

**Auditor's Report & Audited Financial Statements**

**of**

**Standard Ceramic Industries Limited**

**As at and for the Year Ended 30 June 2021**

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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 2021, 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 2021, 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 Provident Fund under the conditions of recognition and Rule 250 (2) of the Bangladesh Labor Rules 2015. The company did not transfer the both employers and employees' contribution totaling Tk. 17,085,849 to the Provident Fund account. However, the company has made provision @ 8% interest of undisbursed amount of the contributions.

#### 2. Reference to the Note# 18

Unclaimed Dividend of Tk. 9,286,881 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.

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.

**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 be 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
<b>Valuation of Property, Plant and Equipment</b>	
<p>The carrying value of the PPE was Tk. 173,840,581 as at 30 June, 2021. 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"> <li>• 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.</li> <li>• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.</li> <li>• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</li> <li>• 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.</li> </ul>
<b>Measurement of Deferred Tax Liability</b>	
<p>The company reports net deferred tax liability to totaling Tk. 14,248,722 as at 30 June 2021.</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><b>Valuation of Inventory</b></p> <p>The inventory of Tk. 116,542,656 as at 30 June, 2021 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"> <li>• evaluating the design and implementation of key inventory controls operating across the company;</li> <li>• attending in surprise inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>• 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;</li> <li>• reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year.</li> </ul>
<p><b>Impairment of PPE</b></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"> <li>• We critically assessed and checked the company's impairment model. This included consideration of discounted cash flow forecast.</li> <li>• 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.</li> </ul>

**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 qualified 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 recognition 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.

### **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: 2111110199AS482463

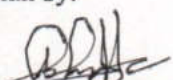
Dated: Dhaka, 3 . NOV 2021

**Standard Ceramic Industries Limited**  
**Statement of Financial Position**  
As at 30 June 2021

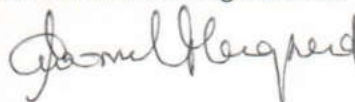
Amount in Taka

Particulars	Notes	As on	
		30 June 2021	30 June 2020
<b>Assets:</b>			
<b>A. Non-current Assets</b>		<b>173,840,581</b>	<b>178,979,683</b>
Property, Plant and Equipment	3	173,840,581	178,979,683
<b>B. Current Assets</b>		<b>138,252,515</b>	<b>111,220,183</b>
Inventories	4	116,542,656	97,110,298
Advances, Deposits and Prepayments	5	16,667,305	10,645,583
Accounts Receivable	6	430,775	430,775
Short Term Investment	7	527,832	504,659
Cash and Cash Equivalents	8	4,083,947	2,528,868
<b>Total Assets (A+B)</b>		<b>312,093,096</b>	<b>290,199,866</b>
<b>Equity &amp; Liabilities:</b>			
<b>C. Shareholders' equity</b>		<b>62,808,712</b>	<b>61,734,151</b>
Share Capital	9	64,606,500	64,606,500
Revaluation Reserve	10	25,592,345	25,592,345
General Reserve	11	614,510	1,063,500
Share Premium	12	14,650,000	14,650,000
Retained Earnings	13	(42,654,643)	(44,178,194)
<b>D. Non-current Liabilities</b>		<b>29,052,831</b>	<b>34,904,442</b>
Deferred Tax	14	14,248,722	14,283,241
Long Term Loan	15	14,804,109	20,621,201
<b>E. Current Liabilities</b>		<b>220,231,553</b>	<b>193,561,273</b>
Cash Credit (Secured)	16	62,829,298	49,474,646
Bank Overdraft	17	2,226,332	3,853,071
Unclaimed Dividend Account	18	9,286,881	10,081,873
Current Portion -Long Term Loan	15	8,958,612	8,958,612
Creditors, Accrued expenses and Others	19	58,663,159	60,395,674
Liabilities for other finance	20	78,267,271	60,797,397
<b>Total Shareholders' Equity and Liabilities (C+D+E)</b>		<b>312,093,096</b>	<b>290,199,866</b>
<b>Net Asset Value per share</b>	40	<b>9.72</b>	<b>9.56</b>

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 03 November, 2021 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: 211110199 AS 482463

Dated: Dhaka, 3 NOV 2021



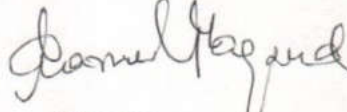
**Standard Ceramic Industries Limited**  
**Statement of Profit or Loss**  
For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		For the Year Ended	
		30 June 2021	30 June 2020
<b>Revenue</b>	21	325,335,999	233,738,372
Less: Cost of Goods Sold	22	261,101,886	217,529,750
<b>Gross Profit</b>		<b>64,234,113</b>	<b>16,208,622</b>
<b>Less: Operating Expenses</b>		<b>50,162,246</b>	<b>47,871,370</b>
Administrative Expenses	23	41,466,520	38,732,112
Selling and Distribution Expenses	24	8,695,726	9,139,258
<b>Operating Profit/(Loss)</b>		<b>14,071,867</b>	<b>(31,662,748)</b>
Add: Other Income	25	125,372	122,594
Less: Finance Cost	26	9,741,841	5,135,140
<b>Net Profit/(Loss) before WPPF</b>		<b>4,455,398</b>	<b>(36,675,294)</b>
Less: Workers Profit Participation Fund @ 5%		222,770	-
<b>Net Profit/(Loss) before Tax</b>		<b>4,232,628</b>	<b>(36,675,294)</b>
<b>Less: Income Tax Expense</b>		<b>(2,709,077)</b>	<b>(4,147,068)</b>
Current Tax	27	(2,743,596)	(2,279,228)
Deferred Tax (Expenses)/Income	28	34,519	(1,867,840)
<b>Net Profit/(Loss) after Tax</b>		<b>1,523,551</b>	<b>(40,822,362)</b>
<b>Earning Per Share(EPS)</b>	36	<b>0.24</b>	<b>(6.32)</b>

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 03 November, 2021 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, 3 . NOV 2021

  
**J C Biswas FCA**  
Partner  
ICAB Enrollment No. 199  
DVC No: 21111019946482463

**Standard Ceramic Industries Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2021**

Particulars	Amount in Taka						
	Share Capital	Revaluation Reserve	General Reserve	Tax Holiday 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
<b>Changes during the Year:</b>							
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

**For the year ended 30 June 2020**

Particulars	Amount in Taka						
	Share Capital	Revaluation Reserve	General Reserve	Tax Holiday Reserve	Share Premium	Retained Earnings	Total Equity
As at 01 July 2019	64,606,500	25,592,345	-	1,063,500	14,650,000	(125,507)	105,786,838
<b>Changes during the Year:</b>							
Inter Transfer	-	-	1,063,500	(1,063,500)	-	-	-
Cash Dividend (2018-19)	-	-	-	-	-	(3,230,325)	(3,230,325)
Profit/(Loss) After Tax	-	-	-	-	-	(40,822,362)	(40,822,362)
As at 30 June 2020	64,606,500	25,592,345	1,063,500	-	14,650,000	(44,178,194)	61,734,151

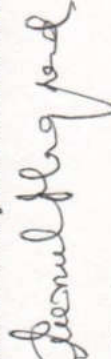
The annexed notes form an integral part of these financial statements. These financial statements were approved and authorized for issue by the Board of Directors on 03 November, 2021 and were signed on its behalf by:

  
**Company Secretary**

**Dated: Dhaka**

**3 NOV 2021**

  
**Managing Director**

  
**Director**



**Standard Ceramic Industries Limited**  
**Statement of Cash Flows**  
For the year ended 30 June 2021


Amount in Taka

Particulars	Note	For the Year Ended	
		30 June 2021	30 June 2020
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and others		388,785,586	281,807,098
Paid to suppliers, employees & others		(367,489,215)	(271,196,833)
Finance cost paid		(9,741,841)	(5,135,140)
Income Tax paid and/or deducted at source etc.		(3,813,616)	(1,852,367)
<b>A. Net Cash Generated from Operating Activities</b>	37	<b>7,740,914</b>	<b>3,622,758</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of Property, Plant and Equipment etc		(10,954,873)	(66,263,429)
Other income Received		125,372	122,594
Short Term Investment		(23,173)	6,248,372
<b>B. Net Cash Used in Investing Activities</b>		<b>(10,852,674)</b>	<b>(59,892,463)</b>
<b>Cash Flows from Financing Activities</b>			
Cash Credit Loan (Paid)/Received		13,354,652	23,809,235
Long Term Loan		(5,817,092)	29,579,813
Dividend Paid/ adjusted		(1,243,982)	(2,336,596)
Bank overdraft (Paid)/Received		(1,626,739)	(289,299)
<b>C. Net Cash Generated from Financing Activities</b>		<b>4,666,839</b>	<b>50,763,153</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>1,555,079</b>	<b>(5,506,552)</b>
Cash and Cash Equivalents at Beginning of the Year		2,528,868	8,035,420
<b>Cash and Cash Equivalents at End of the Year</b>	8	<b>4,083,947</b>	<b>2,528,868</b>
<b>Net Operating Cash Flow Per Share</b>	41	<b>1.20</b>	<b>0.56</b>

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 03 November, 2021 and were signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Director

Dated: Dhaka, 3 . NOV 2021



**Standard Ceramic Industries Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2021**

**1.0 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, 2021;
2. Statement of Profit or Loss for the year ended 30 June, 2021;
3. Statement of Changes in Equity for the year ended 30 June, 2021;
4. Statement of Cash Flows for the year ended 30 June, 2021 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.

**2.10.1 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, 2021, 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 39. Benefit of key management personnel includes officials in the ranks of Managing Director, Director, General Manager, Deputy General Manager, Company Secretary, CFO, Manager and Deputy Manager. The yearly salary involvement is Tk. 21,388,430 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 2020 to 30 June 2021.



Notes	Particulars	As at & For the Year Ended	
		30 June 2021	30 June 2020

**3.00 Property, Plant and Equipment: Tk. 173,840,581**

Details are as under:

Opening Balance	439,848,009	382,997,351
Addition during the year	10,954,873	66,263,429
Less: Adjustment made during the year	(3,077,677)	9,412,771
	<b>447,725,205</b>	<b>439,848,009</b>
Less: Accumulated Depreciation	(273,884,624)	(260,868,326)
<b>Written Down Value</b>	<b>173,840,581</b>	<b>178,979,683</b>

Details of Property, Plant and Equipment has been shown in schedule-1.

**4.00 Inventories: Tk. 116,542,656**

Details are as follows:

	30 June 2021		30 June 2020	
	Qty in M.T	Value (Tk.)	Qty in M.T	Value (Tk.)
Raw Materials (4.01)		9,360,403		7,705,000
Work-in process	M.T 1070	81,250,981	M.T 948(Restated)	65,755,288
Finished products	M.T 56	5,394,110	M.T 92	9,010,010
Stores & spares , Mould Sagger etc		18,846,942		14,334,400
Packing Materials	35,514. pcs	1,690,220	6,400 pcs	305,600
		<b>116,542,656</b>		<b>97,110,298</b>

The inventories were physically verified on 30 June 2021 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 2021		30 June 2020	
	Body, Glaze and Auxiliary (M.T)	Decorative Sheet (pcs)	Body, Glaze and Auxiliary (M.T)	Decorative Sheet (pcs)
Opening Balance	112	2,150	164	65,000
Add: Purchased during the year	5,563	391,000	4,393	148,000
Available for use	<b>5,675</b>	<b>393,150</b>	<b>4,557</b>	<b>213,000</b>
Less: Issued for Production	5,527	329,650	4,445	210,850
<b>Closing Balance</b>	<b>148</b>	<b>63,500</b>	<b>112</b>	<b>2,150</b>





Notes	Particulars	As at & For the Year Ended	
		30 June 2021	30 June 2020
<b>5.00</b>	<b>Advance Deposits and Pre-payment: Tk. 16,667,305</b>		
	Details are as under:		
	i) Advances	985,070	323,896
	ii) Security deposits	3,561,902	3,561,902
	iii) Advance Income Tax	8,046,600	4,232,984
	iv) Bank Margins etc	4,073,733	2,249,200
	v) VAT (Value Added Tax):	-	277,601
		<b>16,667,305</b>	<b>10,645,583</b>
<b>i)</b>	<b>Advances: Tk. 985,070</b>		
	Details are as under:		
	Advance against works	985,070	323,896
		<b>985,070</b>	<b>323,896</b>
<b>ii)</b>	<b>Security deposits: Tk. 3,561,902</b>		
	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
		<b>3,561,902</b>	<b>3,561,902</b>
<b>iii)</b>	<b>Advance Income Tax: Tk. 8,046,600</b>		
	Details are as under:		
	Opening balance	4,232,984	6,258,308
	Addition during the year	3,813,616	1,852,367
		8,046,600	8,110,675
	Less: Adjustment	-	(3,877,691)
	<b>Closing Balance</b>	<b>8,046,600</b>	<b>4,232,984</b>
<b>iv)</b>	<b>Bank Margins etc: Tk. 4,073,733</b>		
	Details are as under:		
	L/C Margin	3,225,533	1,401,000
	Bank Guarantee Margin	848,200	848,200
		<b>4,073,733</b>	<b>2,249,200</b>



Notes	Particulars	As at & For the Year Ended	
		30 June 2021	30 June 2020
v)	<b>VAT (Value Added Tax): Tk. 0</b>		
	Details are as under:		
	Opening Balance	277,601	1,222,028
	Add: Cash Deposit and VAT on Raw materials etc.	46,305,129	34,116,319
		46,582,730	35,338,347
	Less: Adjustment on local sales	(46,582,730)	(35,060,746)
	<b>Closing Balance</b>	<b>-</b>	<b>277,601</b>

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.

**6.00 Accounts Receivable: Tk. 430,775**

The amount represents receivable against duty draw back.

Exceeding six month	430,775	430,775
<b>Total</b>	<b>430,775</b>	<b>430,775</b>

**7.00 Short Term Investment: Tk. 527,832**

Details are as under:

Investment in FDR# 24300067015 (Southeast Bank Ltd.)	<b>527,832</b>	<b>504,659</b>
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**8.00 Cash & Cash Equivalents: Tk.. 4,083,947**

Details are as under:

Cash in hand	226,825	372,480
<b>Cash at Bank</b>		
Al-Arafah Islami Bank CD A/C No-11866	5,392	6,542
Rupali Bank Ltd. CD A/C No.-1650	427,421	49,483
Rupali Bank Ltd. CD A/C No.-1595	-	3,780
Rupali Bank Ltd. CD A/C No.-7662	863,168	-
United Commercial Bank CD A/C No.-330	-	451
United Commercial Bank CD A/C No. 928	272,378	31,012
City Bank Ltd. CD A/C No.1402077	1,724,801	1,195,922
City Bank Ltd. CD A/C No.1102075735001	-	56,895
Agrani Bank Ltd. CD A/C No.-33005504	-	9,732
Agrani Bank Ltd. CD A/C No.-562	-	1,000
Agrani Bank Ltd. CD A/C No.-22303	-	1,444
Bangladesh Shilpa Bank CD A/C No.-113303653	-	1,743
Sonali Bank Ltd. CD A/C No.15609	-	240
Southeast Bank Ltd. CD A/C No.47598	-	12,122
Mutual Trust Bank CD A/C No.0020210027324	366,863	546,463
Rupali Bank Ltd. CD A/C No.-158-7474	-	3,552



Notes	Particulars	As at & For the Year Ended	
		30 June 2021	30 June 2020
	IFIC Bank CD A/C No.-00083325016	-	950
	City Bank Ltd. STD A/C No.31000453/7001	241	13,576
	City Bank Ltd. STD A/C No.31000490/7002	13	13,571
	City Bank Ltd. STD A/C No.31000536/7003	616	15,085
	City Bank Ltd. STD A/C No.3102075735001	-	808
	City Bank Ltd. STD A/C No.7004	31,775	29,931
	IFIC Bank Ltd. STD A/C No.000836000701	-	6,657
	AB Bank , principal Branch	15,816	-
	Rupali Bank Ltd. F/C A/C No.-95/05 (US\$ 3,376.39 )	148,638	155,429
		<b>4,083,947</b>	<b>2,528,868</b>

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

**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, 2021 is as follows :

Description	30 June 2021			30 June 2020		
	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	7	1,841,072	28.50
Financial Institutions (Bank & Insurance)	16	13,693	0.21	11	10,102	0.47
Financial Institutions (Others)	169	345,855	5.35	61	229,067	1.79
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	4	440	0.01	4	440	0.01
ICB Unit Fund	1	13,000	0.20	1	13,000	0.25
Others Mutual Fund and Unit Fund	1	270	0.00	1	270	0.00
General Public	10158	4,099,960	63.47	9136	4,350,019	68.72
	<b>10,559</b>	<b>6,460,650</b>	<b>100.00</b>	<b>9,423</b>	<b>6,460,650</b>	<b>100</b>

(d) The Shareholding pattern is as below :

Description	30 June 2021			30 June 2020		
	No. of Share holders	No. of Shares	Share holding in %	No. of Share holders	No. of Shares	Share holding in %
Upto 500 Shares	8969	778,978	12.06	8119	673,689	10.43
501 to 5000 Shares	1474	1,726,591	26.72	1161	1,555,149	24.08
5001 to 10000 Shares	55	388,610	6.01	72	435,252	6.74
10001 to 20000 Shares	26	371,276	5.75	29	377,235	5.84
20001 to 30000 Shares	13	331,845	5.14	15	422,836	6.54
30001 to 40000 Shares	5	182,982	2.83	9	213,491	3.30
40001 to 50000 Shares	3	140,550	2.18	2	95,000	1.47
50001 to 100000 Shares	7	609,406	9.43	8	609,406	9.43
100001 to above Shares	7	1,930,412	29.88	8	2,078,592	32.17
	<b>10,559</b>	<b>6,460,650</b>	<b>100</b>	<b>9,423</b>	<b>6,460,650</b>	<b>100</b>

(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. 202.60 at Dhaka Stock Exchange Limited and Tk. 199.30 at Chittagong Stock Exchange Limited as on 30 June 2021.



Notes	Particulars	As at & For the Year Ended	
		30 June 2021	30 June 2020
<b>10.00</b>	<b>Revaluation Reserve: Tk. 25,592,345</b>		
	Details is as follows:		
	Opening Balance	25,592,345	25,592,345
		-	-
		<u>25,592,345</u>	<u>25,592,345</u>
	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.		
<b>11.00</b>	<b>General Reserve: Tk. 614,510</b>		
	Details are as under:		
	Opening Balance	1,063,500	-
	Less: Transfer to dividend payable A/c (Cash Dividend)	(448,990)	1,063,500
		<u>614,510</u>	<u>1,063,500</u>
<b>12.00</b>	<b>Share Premium: Tk. 14,650,000</b>		
	Details are as under:		
	Represents Share Premium	<u>14,650,000</u>	<u>14,650,000</u>
<b>13.00</b>	<b>Retained Earnings: Tk. (42,654,643)</b>		
	Details are as under:		
	Opening Balance	(44,178,194)	(125,507)
	Cash Dividend (2018-19)	-	(3,230,325)
	Profit / (Loss) After Tax for the Year	1,523,551	(40,822,362)
	<b>Closing Balance</b>	<u>(42,654,643)</u>	<u>(44,178,194)</u>
<b>14.00</b>	<b>Deferred Tax: Tk. 14,248,722</b>		
	Details are as under:		
	Deferred Tax Liabilities (Note-14.01)	<u>14,248,722</u>	<u>14,283,241</u>
<b>14.01</b>	<b>Deferred Tax</b>		
	Book Value of Depreciated Assets	139,781,997	148,424,082
	Tax Base of Depreciated Assets	(75,463,027)	(88,661,179)
		<u>64,318,970</u>	<u>59,762,903</u>
	Provision for Retirement benefits ( Gratuity ) (note-20.01)	(991,315)	(2,629,939)
	<b>Net Taxable Temporary Difference</b>	<u>63,327,655</u>	<u>57,132,964</u>
	Effective Rate	22.50%	25%
	<b>Deferred Tax Liability at Closing</b>	<u>14,248,722</u>	<u>14,283,241</u>
	Deferred Tax Liability at Opening	(14,283,241)	(12,415,401)
	<b>Deferred Tax Expenses/(Income)</b>	<u>(34,519)</u>	<u>1,867,840</u>



Notes	Particulars	As at & For the Year Ended	
		30 June 2021	30 June 2020
<b>15.00</b>	<b>Term Loan (Secured) : Tk.23,762,721</b>		
	Non Current portion of Long Term Loan:	14,804,109	20,621,201
	Current Portion of Long Term Loan:	8,958,612	8,958,612
	<b>Rupali Bank Ltd. A/c no-027, Total Term Loan</b>	<b>23,762,721</b>	<b>29,579,813</b>

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. 62,829,298**

Details are as under:

Cash Credit (Hypo) A/c no-04	24,011,917	24,901,691
Cash Credit (Pledge) A/c no-02	23,775,510	24,572,955
Working Capital Loan under stimulus package(Covid- loan)A/c-03	15,041,871	-
	<b>62,829,298</b>	<b>49,474,646</b>

The Company is enjoying cash credit facilities from Rupali Bank Ltd., Ramna Corporate Branch, Dhaka. Interest charged on all credit @ 9.00% & 4.5 % . 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.2,226,332**

Details are as follows:

NCC Bank ltd, A/c no-0025	1,061,620	3,590,060
Southeast Bank Ltd,A/c no-98	431,410	-
City Bank Ltd,A/c no- CD-5001	733,302	-
AB Bank Ltd A/c no-	-	212,748
Rupali Bank Ltd, Ramna A/c no- 7662 Br	-	50,263
	<b>2,226,332</b>	<b>3,853,071</b>

This represents temporary overdrawn from current account

**18.00 Unclaimed Dividend Account : Tk.9,286,881**

<b>9,286,881</b>	<b>10,081,873</b>
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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 2021	30 June 2020
<b>19.00</b>	<b>Creditors, Accrued Expenses and Others: Tk. 58,663,159</b>		
	Details are as under:		
	Directors' remuneration	6,518,750	5,087,500
	Salary	17,600,741	19,884,818
	Gas bill	32,266	9,048,454
	Electric bill	1,444,709	1,180,582
	Audit fees	258,750	258,750
	Workers Profit Participation Fund	222,770	955,555
	Provident Fund	17,085,849	16,112,566
	Lease liability	4,285,311	-
	Other payables	11,214,013	7,867,449
		<b>58,663,159</b>	<b>60,395,674</b>

**20.00 Liabilities for other finance: Tk. 78,267,271**

Details are as under:

Security money employees	1,027,979	1,138,479
Security money (Agency) and advance etc.	70,799,517	54,378,167
Provision for Income Tax	4,524,798	2,279,228
Provision for Retirement benefits ( Gratuity ) (note-20.01)	991,315	2,629,939
Other Provisions	923,662	371,584
	<b>78,267,271</b>	<b>60,797,397</b>

Income Tax finalized upto Assessment year 2016-17. Assessment for the year 2017-2018 to 2020-21 are under process of finalization.

**20.01 Provision for Retirement benefits (Gratuity): Tk. 991,315**

<b>Opening balance</b>	2,629,939	1,629,439
Provision during the year	1,500,490	1,000,500
Less: Payment during the year	(3,139,114)	-
<b>Closing balance</b>	<b>991,315</b>	<b>2,629,939</b>



Notes	Particulars	For the Year Ended	
		30 June 2021	30 June 2020

**21.00 Revenue: Tk. 325,335,999**

Break-up as follows

	Quantity	Value	Quantity	Value
Net Local Sales	M.T 4,405	325,335,999	M.T 3,086	233,738,372
<b>Total</b>		<b>325,335,999</b>		<b>233,738,372</b>

Notes	Particulars	For the Year Ended	
		30 June 2021	30 June 2020

**22.00 Cost of Goods Sold: Tk. 261,101,886**

Details are as under:

**Materials Consumed:**

Opening Stock	7,705,000	11,709,250
Purchase during the year	123,516,904	91,680,796
	<b>131,221,904</b>	<b>103,390,046</b>
Less: Closing stock	9,360,403	7,705,000
	121,861,501	95,685,046
Add: Opening Work-in -process	65,755,288	50,022,426
	<b>187,616,789</b>	<b>145,707,472</b>
Less: Closing Work-in-process	81,250,981	65,755,288
	<b>106,365,808</b>	<b>79,952,184</b>
<b>Factory Overhead:</b>		
Wages, Salaries, O.T & Bonus	67,576,593	64,722,915
P.F Contribution.	981,599	913,927
Packing Materials	17,725,511	10,216,146
Power & Gas	33,244,199	35,036,849
Insurance	4,101	107,082
Consumable stores	6,942,472	8,343,978
Miscellaneous factory expenses	2,256,729	2,013,920
Repairs & Maintenance	12,655,914	8,396,271
Depreciation	14,195,169	13,494,774
	<b>155,582,287</b>	<b>143,245,862</b>
Add: Opening Stock of finished goods	9,010,010	4,167,457
	<b>270,958,105</b>	<b>227,365,503</b>
Less: Closing Stock of finished goods	5,394,110	9,010,010
	<b>265,563,995</b>	<b>218,355,493</b>
Add: Opening stock of Mould & Sagger	6,713,900	5,888,157
	<b>272,277,895</b>	<b>224,243,650</b>
Less: Closing stock of Mould & Sagger	11,176,009	6,713,900
	<b>261,101,886</b>	<b>217,529,750</b>
<b>Total production</b>	<b>4,369 M.T</b>	<b>3,117 M.T</b>

\* Repairs & maintenance during the year includes all factory building & machinery repairs and maintenance Tk.2,677,542/= and fuel & lubricant expenses etc.Tk.9,978,372.





Notes	Particulars	For the Year Ended	
		30 June 2021	30 June 2020
<b>23.00</b>	<b>Administrative expenses: Tk. 41,466,520.</b>		
	Director's Emolument	12,565,000	12,051,900
	Rent, Rates & Taxes	88,000	78,000
	Postage, Telegram & Telephone	504,530	354,228
	Office Salaries	20,242,076	19,779,400
	P.F Contribution	198,318	196,505
	Stationery	434,758	168,598
	Religious & Festival Expenses	76,800	475,026
	Legal & Professional and Other fees	265,900	162,100
	Audit fees	258,750	258,750
	Forms & Fees ( Note no-23.01)	2,732,274	686,409
	Utility bill	292,265	271,570
	Motor Vehicles maintenance	144,903	162,043
	Petrol, Oil & Lubricant	184,450	225,390
	Office Maintenance etc.	67,815	81,395
	AGM & Other meeting Expenses etc.	660,800	715,789
	Entertainment expenses	596,901	433,972
	Miscellaneous expenses	258,103	457,050
	Depreciation	1,894,877	2,173,987
		<b>41,466,520</b>	<b>38,732,112</b>
<b>23.01</b>	Forms & Fees includes Various Licence fees, BSTI Licence 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.		
<b>24.00</b>	<b>Selling and Distribution Expenses: Tk. 8,695,726.</b>		
	Details are as under:		
	Office Salaries	4,985,420	4,890,519
	P.F. Contribution.	77,640	76,380
	Conveyance	728,339	473,320
	Business Promotional expenses	674,677	763,338
	Trade Fair expenses	-	1,149,551
	Transport exp.	2,229,650	1,786,150
		<b>8,695,726</b>	<b>9,139,258</b>
<b>25.00</b>	<b>Other Income: Tk. 125,372</b>		
	Details are as under:		
	Disposal of old Car	99,071	-
	Interest on Std A/c	-	906
	Interest on FDR	26,301	121,688
		<b>125,372</b>	<b>122,594</b>
<b>26.00</b>	<b>Finance cost: Tk. 9,741,841</b>		
	Details are as under:		
	Bank interest	7,438,720	3,403,297
	Bank charges etc.	2,303,121	1,731,843
		<b>9,741,841</b>	<b>5,135,140</b>



Notes	Particulars	For the Year Ended	
		30 June 2021	30 June 2020

**27.00 Income Tax Expenses: Tk.2,743,596.**

Details are as under:

Current year's tax (1) -*	2,245,570	1,613,530
Prior year's tax (Asst. Year -2012-13)	498,026	-
Prior year's tax (Asst. Year -2016-17)	-	665,698
	<u>2,743,596</u>	<u>2,279,228</u>

**Calculation of Income Tax Provision Year 2020-21**

**Tk.**

**Tax payable under regular assessment :**

Net Profit before tax during the year	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 on Gross receipts:

**Calculation of Minimum tax :**

Gross Revenue	374,136,344
Add:Other income	125,372
<b>Total Gross Receipts</b>	<u><b>374,261,716</b></u>

1. Minimum tax on Gross receipts as per income tax law @ 0.60% on Tk. 374,261,716. \*

2,245,570

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:

- Tumover tax at the rate of 0.60% total gross receipts U/S 82C
- 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 2020-21 as income tax provision.

**28.00 Deferred Tax Expenses: Tk. (34,519).**

Details are as under:

Deferred Tax Expenses (note-14.01)	<u>(34,519)</u>	<u>1,867,840</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 in the Statement of Financial Position.

**32.00 Sales - Item-wise:**

The company sales Stonewares 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 daily):

- i) Workers/Employees drawings Tk. 3,000 or more per month 734 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 30-06-2021.



Notes	Particulars	As at	
		30 June 2021	30 June 2020

### 36.00 Basic Earnings per Share (EPS): Tk. 0.24

Basic earnings per shares has been calculated as follows:

Earnings attributable to the Ordinary Shareholders: Net Profit/(Loss) after tax	1,523,551	(40,822,362)
Number of Ordinary Shares outstanding during the year	6,460,650	6,460,650
Basic Earning per Share (EPS)	<u>0.24</u>	<u>(6.32)</u>

Due to increase-in Sales volume and decrease-in cost of goods sold, as a direct result of new Glost Kiln the profitability has improved resulting the consequent increase in the EPS in 2020-21 comparing the EPS of 2019-20.

### 37.00 Reconciliation of Net Operating Cash Flow:

Net Profit /(Loss) after tax	1,523,551	(40,822,362)
Depreciation	16,090,046	15,668,762
Deferred Tax Expenses/(Income)	(34,519)	1,867,840
Sale of vehicale	3,929	-
Other income	(125,372)	(122,594)
	<b>15,934,084</b>	<b>17,414,008</b>
(Increase)/Decrease in inventories	(19,432,358)	(17,706,338)
(Increase)/Decrease in Accounts Receivable	-	33,974
(Increase)/Decrease in Advance Deposits Prepayment	(6,021,722)	14,472,185
Increase/(Decrease) in Creditors Accrued Expense and Others	(1,732,515)	17,281,042
Increase/(Decrease) in Liabilities for Others Finance	17,469,874	12,950,250
	<b>(9,716,721)</b>	<b>27,031,113</b>
Net cash inflow from operating activities	<u>7,740,914</u>	<u>3,622,759</u>

### 38.00 Board Meeting Fee:

During the year under review 4 (four) board meetings, four audit committee meetings and one NRC meeting were held and each Director present was paid Tk. 8,000/= per meeting as Board Meeting Fee.

### 39.00 Related party transactions

a)Key management personnel compensation

Short term employee benefits (Salary and allowances etc.)

Particulars	30.06.2021		30.06.2020	
	Directors	All managers	Directors	All managers
Remuneration & allowances	11,175,000	8,146,014	10,821,900	8,273,426
Bonus	1,390,000	677,416	1,230,000	660,986
	<b>12,565,000</b>	<b>8,823,430</b>	<b>12,051,900</b>	<b>8,934,412</b>



Notes	Particulars	As at	
		30 June 2021	30 June 2020
<b>40.00</b>	<b>Net Asset Value Per Share: Tk. 9.72</b>		
	Details are as under:		
	Net Asset (40.1)	62,808,712	61,734,151
	Number of Ordinary shares outstanding during the year	6,460,650	6,460,650
	Net Asset Value Per Share	<u>9.72</u>	<u>9.56</u>

**40.01 Net Asset: Tk. 62,808,712**

Details are as under:

Total assets	312,093,096	290,199,866
Less: Total liabilities	249,284,384	228,465,715
<b>Net Asset</b>	<u><b>62,808,712</b></u>	<u><b>61,734,151</b></u>

**41.00 Net Operating Cash Flow Per Share: Tk. 1.20**

Details are as under:

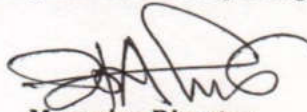
Net cash generated from operating activities	7,740,914	3,622,759
Number of ordinary share outstanding during the year.	6,460,650	6,460,650
<b>Net Operating cash flow per share</b>	<u><b>1.20</b></u>	<u><b>0.56</b></u>

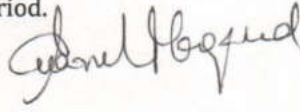
**42.00** Net Operating Cash Flow per share (NOCFPS) has increased in the year 2020-21 under review compared to in the preceding year (2019-20) as collection ( advance) against sales for the year 2020-21 has increased.

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

The Board of Directors of the Company has approved the Financial Statements as on 03.11.2021 recommended Cash Dividend @ 1% (Tk.0.10 per share of Taka 10 each) for the year ended on June 30, 2021 to all shareholders. 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, 3 NOV 2021

**Standard Ceramic Industries Limited**  
**Schedule of Property, Plant & Equipment**  
As at & for the Year Ended 30 June 2021

Schedule-1  
Amount in Taka

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value on 30-06-2021
	Balance as at 01-07-2020	Addition during the year	Adjustment during the year	Total as at 30-06-21		Balance as at 01-07-2020	Charged during the year	Adjustment during the year	Total as at 30-06-2021	
Land and Land development	30,555,601	-	-	30,555,601	0%	-	-	-	-	30,555,601
Building & Civil constructions	99,596,136	2,097,660	-	101,693,796	7.5%	2,678,797	-	-	67,400,509	34,293,287
Plant & Machineries	274,748,196	2,293,939	-	277,042,135	10%	10,528,499	-	-	180,304,171	96,737,964
Deep Tube Well	1,105,519	-	-	1,105,519	5%	23,847	-	-	652,426	453,093
Electric & Security Equipment	11,417,171	291,350	-	11,708,521	10%	553,058	-	-	6,562,170	5,146,351
Car & other vehicles	15,617,549	-	1,040,000	14,577,549	20%	360,552	1,036,071	-	13,139,272	1,438,277
Tools	338,065	-	-	338,065	25%	22	-	-	338,000	65
Office Equipment	2,355,242	252,550	-	2,607,792	15%	92,912	-	-	2,017,242	590,550
Furniture & Fixture	2,032,381	764,900	-	2,797,281	10%	100,841	-	-	1,674,978	1,122,303
Right -of- use asset	2,037,677	5,254,474	2,037,677	5,254,474	33%	1,751,491	2,037,677	-	1,751,491	3,502,983
Other Assets	44,472	-	-	44,472	20%	27	-	-	44,365	107
<b>Total as on 30 June 2021</b>	<b>439,848,009</b>	<b>10,954,873</b>	<b>3,077,677</b>	<b>447,725,205</b>		<b>16,090,046</b>	<b>3,073,748</b>		<b>273,884,624</b>	<b>173,840,581</b>
<b>Total as on 30 June 2020</b>	<b>382,997,351</b>	<b>66,263,429</b>	<b>9,412,771</b>	<b>439,848,009</b>		<b>15,668,762</b>	<b>9,412,771</b>		<b>260,868,326</b>	<b>178,979,683</b>

Notes:

Allocation of Depreciation	Amount
Cost of Goods Sold	14,195,169
Administrative Expenses	1,894,877
<b>Total</b>	<b>16,090,046</b>



**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 2021:

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- 39

**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
<b>2020-2021</b>	Annual Production capacity	6,200	4,369	70.47%
<b>2019-2020</b>	Annual Production capacity	6,200	3,117	50.27%

**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	
	2020-21	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Raw materials	123,516,904	91,680,796	121,861,501	95,685,046	98.66%	104.37%
Spare parts	6,992,905	8,858,587	6,942,472	8,343,978	99.28%	94.19%
Packing materials	19,110,131	10,010,966	17,725,511	10,216,146	92.75%	102.05%
<b>Total</b>	<b>149,619,940</b>	<b>110,550,349</b>	<b>146,529,484</b>	<b>114,245,170</b>		

i) The company did not incurred expenditure in foreign currencies for the period from 01 July 2020 to 30 June 2021 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.

