Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	✓		
5(5)(d)	Performance of external auditors.	✓		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	✓		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	✓		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	✓		
5(5)(h)	The review adequacy of internal audit function.	✓		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	✓		
5(5)(j)	Review statement of all related party transactions submitted by the Mgt.	✓		







5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	✓		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			N/A
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5.6 (a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests.			No such incidence arose.
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			No such incidence arose.
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			No such incidence arose.
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such incidence arose.
<b>5.6 (b)</b>	<b>Reporting to the Authorities</b>			
<b>5.7</b>	<b>Reporting to the Shareholders and General Investors</b>			
5(7)	Reporting to the Shareholders and General Investors	✓		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	✓		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	✓		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	✓		
<b>6.2</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	✓		
6(2)(b)	All members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	✓		
6(2)(d)	Board have authority to remove and appoint any member of the committee.	✓		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	✓		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	✓		
6(2)(g)	The company secretary shall act as the secretary of the committee.	✓		





6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	✓		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium from the company.	✓		
<b>6.3</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	✓		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	✓		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	✓		
<b>6.4</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	✓		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.			To be complied if necessary.
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	✓		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	✓		
<b>6.5</b>	<b>Role of NRC</b>			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	✓		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	✓		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	✓		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	✓		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	✓		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	✓		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	✓		





7	<b>External or Statutory Auditors</b>			
7(1)	Issuer company shall not engage its external auditors to perform the following:	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions.	✓		
7(1)(ii)	Financial information systems design and implementation.	✓		
7(1)(iii)	Book keeping or other service related to the account ion records.	✓		
7(1)(iv)	Broker-dealer services	✓		
7(1)(v)	Actuarial services	✓		
7(1)(vi)	Internal/special audit services.	✓		
7(1)(vii)	Any services that the Audit Committee may determine.	✓		
7(1)(viii)	Certification services on compliance of corporate governance as required under condition No 9(1).	✓		
7(1)(ix)	Any other service that may create conflict of interest.	✓		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	✓		
7(3)	Representative of External Auditors shall remain present in the AGM.	✓		
8	<b>Maintaining a website by the company</b>			
8(1)	The company shall have an official website linked with that of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	✓		
9	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate. Governance and such certificate shall be disclosed in the Annual Report	✓		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure- C attached, in the directors report whether the company has complied with these conditions or not.	✓		





**Independent Auditor's Report  
To the Shareholders of  
Monno Ceramic Industries Limited  
Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of **Monno Ceramic Industries Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2021, and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, of the financial position of the company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Qualified Opinion**

1. The revaluation of Property Plant & Equipment of **Monno Ceramics Industries Limited** was done in year 2011. No revaluation has been commensurate till the date of reporting. so it is not understandable whether the Property Plant & Equipment are presented at fair value.
2. As disclosed in note # 21.01, the Company has shown an amount of Tk. 16,092,656 as liabilities for WPPF & WWF which includes prior years' amount of Tk. 15,585,032 that has not been paid by the Company to the Fund. As per section 234 (b) of Labor Act, 2006 the company should pay the amount to the WPPF & WWF not later than nine months from the end of the respective year. Further, the company did not make any interest provision for the utilization of fund balance as per section 240 (2) of the said Act.

**Emphasis of Matter**

1. As disclosed in note # 15.00, the Company has shown an amount of Tk. 9,531,902 as deferred liabilities for account of Gratuity as on 30.06.2021. Provision was continued till 31.08.2007 after which gratuity was discontinued by the management. The provision remains unadjusted till reporting date.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<b>Revenue Recognition</b>	
<p>At year end the company reported total revenue of BDT 706,770,914.</p> <p>The company manufactures and sales a number of products for customers. The company has adopted IFRS 15 and reviews its sales contracts for determining the principles for recognizing revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> <li>➤ Obtaining an understanding of the various revenue streams and nature of sales contracts entered into by the company.</li> <li>➤ Evaluated the design of the internal controls relating to identification of performance obligations and determining timing of revenue recognition.</li> <li>➤ Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operational effectiveness of the internal controls in relation to the identification of performance obligations and timing of revenue recognition.</li> <li>➤ Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.</li> </ul>
<b>Please see note no. 22.00 to the statement of profit or loss &amp; other comprehensive income.</b>	
<b>Valuation of Inventories</b>	
<p>As at 30 June 2021, the inventory of Tk. 371,312,542 was held in the factory.</p> <p>Inventories are carried at the lower of cost and net realizable value.</p> <p>As a result, the management applies judgement in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:</p> <ul style="list-style-type: none"> <li>➤ Evaluating the design and implementation of key inventory controls operating across the factory.</li> <li>➤ Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy</li> </ul>



Risk	Our response to the risk
<p>valuation, the valuation of inventory was significant to our audit.</p>	<p>of data</p> <ul style="list-style-type: none"> <li>➤</li> <li>➤ Reviewing the requirements of inventory provisioning and action there upon by the management.</li> <li>➤ Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of the sample of inventories.</li> </ul>
<p><b>Please see note no. 5.00 to the financial statements</b></p>	
<p><b>Valuation of Property, Plant and Equipment</b></p>	
<p>The carrying value of the PPE is Tk. 563,829,217 as at 30 June, 2021. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of useful life of the assets is a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <li>➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</li> <li>➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year.</li> <li>➤ We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified.</li> <li>➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, physical condition of the assets and its uses.</li> <li>➤ We checked whether the depreciation</li> </ul>



Risk	Our response to the risk
	of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.
<b>Please see note no. 3.00 to the financial statements</b>	
<b>Long Term Loan &amp; Short Term Borrowings</b>	
<p>As at 30 June 2021, the reported amount of total long-term loan and Short-term Borrowings is Tk. 205,311,160(Current &amp; Non-current portion) &amp; Tk. 424,858,141respectively. The company borrowed fund from various Bank for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import &amp; export that may result in short-term cash flow crisis.</p>	<p>We have tested the design and operatingeffectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan.</li> <li>➤ We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately. We also submit the balance confirmation to the respective banks and financial institutions</li> <li>➤ We also checked the financial expenses and classification of loan and repayment schedule as well.</li> <li>➤ We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.</li> </ul>
<b>Please see note no. 13.02 &amp; 16.00 to the financial statements</b>	
<b>Recoverability Assessment of Trade Receivable</b>	
<p>The total amount of trade receivable is Tk. 146,928,375at 30 June, 2021. There are significant largenumber of individual dealers, institution and foreign customers. Customers in</p>	<p>Our audit procedures of assess the recoverability of trade receivables including the following:</p>



Risk	Our response to the risk
<p>different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Accordingly, we identified the recoverability of trade receivables as a key audit matter because of the significance of trade receivables to Company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<ul style="list-style-type: none"> <li>➤ Tested the accuracy of aging of Trade receivable at year end on a sample basis;</li> <li>➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;</li> <li>➤ Assessing the classification of trade receivables in the trade receivable ageing report by comparison with sales invoice and other underlying documentation on a test basis;</li> <li>➤ Assessed the recoverability of the receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers; and</li> <li>➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at 30 June 2021;</li> </ul>
<p><b>Please see note no.6.00 to the financial statements</b></p>	

**Other Matter**

The financial statements of the company for the year ended June 30, 2020 were audited by another auditor, who through their report dated October 28, 2020 expressed qualified opinion on those statements and we observed that those points have remained unattended except qualified opinion no. 1.

**Other Information**

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.





### **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements we are responsible for the direction, supervision and performance of the company audit. We solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

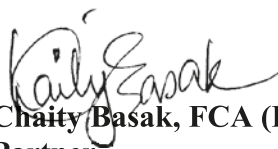
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

In accordance with The Companies Act 1994, The Securities and Exchange Rules 1987, relevant notifications issues by Bangladesh Securities and Exchange Commission and Financial Reporting Council Bangladesh guideline, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.



  
**Chaity Basak, FCA (Enrol #1772)**  
**Partner**  
**Shiraz Khan Basak & Co.**  
**Chartered Accountants**  
**DVC: 2111041772AS581290**

**Dated: Dhaka, November 04, 2021**



**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

Particulars	Notes	30.06.2021	30.06.2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>		<b>2,302,131,931</b>	<b>2,267,711,975</b>
Property, Plant and Equipment - At cost Less Depreciation	Schedule- A	2,189,591,931	2,155,171,975
Investments	4.00	112,540,000	112,540,000
<b>CURRENT ASSETS</b>		<b>934,864,279</b>	<b>903,231,708</b>
Inventories	5.00	371,312,542	362,238,130
Trade and Other Receivables	6.00	146,928,375	137,372,003
Advance, Deposits & Pre-payments	7.00	51,345,753	38,195,163
Advance Income Tax	8.00	203,535,526	193,656,587
Group Current Account	9.00	153,115,311	160,115,311
Cash and Cash Equivalents	10.00	8,626,772	11,654,514
<b>TOTAL ASSETS</b>		<b>3,236,996,210</b>	<b>3,170,943,683</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>		<b>2,164,410,250</b>	<b>2,137,886,666</b>
Share Capital	11.00	377,243,170	359,279,210
Total Reserve & Surplus	12.00	1,787,167,080	1,778,607,456
<b>NON-CURRENT LIABILITIES</b>		<b>325,004,595</b>	<b>354,856,799</b>
Long Term Loan (Secured)	13.02	130,443,160	134,248,919
Deferred Tax Liability	14.00	185,029,533	211,075,978
Deferred Liability	15.00	9,531,902	9,531,902
<b>CURRENT LIABILITIES</b>		<b>747,581,365</b>	<b>678,200,218</b>
Long Term Loan (Current Portion)	13.02	74,868,000	74,868,000
Short Term Borrowings	16.00	424,858,141	344,381,724
Trade & other Payables	17.00	113,022,591	125,093,996
Accrued Expenses	18.00	13,975,040	14,195,773
Unclaimed Dividend	19.00	2,486,823	3,217,671
Provision for Income Tax	20.00	77,219,852	74,935,544
Liabilities for other Finance	21.00	41,150,918	41,507,509
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,236,996,210</b>	<b>3,170,943,683</b>
<b>Net Assets Value per share (Restated)</b>	28.00	<b>57.37</b>	<b>59.50</b>

The annexed Notes from 1.00 to 37.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28.10.2020 and were signed on its behalf by:

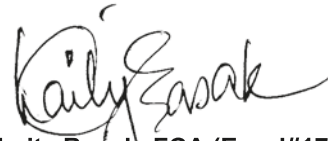
  
(NASIR UDDIN, FCS)  
COMPANY SECRETARY

  
(RASHEED MYMUNUL ISLAM)  
MANAGING DIRECTOR

  
(AFROZA KHAN)  
CHAIRMAN

Subject to our separate report of even date.



  
Chaity Basak, FCA (Enrol#1772)  
Partner  
Shiraz Khan Basak & Co.  
Chartered Accountants  
DVC: 2111041772AS581290

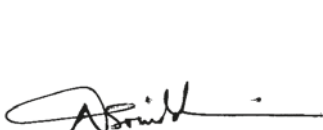
Dated: Dhaka, November 04, 2021



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	Notes	30.06.2021	30.06.2020
<b>Revenue</b>	22.00	706,770,914	602,380,125
Cost of Goods Sold	23.00	(574,864,051)	(492,171,629)
<b>Gross Profit</b>		<b>131,906,863</b>	<b>110,208,496</b>
<b>Operating Expenses</b>		<b>(51,479,710)</b>	<b>(53,291,714)</b>
Administrative Expenses	24.00	(34,051,145)	(37,555,497)
Selling and Distribution Expenses	25.00	(17,428,565)	(15,736,217)
<b>Profit from Operations</b>		<b>80,427,153</b>	<b>56,916,782</b>
Finance cost	26.00	(69,809,989)	(66,464,450)
Other Income	27.00	42,941	28,387,011
<b>Net Profit Before Contribution to WPPF</b>		<b>10,660,105</b>	<b>18,839,343</b>
Contribution to WPPF & WWF	21.01	(507,624)	(897,112)
<b>Net Profit Before Tax</b>		<b>10,152,481</b>	<b>17,942,232</b>
Income Tax Provision	20.00	(2,284,308)	(4,485,558)
Deferred Tax Income/(Expenses)	14.02	26,046,445	4,646,284
<b>Net Profit after Tax</b>		<b>33,914,618</b>	<b>18,102,958</b>
<b>Earnings per share (Restated)</b>	29.00	<b>0.90</b>	<b>0.50</b>

The annexed Notes from 1.00 to 37.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28.10.2020 and were signed on its behalf by:


  
(NASIR UDDIN, FCS)  
COMPANY SECRETARY

  
(RASHEED MYMUNUL ISLAM)  
MANAGING DIRECTOR

  
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Chaity Basak, FCA (Enrol#1772)  
Partner  
Shiraz Khan Basak & Co.  
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DVC: 2111041772AS581290

Dated: Dhaka, November 04 , 2021



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2021**

**For the Year-2020-2021**

Particulars	Share Capital	Dividend Equalization Reserve	General Reserve	Capital Reserve	Revaluation Reserve	Retained Earning	Total Reserve & Surplus	Total
Balance, July 01, 2020	359,279,217	21,700,000	149,491,999	9,081,550	1,646,068,778	(47,734,871)	1,778,607,456	2,137,886,673
Depreciation on Revaluation of Assets	-	-	-	-	(20,306,064)	20,306,064	-	-
Net Profit for the year	-	-	-	-	-	33,914,618	33,914,618	33,914,618
Bonus share issued during the year	17,963,959.85	-	-	-	-	(17,963,960)	(17,963,960)	-
Cash Dividend declared during the year	-	-	-	-	-	(7,391,033)	(7,391,033)	(7,391,033)
<b>At the end of the year</b>	<b>377,243,177</b>	<b>21,700,000</b>	<b>149,491,999</b>	<b>9,081,550</b>	<b>1,625,762,714</b>	<b>(18,869,182)</b>	<b>1,787,167,081</b>	<b>2,164,410,258</b>

**For the Year-2019-2020**

Particulars	Share Capital	Dividend Equalization Reserve	General Reserve	Capital Reserve	Revaluation Reserve	Retained Earning	Total Reserve & Surplus	Total
Balance, July 01, 2019	326,617,470	21,700,000	149,491,999	9,081,550	1,667,328,569	(21,774,126)	1,825,827,992	2,152,445,462
Depreciation on Revaluation of Assets	-	-	-	-	(21,259,791)	21,259,791	-	-
Net Profit for the year	-	-	-	-	-	18,102,958	18,102,958	18,102,958
Bonus share issued during the year	32,661,747	-	-	-	-	(32,661,747)	(32,661,747)	-
Cash Dividend declared during the year	-	-	-	-	-	(32,661,747)	(32,661,747)	(32,661,747)
<b>At the end of the year</b>	<b>359,279,217</b>	<b>21,700,000</b>	<b>149,491,999</b>	<b>9,081,550</b>	<b>1,646,068,778</b>	<b>(47,734,871)</b>	<b>1,778,607,456</b>	<b>2,137,886,673</b>

The annexed Notes from 1.00 to 37.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28.10.2020 and were signed on its behalf by:


  
(NASIR UDDIN, FCS)  
COMPANY SECRETARY

  
(RASHEED MYMUNDUL ISLAM)  
MANAGING DIRECTOR

  
(AFROZA KHAN)  
CHAIRMAN

Subject to our separate report of even date.



  
Chaity Basak, FCA (Enrol#1772)  
Partner  
Shiraz Khan Basak & Co.  
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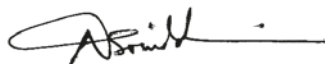
Dated: Dhaka, November 04, 2021



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

Particulars	Notes	30.06.2021	30.06.2020
<b>Cash Flows from Operating Activities:</b>	34.00	<b>9,977,172</b>	<b>7,850,270</b>
Cash Receipts from Customers	31.00	697,214,542	611,639,832
Cash Receipts from Others	27.00	42,941	28,387,011
Cash Paid to Suppliers	32.00	(551,977,735)	(490,135,704)
Cash paid to Employees and Others	33.00	(57,161,754)	(66,765,643)
Income Tax Expenses	8.00	(9,878,939)	(10,504,752)
Interest Paid	26.00	(68,261,882)	(64,770,474)
<b>Cash Flows from Investing Activities:</b>		<b>81,553,690</b>	<b>-</b>
Acquisition of Property, Plant and Equipment	3.00	81,553,690	-
<b>Cash Flows from Financing Activities:</b>		<b>68,548,777</b>	<b>(11,470,047)</b>
Increase/ (Decrease) in Long Term Borrowings		(3,805,759)	(12,230,029)
Increase/ (Decrease) in Short Term Borrowings		80,476,417	34,750,842
Dividend Paid	19.00	(8,121,881)	(33,990,860)
<b>Increase/(Decrease) in cash &amp; cash equivalents</b>		<b>(3,027,741)</b>	<b>(3,619,776)</b>
Cash and Cash Equivalents at Beginning of year		11,654,514	15,274,290
<b>Cash and Cash Equivalents at end of year</b>	10.00	<b>8,626,772</b>	<b>11,654,514</b>
<b>Net operating cash flows per share (Restated)</b>	30.00	<b>0.26</b>	<b>0.22</b>

The annexed Notes from 1.00 to 37.00 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 28.10.2020 and were signed on its behalf by:


  
(NASIR UDDIN, FCS)  
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Shiraz Khan Basak & Co.  
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DVC: 2111041772AS581290

Dated: Dhaka, November 04 , 2021



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1.00 COMPANY AND ITS ACTIVITIES**

**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 registered office of 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.

The 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) as well as those standards and disclosures recommended by IASs and as applicable to the company.

The Management is responsible for the preparing and presenting the financial statements including adequate disclosures, Who approved and authorized for issue of these financial statements.

The Following IASs are applicable for the financial statement under audit:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
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 32	Financial Instruments : Presentation
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments : Recognition and Measurement
IFRS 7	Financial Instruments : Disclosures
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Lease



**2.02 Fundamental Accounting Concepts/Assumption**

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

**2.03 Net profit before tax:**

Net profit before tax for the year were not materially affected by:

- a) transaction of a nature not usually undertaken by the company;
- b) circumstances of an exceptional or non-recurring nature;
- c) charges of credits relating to prior years; and
- d) changes in accounting policies.

**2.04 Reporting Currency and Level of Precision**

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

**2.05 Reporting Period**

Financial statements cover one year from 1st July 2020 to 30 June, 2021.

**2.06 Comparative Information**

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Comparative information is reclassified and rearranged, wherever necessary, to conform to the current presentation.

**2.07 Historical Cost Profit and Losses**

There was no extraordinary item, hence there was no difference in profit on ordinary activities before taxation and the net profit before tax. In addition, there was no revaluation of fixed assets in previous years and during the year under review. 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.

**2.08 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. The recommendation of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

**2.09 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 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. Interest during construction period have been capitalized as required by IAS-23. Expenditure incurred after the assets have been put into operation, Repairs & maintenance is normally charged 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. During the year there was no such addition of PPE

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





## 2.10 Depreciation of Property, Plant & Equipment

Property, Plant & Equipment are valued at cost less accumulated depreciation. Depreciation has been charged on additions from the date when the related assets are put into use. No depreciation has been charged on land and land development during the year. Depreciation on Property, Plant & Equipment is computed using the Reducing Balance Method.

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.

Particulars	2020-2021	2019-2020
Building and other Constructions	2.5%	2.5%
Plant, Machinery & Equipment	5%	5%
Vehicles	10%	10%
Furniture & Fixtures	10%	10%
Sundry Assets	10%	10%

## 2.11 Impairment of Assets

Property, Plant & Equipment have been reviewed and it was confirmed by the management that no such impairment of Property, Plant & Equipment is verified during the year. For this reason no provision has been made for impairment of assets.

## 2.12 Revenue Recognition

In compliance with the requirements of IFRS 15 : Revenue from Contracts with Customers, 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.

## 2.13 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.

## 2.14 Taxation:

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).

## 2.15 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 the Company without any restriction and there was no significant risk of changes in value of these current assets.

## 2.16 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". Reconciliation of items shown in cash flow from operating activities have been shown in notes.



**2.17 Transactions in Foreign Currencies**

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

**2.18 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.

**2.19 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.

**2.20 Earning Per Share (EPS)**

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

Sales Revenue of the Company has decreased from the last year for COVID-19 as such the Net Profit after Tax has decreased. Therefore, The Earnings Per Share (EPS) has decreased from the last year which is shown on note-29.

**2.21 Net Asset Valu (NAV) Per Share**

The Company has calculated deferred tax and restated the account during the year, as a result current liabilities of the company has increased significantly. Therefore, Net Asset Value (NAV) Per Share decreased from the last Financial year.

**2.22 Net Operating Cash Flow (NOCF)Per Share**

Cash Flow of the Company has decreased due to payment to the Suppliers, Employee & Others has increased from the last financial year. Therefore, Net Operating Cash Flow (NOCF) per share has decreased during the financial yar ended June 30, 2020.



**3.00 PROPERTY, PLANT & EQUIPMENT:**

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

**Schedule-A**

Particulars	C O S T		D E P R E C I A T I O N				Written down Value as on 30.06.2021	Written down Value as on 30.06.2020
	Balance as on 01.07.2020	Addition during the Year	Balance as on 30.06.2021	Balance as on 01.07.2020	Charged during the Year	Rate		
Land & Land Development	26,527,530	-	26,527,530	-	-	0.00%	-	26,527,530
Building and Other Construction	239,384,976	3,941,669	243,326,645	181,401,256	1,548,135	2.50%	182,949,391	60,377,254
Plant, Machinery and Equipment	1,097,091,703	635,099	1,097,726,802	734,741,250	18,149,278	5.00%	752,890,528	344,836,274
Vehicles	46,747,550	-	46,747,550	16,914,966	2,983,258	10.0%	19,898,224	26,849,326
Furniture and Fixtures	9,543,256	-	9,543,256	8,359,824	118,343	10.0%	8,478,167	1,065,089
Sundry Assets	60,112,386	9,061,081	69,173,467	28,886,908	4,028,656	10.0%	32,915,564	36,257,903
CWIP	-	67,915,841	67,915,841	-	-	-	-	67,915,841
<b>Sub Total</b>	<b>1,479,407,401</b>	<b>81,553,690</b>	<b>1,560,961,091</b>	<b>970,304,204</b>	<b>26,827,670</b>		<b>997,131,874</b>	<b>563,829,217</b>

**AT REVALUATION:**

Land & land development	1,154,722,470	-	1,154,722,470	-	-	0.00%	-	1,154,722,470
Building and other construction	203,500,193	-	203,500,193	33,050,143	4,261,251	2.50%	37,311,394	166,188,799
Plant, machinery and equipment	459,514,707	-	459,514,707	138,618,449	16,044,813	5.00%	154,663,262	304,851,445
<b>Sub Total</b>	<b>1,817,737,370</b>	<b>-</b>	<b>1,817,737,370</b>	<b>171,668,592</b>	<b>20,306,064</b>		<b>191,974,656</b>	<b>1,625,762,714</b>
<b>Total as on 30.06.2021</b>	<b>3,297,144,771</b>	<b>81,553,690</b>	<b>3,378,698,461</b>	<b>1,141,972,796</b>	<b>47,133,734</b>		<b>1,189,106,530</b>	<b>2,189,591,931</b>

**Notes:**

3.02 Depreciation has been charged as below:

Particulars	Notes	30.06.2021
Conversion cost	23.01.2	44,032,133
Administrative expenses	24.00	2,983,258
Selling & distribution expenses	25.00	118,343
		<b>47,133,734</b>



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**4.00 INVESTMENTS:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Investment in shares	4.01	112,540,000	112,540,000
Add: Provision against Investment		-	-
		<b>Taka 112,540,000</b>	<b>112,540,000</b>

**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. The transaction rate @ BDT 30.60 as disclosed per share respectively in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. as on June 30, 2021.

**5.00 INVENTORIES:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Raw & other auxiliary materials	5.01 & 23.01.1	161,059,373	142,210,318
Finished goods	5.02 & 23.00	42,807,215	54,773,238
Stores & spares	5.03	35,952,677	37,702,513
Work-in-process	5.04 & 23.01	116,738,327	126,888,034
Materials-in-transit	5.05	14,754,950	664,027
		<b>Taka 371,312,542</b>	<b>362,238,130</b>

**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:

Particulars	Notes	30.06.2021	30.06.2020
Export bills receivable (secured )	6.01	65,369,005	44,991,541
Cash Incentive (secured )	6.02	25,130,180	18,194,388
Parties/Institutions	6.03	56,429,190	74,186,074
		<b>Taka 146,928,375</b>	<b>137,372,003</b>

**6.01 EXPORT BILLS RECEIVABLE (SECURED):**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening Balance		44,991,541	66,669,988
Add: Addition during the year	22.00	140,557,926	111,179,216
		<b>185,549,467</b>	<b>177,849,204</b>
Less: Collection during the year	31.00	120,180,462	132,857,663
<b>Closing Balance</b>		<b>65,369,005</b>	<b>44,991,541</b>

**6.02 DUTY DRAW BACK / CASH INCENTIVE (SECURED):**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening Balance		18,194,388	13,473,992
Add: Addition during the Year	22.00	14,055,792	11,412,396
		<b>32,250,180</b>	<b>24,886,388</b>
Less: Collection during the year	31.00	7,120,000	6,692,000
<b>Closing Balance</b>		<b>25,130,180</b>	<b>18,194,388</b>



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**6.03 PARTIES/INSTITUTIONS:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening Balance		74,186,074	55,075,334
Add: Addition during the Year	22.00	552,157,196	491,200,909
		<b>626,343,270</b>	<b>546,276,243</b>
Less: Collection during the year	31.00	569,914,080	472,090,169
<b>Closing Balance</b>		<b>56,429,190</b>	<b>74,186,074</b>

**6.03.1 Ageing of Accounts Receivable:**

Duration	30.06.2021	30.06.2020
0-1 Month	6,889,219	6,791,182
1-2 Months	12,048,463	11,946,138
2-3 Months	5,365,486	8,109,549
3-4 Months	5,283,041	8,985,627
4-5 Months	2,565,646	12,980,819
5-6 Months	2,736,473	4,429,461
6-12 Months	10,779,982	6,274,284
Over 12 Months	10,760,880	14,669,014
	<b>Taka</b>	
	<b>56,429,190</b>	<b>74,186,074</b>

**6.04** The amount due from parties / institutions are considered good.

**6.05** 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:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
<b>i) ADVANCES:</b>			
Advance against purchase/supplies/others	7.01	36,300,897	19,479,486
Advance rent, rates & taxes		2,114,732	2,114,732
Other advances		2,632,608	3,637,584
		<b>41,048,237</b>	<b>25,231,802</b>
<b>ii) DEPOSITS :</b>			
Security deposits		10,286,856	10,286,856
Value Added Tax		10,660	2,676,505
		10,297,516	12,963,361
	<b>Taka</b>	<b>51,345,753</b>	<b>38,195,163</b>

**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.

**8.00 ADVANCE INCOME TAX:**

**8.01** The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening Balance		193,656,587	183,151,835
Add: Addition During the Year		9,878,939	10,504,752
<b>Closing Balance</b>	8.02	<b>203,535,526</b>	<b>193,656,587</b>

**8.02** Year-wise break up:

Accounting Year	Assessment Year	30.06.2021	30.06.2021
Opening Balance		155,685,916	155,685,916
2016-2017	2017-2018	13,380,692	13,380,692
2017-2018	2018-2019	10,423,139	10,423,139
2018-2019	2019-2020	3,662,088	3,662,088
2019-2020	2020-2021	10,504,752	10,504,752
2020-2021	2021-2022	9,878,939	-
	<b>Taka</b>	<b>203,535,526</b>	<b>193,656,587</b>



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**9.00 GROUP CURRENT ACCOUNT:**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
Monno Attire Ltd.	92,444,322	92,444,322
Monno Fabrics Ltd.	61,697,000	61,697,000
Monno Medical College & Hospital	2,400,902	2,400,902
Monno Agro & General Machinery Ltd.	(1,037,263)	962,737
Monno Welfare Foundation	(2,389,650)	2,610,350
<b>Taka</b>	<b>153,115,311</b>	<b>160,115,311</b>

**10.00 CASH AND CASH EQUIVALENTS:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
a. Cash in hand	10.01	2,138,210	2,002,917
b. Cash at banks	10.02	<b>4,910,523</b>	<b>8,106,188</b>
In current accounts		4,767,960	7,958,992
In STD accounts		142,563	147,196
c. Foreign currency retention account, with Sonali Bank Ltd, LO, Dhaka		1,578,039	1,545,409
<b>Taka</b>		<b>8,626,772</b>	<b>11,654,514</b>

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

10.02 The above bank balances have been confirmed with respective bank statement balances as on 30.06.2021. The above balances were held and available for use by the company without any restriction.

**11.00 SHARE CAPITAL:**

Particulars	30.06.2021	30.06.2020
<b>AUTHORIZED CAPITAL:</b>		
100,000,000 Ordinary shares of Tk. 10.00 each	<b>Taka 1,000,000,000</b>	<b>1,000,000,000</b>

**11.01 ISSUED, SUBSCRIBED & PAID UP CAPITAL:**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
90,00,000 Ordinary shares of Taka 10.00 each fully paid in cash.	90,000,000	90,000,000
1,12,50,000 Ordinary shares of Taka 10.00 each fully paid as bonus.	112,500,000	112,500,000
23,07,690 Ordinary shares of Taka 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	13,703,300	13,703,300
11,96,401 Ordinary shares of Taka 10.00 each fully paid as bonus.	11,964,010	11,964,010
75,373,26 Ordinary shares of Taka 10.00 each fully paid as bonus.	75,373,260	75,373,260
32,661,74 Ordinary shares of Taka 10.00 each fully paid as bonus.	32,661,740	32,661,740
17,93,936 Ordinary shares of Taka 10.00 each fully paid as bonus.	17,963,960	-
<b>Taka</b>	<b>377,243,170</b>	<b>359,279,210</b>

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

Particulars	30.06.2021		30.06.2020	
	No. of shares	%	No. of shares	%
Sponsors and Directors	21,720,200	57.58	20,685,913	57.58
Institutions	2,280,692	6.05	1,756,875	4.89
General public	13,705,608	36.33	13,445,613	37.42
Foreign investors	3,123	0.01	2,487	0.01
Non Resident investors	14,694	0.04	37,033	0.10
<b>Total</b>	<b>37,724,317</b>	<b>100</b>	<b>35,927,921</b>	<b>100</b>



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

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

Range of Holdings in number of shares	No. of Share holders		No. of Shares		Holding %	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
1 to 499	9,538	9,995	1,458,017	1,351,558	3.86	3.76
500 to 5,000	4,480	4,122	6,539,039	5,746,276	17.33	15.99
5,001 to 10,000	312	325	2,188,053	2,191,836	5.8	6.10
10,001 to 20,000	157	119	2,167,365	1,658,020	5.75	4.61
20,001 to 30,000	24	32	598,906	795,307	1.59	2.21
30,001 to 40,000	11	9	374,522	309,601	0.99	0.86
40,001 to 50,000	4	6	178,355	291,800	0.47	0.81
50,001 to 100,000	11	11	716,698	741,578	1.9	2.06
100,001 to 1,000,000	8	9	2,539,896	2,876,733	6.73	8.01
Over 1,000,000	3	3	20,963,466	19,965,212	55.57	55.57
<b>Total</b>	<b>14,548</b>	<b>14,631</b>	<b>37,724,317</b>	<b>35,927,921</b>	<b>100</b>	<b>100</b>

**(c) Market Price:**

The Shares of the company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and quoted @Tk.117.30 and @Tk118.00 per share respectively in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. as on June 30, 2021.

**12.00 TOTAL RESERVES & SURPLUS:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Dividend Equalization Reserve		21,700,000	21,700,000
General Reserve	12.01	149,491,999	149,491,999
Capital Reserve		9,081,550	9,081,550
Revaluation Reserve	12.02	1,625,762,714	1,646,068,778
Retained Earnings as of June 30,2020	12.01	(18,869,182)	(47,734,871)
	<b>Taka</b>	<b>1,787,167,080</b>	<b>1,778,607,456</b>

12.01 Details of the balance have been shown in the Statement of Changes in Equity.

**12.02 Revaluation Reserve**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening Balance		1,646,068,778	1,667,328,569
Less: Depreciation on Revaluation of Assets	Schedule- A	20,306,064	21,259,791
<b>Closing Balance</b>		<b>1,625,762,714</b>	<b>1,646,068,778</b>

**13.00 LONG TERM LOAN:**

13.01 The break-up of the amount is given below:

Particulars	30.06.2021	30.06.2020
Opening Balance	209,116,919	221,346,948
	<b>20,634,288</b>	<b>28,613,985</b>
Add. Interest during the year	20,602,563	28,559,385
Add. Bank Charge	31,725	54,600
Less: Paid during the year	24,440,047	40,844,014
<b>Closing Balance</b>	<b>205,311,160</b>	<b>209,116,919</b>

13.02 The break-up of the amount is given below:

Particulars	30.06.2021	30.06.2020
Total Long Term Loan	205,311,160	209,116,919
Less: Current Portion which has been shown in current Liabilities	74,868,000	74,868,000
<b>Balance of Long Term Loan</b>	<b>130,443,160</b>	<b>134,248,919</b>



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**13.03 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 Property, Plant & Equipment of the company and personal guarantee of the Directors.

**13.04 Terms of repayment :**

The loans are refundable in installments and the last installment was due on 30.06.2021, which was paid on 30.07.2020.

**13.05 Bank interest :**

Bank interest on the above loan has been charged in "Statement of Profit or Loss and Other Comprehensive Income" as financial costs. (Note: 26.00)

**13.06** Current portion of the above loan has been shown under the head Current Liabilities as required by IAS.

**14.00 DEFERRED TAX LIABILITY:**

The details break-up is made up as follows:

**14.01 DEFERRED TAX LIABILITY:**

<b>Particulars</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
Carrying Value (As per Accounts)	1,008,341,931	973,921,975
Carrying Value (As per Tax Base)	185,988,452	129,618,063
<b>Temporary Difference</b>	<b>822,353,479</b>	<b>844,303,912</b>
Effective Tax Rate	22.5%	25%
<b>Deferred Tax Liability/(Assests)</b>	<b>185,029,533</b>	<b>211,075,978</b>

**14.02 DEFERRED TAX:**

<b>Particulars</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
Opening Balance	211,075,978	215,722,262
Add: Prior year adjustment	-	-
	<b>211,075,978</b>	<b>215,722,262</b>
Less: Adjustment during the year	26,046,445	4,646,284
<b>Closing Balance</b>	<b>185,029,533</b>	<b>211,075,978</b>

**15.00 DEFERRED LIABILITY:**

The amount of tk 9,531,902 represents liability on account of Gratuity as on 30.06.2021 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.

**16.00 SHORT TERM BORROWINGS:**

The details break-up is made up as follows:

<b>16.01 Particulars</b>	<b>Notes</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
Social Islami Bank Limited	16.02	386,568,479	307,901,303
Marcentile Bank Limited	16.03	47,246,089	45,451,848
Sonali Bank Limited	16.04	(8,956,427)	(8,971,427)
		<b>Taka 424,858,141</b>	<b>344,381,724</b>

The balances are secured by first charge on stock in trade and collateral security on the property, plant & equipment 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.

**16.01.02** The above balances are in agreement with the respective bank statements. The details movement is as follows:





monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**16.02 SOCIAL ISLAMI BANK LIMITED:**

Particulars	30.06.2021	30.06.2020
Opening Balance	307,901,303	277,440,410
Add: Receipt during the year	253,150,000	110,480,000
Add: Interest during the year	43,380,768	31,936,100
	<b>604,432,071</b>	<b>419,856,510</b>
Less: Payment during the year	217,863,592	111,955,207
<b>Closing Balance</b>	<b>386,568,479</b>	<b>307,901,303</b>

**16.03 MARCENTILE BANK LIMITED:**

Particulars	30.06.2021	30.06.2020
Opening Balance	45,451,848	41,164,399
Add: Interest during the year	4,278,551	4,274,989
Add: Bank Charge during the year	15,690	12,460
	<b>49,746,089</b>	<b>45,451,848</b>
Less: Payment during the year	2,500,000	-
<b>Closing Balance</b>	<b>47,246,089</b>	<b>45,451,848</b>

**16.04 SONALI BANK LIMITED:**

Particulars	30.06.2021	30.06.2020
Opening Balance	(8,971,427)	(8,973,927)
Less: Payment during the year	3,810,000	2,877,500
Add: Bank Charge during the year	15,000	-
	<b>(5,146,427)</b>	<b>(6,096,427)</b>
Add: Receipt during the year	3,810,000	2,875,000
<b>Closing Balance</b>	<b>(8,956,427)</b>	<b>(8,971,427)</b>

**17.00 TRADE & OTHER PAYABLES:**

Trade & Other payables Tk. 113,022,591 represent the Bills Payable against Materials & Utility Service to third parties. The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
Opening Balance	125,093,996	94,843,031
Add: Addition during the year	310,863,523	199,179,877
	<b>435,957,519</b>	<b>294,022,908</b>
Less: Adjustment during the year	322,934,928	168,928,912
<b>Closing Balance</b>	<b>113,022,591</b>	<b>125,093,996</b>

**18.00 ACCRUED EXPENSES:**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
Salaries & Wages payable	13,704,790	13,751,973
Audit Fees	270,250	243,800
Others	-	200,000
<b>Taka</b>	<b>13,975,040</b>	<b>14,195,773</b>

**19.00 UNCLAIMED DIVIDEND:**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
Opening Balance	3,217,671	4,546,784
Add: Cash Dividend 2019-2020	7,391,033	32,661,747
	<b>10,608,704</b>	<b>37,208,531</b>
Less: Dividend payment	8,121,881	33,990,860
<b>Closing Balance</b>	<b>2,486,823</b>	<b>3,217,671</b>

The above amount represents dividend declared and paid to different shareholders from the bank upto the date of Statement of Financial Position.

Cash at banks at reporting date includes dividend amount and Company maintains the regulatory requirement to settle this amount. Due to continuous Covid 19 lockdown the company hereby seeking a time extension upto 21 November, 2021 to transfer unclaimed dividend.



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**20.00 PROVISION FOR INCOME TAX:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening Balance		74,935,544	70,449,986
Add. Provision for the Year	20.01	2,284,308	4,485,558
<b>Closing Balance</b>		<b>77,219,852</b>	<b>74,935,544</b>

**20.01 Provision for the year:**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
a) Regular	2,284,308	4,485,558
b) Minimum	4,240,625	3,614,281
<b>Which ever is higher</b>	<b>4,240,625</b>	<b>4,485,558</b>

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

Accounting Year	Assessment Year	30.06.2021	30.06.2020
Opening Balance		5,958,117	5,958,117
2014-15	2015-16	21,672,607	21,672,607
2015-16	2016-17	903,321	903,321
2016-17	2017-18	1,106,406	1,106,406
2017-18	2018-19	17,767,811	17,767,811
2018-19	2019-20	23,041,724	23,041,724
2019-20	2020-21	4,485,558	4,485,558
2020-21	2021-22	2,284,308	-
		<b>Taka 77,219,852</b>	<b>74,935,544</b>

**21.00 LIABILITIES FOR OTHER FINANCE:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Security deposit		17,528,438	17,528,438
WPPF & WWF	21.01	16,092,656	15,585,032
Tax deducted at source against supply of goods/services		1,070,877	556,972
VAT deducted at source against supply of goods/services		64,229	370,000
Tax deducted from the salary of employees		401,400	328,750
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.		271,515	616,515
Temporary loan Received from Monno Bone China Ltd.		618,803	1,018,803
Temporary loan Received from Mrs. Afroza Khan, (Chairman)		5,100,000	5,500,000
		<b>Taka 41,150,918</b>	<b>41,507,509</b>

**21.01 WPPF & WWF**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
Opening Balance	15,585,032	14,687,920
Add: Contribution to WPPF & WWF	507,624	897,112
<b>Closing Balance</b>	<b>16,092,656</b>	<b>15,585,032</b>

**22.00 REVENUE:**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
A. Local Sales (Net local sales)	552,157,196	491,200,909
B. Export Sales (Net export sales)	140,557,926	111,179,216
C. Cash Incentive	14,055,792	-
<b>D. Total Revenue (A+B+C)</b>	<b>706,770,914</b>	<b>602,380,125</b>



### 23.00 COST OF GOODS SOLD:

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening stock of finished goods		54,773,238	41,153,834
Add: Cost of production	23.01	562,898,028	517,203,429
<b>Total</b>		<b>617,671,266</b>	<b>558,357,263</b>
Less: Closing stock of finished goods	5.00	42,807,215	54,773,238
Less: Duty Drawback against Export	6.02	-	11,412,396
<b>Cost of goods sold</b>		<b>574,864,051</b>	<b>492,171,629</b>

### 23.01 COST OF PRODUCTION:

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening work-in-process		126,888,034	90,370,918
Add: Raw & other auxiliary materials consumed during the year	23.01.1	268,753,295	247,040,243
Add: Conversion cost	23.01.2	283,995,026	306,680,302
<b>Total:</b>		<b>679,636,355</b>	<b>644,091,463</b>
Less: Closing work-in-process	5.00	116,738,327	126,888,034
<b>Cost of production</b>		<b>562,898,028</b>	<b>517,203,429</b>

### 23.01.1 RAW & OTHER AUXILIARY MATERIALS CONSUMED:

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening stock		142,210,318	116,358,865
Add: Purchase during the year		287,602,350	272,891,696
		<b>429,812,668</b>	<b>389,250,561</b>
Less: Closing stock	5.00	161,059,373	142,210,318
<b>Raw &amp; other auxiliary materials consumed during the year</b>		<b>268,753,295</b>	<b>247,040,243</b>

### 23.01.2 CONVERSION COST:

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Salaries & wages		140,186,876	137,474,109
Consumable stores & spares	23.01.3	29,926,922	24,810,932
Office stationary expenses		99,331	104,020
Insurance		3,261,966	3,079,546
Gas consumption		34,550,933	62,897,201
Electricity charges		30,576,910	31,791,417
Oil & lubricants		386,749	320,850
Welfare expenses		81,283	120,910
Uniform & liveries		76,265	114,790
Traveling & conveyance		247,236	170,828
Postage, telegram & telephone		77,380	71,110
Entertainment expenses		355,615	316,851
General expenses		135,427	120,611
Depreciation	Schedule- A	44,032,133	45,287,127
		<b>Taka 283,995,026</b>	<b>306,680,302</b>

### 23.01.3 CONSUMABLE STORES & SPARES CONSUMED:

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Opening stock		37,702,513	32,408,655
Add: Purchase during the year		28,177,086	30,104,790
		<b>65,879,599</b>	<b>62,513,445</b>
Less: Closing stock	5.01	35,952,677	37,702,513
<b>Raw &amp; other auxiliary materials consumed during the year</b>		<b>29,926,922</b>	<b>24,810,932</b>



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**24.00 ADMINISTRATIVE EXPENSES:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Salaries & allowances		20,275,745	17,833,030
Repairs & maintenance		662,914	618,827
Office stationary expenses		112,968	152,865
Power & fuel		629,962	590,890
Traveling & conveyance		287,629	216,905
Postage, telegram & telex		324,334	259,551
Entertainment expenses		245,333	175,119
Auditors remuneration		270,250	243,800
Membership fees & Subscription		895,400	1,877,019
Advertisement & publicity		395,548	195,450
Directors emolument		6,700,000	11,900,000
A G M expenses		56,000	25,690
Books & periodicals		43,590	40,790
Donation		12,500	19,500
Uniform & liveries		15,490	35,500
General expenses		140,224	55,829
Depreciation	Schedule- A	2,983,258	3,314,732
	<b>Taka</b>	<b>34,051,145</b>	<b>37,555,497</b>

**25.00 SELLING & DISTRIBUTION EXPENSES:**

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Salaries & allowances		11,435,974	7,998,719
Repairs & maintenance		116,844	95,145
Office stationary expenses		36,400	39,500
Power & fuel		108,922	225,900
Rent, rates & taxes		828,000	2,903,796
Traveling & conveyance		107,072	101,162
Postage, telegram & telex		101,961	112,390
Entertainment expenses		134,340	120,218
Sample expenses for export		999,232	708,483
Delivery charges		3,143,878	3,023,300
General expenses		297,599	276,112
Depreciation	Schedule- A	118,343	131,492
	<b>Taka</b>	<b>17,428,565</b>	<b>15,736,217</b>

**26.00 FINANCE COST:**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
Interest on long term loan	20,602,563	28,559,385
Interest on Short term loan	47,659,319	36,211,089
Bank charges	869,816	793,657
Foreign exchange (Gain)/Loss	678,291	900,319
	<b>Taka</b>	<b>69,809,989</b>
		<b>66,464,450</b>

**27.00 OTHER INCOME**

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
Interest on STD #000113100000351	126	204
Interest on STD #0002636000566	2,055	2,677
Interest on STD #0002636000665	1,668	2,173
Rent Receipt A/C #163120000001 SB Nayarhat Br	39,092	43,888
Wastage Sale	-	28,338,069
	<b>Taka</b>	<b>42,941</b>
		<b>28,387,011</b>



### 28.00 NET ASSETS VALUE PER SHARE (NAVPS) (Restate)

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
a) Shareholders Equity	2,164,410,258	2,137,886,666
b) No. of Ordinary Shares as on 30.06.2021	37,724,317	35,927,921
<b>Net Assets Value per share (Restated)</b>	<b>Taka 57.37</b>	<b>59.50</b>

### 29.00 EARNINGS PER SHARE (EPS) (Restate)

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
(a) Earnings attributable to the Ordinary Shareholders (net profit after tax)	33,914,618	18,102,958
(b) No. of Ordinary Shares as on 30.06.2021	37,724,317	35,927,921
<b>Earning Per Share (Restated)</b>	<b>0.90</b>	<b>0.50</b>

### 30.00 NET OPERATING CASH FLOWS PER SHARE (NOCFPS) (Restate)

The details break-up is made up as follows:

Particulars	30.06.2021	30.06.2020
a) Cash and Cash Equivalents	9,977,172	7,850,270
(b) No. of Ordinary Shares as on 30.06.2021	37,724,317	35,927,921
<b>Net operating cash flows per share (Restated)</b>	<b>0.26</b>	<b>0.22</b>

### 31.00 CASH RECEIVED FROM CUSTOMER

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Export bills receivable (secured )	6.01	120,180,462	132,857,663
Duty draw back (secured )	6.02	7,120,000	6,692,000
Parties/Institutions	6.03	569,914,080	472,090,169
<b>Taka</b>		<b>697,214,542</b>	<b>611,639,832</b>

### 32.00 CASH PAID TO SUPLIERS

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Cost of Goods Sold	23.00	574,864,051	492,171,629
Changes in Inventories	5.00	9,074,412	73,502,167
Changes in Trade and Other Payble	17.00	12,071,405	(30,250,965)
Depreciation on Conversion cost	3.00	(44,032,133)	(45,287,127)
<b>Taka</b>		<b>551,977,735</b>	<b>490,135,704</b>

### 33.00 CASH PAID TO EMPLOYEE AND OTHERS

The details break-up is made up as follows:

Particulars	Notes	30.06.2021	30.06.2020
Administrative Expenses	24.00	34,051,145	48,967,893
Selling and Distribution Expenses	25.0	17,428,565	15,736,217
Changes in Advance, Deposits & Pre-payments	7.00	13,150,590	5,863,722
Changes in Group Current Accounts	9.00	(7,000,000)	(4,200,000)
Changes in Accrued Expenses	18.00	220,733	3,362,369
Changes in Liabilities for Other Finance except WPF & WWF	21.00	864,216	(1,212,310)
Depreciation on Administrative and Selling expenses	3.00	(3,101,601)	(3,446,224)
Bank charges	26.00	869,816	793,657
Foreign exchange (Gain)/Loss	26.01	678,291	900,319
<b>Taka</b>		<b>57,161,754</b>	<b>66,765,643</b>



#### 34.00 RECONCILIATION OF CASH FLOWS

The reconciliation of Net Cash Flow from operating activities between Direct and Indirect method as follows:

Particulars	30-06-2020	30-06-2019
<b>Cash flow from Operating Activities:</b>		
As per direct method	9,977,172	7,850,270
<b>As per indirect method:</b>		
Net Profit after Tax for the year	33,914,618	18,102,958
<b>Adjustments for items not involving movement of cash:</b>		
Add: Depreciation on Property, Plant & Equipment	47,133,734	48,733,351
<b>Total:</b>	<b>81,048,352</b>	<b>66,836,309</b>
<b>Changing in working capital components:</b>		
Decrease/(Increase) in Inventories	(9,074,412)	(73,502,167)
Decrease/(Increase) in Trade & Other Receivables	(9,556,372)	(2,152,689)
Decrease/(Increase) in Advances, Deposits & Pre-Payments	(13,150,590)	(5,863,722)
Decrease/(Increase) in Advance Income Tax	(9,878,939)	(10,504,752)
Decrease/(Increase) in Group Current Account	7,000,000	4,200,000
(Decrease)/Increase in Trade & Other Payables	(12,071,405)	30,250,965
(Decrease)/Increase in Accrued Expenses	(220,733)	(3,362,369)
(Decrease)/Increase in Provisions for Income Tax	2,284,308	4,485,558
(Decrease)/Increase in Liabilities for other Finance	(356,592)	2,109,422
(Decrease)/Increase in Deferred Tax Liability	(26,046,445)	(4,646,284)
	<b>(71,071,180)</b>	<b>(58,986,039)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>9,977,172</b>	<b>7,850,270</b>

#### 35.00 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 International Accounting Standard (IAS) 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 2020 as follows:

Name of the related party	Relationship	Note Ref.	Balance as at July 01, 2020	Addition	Adjustment	Balance at Period end receivable/ (payable)
				Taka	Taka	
Monno Power Generation & Distribution Ltd.	Associate com.	21.00	(616,515)	-	345,000	(271,515)
Monno Bone China Ltd.	Associate com.	21.00	(1,018,803)	-	400,000	(618,803)
Mrs. Afroza Khan	Chairman	21.00	(5,500,000)	-	400,000	(5,100,000)
Monno Attire Ltd	Associate com.	9.00	92,444,322	-	-	92,444,322
Monno Fabrics Ltd	Associate com.	9.00	61,697,000	-	-	61,697,000
Monno Medical College & Hospital	Associate com.	9.00	2,400,902	-	-	2,400,902
Monno Jute Staffers Ltd	Associate com.	9.00	962,737	2,000,000	-	(1,037,263)
Monno Welfare Foundation	Associate com.	9.00	2,610,350	5,000,000	-	(2,389,650)
Monno Fabrics Ltd.	Associate com.	4.00	112,540,000	-	-	112,540,000
<b>Total</b>			<b>265,519,993</b>	<b>7,000,000</b>	<b>1,145,000</b>	<b>259,664,993</b>

#### 36.00 EVENTS AFTER THE REPORTING PERIOD

There is no major event that has occurred subsequent to the date of Statement of Financial Position and affecting the operating results significantly except that the Board in its meeting held on 28-10-2020 recommended 5% stock dividend to all shareholders and 5% cash dividend to general public other than sponsors or directors for the year ended June 30, 2021 which is subject to approval by the shareholders in the next annual general meeting.



**37.00 OTHER RELEVANT INFORMATION**

**37.01 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
Directors' Remuneration	4,200,000	-
Managerial Remuneration	-	4,655,479
Bonus	700,000	775,913
Incentive Bonus	1,200,000	-
Housing	360,000	2,327,740
Medical allowance	120,000	465,548
Conveyance allowance	-	465,548
Entertainment allowance	120,000	465,548
<b>Directors/Officers Remuneration Etc. (2020-2021)</b>	<b>Taka 6,700,000</b>	<b>9,155,775</b>
<b>Directors/Officers Remuneration Etc. (2019-2020)</b>	<b>Taka 11,900,000</b>	<b>9,202,838</b>

During the year under review :

(a) No compensation was given 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.

**37.02 FOREIGN INVESTORS**

**37.03** As on the date of Financial Statement there were 2 Foreign shareholders whose total shareholdings were 1,842 shares.

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

**37.05 PRODUCTION CAPACITY AND ACTUAL PRODUCTION.**

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

	2020-2021	%	2019-2020	%
Production capacity (in million pieces.)	22.00		22.00	
Actual Production (in million pieces.)	13.40	60.91	13.40	60.91

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

**37.06 CONTINGENT ASSETS / LIABILITIES:**

There was no contingent liability as on 30th June, 2020 and there was no claim against the company not acknowledged as debt as on 30.06.2021

**37.07 CREDIT FACILITY NOT AVAILED.**

There was no credit facilities available to the Company under any contract but not availed of as on 30.06.2021 other than trade credit available in ordinary course of business.

**37.08 CAPITAL EXPENDITURE COMMITMENT**

There was no capital expenditure commitment of the company as of 30th June, 2021.

**37.09 FOREIGN EXCHANGE EARNED**

Export of goods calculated on FOB basis is US\$ 1.412 million.

**37.10 PAYMENTS IN FOREIGN CURRENCY**

For Raw & Other auxiliary materials US\$ 1.854 million.

For Stores & Spares US\$ 0.5154 million.



monno Monno Ceramic Industries Limited  
Annual Report 2020-2021

**37.11 VALUE ADDITION:**

During the year the company made the value-addition of Tk. 351,835,399 which has been shown below:

<b>Particulars</b>	<b>30-06-2021</b>	<b>30.06.2020</b>
Turnover & Other Income	706,770,914	602,380,125
Bought-in-Materials & Services	(351,835,399)	(257,964,064)
<b>Value Added</b>	<b>354,935,515</b>	<b>344,416,061</b>
<b>Applications:</b>		
Duties & Taxes to Government Exchequer	77,760,304	11,784,775
Salaries and Benefits to Employees	171,898,595	163,305,858
Interest to Lenders	68,261,882	64,770,474
Retained by the Company	33,914,618	18,102,958
<b>Taka</b>	<b>351,835,399</b>	<b>257,964,064</b>

**37.12 MANPOWER**

The total number of employees in factory as well as Head Office of the company on June 30,2021 was 1687 (June 30, 2020 was 1780).

**37.13 WPPF & WWF POLICY**

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

(NASIR UDDIN, FCS)  
COMPANY SECRETARY

(RASHEED MYMUNUL ISLAM)  
MANAGING DIRECTOR

(AFROZA KHAN)  
CHAIRMAN

Dated: Dhaka, November 04 , 2021





# 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 fortieth Annual General Meeting of the Company to be held on Saturday the 11th December 2021 at 12:00 noon at Virtually by using **Digital Platform** as per BSEC order SEC/SRMRC/ 04/231/91 dated the March 31, 2021 through the link <https://monnoceramic.virtualagmbd.com>, 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:

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 fortieth Annual General Meeting of the Company for the year 2021 to be held on Saturday the 11th December 2021 at 12:00 noon at Virtually by using **Digital Platform** as per BSEC order SEC/SRMRC/ 04/231/91 dated the March 31, 2021 through the link <https://monnoceramic.virtualagmbd.com>.

\_\_\_\_\_  
Signature of shareholder(s)



**monno**

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**MONNO CERAMIC INDUSTRIES LTD.**

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[www.monno.com](http://www.monno.com)

Monno Ceramic Industries Ltd.  
Islampur, Dhamrai, Dhaka - 1350  
Phone : +880-2-7730587-8  
Liaison Office: 9, Wyar Street, Wari, Dhaka-1203  
Phone: 880-2-47133449