

AUDITOR'S REPORT
&
AUDITED FINANCIAL STATEMENTS

OF

STANDARD CERAMIC INDUSTRIES LIMITED

AS AT & FOR THE YEAR ENDED 30 JUNE 2024



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

**Independent Auditor's Report
and
Financial Statements
of
Standard Ceramic Industries Limited
As at and for the year ended 30 June 2024**

Auditor's Report and Audited Financial Statements
Standard Ceramic Industries Limited
As at and for the year ended 30 June 2024

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF STANDARD CERAMIC INDUSTRIES LIMITED

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 2024, 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, except for the incomplete disclosure of the information described under 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 2024 and its financial performance & its cash flows for the year then ended in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

The understated situations indicate that several material uncertainty exists those may cast significant doubt on the company's ability to continue as a going concern, which facts have not been adequately disclosed in the Financial Statements nevertheless the management of the company has prepared the Financial Statement of the company on the assumption that the entity is a going concern and will continue its business for the foreseeable future and the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation as stated in note # 2.04:

1. Statement of Financial Position as on 30 June 2024 exhibits Current Liabilities Tk. 485,127,724, including bank liabilities of Tk. 202,705,734, against Current Assets of Tk. 110,023,741 including Inventories of Tk. 96,848,455 which is significantly overstated. This indicates available current assets of Tk. 1.00 only compared to current liabilities Tk. 4.41 considering the full value of inventories are realizable. This is reflecting acute financial insolvency of the company and ultimately the company has been unable to pay off those liabilities, which already been interrupted the supply chain of the company.
2. The company's retained earnings has been mounted up to Tk. (349,961,114) as 30 June 2024 from Tk. (201,231,658 as was on 30 June 2023 and Shareholders' Equity has been dropped down to Tk. (244,497,759) as on 30 June 2024 from Tk. (95,768,303) as was on 30 June 2023. Beside this bank liability of Tk. 90,660,170 have been classified as Sub Standard and Bad Loss out of total amount of bank loans Tk. 202,705,734. Moreover, the company has been unable to conclude re-negotiations or obtain replacement financing, which has been gripped the company in distress from acute financial catastrophe and twisted indispensable hurdles to the BMRE of the operational unit.

3. The factory of the company has been temporarily shut down from 26 January 2024, due the disconnection of power lines, both Gas and Electricity for non-payment of overdue bills. Moreover, cost of production has been exceeded products selling price due to the increased rate of Gas & Electricity and increasing of raw materials cost in consequence to the significant adverse impact of foreign currency conversion to BDT, as mentioned in the notice of shut down of the factory. In consequence of which revenue of the company has been reduced to Tk. 96,296,422 during the year 2023-24 from Tk. 244,470,330 during the year 2022-23 which has compelled the company in suffering Net Loss before Tax Tk, 154,293,508.
4. Note # 4.00 of the financial statement shows Inventories of Tk. 96,848,455 which includes Work in Process around 1,061 MT of Tk. 78,055,800 and Mould, Saggars, & Stores Spares of Tk. 10,609,000. Yearly installed production capacity of the factory has been shown as 6,500 MT. During the year under audit the company could produce 925 MT in 7 months till closure of the factory on 26 January 2024. Quantity of Work in Process have been shown in the inventories representing more than 8 months' equivalent production, which expressively exaggerated in comparison with the production during this year. If we consider 15 days' production as work in process, it would be maximum 65 MT to 70 MT (925 MT/209 Days x 15 Days) and the value of which be around Tk. 5,150,000. This indicates overstatement of WIP by Tk. 72,905,800, which has been under stated Net Loss of the company and overstated net assets, inventory by the equivalent amount. During the course of our audit we were not provided with any registers and scope to verify and confirm existence and value of those. We were not also provided with any other appropriate documents or audit evidence to satisfy ourselves in providing our opinion and conclude that there are no undetected material misstatements in the financial statements in this regard using alternative approach.
5. Note # 3.00 of the financial statement shows Property; Plant & Equipment of Tk. 136,916,800 which includes Land & Land Development of Tk. 30,555,601 as revalued on 29 February 1996 but impairment of other assets carried over at WDV Tk. 106,361,199 have not been done by the company as required by IAS-16. As such we are unable to conclude that there are no undetected material misstatements in the financial statements in this regard.
6. The company has been kept provision for gratuity Tk. 30,395,351 as shown under Note # 22.00 of the Statement of Financial Position as on 30 June 2024 against their estimated provision requirement of Tk. 60,395,351. The amount of provision short fall for gratuity Tk. 30,000,000 has been overstated both of the Retained Earnings & Equity and overstated Current Liabilities by the equivalent amount.
7. Note # 17.00 showing Bank Overdraft Tk. 337,645 which includes Balance under Southeast Bank PLC A/C No. 98 Tk. 61,222 and Rupali Bank PLC, Tongi Branch, A/C No. 1650 Tk. 276,423 as on 30 June of the company but we have received reply only form Southeast Bank PLC confirming the balance in reply to our confirmation letter, whereas Rupali Bank PLC have not responded to our confirmation letters.

8. Note # 18.00 showing Unclaimed Dividend of Tk. 8,366,759 out of Tk. 8,370,560 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, which has been overstated both the amount of total assets and liabilities by the equivalent amount. ✓

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.

Emphasis of Matter:

1. Note # 21.00 of the Statement of Financial Position has been showing Vat Payable Tk 9,400,442 where the company didn't submit VAT return (Mushak 9.1) except July 2023 & August 2023 without showing sells Qty mentioning sales revenue. Income tax assessment status have also not been disclosed in the financial statement. The company should comply with the Income Tax and VAT rules. ✓
2. During the course of our audit, we found that, books of accounts as required under section 181 of the Companies Act-1994 have not been maintaining properly. Without modifying our opinion our advice to the management is to comply with the requirements of the companies Act.
3. Note # 21.00 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 made provision @ 8% interest of undisbursed amount of the contributions. ✓

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. 6,310,576 as at 30 June 2024.</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>
KEY AUDIT MATTERS	How our audit addresses the Key Audit Matter
Valuation of Property, Plant & Equipment	
<p>The Carrying value of PPE was TK 136,916,800 as at 30 June 2024. 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 96,296,422 (BDT 244,470,330 for the year ended June 30, 2023) 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 23 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 Valuation of Inventory <p>The inventory of TK 96,848,455 as at 30 June 2024 held in factory. Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items. 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. 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 # 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 2024 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 issued 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 which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof except for those mentioned under the "Basis for Qualified Opinion" above;
- ▶ In our opinion, proper books of accounts as required by law have been kept by the Company so far except mentioned in the Matter of Emphasis as it appeared from our examination of those books;
- ▶ 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; and
- ▶ The expenditures incurred were for the purpose of the Company's business.

21 November 2024
Dhaka, Bangladesh
DVC: 2411210697AS382098





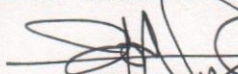
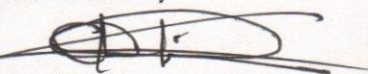
Md. Harun -Or- Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants



Standard Ceramic Industries Limited
Statement of Financial Position
As at 30 June 2024

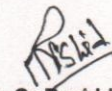
Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Assets:			
A. Non-current Assets		136,916,800	146,853,420
Property, Plant and Equipment	3	136,916,800	146,853,420
B. Current Assets		110,023,741	177,707,674
Inventories	4	96,848,455	123,170,628
Advances, Deposits and Prepayments	5	12,079,528	16,864,392
Accounts Receivable	6	330,775	330,775
Short Term Investment	7	-	562,657
Cash and Cash Equivalents	8	764,983	36,779,222
Total Assets (A+B)		246,940,541	324,561,094
Equity & Liabilities:			
C. Shareholders' equity		(244,497,759)	(95,768,303)
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	(349,961,114)	(201,231,658)
D. Non-current Liabilities		6,310,576	19,368,508
Deferred Tax	14	6,310,576	12,452,845
Long Term Loan	15	-	6,915,663
E. Current Liabilities		485,127,724	400,960,889
Cash Credit (Secured)	16	184,576,535	166,854,814
Bank Overdraft	17	337,645	4,988,146
Unclaimed Dividend Account	18	8,366,759	8,370,560
Directors & Others Loan	19	7,158,000	-
Current Portion -Long Term Loan	20	17,791,554	8,958,612
Creditors, Accrued expenses and Others	21	138,073,875	107,469,466
Other Liabilities and Provisions	22	128,823,356	104,319,291
Total Shareholders' Equity and Liabilities (C+D+E)		246,940,541	324,561,094
Net Asset Value Per Share	43	(37.84)	(14.82)

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 16/11/2024 and were signed on its behalf by:

 Chief Financial Officer (MD. Abdur Rahim)	 Company Secretary (Jamal Uddin Bhuiyan)	 Managing Director (Helal Uddin Ahmed)	 Director (A.K.M Alamgir Khan)
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As per our separate report of even date annexed.

21 November 2024
Dhaka, Bangladesh
DVC No: 2411210697AS382098


Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants



Standard Ceramic Industries Limited
Statement of Profit or Loss
For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Revenue	23	96,296,422	244,470,330
Less: Cost of Goods Sold	24	192,338,775	310,477,184
Gross Profit		(96,042,353)	(66,006,854)
Less: Operating Expenses		34,994,057	47,830,976
Administrative Expenses	25	31,656,004	39,318,953
Selling and Distribution Expenses	26	3,338,053	8,512,023
Operating Profit/(Loss)		(131,036,410)	(113,837,830)
Add: Other Income	27	73,060	2,147,241
Less: Finance Cost	28	23,330,158	11,407,088
Net Profit/(Loss) before WPPF		(154,293,508)	(123,097,677)
Net Profit/(Loss) before Tax		(154,293,508)	(123,097,677)
Less: Income Tax Expense		5,564,052	(131,533)
Current Tax	29	(578,217)	1,466,872
Deferred Tax (Expenses)/Income	30	6,142,269	1,598,405
Net Profit/(Loss) after Tax		(148,729,456)	(122,966,144)
Earning Per Share(EPS)	38	(23.02)	(19.03)

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 16/11/2024 and were signed on its behalf by:



Chief Financial Officer
(MD. Abdur Rahim)



Company Secretary
(Jamal Uddin Bhuiyan)



Managing Director
(Helal Uddin Ahmed)



Director
(A.K.M Alamgir Khan)

As per our separate report of even date annexed.



Md. Harun Or Rashid FCA (697)

Partner

ARTISAN

Chartered Accountants

21 November 2024

Dhaka, Bangladesh

DVC No: 2411210697AS382098




Standard Ceramic Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2024

Particulars	Share Capital	Revaluation Reserve	General Reserve	Tax Holiday Reserve	Share Premium	Retained Earnings	Total Equity
As at 01 July 2023	64,606,500	25,592,345	614,510	-	14,650,000	(201,231,658)	(95,768,303)
Changes during the Year:							
Profit/(Loss) After Tax	-	-	-	-	-	(148,729,456)	(148,729,456)
As at 30 June 2024	64,606,500	25,592,345	614,510	-	14,650,000	(349,961,114)	(244,497,759)


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)

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 16/11/2024 and were signed on its behalf by:


Chief Financial Officer
(MD. Abdur Rahim)


Company Secretary
(Jamal Uddin Bhuiyan)


Managing Director
(Helal Uddin Ahmed)


Director
(A.K.M Alamgir Khan)

Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants

21 November 2024
Dhaka, Bangladesh
DVC No: 2411210697AS382098




Standard Ceramic Industries Limited


Statement of Cash Flows

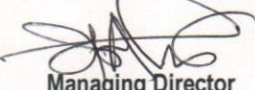
For the year ended 30 June 2024

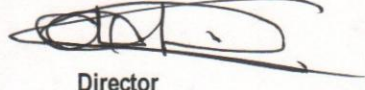
Particulars	Note	Amount in Taka	
		30 June 2024	30 June 2023
Cash Flows from Operating Activities			
Receipts from customers and others		106,346,755	292,886,624
Paid to suppliers, employees & others		(139,504,679)	(337,771,192)
Finance cost paid		(23,330,158)	(11,407,088)
Income Tax paid and/or deducted at source etc.		(1,239,312)	(2,498,551)
A. Net Cash Generated from Operating Activities	37	(57,727,394)	(58,790,207)
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment etc		(1,065,260)	(162,300)
Other income Received		73,060	2,147,241
Short Term Investment		562,657	(16,074)
B. Net Cash Used in Investing Activities		(429,543)	1,968,867
Cash Flows from Financing Activities			
Cash Credit Loan (Paid)/Received		17,721,721	98,544,411
Long Term Loan		1,917,279	(6,113,539)
Directors Loan		7,158,000	0
Dividend Paid		(3,801)	(1,000,009)
Bank overdraft (Paid)/Received		(4,650,501)	(523,457)
C. Net Cash Generated from Financing Activities		22,142,698	90,907,406
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(36,014,239)	34,086,066
Cash and Cash Equivalents at Beginning of the Year		36,779,222	2,693,156
Cash and Cash Equivalents at End of the Year	8	764,983	36,779,222
Net Operating Cash Flow Per Share	41	(8.94)	(9.10)


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 16/11/2024 and were signed on its behalf by:


Chief Financial Officer
(MD. Abdur Rahim)


Company Secretary
(Jamal Uddin Bhuiyan)


Managing Director
(Helal Uddin Ahmed)


Director
(A.K.M Alamgir Khan)


Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants

21 November 2024
Dhaka, Bangladesh
DVC No: 2411210697AS382098



Standard Ceramic Industries Limited
Notes to the Financial Statements
For the year ended 30 June 2024

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, 2024;
2. Statement of Profit or Loss for the year ended 30 June, 2024;
3. Statement of Changes in Equity for the year ended 30 June, 2024;
4. Statement of Cash Flows for the year ended 30 June, 2024 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, 2024, 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 42. 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.

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 2023 to 30 June 2024.



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023

3.00 Property, Plant and Equipment: Tk. 136,916,800

Details are as under:

Opening Balance	449,807,169	449,644,869
Addition during the year	1,065,260	162,300
Less: Adjustment made during the year	(5,254,474)	-
	445,617,955	449,807,169
Less: Accumulated Depreciation:	308,701,155	302,953,749
Opening	302,953,750	289,029,582
Add : Charged during the year	11,001,879	13,924,167
Less: Adjustment:	(5,254,474)	-
Written Down Value	136,916,800	146,853,420

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

4.00 Inventories: Tk. 96,848,455

Details are as follows:

30 June 2024		30 June 2023	
Qty in M.T	Value (Tk.)	Qty in M.T	Value (Tk.)
Raw Materials (4.01)	8,014,139		9,050,050
Work-in process	M.T 1061 78,055,800	M.T 1099	89,811,447
Finished products	M.Ton 0.40 169,516	M.T 46	6,543,200
Stores & spares , Mould & Sagger etc	10,609,000		16,246,881
Packing Materials	0 0	30,381 pcs	1,519,050
	96,848,455		123,170,628

The inventories were physically verified on 30 June 2024 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 2024		30 June 2023	
Body, Glaze and Auxiliary (M.T)	Decal Sheet (pcs)	Body, Glaze and Auxiliary (M.T)	Decal Sheet (pcs)
Opening Balance	119 60,000	159 -	
Add: Purchased during the year	1,344 -	3,423 247,250	
Available for use	1,463 60,000	3,582 247,250	
Less: Issued for Production	1,394 60,000	3,463 187,250	
Closing Balance	69 -	119 60,000	



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
5.00	Advance Deposits and Pre-payment: Tk. 12,079,528		
	Details are as under:		
	i) Advances	619,516	2,167,417
	ii) Security deposits	3,561,902	3,561,902
	iii) Advance Income Tax	7,049,910	9,811,218
	iv) Bank Margins etc	848,200	1,323,855
	v) VAT	-	-
		12,079,528	16,864,392
i)	Advances: Tk. 619,516		
	Details are as under:		
	Advance against works	619,516	2,167,417
		619,516	2,167,417
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
	Titans Gas Transmission & Distribution Co. Ltd.	2,143,277	2,143,277
	CDBL	200,000	200,000
		3,561,902	3,561,902
iii)	Advance Income Tax: Tk. 7,049,910		
	Details are as under:		
	Opening balance	9,811,218	7,312,667
	Addition during the year	1,239,312	2,498,551
		11,050,530	9,811,218
	Adjustment Year -2021-22 Tk.25,33,748		-
	Adjustment Year - 2022-23 TK. 14,66,872	(4,000,620)	-
	Closing Balance	7,049,910	9,811,218
iv)	Bank Margins etc: Tk. 848,200		
	Details are as under:		
	L/C Margin	-	475,655
	Bank Guarantee Margin	848,200	848,200
		848,200	1,323,855
v)	VAT (Value Added Tax): Tk. 0		
	Opening Balance	-	-
	Add: Cash Deposit and VAT on Raw materials etc.	13,615,923	34,525,207
		13,615,923	34,525,207
	Less: Adjustment on local sales	(13,615,923)	(34,525,207)
	Closing Balance (transfer to note no. 20)	-	-



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
	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. 330,775		
	The amount represents receivable against duty draw back.		
	Opening Balance	330,775	330,775
	Less: Write off	-	-
	Total	330,775	330,775
7.00	Short Term Investment: Tk. 0		
	Southeast Bank PLC - A/C No. 67015	-	562,657
	Al Arafah Islami Bank Ltd. - A/C No. 56251	-	-
		-	562,657
8.00	Cash & Cash Equivalents: Tk. 764,983		
	Details are as under:		
	Cash in hand	83,850	2,371,059
	Cash at Bank		
	Al-Arafah Islami Bank CD A/C No-11866	3,375	4,242
	Rupali Bank Ltd. CD A/C No.-1650	-	-
	Rupali Bank Ltd. CD A/C No.-7662	23,479	33,608,991
	United Commercial Bank CD A/C No. 928	15,419	-
	Mutual Trust Bank CD A/C No.0020210027324	-	29,022
	City Bank Ltd. STD A/C No.31000453/7001	96,285	102,915
	NCCBL A/C No. -10025	5,354	-
	City Bank Ltd. STD A/C No.7004	23,376	24,807
	City Bank Ltd. A/C No.5001	478	466,611
	Southeast bank- A/C No. 47598	-	4,417
	AB Bank , Principal Branch- A/C No. 201000	457,069	11,860
	Rupali Bank Ltd. F/C A/C No.-95/05 (US\$ 725.14)	56,298	155,298
		764,983	36,779,222
	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, 2024 is as follows :

Description	30 June 2024			30 June 2023		
	No. of Share holders	No. of Shares	Share holding in %	No. of Share holders	No. of Shares	Share holding in %
Sponsors and directors	6	1,824,210	28.24	8	1,970,752	30.50
Financial Institutions (Bank & Insurance)	8	14,001	0.22	11	20,156	0.31
Financial Institutions (Others)	74	347,252	5.37	68	252,129	3.90
BSRS 1st Mutual Fund	1	1,000	0.02	1	1,000	0.02
ICB investor's A/c	188	12,800	0.19	189	12,840	0.20
IFIC investor's A/c	10	820	0.02	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	0.004	1	270	0.00
General Public	8,780	4,244,857	65.70	9,132	4,187,243	64.82
	9,074	6,460,650	100.00	9,426	6,460,650	100.00

(d) The Shareholding pattern is as below :

Description	30 June 2024			30 June 2023		
	No. of Share holders	No. of Shares	Share holding in %	No. of Share holders	No. of Shares	Share holding in %
Upto 500 Shares	7716	585,976	9.07	7984	619,493	9.59
501 to 5000 Shares	1230	1,575,301	24.38	1304	1,620,843	25.09
5001 to 10000 Shares	61	442,834	6.86	72	524,113	8.11
10001 to 20000 Shares	26	350,266	5.42	30	403,517	6.24
20001 to 30000 Shares	13	332,371	5.15	15	379,473	5.87
30001 to 40000 Shares	5	187,433	2.90	2	79,480	1.23
40001 to 50000 Shares	4	172,906	2.67	3	140,700	2.18
50001 to 100000 Shares	12	953,761	14.76	8	645,109	9.99
100001 to above Shares	7	1,859,802	28.79	8	2,047,922	31.70
	9,074	6,460,650	100	9,426	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.97.80 at Dhaka Stock Exchange Limited and Tk.92.60 at Chittagong Stock Exchange Limited as on 30 June 2024.



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023
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
		-	-
		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. (349,961,114)		
	Details are as under:		
	Opening Balance	(201,231,658)	(62,460,963)
	Prior year adjustment	-	(15,804,551)
	Profit /(Loss) After Tax for the Year	(148,729,456)	(122,966,144)
	Closing Balance	(349,961,114)	(201,231,658)
14.00	Deferred Tax: Tk. (6,310,576)		
	Details are as under:		
	Deferred Tax Liabilities (Note-14.01)	6,310,576	12,452,845
14.01	Deferred Tax		
	Book Value of Depreciated Assets	106,361,199	116,297,817
	Tax Base of Depreciated Assets	(44,412,968)	(52,986,143)
		61,948,231	63,311,674
	Provision for Retirement benefits (Gratuity)	(30,395,351)	(1,047,451)
	Net Taxable Temporary Difference	31,552,880	62,264,223
	Effective Rate	20.00%	20.00%
	Deferred Tax Liability at Closing	6,310,576	12,452,845
	Deferred Tax Liability at Opening	(12,452,845)	(14,051,250)
	Deferred Tax Expenses/(Income)	(6,142,269)	(1,598,405)
15.00	Non Current Portion of Long Term Loan (Secured) : Tk. 0		
	Rupali Bank Ltd. A/c no-027, Total Term Loan	17,791,554	15,874,275
	Current Portion of Long Term Loan:	(17,791,554)	(8,958,612)
	Non Current portion of Long Term Loan:	-	6,915,663

Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023

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 17,791,554 has been allocated as Non Current Portion TK 0 and Current Portion (Payable within 30 June, 2024) TK 17,791,554 which has been shown under Note 20.

16.00 Cash Credit (secured): Tk. 184,576,535

Details are as under:

Cash Credit (Hypo) A/c no-04

Cash Credit (Pledge) A/c no-02

Business Loan A/C No- 46

Working Capital Loan under stimulus package(Covid- loan) A/C No-03

28,670,237	25,530,894
27,096,323	25,088,219
111,707,919	100,150,000
17,102,056	16,085,701
184,576,535	166,854,814

The Company is enjoying cash credit facilities from Rupali Bank Ltd., Ramna Corporate Branch, Dhaka. Interest charged on all credit @ 12.75% to 13.00%. 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. 337,645

Details are as follows:

NCC Bank Ltd, A/c no-0025

Southeast Bank Ltd,A/c no-98

City Bank Ltd,A/c no- CD-5001

AB Bank Ltd A/c no- 201000

United Commercial Bank-928

Rupali Bank Ltd, Tongi Br.A/c no- 1650

Rupali Bank Ltd, Ramna A/c no- 7662

-	4,518,650
61,222	-
-	-
-	-
-	93,991
276,423	375,505
-	-
337,645	4,988,146

This represents temporary overdrawn from current account

18.00 Unclaimed Dividend Account : Tk. 8,366,759

Opening Balance

Less; Paid during the year

8,370,560	9,370,569
(3,801)	(1,000,009)
8,366,759	8,370,560

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 Directors & Others Loan : TK 7,158,000

Opening Balance

Addition During the Year

Adjustment During the year

Total

-	-
7,158,000	-
-	-
7,158,000	-

Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023

20.00 Current Portion- Long Term Loan : TK

Rupali Bank Ltd. A/c no-027, Total Term Loan	17,791,554	15,874,275
Non Current portion of Long Term Loan:	-	(6,915,663)
Current Portion of Long Term Loan:	17,791,554	8,958,612

Balance of Term Loan (Secured) TK 17,791,554 has been allocated as Non Current Portion TK 0 shown under note 15 and Current Portion (Payable withing 30 June, 2024) TK 17,791,554.

21.00 Creditors, Accrued Expenses and Others: Tk. 138,073,875

Details are as under:

Directors' remuneration	27,965,050	18,987,500
Salary & EL	28,364,267	32,879,407
Gas bill	19,782,045	12,210,411
Electric bill	1,257,273	812,232
Artisan	225,000	225,000
Provident Fund	34,690,270	26,904,017
Vat Payable	9,400,442	2,144,128
Other payables	16,389,528	13,306,771
	138,073,875	107,469,466

22.00 Other Liabilities and Provisions: Tk. 128,823,356

Details are as under:

Security money employees	1,217,045	1,072,451
Security money (Agency) and advance etc.	95,546,112	97,232,682
Provision for Income Tax	578,217	4,000,621
Grtuity payable	30,395,351	1,047,451
Other Provisions	1,086,631	966,086
	128,823,356	104,319,291

Income Tax finalized upto Assessment year 2020-21.



Notes	Particulars	Amount in Taka			
		30 June 2024	30 June 2023		
23.00	Revenue: Tk. 96,296,422				
	Break-up as follows				
		Quantity	Value	Quantity	Value
	Net Local Sales	M.T 970.60	96,296,422	M.T 2,505	244,470,330
	Total		96,296,422		244,470,330

24.00 Cost of Goods Sold: Tk. 192,338,775

Details are as under:

Materials Consumed:

Opening Stock

Purchase during the year

Less: Closing stock

Add: Opening Work-in -process

Less: Closing Work-in-process

Factory Overhead:

Wages, Salaries, Over time , EL& Gratuity

P.F Contribution.

Packing Materials

Power & Gas

Consumable stores

Miscellaneous factory expenses

Repairs & Maintenance

Depreciation

Total Overhead

Add: Opening Stock of finished goods

Less: Closing Stock of finished goods

Add: Opening stock of Mould & Sagger

Less: Closing stock of Mould & Sagger

Total production

9,050,000	7,423,079
34,871,036	101,426,460
43,921,036	108,849,539
8,014,139	9,050,000
35,906,897	99,799,539
89,811,447	99,700,130
125,718,344	199,499,669
78,055,800	89,811,447
47,662,544	109,688,222
70,165,567	65,335,064
517,119	1,060,829
6,913,786	18,188,708
36,145,570	68,569,107
3,182,039	11,427,436
465,625	3,491,905
5,367,343	14,107,465
10,891,860	12,050,948
133,648,909	194,231,462
181,311,453	303,919,684
6,543,000	10,200,500
187,854,453	314,120,184
169,516	6,543,000
187,684,937	307,577,184
13,394,084	16,294,084
201,079,021	323,871,268
8,740,246	13,394,084
192,338,775	310,477,184
M.T 925	M.T 2,463

* Repairs & maintenance during the year includes all factory building Tk. 251,564/- & machinery repairs and maintenance Tk.555,425/= and fuel & lubricant expenses etc.Tk. . 3,771,807/- car running exps Tk.788,547/- respectively.



25.00 Administrative expenses: Tk. 31,656,004

Director's Emolument	11,175,000	13,260,000
Rent, Rates & Taxes+	2,362,008	502,705
Postage, Telegram & Telephone	120,097	231,943
Office Salaries , EL & Gratuity	13,674,890	20,032,688
P.F Contribution	152,961	200,130
Stationery	122,345	254,794
Religious & Festival Expenses	30,400	342,780
Legal & Professional and Other fees	149,260	447,300
Audit fees(VAT included)	258,750	258,750
Forms & Fees (Note no-23.01)	719,322	405,979
Utility bill	350,990	321,060
Motor Vehicles maintenance	51,731	88,625
Petrol, Oil & Lubricant	203,026	237,214
Office Maintenance etc.	24,238	-
Software service charges	135,000	-
AGM & Other meeting Expenses etc.	684,573	598,156
Entertainment expenses	644,891	250,100
Miscellaneous expenses	686,503	13,510
Depreciation	110,019	1,873,219
	31,656,004	39,318,953

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.

26.00 Selling and Distribution Expenses: Tk. 3,338,053

Details are as under:

Office Salaries	1,498,864	5,052,220
P.F. Contribution.	214,098	68,500
Conveyance	466,045	544,115
Business Promotional expenses	374,983	211,588
Transport exp.	784,063	2,635,600
	3,338,053	8,512,023

27.00 Other Income: Tk. 73,060

Details are as under:

Interest on FDR	73,060	22,117
Land acquisition compensation	-	2,125,124
	73,060	2,147,241

28.00 Finance cost: Tk. 23,330,158

Details are as under:

Bank interest	20,530,334	10,840,633
Bank charges etc.	2,799,824	566,455
	23,330,158	11,407,088



Notes	Particulars	Amount in Taka	
		30 June 2024	30 June 2023

29.00 Income Tax Expenses: Tk. 578,217

Details are as under:

Current year's tax (1) -*

578,217	1,466,872
-	-
578,217	1,466,872

i) Calculation of Income Tax Provision Year 2023-24

Tax payable under regular assessment :

Net Profit before tax during the year

Income tax provision on net Profit/before tax @ 20%

(154,293,508)	(123,097,677)
-	-

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

ii) Calculation of Minimum tax :

Revenue

Add: Other income

Total Receipts

96,296,422	244,462,240
73,060	16,529
96,369,482	244,478,769

1. Minimum tax on total receipt as per income tax law @ 0.60% on Tk. 96,369,482.

578,217	1,466,872
---------	-----------

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 2023-24 as income tax provision.

30.00 Deferred Tax Expenses/(Income): Tk. 6,142,269

Details are as under:

Deferred Tax Expenses/(income) (note-14.01)

(6,142,269)	(1,598,405)
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31.00 Credit Facilities:

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

32.00 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.



33.00 Aggregate amount due by Directors & Officers:

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

34.00 Sales - Item-wise:

The company sales Stonewares approx. 117 different items with different shapes and different prices under the brand name Classic Stone.

35.00 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.

36.00 Claims against the company not acknowledgement as debt:

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

37.00 Aggregate amount of contracts for capital expenditure:

There was no contract for capital expenditure on 30-06-2024.

38.00 Basic Earnings per Share (EPS): Tk. (23.02)

Basic earnings per shares has been calculated as follows:

Earnings attributable to the Ordinary Shareholders: Net Profit/(Loss) after

tax

Number of Ordinary Shares outstanding during the year

Basic Earning per Share (EPS)

(148,729,456)	(122,966,144)
6,460,650	6,460,650
<u>(23.02)</u>	<u>(19.03)</u>

Basic Earnings Per Share (EPS) has become negative figure for the period as the overall economic condition was dull for COVID-19 and Russia - Ukraine War, high cost of imported rawmaterials due to high cost of sea transport & Dollar rate fluctuation and abnormal increase of gas price(around 155% increased) etc. have adversely reduced 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. Note that Fctory has been temporary shut down since 26 January 2024.



Notes	Particulars	As at	
		30 June 2024	30 June 2023

39.00 Reconciliation of Net Operating Cash Flow:

Net Profit /(Loss) after tax	(148,729,456)	(122,966,144)
Depreciation	11,001,879	13,924,167
Deferred Tax Expenses/(Income)	(6,142,269)	(1,598,405)
Previous year adjustment	0	(15,804,550)
Other income	(73,060)	(2,147,241)
	4,786,550	(5,626,029)
(Increase)/Decrease in inventories	26,322,173	14,819,262
(Increase)/Decrease in short term Investment		-
(Increase)/Decrease in Advance Deposits Prepayment	4,784,864	(942,334)
Increase/(Decrease) in Creditors Accrued Expense and Others	30,604,409	31,110,637
Increase/(Decrease) in Liabilities for Others Finance	24,504,065	24,814,402
	86,215,511	69,801,967
Net cash inflow from operating activities	(57,727,395)	(58,790,206)

40.00 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 and abnormal increase of gas price((around 155% increased) have also increased but we could not increase our products' price accordingly due to dull economic condition for 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. Note that Fctory has been temporary closed since 26th of January 2023.

41.00 Board Meeting Fee:

During the year under review 6 (six) 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.

42.00 Related party transactions

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

Particulars	30.06.2024		30.06.2023	
	Directors	All managers	Directors	All managers
Remuneration & allowances	11,175,000	7,200,290	11,175,000	7,551,612
Bonus	-	-	2,085,000	840,840
	11,175,000	7,200,290	13,260,000	8,392,452



Notes	Particulars	As at	
		30 June 2024	30 June 2023

43.00 Net Asset Value Per Share: Tk. (37.84)

Details are as under:

Net Asset (43.1)	(244,497,759)	(95,768,303)
Number of Ordinary shares outstanding during the year	6,460,650	6,460,650
Net Asset Value Per Share	<u>(37.84)</u>	<u>(14.82)</u>

The cumulative effect of Covid -19, Russia - Ukraine War, high cost of imported raw materials adversely reduces 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 previous 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. Note that Factory has been temporary closed since 26 January 2024

43.01 Net Asset: Tk. (244,497,759)

Details are as under:

Total assets	246,940,541	324,561,094
Less: Total liabilities	491,438,300	420,329,397
Net Asset	<u>(244,497,759)</u>	<u>(95,768,303)</u>

44.00 Net Operating Cash Flow Per Share: Tk. (8.94).

Details are as under:

Net cash generated from operating activities	(57,727,394)	(58,790,206)
Number of ordinary share outstanding during the year.	6,460,650	6,460,650
Net Operating cash flow per share	<u>(8.94)</u>	<u>(9.10)</u>

45.00 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. Note that Factory has been temporary closed since 26th January 2024.

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

The Board of Directors of the Company has approved the Financial Statements as on 16/11/2024 Recommended "No Dividend" for the year ended on June 30, 2024.



Notes	Particulars	As at	
		30 June 2024	30 June 2023

As per IAS -10 'Event after Reporting Period' between the ending date of the reporting year and the date of authorising the financial statements for issue, the following circumstances and issues have arisen which are require to disclose in the financial statements or notes thereto.

a) Temporary Shutdown of the Factory:

The company temporarily suspended factory operations from 26 January 2024 due to the post-corona financial crisis, the current global negative situation, shortage of raw materials and closure of gas and electricity supply. Due to which the authority has decided to temporarily close the factory as per the Board of Directors' decision (Board Meeting held on 20.01.2024).

b) Going Concern Threat:

Though the Financial Statements have been prepared considering the entity as a going concern assuming that it will continue it's operation for the foreseeable future and the management has neither any intention nor the necessity to liquidate the company or curtail it's operational scale materially. But the management acknowledge the following issues which may cast significant threat on it's Going Concern due to the following situations:

i) Financial Insolvency:

Current Liabilities: Tk. 485,127,724 including Bank Liabilities Tk. 202,705,734, directors' Loan Tk. 7,158,000, and Creditors, Accrued expenses Tk. 138,073,875, unclaimed dividend TK. 8,366,759 and liabilities for other finance Tk.128,823,356. Current Assets: Tk. 110,023,741. This results in a current ratio of 1:4.41, indicating severe financial insolvency. The company is facing significant challenges in meeting its short-term obligations, which could disrupt its supply chain and operational continuity.

ii) Financial Performance:

Net Sales: decreased by 60.61% to Tk. 96,296,422 compared to the previous year. As a consequence of this % of Cost of Goods Sold has increased this year to 200% of Revenue as it was 127% in the year 2022-23, due to the higher utility expenses and raw materials cost and fixed cost burden for factory closure.

Utility Costs: Gas & Electricity Expenses decreased by Tk. 32,423,537 due to low gas pressure and limited generator use & closure of factory operation. Production Efficiency: 62.44% dropped in production, inefficiencies in plant and machinery led to elevated variable costs.

Net Loss After Tax: Tk. (148,729,456), resulting in a negative EPS of Tk. (23.02). This has eroded retained earnings, which increased from Tk. (201,231,658) negative in 2022-2023 to Tk. (349,961,114) negative in 2023-2024.

Despite of acknowledgement of the material uncertainties outlined above, the management asserts its commitment to addressing these challenges through the following measures:

1. Financial Restructuring: Efforts are underway to renegotiate terms with creditors and secure additional financing to alleviate liquidity constraints.
2. Operational Efficiency: Management are thinking to enhance plant and machinery performance, fuel efficient Kiln installation, reduce wastage, and optimize production processes.
3. Cost Control: Management is prioritizing cost control measures, including energy efficiency initiatives and supplier negotiations.
4. Market Positioning: Management are also thinking to develop and maintain competitive pricing while exploring new revenue streams to improve profitability



Standard Ceramic Industries Limited
Schedule of Property, Plant & Equipment
As at 30 June 2024

Annexure-A
Amount in Taka

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value on 30-06-2024
	Balance as at 01-07-2023	Addition during the year	Adjustment during the year		Balance as at 01-07-2023	Charged during the year	Adjustment during the year	
Land and Land development	30,555,601	-	-	0%	-	-	-	30,555,601
Building & Civil constructions	102,033,476	1,065,260	-	7.5%	72,385,827	2,236,890	-	28,476,019
Plant & Machinery	277,642,610	-	-	10%	198,760,141	7,888,247	-	70,994,222
Deep Tube Well	1,105,519	-	-	5%	696,603	20,446	-	388,470
Electric & Security Equipment	12,669,797	0	-	10%	7,707,923	496,187	-	4,465,687
Car & other vehicles	14,577,549	-	-	20%	13,657,051	184,100	-	736,398
Tools	338,065	-	-	25%	338,065	0	-	(0)
Office Equipment	2,788,325	-	-	15%	2,220,979	85,102	-	482,244
Furniture & Fixture	2,797,281	0	-	10%	1,888,215	90,907	-	818,159
RoUA	5,254,474	-	5,254,474	33%	5,254,474	-	5,254,474	-
Other Assets	44,472	-	-	20%	44,472	0	-	(0)
Total as on 30 June 2024	449,807,169	1,065,260	5,254,474		302,953,750	11,001,879	5,254,474	136,916,800
Total as on 30 June 2023	449,644,869	162,300	-		289,029,584	13,924,167	-	146,853,418

Notes:

Allocation of Depreciation	Amount
Cost of Goods Sold	10,891,860
Administrative Expenses	110,019
Total	11,001,879



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 2024:

Complied -Disclosed in Note No-35

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	
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 24
3(i)(d)(ii)	The opening and closing stocks of goods produced.	Complied - Disclosed in Note No-24
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 24
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-24
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- 29 & 30
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
2023-2024	Annual Production capacity	6,500	925	14.23%
2022-2023	Annual Production capacity	6,500	2,463	37.89%

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	
	2023-24	2022-23	2023-2024	2022-23	2023-2024	2022-23
Raw materials	34,871,036	101,426,460	35,906,897	99,799,539	102.97%	98.40%
Spare parts	2,197,996	11,528,336	3,182,039	11,427,436	144.77%	99.12%
Packing materials	5,394,736	18,087,558	6,913,786	18,188,708	128.16%	100.56%
Total	42,463,768	131,042,354	46,002,722	129,415,683		

i) The company did not incurred expenditure in foreign currencies for the period from 01 July 2023 to 30 June 2024 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.

