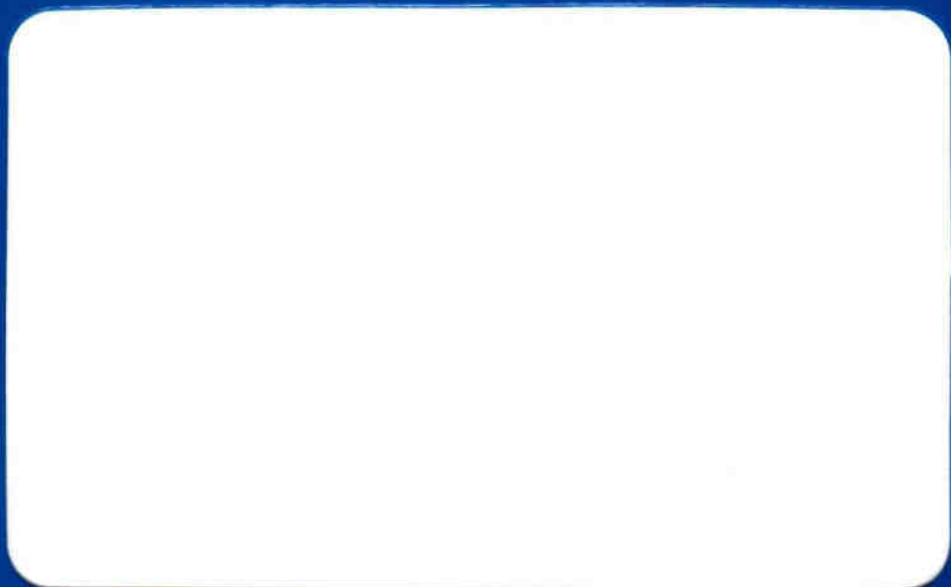


MABS & J Partners

Chartered Accountants

Member firm of Nexia International, UK



Auditor's Report & Audited Financial Statements
of
Standard Ceramic Industries Limited

As at and for the Year Ended 30 June 2022

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Independent Auditor's Report

To the Shareholders of Standard Ceramic Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Standard Ceramic Industries Limited (the Company), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, 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.

In our qualified opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

1. Reference to the Note# 19

The company has a contributory Provident Fund recognized by the Tax Authority. The employer's contribution along with employees' contribution are required to transfer to the Provident Fund under the conditions of the fund recognition and Rule 250 (2) of the Bangladesh Labor Rules 2015. The company did not transfer the both employers and employees' contribution totaling Tk. 16,820,399 to the Provident Fund account rather used as a loan during the year. However, the company has made provision @ 8% interest of undisbursed amount of the contributions.

2. Reference to the Note# 18

Unclaimed Dividend of Tk. 8,750,774 out of Tk. 9,370,569 has not been transferred to the Capital Market Stabilization Fund (CMSF) as directed by the Bangladesh Securities and Exchange Commission's directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules 2021 and Commission's letter no. SEC/SRMIC/165-2020/ part-1/166 dated 06 July 2021 and Commission's letter no. SEC/SRMIC/165-2020/ part-1/182 dated 9 July 2021. However, the company has paid an amount of Tk. 1,000,000 to the CMSF on 06.10.2022.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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) and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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. As described in the Basis for Qualified Opinion section above, 1. The company did not transfer the both employers and employee’s contribution to the Provident Fund account in compliance with the conditions of fund recognition by the National Board of Revenue (NBR) and Bangladesh Labor Rules 2015; and 2. Unclaimed dividend has not been transferred to the Capital Market Stabilization Fund (CMSF) in compliance with (CMSF) Rules 2021 and direction of Bangladesh Securities and Exchange Commission (BSEC). Accordingly, we are unable to conclude whether or not the other information are materially misstated with respect to these matters.

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. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to the Key Audit Matters to be communicated in our report. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	Our response to the risk
<p>Measurement of Deferred Tax Liability</p> <p>The company reports net deferred tax liability to totaling Tk. 14,051,250 as at 30 June 2022.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is probable that taxable profit will be reduced against which the taxable temporary differences can be recognized over a number of years.</p> <p>See Note No. 14.00 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company’s key controls over the recognition and measurement of DTLs and the assumptions used in estimating the company’s future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL’s.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

<p>Valuation of Property, Plant and Equipment</p> <p>The carrying value of the PPE was Tk. 160,615,287 as at 30 June, 2022. Expenditures are capitalized if they create new assets or enhance the existing assets and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 3.00 to the financial statements</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS 16 and found them to be consistent. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.
<p>Revenue Recognition</p> <p>The company reports sales during the year totaling Tk. 311,320,252.</p> <p>The Company manufactures and sells a number of products for customers. The Company has recognized sales in accordance with the accounting standard IFRS 15 as accordingly has reviewed 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 judgement to determine timing of revenue recognition, i.e., over time or a point in time.</p> <p>See Note No. 21.00 to the financial statements</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company. • Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition. • Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the accounting standard.

<p>Valuation of Inventory</p> <p>The inventory of Tk. 137,989,890 as at 30 June, 2022 held in factory. Inventories are carried at the lower of cost and net realizable value.</p> <p>As a result, the management apply judgment 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 valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 4.00 to the financial statements</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the company; • attending in surprise inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year.
<p>Impairment of PPE</p> <p>The economic climate and levels of competition remain challenging for the company. The company has completed a Strategic Review and as a result has decided to close or curtail some of its operations. Therefore, there is a risk that the impairment charge may be misstated.</p> <p>Determining the level of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.</p> <p>See Note No. 2.06 and 3.00 to the financial statements</p>	<p>Our audit procedure included, among others, considering the impairment risk associated with the following different type of assets:</p> <ul style="list-style-type: none"> • We critically assessed and checked the company's impairment model. This included consideration of discounted cash flow forecast. • We have also considered the adequacy of the company's disclosures about the degree of estimation involved in determining the amount of impairment and the sensitivity to key assumptions involved.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements in accordance with IFRSs, the Companies Act 1994, the Security 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.



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 the 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 of 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 events in a manner that gives a true and fair view.

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 to 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 and 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 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss with the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


J C Biswas FCA

Partner

ICAB Enrollment No. 199

DVC No: 2210260199AS641599

Dated: Dhaka, 26 October 2022

Standard Ceramic Industries Limited
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in Taka	
		As on	
		30 June 2022	30 June 2021
Assets:			
A. Non-current Assets			
Property, Plant and Equipment	03	160,615,287	173,840,581
B. Current Assets			
Inventories	04	137,989,890	116,542,656
Advances, Deposits and Prepayments	05	15,922,058	16,667,305
Accounts Receivable	06	330,775	430,775
Short Term Investment	07	546,583	527,832
Cash and Cash Equivalents	08	2,693,156	4,083,947
Total Assets (A+B)		318,097,749	312,093,096
Equity & Liabilities:			
C. Shareholders' equity			
Share Capital	09	64,606,500	64,606,500
Revaluation Reserve	10	25,592,345	25,592,345
General Reserve	11	614,510	614,510
Share Premium	12	14,650,000	14,650,000
Retained Earnings	13	(62,460,963)	(42,654,643)
D. Non-current Liabilities			
Deferred Tax	14	14,051,250	14,248,722
Long Term Loan	15	13,029,202	14,804,109
E. Current Liabilities			
Cash Credit (Secured)	16	68,310,403	62,829,298
Bank Overdraft	17	5,511,603	2,226,332
Unclaimed Dividend Account	18	9,370,569	9,286,881
Current Portion -Long Term Loan	15	8,958,612	8,958,612
Creditors, Accrued expenses and Others	19	76,358,829	58,663,159
Liabilities for other finance	20	79,504,890	78,267,271
Total Shareholders' Equity and Liabilities (C+D+E)		318,097,749	312,093,096
Net Asset Value per share	41	6.66	9.72

The annexed notes form an integral part of these financial statements. These financial statements were approved and authorized for issue by the Board of Directors on 26 October, 2022 and were signed on its behalf by:



Company Secretary


Managing Director


Director

As per our separate report of even date annexed.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


J C Biswas FCA
Partner
ICAB Enrollment No. 199
DVC No: 22/0260/00AS641500

Dated: Dhaka, **26 OCT 2022**

Standard Ceramic Industries Limited
Statement of Profit or Loss
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		For the Year Ended	
		30 June 2022	30 June 2021
Revenue	21	311,320,252	325,335,999
Less: Cost of Goods Sold	22	270,034,519	261,101,886
Gross Profit		41,285,733	64,234,113
Less: Operating Expenses		47,421,764	50,162,246
Administrative Expenses	23	38,368,334	41,466,520
Selling and Distribution Expenses	24	9,053,430	8,695,726
Operating Profit/(Loss)		(6,136,031)	14,071,867
Add: Other Income	25	21,390	125,372
Less: Finance Cost	26	11,438,681	9,741,841
Less: Written off of Accounts Recievables		100,000	-
Net Profit/(Loss) before WPPF		(17,653,322)	4,455,398
Less: Workers Profit Participation Fund @ 5%		-	222,770
Net Profit/(Loss) before Tax		(17,653,322)	4,232,628
Less: Income Tax Expense		(1,670,577)	(2,709,077)
Current Tax	27	(1,868,050)	(2,743,596)
Deferred Tax (Expenses)/Income	28	197,473	34,519
Net Profit/(Loss) after Tax		(19,323,899)	1,523,551
Earning Per Share(EPS)	36	(2.99)	0.24

The annexed notes form an integral part of these financial statements. These financial statements were approved and authorized for issue by the Board of Directors on 26 October, 2022 and were signed on its behalf by:


Company Secretary


Managing Director


Director

As per our separate report of even date annexed.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Dated: Dhaka, **26 OCT 2022**


J C Biswas FCA
Partner
ICAB Enrollment No. 199
DVC No: 22102601099A9641509

Standard Ceramic Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in Taka					
	Share Capital	Revaluation Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity
As at 01 July 2021	64,606,500	25,592,345	614,510	14,650,000	(42,654,643)	62,808,712
Changes during the Year:						
Cash Dividend (2020-21)	-	-	-	-	(646,065)	(646,065)
Profit/(Loss) After Tax	-	-	-	-	(19,323,899)	(19,323,899)
Unrealized Foreign Exchange Fluctuation gain	-	-	-	-	163,644	163,644
As at 30 June 2022	64,606,500	25,592,345	614,510	14,650,000	(62,460,963)	43,002,392

Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Amount in Taka					
	Share Capital	Revaluation Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity
As at 01 July 2020	64,606,500	25,592,345	1,063,500	14,650,000	(44,178,194)	61,734,151
Changes during the Year:						
Inter Transfer	-	-	-	-	-	-
Cash Dividend (2019-20)	-	-	(448,990)	-	-	(448,990)
Profit/(Loss) After Tax	-	-	-	-	1,523,551	1,523,551
As at 30 June 2021	64,606,500	25,592,345	614,510	14,650,000	(42,654,643)	62,808,712

The annexed notes form an integral part of these financial statements. These financial statements were approved and authorized for issue by the Board of Directors on 26 October, 2022 and were signed on its behalf by:


Company Secretary


Managing Director


Director

Dated: Dhaka 26 OCT 2022



Standard Ceramic Industries Limited
Statement of Cash Flows
For the year ended 30 June 2022

Amount in Taka

Particulars	Note	For the Year Ended	
		30 June 2022	30 June 2021
Cash Flows from Operating Activities			
Receipts from customers and others		314,124,854	388,785,586
Paid to suppliers, employees & others		(305,627,508)	(367,489,215)
Finance cost paid		(11,438,681)	(9,741,841)
Income Tax paid and/or deducted at source etc.		(3,125,167)	(3,813,616)
A. Net Cash Generated from Operating Activities	37	(6,066,502)	7,740,914
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment etc		(1,919,664)	(10,954,873)
Other income Received		21,390	125,372
Unrealised Foreign Exchange Fluctuation Gain		163,644	-
Short Term Investment		(18,751)	(23,173)
B. Net Cash Used in Investing Activities		(1,753,381)	(10,852,674)
Cash Flows from Financing Activities			
Cash Credit Loan (Paid)/Received		5,481,105	13,354,652
Long Term Loan		(1,774,907)	(5,817,092)
Dividend Paid/ adjusted		(562,377)	(1,243,982)
Bank overdraft (Paid)/Received		3,285,271	(1,626,739)
C. Net Cash Generated from Financing Activities		6,429,092	4,666,839
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(1,390,791)	1,555,079
Cash and Cash Equivalents at Beginning of the Year		4,083,947	2,528,868
Cash and Cash Equivalents at End of the Year	08	2,693,156	4,083,947
Net Operating Cash Flow Per Share	42	(0.94)	1.20

The annexed notes form an integral part of these financial statements. These financial statements were approved and authorized for issue by the Board of Directors on 26 October, 2022 and were signed on its


Company Secretary


Managing Director


Director

Dated: Dhaka, **26 OCT 2022**



Standard Ceramic Industries Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1.00 Structure and Objects:

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

1.01 Nature of Business:

The company is a ceramic industry for manufacturing of ceramic stone wares and table wares for local and foreign markets.

2.00 Significant Accounting Policies:

2.01 Basis for Preparation, Presentation and Disclosure of the Financial Statements

The financial statements have been prepared and the disclosures of information are made in accordance with the requirements of the Companies Act, 1994, International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS)). The Statement of Financial Position and Statement of profit or loss have been prepared according to IAS and IFRS. "Presentation of Financial Statements" based on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh and Statement of Cash Flows according to IAS 7.

2.02 Legal Compliance:

The financial statements have been prepared and the disclosures of information were made in accordance with the requirements of the Companies Act, 1994, Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Limited (DSE) and other laws and regulations applicable in Bangladesh. On the basis of these regulations, International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs) were applied with the applicable standards.

2.03 Accounting Estimates, Assumptions & Judgments:

The preparation of the financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

2.04 Going Concern:

The Company has adequate resources to continue its operation for the foreseeable future. For this reason going concern basis has been adopted in preparing the financial statements.



2.05 Components of the Financial Statements:

According to the International Accounting Standards (IAS) 1, the complete set of Financial Statements includes the following components:

1. Statement of Financial Position as at 30 June, 2022;
2. Statement of Profit or Loss for the year ended 30 June, 2022;
3. Statement of Changes in Equity for the year ended 30 June, 2022;
4. Statement of Cash Flows for the year ended 30 June, 2022 and
5. Notes, comprising a summary of significant Accounting Policies and Other Explanatory Information.

2.06 Recognition of Property, Plant and Equipment and Depreciation:

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

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

The annual depreciation rates applicable to the principal categories are:

• Building & Civil Construction	7.5%
• Plant & Machinery	10%
• Deep Tube well	05%
• Electric Equipment	10%
• Other Asset	20%
• Car and Vehicles	20%
• Tools	25%
• Furniture & Fittings	10%
• Office Equipment	15%

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

Impairment of Assets

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

2.07 Inventories:

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value in compliance to the requirements of IAS. Costs including an appropriate portion of fixed and variable overhead expenses are assigned to inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.



- 2.08 **Cash and Cash Equivalents:**
Cash and cash equivalents include cash in hand and cash at banks of the Company. There is an insignificant risk of change in value of the same.
- 2.09 **Creditors & Accrued Expenses:**
- 2.09.1 **Trade & Other Payables:**
Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company. These include Advance against Sales, Security and Other Deposits and Other Current Liabilities.
- 2.09.2 **Provisions:**
Necessary provision for the current assets which are seems to be doubtful of recovery are made in the financial statements in conformity with Accounting Standards.
- 2.10 **Employee Benefits:**
The Company maintains defined contribution plan (provident fund) and Retirement benefits (Gratuity) for its eligible permanent employees as per applicable laws and regulations.
- 2.10.1 **Defined contribution plan (Provident fund):**
The Company operates a contributory Provident fund for its eligible permanent employees. The fund is approved by the National Board of Revenue (NBR). The fund is administered by a Board of Trustee and is funded by contribution partly from the employee and partly from the Company as predetermined rates. The contribution is invested separately from the Company's assets.
- 2.10.2 **Gratuity benefits:**
Gratuity benefits are incorporated when an employee is entitled to the benefits depending on the length of services and last drawn basic salary.
- 2.11 **Income Tax:**
- 2.11.1 **Current Tax:**
Provision for taxation has been made as per rates prescribed in the Finance Act, 2022, the Income Tax Ordinance, 1984 and as per IAS 12 Income Tax.
- 2.11.2 **Deferred Tax:**
Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.
- 2.12 **Related Party Transactions:**
Company is not connected to any related party transaction except as mentioned in Note 40. Benefit of key management personnel includes officials in the ranks of Managing Director, Operative Director, General Manager, Deputy General Manager, Company Secretary, CFO, Manager and Deputy Manager. The yearly salary involvement is Tk. 22,596,280 as sort-term employee's benefit.



2.13 Contingent Liabilities & Contingent Assets:

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with IAS Provision, Contingent Liabilities and Contingent Assets are disclosed in the notes to the financial statements.

2.14 Revenue Recognition:

Revenue has been recognized as per IFRS 15: Revenue from contracts with customers under 05 (five) step approach of recognizing revenue. According to the core principal of IFRS 15, the entity has recognized revenue to depict the transfer of promise goods or service to custom in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchanging for those goods or services. 05 (five) step approach applied are as follows:

- i. Identify the contract;
- ii. Identify the separate performance obligation;
- iii. Determine the transaction price;
- iv. Allocate the price to the performance obligations; and
- v. Recognize revenue.

2.15 Statements of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS 7: Statement of Cash Flows and the cash flows from operating activities have been presented under direct method.

2.16 Earnings per Share:

The Company calculates Earning per Share (EPS) in accordance with IAS 33: "Earning per Share", which has been shown on the face of Statement of Profit or Loss, and the computation of EPS is stated in the note. Earnings per Share has been calculated by dividing the profit attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

2.17 Segment Reporting:

No segmental reporting is applicable for the company as required by IAS 14: "Segment Reporting" as the company operates in a single industry segment.

2.18 Comparative:

Financial statements are presented as IAS previous year's figures have been reclassified, re-arranged where found necessary to provide information that is reliable and more relevant and to conform to the current year's presentation.

2.19 Reporting Period:

The financial statements cover one year from 01 July 2021 to 30 June 2022.



Notes	Particulars	As at & For the Year Ended	
		30 June 2022	30 June 2021
3.00	Property, Plant and Equipment: Tk. 160,615,287		
	Details are as under:		
	A. Cost:	449,644,869	447,725,205
	Opening Balance	447,725,205	439,848,009
	Add: Addition during the year	1,919,664	10,954,873
	Less: Adjustment made during the year	-	(3,077,677)
	B. Accumulated Depreciation:	289,029,582	273,884,624
	Opening Balance	273,884,624	260,868,326
	Add: Charged during the year	15,144,958	16,090,046
	Less: Adjustment made during the year	-	(3,073,748)
	Written Down Value (A-B)	160,615,287	173,840,581

Details of Property, Plant and Equipment have been shown in Schedule-1.

Note: Government of the country has acquired a piece road side land of factory measuring 0.0285 (Approx.) acre for widening of Dhaka Mymensingh highway. However, compensation in this regard yet to be determined and received.

4.00 Inventories: Tk. 137,989,890.

Details are as follows:

	30 June 2022		30 June 2021	
	Qty in M.T	Value (Tk.)	Qty in M.T	Value (Tk.)
Raw Materials (4.01)		7,423,079		9,360,403
Work-in process	M.T 1,221	99,700,130	M.T 1,070	81,250,981
Finished products	M.T 88	10,200,500	M.T 56	5,394,110
Stores & spares , Mould Sagger etc.		19,045,981		18,846,942
Packing Materials	33,447. pcs	1,620,200	35,514. pcs	1,690,220
		137,989,890		116,542,656

Note: The inventories were physically verified on 30 June 2022 and certified by the management. Raw materials have been valued at Weighted Average Cost. Work-in-process have been valued at cost of raw materials with proportion of electricity, gas and factory overhead absorbed in production. Finished products have been valued at cost and realizable price which is lower and spare parts have been valued at cost. Inventories were mortgaged to Rupali Bank Ltd , Ramna Corporate Branch as security of working capital loan.

4.01 Raw Materials Quantity:

	30 June 2022		30 June 2021	
	Body, Glaze and Auxiliary (M.T)	Decal Sheet (pcs)	Body, Glaze and Auxiliary (M.T)	Decal Sheet (pcs)
Opening Balance	148	63,500	112	2,150
Add: Purchased during the year	5,189	203,000	5,563	391,000
Available for use	5,337	266,500	5,675	393,150
Less: Issued for Production	5,178	266,500	5,527	329,650
Closing Balance	159	-	148	63,500



Notes	Particulars	As at & For the Year Ended	
		30 June 2022	30 June 2021
5.00	Advance Deposits and Pre-payments: Tk. 15,922,058		
	Details are as under:		
	i) Advances	1,815,634	985,070
	ii) Security deposits	3,561,902	3,561,902
	iii) Advance Income Tax	7,312,667	8,046,600
	iv) Bank Margins etc.	3,231,855	4,073,733
	v) VAT (Value Added Tax)	-	-
		<u>15,922,058</u>	<u>16,667,305</u>
i)	Advances: Tk. 1,815,634		
	Details are as under:		
	Advance against works	1,815,634	985,070
		<u>1,815,634</u>	<u>985,070</u>
ii)	Security deposits: Tk. 3,561,902		
	Details are as under:		
	T&T Board	145,025	145,025
	PDB	253,800	253,800
	Bangladesh Oxygen Ltd.	8,000	8,000
	Amin Mohiuddin Foundation	811,800	811,800
	Titas Gas Transmission & Distribution Co. Ltd.	2,143,277	2,143,277
	CDBL	200,000	200,000
		<u>3,561,902</u>	<u>3,561,902</u>
iii)	Advance Income Tax: Tk. 7,312,667		
	Details are as under:		
	Opening balance	8,046,600	4,232,984
	Addition during the year	3,125,167	3,813,616
		<u>11,171,767</u>	<u>8,046,600</u>
	Less: Adjustment : 2019-20 Tk. 1,613,530/=		
	2020-21 Tk. <u>2,245,570/=</u>	<u>3,859,100</u>	-
	Closing Balance	<u>7,312,667</u>	<u>8,046,600</u>
iv)	Bank Margins etc: Tk. 3,231,855		
	Details are as under:		
	L/C Margin	2,383,655	3,225,533
	Bank Guarantee Margin	848,200	848,200
		<u>3,231,855</u>	<u>4,073,733</u>
v)	VAT (Value Added Tax): Tk. Nil		
	Details are as under:		
	Opening Balance	-	277,601
	Add: Cash Deposit and VAT on Raw materials etc.	46,698,037	46,305,129
		<u>46,698,037</u>	<u>46,582,730</u>
	Less: Adjustment on local sales	<u>(46,698,037)</u>	<u>(46,582,730)</u>
	Closing Balance	<u>-</u>	<u>-</u>

a) The Company has no advances which may be classified as doubtful/bad.

b) No amount was due by the Directors (including Managing Director) and officers of the Company or any of them severally or jointly with any other person.

c) No amount was due by the Associated under-taking.



Notes	Particulars	As at & For the Year Ended	
		30 June 2022	30 June 2021
6.00	Accounts Receivable: Tk. 330,775		
	The amount represents receivable against duty draw back. Details are as under:		
	Opening Balance	430,775	430,775
	Less: Written off during the year	(100,000)	-
	Total	330,775	430,775
7.00	Short Term Investment: Tk. 546,583		
	Details are as under:		
	Investment in FDR# 24300067015 (Southeast Bank Ltd.)	546,583	527,832
8.00	Cash & Cash Equivalents: Tk. 2,693,156		
	Details are as under:		
	Cash in hand	484,257	226,825
	Cash at Bank		
	Al-Arafah Islami Bank CD A/C No-11866	4,587	5,392
	Rupali Bank Ltd. CD A/C No.-1650	20,110	427,421
	Rupali Bank Ltd. CD A/C No.-7662	-	863,168
	United Commercial Bank CD A/C No. 928	-	272,378
	City Bank Ltd. CD A/C No.1402077	1,807,226	1,724,801
	Mutual Trust Bank CD A/C No.0020210027324	38,135	366,863
	City Bank Ltd. STD A/C No.31000453/7001	-	241
	City Bank Ltd. STD A/C No.31000490/7002	-	13
	City Bank Ltd. STD A/C No.31000536/7003	-	616
	City Bank Ltd. STD A/C No.7004	26,559	31,775
	AB Bank , principal Branch	-	15,816
	Rupali Bank Ltd. F/C A/C No.-95/05 (US\$ 3,376.39)	312,282	148,638
		2,693,156	4,083,947

Note: Cash in hand has been verified and certified. Balances with Banks are confirmed by the bank certificates and bank statements.

9.00	Share Capital: Tk. 64,606,500		
	Details are as under:		
(a)	Authorized Capital: Tk. 100,000,000		
	10,000,000 Ordinary share of Taka 10.00 each	100,000,000	100,000,000
(b)	Issued, Subscribed & Paid-up Capital:		
	6,460,650 Ordinary shares of Tk. 10/= each fully paid up:		
	1) 5,860,000 (2,930,000 ordinary shares before public issue i.e. before 4.11.1996 and 2,930,000 ordinary shares public issue i.e. 4.11.1996) ordinary shares of Tk.10/= each fully paid up in cash.	58,600,000	58,600,000
	2) 600,650 (293,000 ordinary shares in 2010 and 307,650 ordinary share in 2011) ordinary shares of Tk. 10 each issued as fully paid as Bonus Shares.	6,006,500	6,006,500
		64,606,500	64,606,500



(c) The position of Shareholders as on 30th June, 2022 is as follows:

Description	30 June 2022			30 June 2021		
	No. of Share holders	No. of Shares	Share holding in %	No. of Share holders	No. of Shares	Share holding in %
Sponsors and directors	8	1,970,752	30.50	8	1,970,752	30.50
Financial Institutions (Bank & Insurance)	10	13,617	0.21	16	13,693	0.21
Financial Institutions (Others)	74	226,202	3.50	169	345,855	5.35
BSRS 1st Mutual Fund	1	1,000	0.02	1	1,000	0.02
ICB investor's A/c	189	12,840	0.20	189	12,840	0.20
IFIC investor's A/c	10	820	0.01	10	820	0.01
ICB Mutual Fund	2	2,020	0.03	2	2,020	0.03
ICB Capital Management	3	420	0.01	4	440	0.01
ICB Unit Fund	1	13,000	0.20	1	13,000	0.20
Others Mutual Fund and Unit Fund	1	270	0.00	1	270	0.00
General Public	9529	4,219,709	65.32	10158	4,099,960	63.47
	9,828	6,460,650	100	10,559	6,460,650	100

(d) The Shareholding pattern is as below:

Description	30 June 2022			30 June 2021		
	No. of Share holders	No. of Shares	Share holding in %	No. of Share holders	No. of Shares	Share holding in %
Upto 500 Shares	8301	657,460	10.17	8969	778,978	12.06
501 to 5000Shares	1402	1,697,689	26.28	1474	1,726,591	26.72
5001 to 10000 Shares	64	466,248	7.21	55	388,610	6.01
10001 to 20000 Shares	26	363,371	5.63	26	371,276	5.75
20001 to 30000 Shares	14	361,364	5.59	13	331,845	5.14
30001 to 40000 Shares	2	79,480	1.23	5	182,982	2.83
40001 to 50000 Shares	3	138,262	2.14	3	140,550	2.18
50001 to 100000 Shares	8	665,364	10.30	7	609,406	9.43
100001 to above Shares	8	2,031,412	31.45	7	1,930,412	29.88
	9,828	6,460,650	100	10,559	6,460,650	100

(e) Preference Share:

There was no preference share issued by the company.

(f) Market Price:

The shares of the company are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Quoted market price was Tk. 135.70 at Dhaka Stock Exchange Limited and Tk. 139.20 at Chittagong Stock Exchange Limited as on 30 June 2022.



Notes	Particulars	As at & For the Year Ended	
		30 June 2022	30 June 2021
10.00	Revaluation Reserve: Tk. 25,592,345		
	Details is as follows:		
	Land & Land Development	<u>25,592,345</u>	<u>25,592,345</u>
	Note: Revaluation Reserve represents revaluation surplus arising out of revaluation of land & land development of the company as of 29 Feb, 1996 by M/s. Golam Mostafa & Associates (professional valuers) following market rate.		
11.00	General Reserve: Tk. 614,510		
	Details are as under:		
	Opening Balance	614,510	1,063,500
	Less: Transfer to dividend payable A/c (Cash Dividend)	-	(448,990)
		<u>614,510</u>	<u>614,510</u>
12.00	Share Premium: Tk. 14,650,000		
	Details are as under:		
	Share Premium	<u>14,650,000</u>	<u>14,650,000</u>
13.00	Retained Earnings: Tk. (62,460,963)		
	Details are as under:		
	Opening Balance	(42,654,643)	(44,178,194)
	Cash Dividend (2020-21)	(646,065)	-
	Profit/(Loss) After Tax for the Year	(19,323,899)	1,523,551
	Unrealised Foreign Exchange Fluctuation gain	163,644	-
	Closing Balance	<u>(62,460,963)</u>	<u>(42,654,643)</u>
14.00	Deferred Tax: Tk. 14,051,250.		
	Details are as under:		
	Deferred Tax Liabilities (Note-14.01)	<u>14,051,250</u>	<u>14,248,722</u>
14.01	Deferred Tax Liabilities: Tk. 14,051,250		
	Details are as under:		
	Book Value of Depreciated Assets	128,308,194	139,781,997
	Tax Base of Depreciated Assets	(64,442,813)	(75,463,027)
		<u>63,865,381</u>	<u>64,318,970</u>
	Provision for Retirement benefits (Gratuity) (note-20.01)	(1,415,382)	(991,315)
	Net Taxable Temporary Difference	<u>62,449,999</u>	<u>63,327,655</u>
	Effective Rate	22.50%	22.50%
	Deferred Tax Liability at Closing	<u>14,051,250</u>	<u>14,248,722</u>
	Deferred Tax Liability at Opening	(14,248,722)	(14,283,241)
	Deferred Tax Expenses/(Income)	<u>(197,473)</u>	<u>(34,519)</u>



Notes	Particulars	As at & For the Year Ended	
		30 June 2022	30 June 2021

15.00 Term Loan (Secured): Tk. 13,029,202

Details are as under:

Rupali Bank Ltd. A/c no-027, Total Term Loan	21,987,814	23,762,721
Less: Current Portion of Long Term Loan	8,958,612	8,958,612
Non Current portion of Long Term Loan	13,029,202	14,804,109

Note: The Term Loan has been taken for rebuilding of old Glost Kiln. The Loan is secured by land, building and machineries of the factory as collateral security and the personal guarantee of all the Directors other than the independent Directors.

16.00 Cash Credit (secured): Tk. 68,310,403

Details are as under:

Cash Credit (Hypo) A/c no-04	26,185,237	24,011,917
Cash Credit (Pledge) A/c no-02	25,759,296	23,775,510
Working Capital Loan under stimulus package(Covid- loan)A/c-03	16,365,870	15,041,871
	68,310,403	62,829,298

Note: The Company is enjoying cash credit facilities from Rupali Bank Ltd., Ramna Corporate Branch, Dhaka. Interest charged on all credit @ 9.00% . All the Property, Plant and Equipment (both present and future) furnished as collateral and floating assets and book debts (both present and future) charged out as primary securities.

17.00 Bank Overdraft: Tk. 5,511,603.

Details are as follows:

NCC Bank Ltd, A/c no-0025	4,281,437	1,061,620
Southeast Bank Ltd,A/c no-98	48,218	431,410
City Bank Ltd,A/c no- CD-5001	620,374	733,302
City Bank Ltd,A/c no- STD-5001	-	-
AB Bank Ltd A/c no-	239,572	-
United Commercial Bank-928	199,524	-
Rupali Bank Ltd, Ramna A/c no- 7662 Br	122,478	-
	5,511,603	2,226,332

Note: This represents temporary overdrawn from current account.

18.00 Unclaimed Dividend Account : Tk.9,370,569

Details are as follows:

Unclaimed Dividend	9,370,569	9,286,881
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The unclaimed dividend represents the dividends for which the warrants are either lying with the Shareholders and have not been presented as yet by them to the bank for encashment or have been returned to the Company undelivered due to change of address of those shareholders and their new address have not yet been communicated to the Company.



Notes	Particulars	As at & For the Year Ended	
		30 June 2022	30 June 2021

19.00 Creditors, Accrued Expenses and Others: Tk. 76,358,829

Details are as under:

Directors' remuneration	10,155,350	6,518,750
Salary	24,936,618	17,600,741
Gas bill	6,468,103	32,266
Electric bill	1,014,742	1,444,709
Audit fees	258,750	258,750
Workers Profit Participation Fund	222,770	222,770
Provident Fund	19,584,756	17,085,849
Lease liability	1,923,303	4,285,311
Other payables	11,794,437	11,214,013
	76,358,829	58,663,159

20.00 Liabilities for Other Finance: Tk. 79,504,890

Details are as under:

Security money employees	1,088,454	1,027,979
Security money (Agency) and advance etc.	73,976,458	70,799,517
Provision for Income Tax	2,533,748	4,524,798
Provision for Retirement benefits (Gratuity) (note-20.01)	1,415,382	991,315
Other Provisions	490,848	923,662
	79,504,890	78,267,271

Note: Income Tax finalized upto Assessment year 2019-20.

20.01 Provision for Retirement Benefits (Gratuity): Tk. 1,415,382

Details are as under:

Opening balance	991,315	2,629,939
Provision during the year	2,664,460	1,500,490
Less: Payment during the year	(2,240,393)	(3,139,114)
Closing balance	1,415,382	991,315



Notes	Particulars	For the Year Ended	
		30 June 2022	30 June 2021

21.00 Revenue: Tk. 311,320,252
Break-up as follows

Particulars	Quantity	Value	Quantity	Value
Net Local Sales	M.T 3,915	311,320,252	M.T 4,405	325,335,999
Total		311,320,252		325,335,999

Notes	Particulars	For the Year Ended	
		30 June 2022	30 June 2021

22.00 Cost of Goods Sold: Tk. 270,034,519
Details are as under:

Opening Stock of Raw Materials	9,360,403	7,705,000
Purchase during the year	119,150,464	123,516,904
	128,510,867	131,221,904
Less: Closing stock of Raw Materials	7,423,079	9,360,403
	121,087,788	121,861,501
Add: Opening Work-in -process	81,250,981	65,755,288
	202,338,769	187,616,789
Less: Closing Work-in-process	99,700,130	81,250,981
Materials Consumed:	102,638,639	106,365,808
Factory Overhead:		
Wages, Salaries, O.T & Bonus	68,791,737	67,576,593
P.F Contribution.	1,040,834	981,599
Packing Materials	19,570,929	17,725,511
Power & Gas	46,555,443	33,244,199
Insurance	-	4,101
Consumable stores	10,945,138	6,942,472
Miscellaneous factory expenses (Note:	3,113,449	2,256,729
Repairs & Maintenance*	14,043,283	12,655,914
Depreciation	13,259,532	14,195,169
	177,320,345	155,582,287
	279,958,984	261,948,095
Add: Opening Stock of finished goods	5,394,110	9,010,010
	285,353,094	270,958,105
Less: Closing Stock of finished goods	10,200,500	5,394,110
	275,152,594	265,563,995
Add: Opening stock of Mould & Sagger	11,176,009	6,713,900
	286,328,603	272,277,895
Less: Closing stock of Mould & Sagger	16,294,084	11,176,009
	270,034,519	261,101,886
Total production	M.T 3,947	4,369 M.T

* Repairs & maintenance during the year includes all factory building & machinery repairs and maintenance Tk. 3,369,104/= and fuel & lubricant expenses etc. Tk. 10,674,179.



Notes	Particulars	For the Year Ended	
		30 June 2022	30 June 2021
23.00	Administrative expenses: Tk. 38,368,334		
	Details are as under:		
	Director's Emolument	12,676,600	12,565,000
	Rent, Rates & Taxes	-	88,000
	Postage, Telegram & Telephone	427,336	504,530
	Office Salaries	20,387,627	20,242,076
	P.F Contribution	216,414	198,318
	Stationery	194,732	434,758
	Religious & Festival Expenses	95,400	76,800
	Legal & Professional and Other fees	224,000	265,900
	Audit fees	258,750	258,750
	Forms & Fees (Note no-23.01)	678,510	2,732,274
	Utility bill	309,604	292,265
	Motor Vehicles maintenance	186,855	144,903
	Petrol, Oil & Lubricant	172,367	184,450
	Office Maintenance etc.	32,350	67,815
	AGM & Other meeting Expenses etc.	335,673	660,800
	Entertainment expenses	38,590	596,901
	Miscellaneous expenses	248,100	258,103
	Depreciation	1,885,426	1,894,877
		<u>38,368,334</u>	<u>41,466,520</u>
23.01	Forms & Fees includes Various License fees etc., UP Tax, CDBL Annual Fees, BPLC fees, Documentation fees, Gazipur City corporation Tax, IRC /ERC Renewal Fees, Water testing fees, Environment Certificate fee, Association Subscription, Listing fees of DSE & CSE, Stamp & Govt. certified Copy Fees etc.		
24.00	Selling and Distribution Expenses: Tk.9,053,430.		
	Details are as under:		
	Office Salaries	5,199,750	4,985,420
	P.F. Contribution.	76,100	77,640
	Conveyance	841,275	728,339
	Business Promotional expenses	268,779	674,677
	Transport exp.	2,667,526	2,229,650
		<u>9,053,430</u>	<u>8,695,726</u>
25.00	Other Income: Tk. 21,390		
	Details are as under:		
	Disposal of old Car	-	99,071
	Interest on FDR	21,390	26,301
		<u>21,390</u>	<u>125,372</u>
26.00	Finance cost: Tk. 11,438,681		
	Details are as under:		
	Bank interest	9,236,836	7,438,720
	Bank charges, Interest on loan from PF etc.	2,201,845	2,303,121
		<u>11,438,681</u>	<u>9,741,841</u>



Notes	Particulars	For the Year Ended	
		30 June 2022	30 June 2021

27.00 Income Tax Expenses: Tk. 1,868,050

Details are as under:

Current year's tax	1,868,050	2,245,570
Prior year's tax (Asst. Year -2012-13)	-	498,026
	<u>1,868,050</u>	<u>2,743,596</u>

Calculation of Income Tax Provision for the Year 2021-22

Tax payable under regular assessment :

Net Profit before tax during the year	(17,653,322)	4,232,628
Income tax provision on net Profit/before tax @ 22.50%	-	952,341

Minimum tax is payable as per Income tax Law U/S 82-C :

Calculation of Minimum tax :

Revenue	311,320,252	374,136,344
Add: Other income	21,390	125,372
Total Receipts	<u>311,341,642</u>	<u>374,261,716</u>

1. Minimum tax on total receipts as per income tax law @ 0.60%	1,868,050	2,245,570
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a) There are laws for minimum tax payable. Hence, provision for Income tax expense of the company for the year has been determined based on the minimum tax payable by the company. Minimum tax payable by the company is higher of the following:

- i) Turnover tax at the rate of 0.60% total gross receipts U/S 82C
- ii) Tax payable under regular assessment

Since minimum tax payable is higher than the tax payable under regular assessment so, we have provided minimum tax for the year 2021-22 as income tax provision.

28.00 Deferred Tax (Expenses)/Income: Tk. (197,473)

Details are as under:

Deferred Tax Expenses (Note-14.01)	<u>(197,473)</u>	<u>(34,519)</u>
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29.00 Credit Facilities:

There was no credit facilities that has not been availed of at the date of Statement of Financial Position.

30.00 Trade Debtors Statement:

The company does not have credit sales. As such usual classification of debtors (good, bad, doubtful, secured/unsecured etc.) was not needed.

31.00 Aggregate amount due by Directors & Officers:

There was no such amount due by Directors and Officers at the date of the Statement of Financial Position



Notes	Particulars	As at	
		30 June 2022	30 June 2021

32.00 Sales: Item-wise:

The company sells Stoneware approx. 123 different items with different shapes and different prices under the brand name Classic Stone.

33.00 Number of employees drawing more than Tk. 3,000 & less than Tk. 3,000 per month:

The factory is labor intensive. There are permanent labors as well as daily labors. The daily labor frequently changes and as such it is not possible to keep correct track by name to count the number annually. However on an average the following is number of workers/employees (permanent and/or

i) Workers/Employees drawings Tk. 3,000 or more per month 715 Nos.

ii) Workers & Employees drawing less than Tk. 3,000 per month nil.

34.00 Claims against the company not acknowledgement as debt:

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

35.00 Aggregate amount of contracts for capital expenditure:

There was no contract for capital expenditure on 30-06-2022.

36.00 Basic Earnings per Share (EPS): Tk. (2.99)

Basic earnings per shares has been calculated as follows:

Earnings attributable to the Ordinary Shareholders: Net

Profit/(Loss) after tax

(19,323,899) 1,523,551

Number of Ordinary Shares outstanding during the year

6,460,650 6,460,650

Basic Earning per Share (EPS)

(2.99) 0.24

Basic Earning Per Share (EPS) has become negative for the year as the overall economic condition was dull due to COVID-19 and war between Rasha and Ukraine. Moreover, factory was closed down for 9 days (from 23/07/2021 to 31/07/2021) in line with the Govt. decision and another 6 days were required for resuming commercial production. But the company had to pay full salary and all other fixed cost. Apart from this, price of all imported raw materials increased (as international shipping, freight charges and Dollar price have grown up) and local raw materials have also increased but we could not increase products' price accordingly due to dull economic condition due to COVID- 19. As a result, production and sales of the factory have decreased which resulted in decreased Earning Per Share (EPS) of the company during the year.

37.00 Reconciliation of Net Operating Cash Flow:

Net Profit / (Loss) after tax	(19,323,899)	1,523,551
Depreciation	15,144,958	16,090,046
Deferred Tax Expenses/(Income)	(197,473)	(34,519)
Sale of Vehicle	-	3,929
Other Income	(21,390)	(125,372)
	14,926,095	15,934,084
(Increase)/Decrease in inventories	(21,447,234)	(19,432,358)
(Increase)/Decrease in Accounts Receivable	100,000	-
(Increase)/Decrease in Advance Deposits Prepayment	745,247	(6,021,722)
Increase/(Decrease) in Creditors Accrued Expense and Others	17,695,670	(1,732,515)
Increase/(Decrease) in Liabilities for Others Finance	1,237,619	17,469,874
	(1,668,698)	(9,716,721)
Net cash inflow from operating activities	(6,066,502)	7,740,914



Notes	Particulars	As at	
		30 June 2022	30 June 2021

38.00 Explanation of GP (Gross Profit) reduction:

Gross Profit (GP) has decreased for the year in comparison with the previous year as the overall economic condition was dull for COVID-19 and war between Russia & Ukraine as well. Moreover, factory was closed down for 9 days (from 23/07/2021 to 31/07/2021) in line with the Govt. decision and another 6 days were required for resuming commercial production. But the company had to pay full salary and all other fixed cost. Furthermore, lower pressure of Gas supply & interrupted supply of Electricity/low voltage was the major constraint for improving production. Apart from this, price of all imported raw materials have increased (as international shipping, freight charges and Dollar price have gone up) and local raw materials have also increased but we could not increase our products' price accordingly due to dull economic condition for COVID- 19 and Russia & Ukraine war etc. As a result, production and sales of the factory have decreased which resulted in decreased GP of the company compared to the previous year.

39.00 Board Meeting Fee:

During the year under review 4 (four) board meetings, four audit committee meetings and two NRC meetings were held and each Director presented paid for Tk. 8,000/= per meeting as Meeting Fees.

40.00 Related party transactions

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

Particulars	30.06.2022		30.06.2021	
	Directors	All managers	Directors	All managers
Remuneration & allowances	11,286,600	9,078,840	11,175,000	8,146,014
Bonus	1,390,000	840,840	1,390,000	677,416
	12,676,600	9,919,680	12,565,000	8,823,430

41.00 Net Asset Value Per Share: Tk. 6.66

Details are as under:

Net Asset (41.1)	43,002,392	62,808,712
Number of Ordinary shares outstanding during the year	6,460,650	6,460,650
Net Asset Value Per Share	6.66	9.72

41.01 Net Asset: Tk. 43,002,392

Details are as under:

Total assets	318,097,749	312,093,096
Less: Total liabilities	275,095,358	249,284,384
Net Asset	43,002,392	62,808,712



Notes	Particulars	As at	
		30 June 2022	30 June 2021

42.00 Net Operating Cash Flow Per Share: Tk. (0.94)

Details are as under:

Net cash generated from operating activities	(6,066,502)	7,740,914
Number of ordinary share outstanding during the year.	6,460,650	6,460,650
Net Operating cash flow per share	(0.94)	1.20

42.01 Net Operating Cash Flow per share (NOCFPS) has decreased during the year 2021-22 under review compared to the preceding year (2020-21) as collection (advance) against sales for the year 2021-22 has decreased and suppliers payment has increased.

43.00 Disclosure under IAS-10: Events after Reporting Period:

The Board of Directors of the Company has approved the Financial Statements as on 26 October 2022. Recommended no dividend for the year ended on June 30, 2022. Except the fact stated above, neither any 'Non-adjusting Events' nor any 'Adjusting Events' took place after the reporting period.


Company Secretary


Managing Director


Director

Dated: Dhaka, 26 OCT 2022



Standard Ceramic Industries Limited
Schedule of Property, Plant & Equipment
As at & for the Year Ended 30 June 2022

Schedule-1
Amount in Taka

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value on 30-06-2022
	Balance as at 01-07-2021	Addition during the year	Adjustment during the year		Total as at 30-06-22	Charged during the year	Adjustment during the year	
Land and Land development	30,555,601	-	-	0%	-	-	-	30,555,601
Building & Civil constructions	101,693,796	339,680	-	7.5%	2,581,455	-	69,981,964	32,051,512
Plant & Machineries	277,042,135	518,475	-	10%	9,691,251	-	189,995,422	87,565,188
Deep Tube Well	1,105,519	-	-	5%	22,655	-	675,081	430,438
Electric & Security Equipment	11,708,521	961,276	-	10%	594,434	-	7,156,604	5,513,193
Car & other vehicles	14,577,549	-	-	20%	287,655	-	13,426,927	1,150,622
Tools	338,065	-	-	25%	64	-	338,064	1
Office Equipment	2,607,792	100,233	-	15%	103,617	-	2,120,859	587,166
Furniture & Fixture	2,797,281	-	-	10%	112,230	-	1,787,208	1,010,073
Right-of-use asset	5,254,474	-	-	33%	1,751,491	-	3,502,982	1,751,492
Other Assets	44,472	-	-	20%	106	-	44,471	1
Total as on 30 June 2022	447,725,205	1,919,664	-		15,144,958	-	289,029,582	160,615,287
Total as on 30 June 2021	439,848,009	10,954,873	3,077,677		16,090,046	3,073,748	273,884,624	173,840,581

Notes:

Allocation of Depreciation	Amount
Cost of Goods Sold	13,259,532
Administrative Expenses	1,885,426
Total	15,144,958



Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994:**A. Disclosure as per requirement of Schedule XI, Part II, Para-3, Note 4 (i) and (ii)**

Employees position of the company as at 30 June 2022:

Complied -Disclosed in Note No-33

Disclosure as per requirement of Schedule XI, Part II, Para 3:

Para	Details	Compliance status of disclosure of Schedule XI, Part II, Para 3
3(i)(a)	The turnover	Complied -Disclosed in Note No. 21
3(i)(b) t	Commission paid to the selling agent	Not Applicable
3(i)(c)	Brokerage and discount on sales, other than the usual trade discount.	Not Applicable
3(i)(d)(i)	The value of the raw materials consumed, giving item wise breakup as possible.	Complied -Disclosed in Note No-4.01 and 22
3(i)(d)(ii)	The opening and closing stocks of goods produced.	Complied - Disclosed in Note No-22
3(i)(e)	In the case of trading companies, the purchase made and the opening and closing stocks.	Not applicable
3(i)(f)	In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied.	Not Applicable
3(i)(g)	Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e. manufacturing and/or trading.	Complied -Disclosed in Note No- 4.01 and 22
3(i)(h)	In the case of other companies, the gross income derived under different heads.	Not Applicable
3(i)(i)	Work-in-progress, which have been completed at the commencement and at the end of the accounting period.	Complied- Disclosed in Note No-22
3(i)(j)	Provision for depreciation, renewals or diminution in value of fixed assets.	Complied -Disclosed in Schedule of Property, Plant & Equipment (Schedule-1)
3(i)(k)	Interest on the debenture paid or payable to the Managing Director, Managing Agent and Manager.	Not Applicable
3(i)(l)	Charge of income tax and other taxation on profits.	Complied -Disclosed in Note No- 27 & 28
3(i)(m)	Revised for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i)	Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii)	Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i)	Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii)	Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p)	Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Complied -Disclosed in Note From 22, 23, 24 and in the Statement of Profit or Loss



**B. Disclosure as per requirement of Schedule XI, Part II, Para 4:
Payment/Perquisites to Directors & Managers**
Complied and Disclosed in Note- 40

C. Disclosure as per requirement of Schedule XI, Part II, Para 7:
Details of production capacity utilization:

Particulars		Installed Capacity (In MT)	Actual Production (In MT)	Capacity Utilization
2021-2022	Annual Production capacity	6,500	3,947	60.72%
2020-2021	Annual Production capacity	6500(Restated)	4,369	67.22%(Restated)

D. Disclosure as per requirement of Schedule XI, Part II, Para 8 (C) :
Raw materials:

Items	Total Purchase (BDT)		Consumption (BDT)		% of consumption of total purchase	
	2021-22	2020-21	2021-2022	2020-2021	2021-2022	2020-2021
Raw materials	119,150,464	119,712,315	121,087,788	123,172,718	101.63%	102.89%
Spare parts	6,026,090	6,992,905	10,945,138	7,334,958	181.63%	104.89%
Packing materials	19,500,909	19,500,909	19,570,929	19,570,929	100.36%	100.36%
Total	144,677,463	146,206,129	151,603,855	150,078,605		

- i) The company did not incurred expenditure in foreign currencies for the period from 01 July 2021 to 30 June 2022 on account of professional fees amounting .
- ii) The company did not earned any foreign exchanges for royalty, know-how, professional fees, consultancy fees and interest;
- iii) The Company has not remitted any foreign currencies on account of dividend.

