

AUDITOR'S REPORT

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**AUDITED FINANCIAL
STATEMENTS**

OF

STANDARD CERAMIC INDUSTRIES LIMITED

FOR THE YEAR ENDED 30 JUNE 2023



House # 07 (2nd Floor), Road # 2/1,
Block # L, Banani,
Dhaka- 1213, Bangladesh.

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 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance and material effects of the matter described under the *Basis for Qualified Opinion section and Matter of Emphasis section* of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2023 and its operational performance & its cash flows for the year then ended in conformity with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

1. Note # 4.00 of the financial statement shows Inventories of Tk. 123,170,628 which includes Work in Process Tk. 89,811,447 but we were not provided with any registers, statements or satisfactory documents, evidence and scope to verify and confirm existence and value of those. Yearly installed production capacity of the factory has been shown as 6,500 MT and during the year under audit the company could produce 2,463 MT. Quantity of Work in Process have been shown 1,099 MT representing more than 5 months' equivalent production. If we consider 15 days' production as work in process, it would be maximum Tk. 8,580,711, which reflects that the value of Work in Process have been overstated by Tk. 81,230,736 in consequence of which Net Loss of the company has been understated and net assets, inventory and equity have been overstated by the equivalent amount.
2. Note # 17.00 showing Bank Overdraft Tk. 4,988,146 which includes Balance under N.C.C Bank A/C No. 0025 Tk. 4,518,650, United Commercial Bank, A/C No. 928 Tk. 93,991 and Rupali Bank, Tongi Branch, A/C No. 1650 Tk. 375,505 as on 30 June of the company but we have received reply from N.C.C bank confirming debit balance of Tk. 9,123 in reply to our confirmation letter, whereas United Commercial Bank and Rupali Bank have not responded to our confirmation letters.
3. Note # 18.00 showing Unclaimed Dividend of Tk. 8,370,560 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.
4. Note # 20.00 showing that the company has a contributory Provident Fund recognized by 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 didn't transfer the both employers and employees' contribution totaling

Tk. 26,904,017 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.

Matter of Emphasis:

1. During the course of our audit, we were not provided with the registers, relating to Production, Sales, Delivery, Purchase, Inventory and Property Plant & Equipment etc. which are the mandatory obligation to maintain by the management of the company as per section 181 of the Companies Act-1994. Without modifying our opinion our advice to the management is to comply with the requirements of the companies Act.
2. We found that, the company is submitting the VAT Returns, Mushak 9.1 without showing sells Qty mentioning sales revenue, though the company is paying VAT on the sales as per related VAT rule except for wastage sales. Income tax assessment status have also not been disclosed in the financial statement. The company should comply with the Income Tax and VAT rules.
3. To the best of our understanding the company is suffering from working capital crisis which has laid down the company's dependency on bank borrowing for deficit financing. Continuous and accumulated loss of the company Tk. 201,231,658 has been drag down the equity of the company to negative Tk. 95,768,303 as on 30 June 2023. Current Liabilities shown in the Financial Statements is Tk. 400,960,890 against Current Assets of Tk.177,707,674 which is 2.25 times than the current assets. Bank borrowing is increasing rapidly to for deficit of funds creating by the continuous substantial operational loss of the company. This has ultimately created going concern threats to the company, though the management of the company has prepared the Financial Statement of the company considering it as a going concern and fully functional as stated in note # 2.04. The management have provided a written plan in this regard ensure going concern of the entity. Without modifying our audit opinion we would advise the management to ensure effective implementation of their plan in this regard.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



KEY AUDIT MATTERS	How our audit addresses the Key Audit Matter
Measurement of Deferred Tax Liability <p>The company reports net deferred tax liability to the totaling TK. 12,452,845 as at 30 June 2023.</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 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 specialties to assess key assumptions controls, recognition and measurement of DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosure against IAS 12 & Income Tax.</p>
Valuation of Property, Plant & Equipment <p>The Carrying value of PPE was TK 146,853,420 as at 30 June 2023. 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 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 depreciated of PPE items was commence 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.

KEY AUDIT MATTERS	How our audit addresses the Key Audit Matter
Valuation of Revenue	
<p>Revenue of BDT 24.44 Crore (BDT 31.13 Crore for the year ended June 30, 2022) is recognized in the Statement of Profit and Loss and Comprehensive Income of Standard Ceramic Industries Limited. The Company's revenue recognition policies and procedures are not complex, and revenue is recognized at a point in time when the control of the manufactured goods is transferred to the customer. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share etc. This account is also subject to some risk on depending on single buyer and material supplier due to the risks such as management override and bias.</p> <p>Details of the Revenue Section are summarized in Note 22 to the Financial Statements.</p>	<p>Our audit included the following procedure:</p> <p>Understanding the process of estimating, recording and reassessing going concern.</p> <ul style="list-style-type: none"> ► Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard. ► Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer. ► Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately ► Examine Payment documentation to ensure completion of revenue cycle is documented appropriately.
KEY AUDIT MATTERS	How our audit addresses the Key Audit Matter
Valuation of Inventory	
<p>The inventory of TK 123,170,628 as at 30 June 2023 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 to the 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

KEY AUDIT MATTERS	How our audit addresses the Key Audit Matter
Impairment of PPE	
<p>The economic climate and levels of the 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. The 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2023 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to



fraud or error. 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 and 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 judgement 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.
- ▶ 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 achieves fair presentation. 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 or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, without modifying our basis for qualified opinion as mentioned above, we also report that:

- ▶ We have obtained all the information and explanations except for those mentioned under the basis for qualified opinion and matter of emphasis, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law, have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit except for those mention under the basis for qualified opinion & matter of emphasis paragraph have been received by us;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

Date: 22 Nov 2023
Dhaka, Bangladesh


Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants
DVC: 2311220697AS971086



Standard Ceramic Industries Limited
Statement of Financial Position
As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Assets:			
A. Non-current Assets		146,853,420	160,615,287
Property, Plant and Equipment	3	146,853,420	160,615,287
B. Current Assets		177,707,674	157,482,462
Inventories	4	123,170,628	137,989,890
Advances, Deposits and Prepayments	5	16,864,392	15,922,058
Accounts Receivable	6	330,775	330,775
Short Term Investment	7	562,657	546,583
Cash and Cash Equivalents	8	36,779,222	2,693,156
Total Assets (A+B)		324,561,094	318,097,749
Equity & Liabilities:			
C. Shareholders' equity		(95,768,303)	43,002,392
Share Capital	9	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	(201,231,658)	(62,460,963)
D. Non-current Liabilities		19,368,508	27,080,452
Deferred Tax	14	12,452,845	14,051,250
Long Term Loan	15	6,915,663	13,029,202
E. Current Liabilities		400,960,889	248,014,905
Cash Credit (Secured)	16	166,854,814	68,310,403
Bank Overdraft	17	4,988,146	5,511,603
Unclaimed Dividend Account	18	8,370,560	9,370,569
Current Portion -Long Term Loan	19	8,958,612	8,958,612
Creditors, Accrued expenses and Others	20	107,469,466	76,358,829
Liabilities for other finance	21	104,319,291	79,504,889
Total Shareholders' Equity and Liabilities (C+D+E)		324,561,094	318,097,749
Net Asset Value per share	41	(14.82)	6.66

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 18 November 2023 and were signed on its behalf by:


Chief Financial Officer
(Md. Abdur Rahim)



Company Secretary
(Jamal Uddin Bhuiyan)


Director
(A.K.M Alamgir Khan)


Managing Director
(Helal Uddin Ahmed)

As per our separate report of even date annexed.

22 November 2023
Dhaka, Bangladesh


Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants
DVC: 2311220697AS971086



Standard Ceramic Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Revenue	22	244,470,330	311,320,252
Less: Cost of Goods Sold	23	310,477,184	270,034,519
Gross Profit		(66,006,854)	41,285,733
Less: Operating Expenses		47,830,976	47,421,764
Administrative Expenses	24	39,318,953	38,368,334
Selling and Distribution Expenses	25	8,512,023	9,053,430
Operating Profit/(Loss)		(113,837,830)	(6,136,031)
Add: Other Income	26	2,147,241	21,390
Less: Finance Cost	27	11,407,088	11,438,681
Less: Write Off		-	100,000
Net Profit/(Loss) before WPPF		(123,097,677)	(17,653,322)
Net Profit/(Loss) before Tax		(123,097,677)	(17,653,322)
Less: Income Tax Expense		131,533	1,670,577
Current Tax	28	(1,466,872)	1,868,050
Deferred Tax (Expenses)/Income	29	1,598,405	197,473
Net Profit/(Loss) after Tax		(122,966,144)	(19,323,899)
Earning Per Share(EPS)	37	(19.03)	(2.99)

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(Md. Abdur Rahim)



Company Secretary

(Jamal Uddin Bhuiyan)



Director

(A.K.M Alamgir Khan)



Managing Director

(Helal Uddin Ahmed)

As per our separate report of even date annexed.

22 November 2023
Dhaka, Bangladesh


Md. Harun Or Rashid FCA (697)
Partner
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Chartered Accountants
DVC: 2311220697AS971086



Standard Ceramic Industries Limited

Statement of Changes in Equity

For the year ended 30 June 2023

Particulars	Share Capital	Revaluation Reserve	General Reserve	Tax Holiday Reserve	Share Premium	Retained Earnings	Total Equity
As at 01 July 2022	64,606,500	25,592,345	614,510	-	14,650,000	(62,460,963)	43,002,392
Changes during the Year:							
Prior Years adjustment	-	-	-	-	-	(15,804,551)	(15,804,551)
Profit/(Loss) After Tax	-	-	-	-	-	(122,966,144)	(122,966,144)
As at 30 June 2023	64,606,500	25,592,345	614,510	-	14,650,000	(201,231,658)	(95,768,303)

For the year ended 30 June 2022

Particulars	Share Capital	Revaluation Reserve	General Reserve	Tax Holiday 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)
Foreign Exchange fluctuation unrealised 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

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 18 November 2023 and were signed on its behalf by:


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Director
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Managing Director
(Helal Uddin Ahmed)

22 November 2023
Dhaka, Bangladesh

Md. Harun Or Rashid FCA (697)

Partner

ARTISAN

Chartered Accountants

DVC: 2311220697AS971086



Standard Ceramic Industries Limited
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Note	Amount in Taka	
		30 June 2023	30 June 2022
Cash Flows from Operating Activities			
Receipts from customers and others		292,886,624	314,124,854
Paid to suppliers, employees & others		(337,771,192)	(305,627,508)
Finance cost paid		(11,407,088)	(11,438,681)
Income Tax paid and/or deducted at source etc.		(2,498,551)	(3,125,167)
A. Net Cash Generated from Operating Activities	38	(58,790,207)	(6,066,502)
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment etc		(162,300)	(1,919,664)
Other income Received		2,147,241	21,390
Unrealised Foreign Exchange Fluctuation Gain			163,644
Short Term Investment		(16,074)	(18,751)
B. Net Cash Used in Investing Activities		1,968,867	(1,753,381)
Cash Flows from Financing Activities			
Cash Credit Loan (Paid)/Received		98,544,411	5,481,105
Long Term Loan		(6,113,539)	(1,774,907)
Dividend Paid/ adjusted		(1,000,009)	(562,377)
Bank overdraft (Paid)/Received		(523,457)	3,285,271
C. Net Cash Generated from Financing Activities		90,907,406	6,429,092
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		34,086,066	(1,390,791)
Cash and Cash Equivalents at Beginning of the Year		2,693,156	4,083,947
Cash and Cash Equivalents at End of the Year	8	36,779,222	2,693,156
Net Operating Cash Flow Per Share	42	(9.10)	(0.94)

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 18 November 2023 and were signed on its behalf by:



Chief Financial Officer
(Md.Abdur Rahim)


Company Secretary
(Jamal Uddin Bhuiyan)


Director
(AKM Alamgir Khan)


Managing Director
(Helal Uddin Ahmed)

22 November 2023
Dhaka, Bangladesh


Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants
DVC: 2311220697AS971086



Standard Ceramic Industries Limited

Notes to the Financial Statements

For the year ended 30 June 2023

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, 2023;
2. Statement of Profit or Loss for the year ended 30 June, 2023;
3. Statement of Changes in Equity for the year ended 30 June, 2023;
4. Statement of Cash Flows for the year ended 30 June, 2023 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 except right to use asset are computed using the reducing balance method in amount sufficient to write off depreciable assets over their estimated useful life. Right to use asset has been computed using straight line method. 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%
• Right to Use Asset	33%

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"



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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, 2023, the Income Tax Law, 2023 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 41. 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. 21,656,709 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 2022 to 30 June 2023.







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Notes	Particulars	As at	
		30 June 2023	30 June 2022

3.00 Property, Plant and Equipment: Tk.146,853,420.

Details are as under:

Opening Balance	449,644,869	447,725,205
Addition during the year	162,300	1,919,664
Less: Adjustment made during the year	-	-
	449,807,169	449,644,869
Less: Accumulated Depreciation:	302,953,749	289,029,582
Opening	289,029,582	273,884,624
Add : Charged during the year	13,924,167	15,144,958
Written Down Value	146,853,420	160,615,287

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

4.00 Inventories: Tk.123,170,628.

Details are as follows:

	30 June 2023		30 June 2022	
	Qty in M.T	Value (Tk.)	Qty in M.T	Value (Tk.)
Raw Materials (4.01)		9,050,050		7,423,079
Work-in process	M.T 1,099	89,811,447	M.T 1221	99,700,130
Finished products	M.T 46	6,543,200	M.T 88	10,200,500
Stores & spares , Mould & Sagger etc		16,246,881		19,045,981
Packing Materials	30,381. pcs	1,519,050	33,447. pcs	1,620,200
		123,170,628		137,989,890

The inventories were physically verified on 30 June 2023 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 2023		30 June 2022	
	Body, Glaze and Auxiliary (M.T)	Decal Sheet (pcs)	Body, Glaze and Auxiliary (M.T)	Decal Sheet (pcs)
Opening Balance	159	-	148	63,500
Add: Purchased during the year	3,423	247,250	5,189	203,000
Available for use	3,582	247,250	5,337	266,500
Less: Issued for Production	3,463	187,250	5,178	266,500
Closing Balance	119	60,000	159	-






Notes	Particulars	As at	
		30 June 2023	30 June 2022
5.00	Advance Deposits and Pre-payment: Tk. 16,864,392.		
	Details are as under:		
	i) Advances	2,167,417	1,815,634
	ii) Security deposits	3,561,902	3,561,902
	iii) Advance Income Tax	9,811,218	7,312,667
	iv) Bank Margins etc	1,323,855	3,231,855
		<u>16,864,392</u>	<u>15,922,058</u>
i)	Advances: Tk. 2,167,417..		
	Details are as under:		
	Advance against works	2,167,417	1,815,634
		<u>2,167,417</u>	<u>1,815,634</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. 9,811,218..		
	Details are as under:		
	Opening balance	7,312,667	8,046,600
	Addition during the year	2,498,551	3,125,167
		<u>9,811,218</u>	<u>11,171,767</u>
		-	(3,859,100)
	Closing Balance	<u>9,811,218</u>	<u>7,312,667</u>
iv)	Bank Margins etc: Tk. 1,323,855.		
	Details are as under:		
	L/C Margin	475,655	2,383,655
	Bank Guarantee Margin	848,200	848,200
		<u>1,323,855</u>	<u>3,231,855</u>
v)	VAT (Value Added Tax): Tk. 0		
	Details are as under:		
	Opening Balance	-	-
	Add: Cash Deposit and VAT on Raw materials etc.	34,525,207	46,698,037
		<u>34,525,207</u>	<u>46,698,037</u>
	Less: Adjustment on local sales	(34,525,207)	(46,698,037)
	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.





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Notes	Particulars	As at	
		30 June 2023	30 June 2022
6.00	Accounts Receivable: Tk. 330,775		
	The amount represents receivable against duty draw back.		
	Opening Balance	330,775	430,775
	Less: Write off	-	(100,000)
	Total	330,775	330,775
7.00	Short Term Investment: Tk. 562,657.		
	Details are as under:		
	Investment in FDR# 24300067015 (Southeast Bank Ltd.)	562,657	546,583
8.00	Cash & Cash Equivalents: Tk.. 36,779,222.		
	Details are as under:		
	Cash in hand	2,371,059	484,257
	Cash at Bank		
	Al-Arafah Islami Bank CD A/C No-11866	4,242	4,587
	Rupali Bank Ltd. CD A/C No.-1650	-	20,110
	Rupali Bank Ltd. CD A/C No.-7662	33,608,991	-
	United Commercial Bank CD A/C No. 928	-	-
	City Bank Ltd. CD A/C No.1402077	102,915	1,807,226
	Mutual Trust Bank CD A/C No.0020210027324	29,022	38,135
	City Bank Ltd. STD A/C No.31000453/7001	-	-
	City Bank Ltd. STD A/C No.31000490/7002	-	-
	City Bank Ltd. STD A/C No.31000536/7003	-	-
	City Bank Ltd. STD A/C No.7004	24,807	26,559
	City Bank Ltd. A/C No.5001	466,611	-
	Southeast bank	4,417	-
	AB Bank , principal Branch	11,860	-
	Rupali Bank Ltd. F/C A/C No.-95/05	155,298	312,282
		36,779,222	2,693,156

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, 2023 is as follows :

Description	30 June 2023			30 June 2022		
	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)	11	20,156	0.31	10	13,617	0.21
Financial Institutions (Others)	68	252,129	3.90	74	226,202	3.50
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	3	420	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	9,132	4,187,243	64.82	9529	4,219,709	65.32
	9,426	6,460,650	100.00	9,828	6,460,650	100.00

(d) The Shareholding pattern is as below :

Description	30 June 2023			30 June 2022		
	No. of Share holders	No. of Shares	Share holding in %	No. of Share holders	No. of Shares	Share holding in %
Upto 500 Shares	7984	619,493	9.59	8301	657,460	10.17
501 to 5000 Shares	1304	1,620,843	25.09	1402	1,697,689	26.28
5001 to 10000 Shares	72	524,113	8.11	64	466,248	7.21
10001 to 20000 Shares	30	403,517	6.24	26	363,371	5.63
20001 to 30000 Shares	15	379,473	5.87	14	361,364	5.59
30001 to 40000 Shares	2	79,480	1.23	2	79,480	1.23
40001 to 50000 Shares	3	140,700	2.18	3	138,262	2.14
50001 to 100000 Shares	8	645,109	9.99	8	665,364	10.30
100001 to above Shares	8	2,047,922	31.70	8	2,031,412	31.45
	9,426	6,460,650	100	9,828	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. 117.7 at Dhaka Stock Exchange Limited and Tk. 118.10 at Chittagong Stock Exchange Limited as on 30 June 2023.

Notes	Particulars	As at	
		30 June 2023	30 June 2022
10.00	Revaluation Reserve: Tk. 25,592,345		
	Details is as follows:		
	Opening Balance	25,592,345	25,592,345
		-	-
		25,592,345	25,592,345
	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	614,510
	Less: Transfer to dividend payable A/c (Cash Dividend)	-	-
		614,510	614,510
12.00	Share Premium: Tk. 14,650,000		
	Details are as under:		
	Represents Share Premium	14,650,000	14,650,000
13.00	Retained Earnings: Tk. (201,231,658).		
	Details are as under:		
	Opening Balance	(62,460,963)	(42,654,643)
	Cash Dividend (2020-21)	-	(646,065)
	Prior year adjustment	(15,804,551)	-
	Profit/(Loss) After Tax for the Year	(122,966,144)	(19,323,899)
	Foreign Exchange fluctuation unrealised gain	-	163,644
	Closing Balance	(201,231,658)	(62,460,963)
14.00	Deferred Tax: Tk. 12,452,845.		
	Details are as under:		
	Deferred Tax Liabilities (Note-14.01)	12,452,845	14,051,250
14.01	Deferred Tax		
	Book Value of Depreciated Assets	116,297,817	128,308,194
	Tax Base of Depreciated Assets	(52,986,143)	(64,442,813)
		63,311,674	63,865,381
	Provision for Retirement benefits (Gratuity) (note-20.01)	(1,047,451)	(1,415,382)
	Net Taxable Temporary Difference	62,264,223	62,449,999
	Effective Rate	20.00%	22.50%
	Deferred Tax Liability at Closing	12,452,845	14,051,250
	Deferred Tax Liability at Opening	(14,051,250)	(14,248,723)
	Deferred Tax Expenses/(Income)	(1,598,405)	(197,473)



Notes	Particulars	As at	
		30 June 2023	30 June 2022
15.00	Term Loan (Secured) : Tk. 6,915,663		
	Rupali Bank Ltd. A/c no-027, Total Term Loan	15,874,275	21,987,814
	Current Portion of Long Term Loan:	(8,958,612)	(8,958,612)
	Non Current portion of Long Term Loan:	6,915,663	13,029,202

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. Balance of Term Loan (Secured) TK 15,874,275 has been allocated as Non Current Portion TK 6,915,663 & Current Portion (Payable within 30 June, 2024) TK 8,958,612 which has been shown under Note 19.

16.00 Cash Credit (secured): Tk.166,854,814.

Details are as under:

Cash Credit (Hypo) A/c no-04	25,530,894	26,185,237
Cash Credit (Pledge) A/c no-02	25,088,219	25,759,296
Business Loan	100,150,000	-
Working Capital Loan under stimulus package(Covid- loan)A/c-03	16,085,701	16,365,870
	166,854,814	68,310,403

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.4,988,146.

Details are as follows:

NCC Bank Ltd, A/c no-0025	4,518,650	4,281,437
Southeast Bank Ltd,A/c no-98	-	48,218
City Bank Ltd,A/c no- CD-5001	-	620,374
AB Bank Ltd A/c no-	-	239,572
United Commercial Bank-928	93,991	199,524
Rupali Bank Ltd, Tongi Br.A/c no- 1650 Br	375,505	
Rupali Bank Ltd, Ramna A/c no- 7662 Br	-	122,478
	4,988,146	5,511,603

This represents temporary overdrawn from current account






Notes	Particulars	As at	
		30 June 2023	30 June 2022
18.00	Unclaimed Dividend Account : Tk.8,370,560.		
	Opening Balance	9,370,569	
	Less; Paid to CMSF during the year	(1,000,009)	
		<u>8,370,560</u>	<u>9,370,569</u>
	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.		
19.00	Current Portion of Long Term Loan: TK 8,958,612		
	Rupali Bank Ltd. A/c no-027, Total Term Loan	15,874,275	21,987,814
	Non Current portion of Long Term Loan:	6,915,663	13,029,202
	Current Portion of Long Term Loan:	<u>8,958,612</u>	<u>8,958,612</u>
	Balance of Term Loan (Secured) TK 15,874,275 has been allocated as Non Current Portion TK 6,915,663 shown under Note 15 & Current Portion (Payable within 30 June, 2024) TK 8,958,612.		
20.00	Creditors, Accrued Expenses and Others: Tk. 107,469,466.		
	Details are as under:		
	Directors' remuneration	18,987,500	10,155,350
	Salary	32,879,407	24,936,618
	Gas bill	12,210,411	6,468,103
	Electric bill	812,232	1,014,742
	Audit fees	225,000	258,750
	Workers Profit Participation Fund	0	222,770
	Provident Fund	26,904,017	19,584,756
	Lease liability	-	1,923,303
	VAT liability	2,144,128	
	Other payables	13,306,771	11,794,437
		<u>107,469,466</u>	<u>76,358,829</u>
21.00	Liabilities for other finance: Tk. 104,319,292.		
	Details are as under:		
	Security money employees	1,072,451	1,088,454
	Security money (Agency) and advance etc.	97,232,682	73,976,458
	Provision for Income Tax	4,000,621	2,533,748
	Provision for Retirement benefits (Gratuity) (note-20.01)	1,047,451	1,415,382
	Other Provisions	966,086	490,847
		<u>104,319,291</u>	<u>79,504,889</u>
	Income Tax finalized upto Assessment year 2019-20.		
21.01	Provision for Retirement benefits (Gratuity): Tk. 1,047,451.		
	Opening balance	1,415,382	991,315
	Provision during the year	-	2,664,460
	Less: Payment during the year	(367,931)	(2,240,393)
	Closing balance	<u>1,047,451</u>	<u>1,415,382</u>

Notes	Particulars	For the Year Ended	
		30 June 2023	30 June 2022

22.00 Revenue: Tk. 244,470,330.

Break-up as follows

	Quantity	Value	Quantity	Value
Net Local Sales	M.T 2,505	244,470,330	M.T 3,915	311,320,252
Total		244,470,330		311,320,252

Notes	Particulars	For the Year Ended	
		30 June 2023	30 June 2022

23.00 Cost of Goods Sold: Tk.310,477,184.

Details are as under:

Materials Consumed:

Opening Stock	7,423,079	9,360,403
Purchase during the year	101,426,460	119,150,464
	108,849,539	128,510,867
Less: Closing stock	9,050,000	7,423,079
	99,799,539	121,087,788
Add: Opening Work-in -process	99,700,130	81,250,981
	199,499,669	202,338,769
Less: Closing Work-in-process	89,811,447	99,700,130
	109,688,222	102,638,639
Factory Overhead:		
Wages, Salaries, O.T & Bonus	65,335,064	68,791,737
P.F Contribution.	1,060,829	1,040,834
Packing Materials	18,188,708	19,570,929
Power & Gas	68,569,107	46,555,443
Consumable stores	11,427,436	10,945,138
Miscellaneous factory expenses	3,492,105	3,113,449
Repairs & Maintenance	14,107,465	14,043,283
Depreciation	12,050,948	13,259,532
	194,231,662	177,320,345
	303,919,884	279,958,984
Add: Opening Stock of finished goods	10,200,500	5,394,110
	314,120,384	285,353,094
Less: Closing Stock of finished goods	6,543,200	10,200,500
	307,577,184	275,152,594
Add: Opening stock of Mould & Sagger	16,294,084	11,176,009
	323,871,268	286,328,603
Less: Closing stock of Mould & Sagger	13,394,084	16,294,084
	310,477,184	270,034,519
Total production	M.T 2,463	M.T 3,947

* Repairs & maintenance during the year includes all factory building Tk. 2,046,252 & machinery repairs and maintenance Tk.779,069/= and fuel & lubricant expenses etc.Tk. 10,586,028. car running exps Tk.696,116 respectively.



Notes	Particulars	For the Year Ended	
		30 June 2023	30 June 2022

24.00 Administrative expenses: Tk. 39,318,953.

Director's Emolument	13,260,000	12,676,600
Rent, Rates & Taxes+	502,705	-
Postage, Telegram & Telephone	231,943	427,336
Office Salaries	20,032,688	20,387,627
P.F Contribution	200,130	216,414
Stationery	254,794	194,732
Religious & Festival Expenses	342,780	95,400
Legal & Professional and Other fees	447,300	224,000
Audit fees(VAT included)	258,750	258,750
Forms & Fees (Note no-23.01)	405,979	678,510
Utility bill	321,060	309,604
Motor Vehicles maintenance	88,625	186,855
Petrol, Oil & Lubricant	237,214	172,367
Office Maintenance etc.	-	32,350
AGM & Other meeting Expenses etc.	598,156	335,673
Entertainment expenses	250,100	38,590
Miscellaneous expenses	13,510	248,100
Depreciation	1,873,219	1,885,426
	39,318,953	38,368,334

24.01 Forms & Fees includes Various Licence 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.

25.00 Selling and Distribution Expenses: Tk.8,512,023.

Details are as under:

Office Salaries	5,052,220	5,199,750
P.F. Contribution.	68,500	76,100
Conveyance	544,115	841,275
Business Promotional expenses	211,588	268,779
Transport exp.	2,635,600	2,667,526
	8,512,023	9,053,430

26.00 Other Income: Tk. 2,147,241.

Details are as under:

Interest on FDR	22,117	-
Land acquisition compensation	2,125,124	21,390
	2,147,241	21,390

27.00 Finance cost: Tk. 11,407,088.

Details are as under:

Bank interest	10,840,633	9,236,836
Bank charges etc.	566,455	2,201,845
	11,407,088	11,438,681



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Notes	Particulars	For the Year Ended	
		30 June 2023	30 June 2022

28.00 Income Tax Expenses: Tk.1,466,872..

Details are as under:

Current year's tax (1) -*	1,466,872	1,868,050
Prior year's tax (Asst. Year -2012-13)	-	-
	<u>1,466,872</u>	<u>1,868,050</u>

Calculation of Income Tax Provision Year 2022-23

Tax payable under regular assessment :

Net Profit before tax during the year	(122,966,144)	(17,653,322)
Income tax provision on net Profit/before tax @ 20%	-	-

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

Calculation of Minimum tax :

Revenue	244,470,330	311,320,252
Add: Other income	16,529	21,390
Total Receipts	<u>244,486,859</u>	<u>311,341,642</u>

1. Minimum tax on total receipt as per income tax law @ 0.60%
on Tk. .244,486,859.

1,466,872	1,868,050
-----------	-----------

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 2022-23 as income tax provision.

29.00 Deferred Tax Expenses/(Income): Tk.(1,598,405).

Details are as under:

Deferred Tax Expenses (note-14.01)	<u>(1,598,405)</u>	<u>(197,473)</u>
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30.00 Credit Facilities:

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






31.00 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.

32.00 Aggregate amount due by Directors & Officers:

There was no such amount in the Statement of Financial Position.

33.00 Sales - Item-wise:

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

34.00 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 715 Nos.
- ii) Workers & Employees drawing less than Tk. 3,000 per month nil.

35.00 Claims against the company not acknowledgement as debt:

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

36.00 Aggregate amount of contracts for capital expenditure:

There was no contract for capital expenditure on 30-06-2023.



Notes	Particulars	As at	
		30 June 2023	30 June 2022

37.00 Basic Earnings per Share (EPS): Tk. (19.03)

Basic earnings per shares has been calculated as follows:

Earnings attributable to the Ordinary Shareholders: Net

Profit/(Loss) after tax	(122,966,144)	(19,323,899)
Number of Ordinary Shares outstanding during the year	6,460,650	6,460,650
Basic Earning per Share (EPS)	<u>(19.03)</u>	<u>(2.99)</u>

Basic Earnings Per Share (EPS) has become negative figure for the period as the overall economic condition was dull for cumulative effect of COVID-19 and Russia - Ukraine War, high cost of raw materials due to high cost of sea transport & Dollar rate increased and abnormal increase of gas price (around 155% increased) etc. have adversely reduced production, sales and gross profit. But the company had to pay full salary and all other fixed cost. As a result, productions and sales of the factory has decreased which resulted in decreased Earning per share of the Company.

38.00 Reconciliation of Net Operating Cash Flow:

Net Profit /(Loss) after tax	(122,966,144)	(19,323,899)
Depreciation	13,924,167	15,144,958
Deferred Tax Expenses/(Income)	(1,598,405)	(197,473)
Previous year adjustment	(15,804,550)	-
Other income	(2,147,241)	(21,390)
	<u>(5,626,029)</u>	<u>14,926,095</u>
(Increase)/Decrease in inventories	14,819,262	(21,447,234)
(Increase)/Decrease in Accounts Receivable	-	100,000
(Increase)/Decrease in Advance Deposits Prepayment	(942,334)	745,247
Increase/(Decrease) in Creditors Accrued Expense and Others	31,110,637	17,695,670
Increase/(Decrease) in Liabilities for Others Finance	24,814,402	1,237,619
	<u>69,801,967</u>	<u>(1,668,698)</u>
Net cash inflow from operating activities	<u>(58,790,206)</u>	<u>(6,066,502)</u>

39.00 Exaplanation of GP (Gross Profit) reduction:

Gross Profit (GP) has become lowered for the year compared to the previous year as the overall economic condition was dull for COVID-19 and Russia & Ukrain war. But the company had to pay full salary and all other fixed cost. Furthermore low gas pressure of Gas supply & irregular supply of Electricity/ low voltage have been major constant 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 cost also increased and gas price have also increased abnormally (around 155% increased) but we could not increase our products' price accordingly due to dull economic condition for cumulative effect of COVID-19 and Russia & Ukrain 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.

Notes	Particulars	As at	
		30 June 2023	30 June 2022

40.00 Board Meeting Fee:

During the year under review 5 (five) board meetings, four audit committee meetings and one NRC meeting were held and each Director present was paid Tk. 8,000/= per meeting as Meeting Fees.

41.00 Related party transactions

a) Key management personnel compensation

Short term employee benefits (Salary and allowances etc.)

Particulars	30.06.2023		30.06.2022	
	Directors	All managers	Directors	All managers
Remuneration & allowances	11,175,000	7,551,612	11,286,600	9,078,840
Bonus	2,085,000	845,097	1,390,000	840,840
	13,260,000	8,396,709	12,676,600	9,919,680

42.00 Net Asset Value Per Share: Tk. (14.82)

Details are as under:

Net Asset (40.1)	(95,768,303)	43,002,392
Number of Ordinary shares outstanding during the year	6,460,650	6,460,650
Net Asset Value Per Share	(14.82)	6.66

The cumulative effect of Covid -19, Russia - Ukraine War, high cost of imported raw materials adversely reduces production, Sales, Gross Profit and Net profit. Beside this high cost of gas price (around 155% increased) and irregular supply and low pressure of electricity also constrain of production and sales. Moreover Tk. 1.58 crore pervious 2/3 years before gas bill has also effect NAVPS which was not accounted for previous year due to non submission of gas bill by Titas Gas for disorder of meter. As a result company has incurred loss and consequently NAVPS has deviated.

42.01 Net Asset: Tk. (95,768,303)

Details are as under:

Total assets	324,561,094	318,097,749
Less: Total liabilities	420,329,397	275,095,357
Net Asset	(95,768,303)	43,002,392

43.00 Net Operating Cash Flow Per Share: Tk. (9.10).

Details are as under:

Net cash generated from operating activities	(58,790,207)	(6,066,502)
Number of ordinary share outstanding during the year.	6,460,650	6,460,650
Net Operating cash flow per share	(9.10)	(0.94)

44.00 Net Operating Cash Flow per share has decreased as collection (advance) against sales are decreased. As a result, collection of the factory was less compared to the preceding period, which resulted in decreased Net Operating Cash Flow per share of the Company.

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

The Board of Directors of the Company has approved the Financial Statements as on 18/11/2023. Recommended no dividend for the year ended on June 30, 2023. Except the fact stated above, neither any 'Non-adjusting Events' nor any 'Adjusting Events' took place after the reporting period.

Standard Ceramic Industries Limited
Schedule of Property, Plant & Equipment
As at & for the Year Ended 30 June 2023

Schedule-1
Amount in Taka

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value on 30-06-2023
	Balance as at 01-07-2022	Addition during the year	Adjustment during the year	Total as at 30-06-23		Balance as at 01-07-2022	Charged during the year	Adjustment during the year	Total as at 30-06-2023	
Land and Land development	30,555,601	-	-	30,555,601	0%	-	-	-	-	30,555,601
Building & Civil constructions	102,033,476	-	-	102,033,476	7.5%	69,981,964	2,403,863	-	72,385,827	29,647,649
Plant & Machineries	277,560,610	82,000	-	277,642,610	10%	189,995,422	8,764,719	-	198,760,141	78,882,469
Deep Tube Well	1,105,519	-	-	1,105,519	5%	675,081	21,522	-	696,603	408,916
Electric & Security Equipment	12,669,797	0	-	12,669,797	10%	7,156,604	551,319	-	7,707,923	4,961,874
Car & other vehicles	14,577,549	-	-	14,577,549	20%	13,426,927	230,124	-	13,657,051	920,498
Tools	338,065	-	-	338,065	25%	338,065	0	-	338,065	(0)
Office Equipment	2,708,025	80,300	-	2,788,325	15%	2,120,859	100,120	-	2,220,979	567,346
Furniture & Fixture	2,797,281	0	-	2,797,281	10%	1,787,208	101,007	-	1,888,215	909,066
Right-of-use asset	5,254,474	-	-	5,254,474	33%	3,502,982	1,751,492	-	5,254,474	-
Other Assets	44,472	-	-	44,472	20%	44,472	0	-	44,472	(0)
Total as on 30 June 2023	449,644,869	162,300	-	449,807,169		289,029,584	13,924,167	-	302,953,751	146,853,418
Total as on 30 June 2022	447,725,205	1,919,664	-	449,644,869		273,884,624	15,144,958	-	289,029,582	160,615,287

Notes:

Allocation of Depreciation	Amount
Cost of Goods Sold	12,050,948
Administrative Expenses	1,873,219
Total	13,924,167



Annexure-1

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 2023:

Complied -Disclosed in Note No-34

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. 22
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 23
3(i)(d)(ii)	The opening and closing stocks of goods produced.	Complied - Disclosed in Note No-23
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 23
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-23
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- 28 & 29
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, known 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 23, 24, 25 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
2022-2023	Annual Production capacity	6,500	2,463	37.89%
2021-2022	Annual Production capacity	6,500	3,947	60.72%

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	
	2022-23	2021-22	2022-2023	2021-2022	2022-2023	2021-2022
Raw materials	101,426,460	119,150,464	99,799,539	121,087,788	98.40%	101.63%
Spare parts	11,528,336	6,026,090	11,427,436	10,945,138	99.12%	181.63%
Packing materials	18,087,558	19,500,909	18,188,708	19,570,929	100.56%	100.36%
Total	131,042,354	144,677,463	129,415,683	151,603,855		

i) The company did not incurred expenditure in foreign currencies for the period from 01 July 2022 to 30 June 2023 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.



