



# 2022-'23

ANNUAL REPORT



SHINEPUKUR CERAMICS LIMITED

## MISSION

Each of our activities must benefit and add value to the common wealth of our society. we firmly believe that, in the final analysis we are accountable to each of the constituents with whom we interact; namely: our employees, our valued customers, our business associates, our fellow citizens and our shareholders.

## VISION

Our vision is to be one of the best Porcelain & Bone China Ceramic Table wares manufacturers in the World and to be leader in the Ceramics Tableware Industry in Bangladesh.

## GOAL

- To honor to all commitments
- To deliver the results

## CORE VALUES

Core values are our fundamental beliefs and guiding principles which dictates the behaviour and help our people to understand the right path in fulfilling our above mission, vision & goals. Our core values are;

- |                     |   |
|---------------------|---|
| Integrity & Ethical | : We uphold the highest standards of integrity and committed to be ethical in all our activities & dealings.  |
| Team Work           | : We work together across boundaries to meet the needs of our customers.  |
| Respect             | : We value our people and encourage their development.  |
| Discipline          | : We define job responsibility to make the people accountable in a work environment observing due diligence and discipline.   |
| Positive Attitude   | : We encourage in developing positive attitude in our people negating fear and insecurity and focusing on survival in achieving the company goals in difficult circumstances. |

## OBJECTIVES

- To follow and observe the principles of good manufacturing practices of the industry.
- To practice customer oriented service culture in selling & distribution activities.
- To keep trust and partnership and deal with the suppliers with professionalism.
- To achieve financial strength and to generate adequate revenue & income required for meeting the obligations to all stake holders upholding the 'going concern' principle.

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## KEY DATA

<b>Year of Establishment (registration)</b>	1997
<b>Commercial Production</b>	1999
<b>Status</b>	Public Limited Company
<b>First Export</b>	1999 (Porcelain in April & Bone China in November)
<b>Business Lines</b>	Manufacturing, Marketing and Exporting of Porcelain and Bone China tableware.
<b>Current Export Markets</b>	USA, Canada, UK, Germany, France, Italy, Romania, Norway, Sweden, Denmark, Poland, Spain, Turkey, Japan, Australia, New Zealand, Brazil, India, Chile, Egypt, Russia & other countries.
<b>Authorized Capital (Taka)</b>	5,000 million (June 30, 2023)
<b>Paid-up Capital (Taka)</b>	1469.661 million (June 30, 2023)
<b>Number of Shareholders</b>	19,858 (June 30, 2023)
<b>Stock Exchange Listing</b>	2008
<b>Number of Employees</b>	2,968





## 2022 - 2023 HIGHLIGHTS

### NEW CUSTOMERS

3 customers from two countries

### ACHIEVEMENTS

- Successfully accomplished periodic Review of Audit of ISO in two separate quarters and got recertification for ISO 9001:2015 up-to August 2025.
- Successfully conducted BSCI audit.
- Successfully conducted SMETA audit.
- Successfully conducted C-TPAT audit.
- Ecovadis



## OUTLINE

**Shinepukur Ceramics Ltd. (SCL)**– a BEXIMCO Company, is the leading bone china & porcelain tableware manufacturer and exporter of Bangladesh. SCL has been a successful brand - thanks to its state- of-the-art manufacturing facilities, about 2968 highly skilled & motivated people and cutting-edge technology.

From its inception, SCL has been able to gain substantial headway against its competitors and acquire commendable market share from its competitors both in porcelain and in bone china. Therefore SCL's position in the world tableware industry is very high, with its world-class product quality, which helped to attract and retain leading century-old branded companies as its blue-chip customers from USA, Canada, UK, Germany, France, Italy, Japan, Sweden, Norway, Denmark, Finland, Spain, Poland, Mexico, Brazil, Chile, UAE, Australia, New Zealand, Turkey, India, Egypt, Russia and still growing.

In domestic market also, Shinepukur Ceramics Ltd. is very well known for its premium quality tableware products. In Bangladesh, SCL is the leader in ceramics' table wares in terms of sales revenue and market share. SCL is a household name in Bangladesh who prefer to use SCL table wares for its' elegance and outlook. In the hospitality sector, most of the international hotels in Bangladesh use SCL's products. Winning of National Export Trophy (Gold) for a consecutive seven years from FY2014-'15 to FY2020-'21 is a testimony of SCL's leadership in export market as well.

The Company is ISO 9001:2015 certified and awarded National Export Trophy (Gold) for ten (10) times, National Export Trophy (Silver) for one (1) time by the Government of Bangladesh. SCL was also awarded 'Superbrands' (2010), 'D&B Corporate Award'(2011) and 'Asia's Most Promising Brands' (2013).

**'SHINEPUKUR'** is the name of trust and elegance that brings...

*a classic touch in life*





## PRODUCT RANGE

Catagory	Type	Users
<b>Porcelain Tableware</b>	Plain Porcelain	Classical Porcelain, normally household use
	Ivory	Creamy colored Porcelain, household/HoReCa use
	Hi Alumina	White Porcelain, suitable for both HoReCa & house hold use
	SATIN Porcelain	Suitable for both HoReCa & house hold use
	Pearl White Porcelain	Suitable for house hold use
	Recycled Porcelain	Suitable for house hold use
	Bone Porcelain	Suitable for both HoReCa & house hold use
<b>Premium Tableware</b>	Natural Bone	HoReCa & house hold use
<b>Bone China Tableware</b>	Real Bone China	Suitable for both HoReCa & house hold use

\* HoReCa - Hotel, Restaurant and Cafeteria



Salman F Rahman  
Vice Chairman

A S F Rahman  
Chairman





# CORPORATE DIRECTORIES

## BOARD OF DIRECTORS

**Mr. A S F Rahman**  
*Chairman*

**Mr. Salman F Rahman**  
*Vice Chairman*

**Mr. Iqbal Ahmed**  
*Director*

**Mr. O K Chowdhury**  
*Director*

**Barrister Faheemul Huq**  
*Independent Director*

## COMPANY SECRETARY

**Mr. Mohammad Asad Ullah, FCS**  
*Executive Director & Company Secretary*

## Independent Auditors

**M/S M. J. Abedin & Co.**  
*Chartered Accountants*  
National Plaza (3rd Floor)  
109 Bir Uttam C R Datta Road, Dhaka 1205

## Corporate Governance Compliance Certifier

**Jasmin & Associates**  
*Chartered Secretaries, Chartered Secretaries in Practice*  
55/B Noakhali Tower (10th Floor), Suite: 11-F  
Purana Paltan, Dhaka-1000

## Legal Advisers

**M/S Huq & Co.**  
*Barristers & Advocate*  
47/1 Purana Paltan, Dhaka 1000

## Banker/Term Loan Provider

- Sonali Bank Ltd.
- Southeast Bank Ltd.
- Bank Asia Ltd
- Phoenix Finance & Investment Ltd.

## BOARD'S COMMITTEE

### AUDIT COMMITTEE

**Barrister Faheemul Huq**  
*Chairman*

**Mr. Iqbal Ahmed**  
*Member*

**Mr. O K Chowdhury, FCA**  
*Member*

**Mr. Mohammad Asad Ullah, FCS**  
*Secretary*

### NOMINATION & REMUNERATION COMMITTEE

**Barrister Faheemul Huq**  
*Chairman*

**Mr. Iqbal Ahmed**  
*Member*

**Mr. O K Chowdhury, FCA**  
*Member*

**Mr. Mohammad Asad Ullah, FCS**  
*Secretary*

## Management Committee

**Mr. Mohammed Humayun Kabir, FCA**  
*Chief Executive Officer*

**Mr. Md. Faruque Ali**  
*Executive Director*

## Registered Office

17 Dhanmondi, Road No. 2, Dhaka - 1205

## Corporate Office

BEXIMCO Media Complex, Level 9  
149-150 Tejgaon I/A, Dhaka 1208

## Plant

Beximco Industrial Park, Sarabo, Kashimpur, Gazipur

## Showroom

Westin Hotel (1st Floor), Gulshan Circle 2, Dhaka 1212

# BRIEF PROFILES

of Chairman, Vice Chairman, Directors, CEO & CS



**Mr. A S F Rahman**

**Chairman**

Mr. ASF Rahman is the Chairman of the companies under the flagship of BEXIMCO Group. He is the member of Board of Trustee of North South University. He was Vice Chairman of IFIC Bank Limited, Director of Investment Corporation of Bangladesh (ICB) and IPDC Finance Limited.



**Mr. Salman F Rahman**

**Vice Chairman**

Mr. Salman F Rahman is the Vice Chairman of the companies under the flagship of BEXIMCO Group. He is the Chairman of IFIC Bank Limited. He was President of FBCCI. He is involved many social & Charitable organizations and is renowned for philanthropic works.



**Mr. Iqbal Ahmed**

**Director**

Mr. Iqbal Ahmed is a Director of companies under BEXIMCO Group since early seventies. He was director of AB Bank Limited and associated with many social and business organizations including ICC, Bangladesh.



**Mr. O K Chowdhury, FCA**

**Director**

Mr. O K Chowdhury is a Fellow Chartered Accountant of ICEW. He is involved with the companies under BEXIMCO Group in different capacities including as a director since early eighties.



**Barrister Faheemul Huq**  
Independent Director

Barrister Faheemul Huq is qualified as a Barrister-at-Law from Lincon's Inn, UK and is currently an Advocate in the Supreme Court Bangladesh, both in the High Court Division and Appellate Division and acted as Legal Advisor of different corporate bodies and enlisted lawyer of different Banks and Financial Institutions in Bangladesh.



**Mr. Mohammed Humayun Kabir, FCA**  
Chief Executive Officer

Mr. Mohammed Humayun Kabir was the President of Institute of Chartered Accountants of Bangladesh (ICAB). He set on the Board of Directors of Sadharon Bima Corporation, Dhaka Stock Exchange Limited, Bangladesh Telecommunication Company Limited, West zone Power Distribution Company Limited and Islami Bank Bangladesh Limited. He has been involved with the companies under BEXIMCO Group in different capacities since mid eighties. He is also involved with different organizations including FBCCI (Advisor), BGCCI (Director), ICAB (Councilor) and NBR (ADR Facilitator). He was awarded 'National Paribesh Padak' (National Environmental Award) in 2010 by Government of Bangladesh and recognized as CIP - Export for a number of years.



**Mr. Mohammad Asad Ullah, FCS**  
Executive Director & Company Secretary

Mohammad Asad Ullah has been serving as Executive Director-Corporate Affairs and Group Company Secretary of Beximco since 1998. He joined in Beximco Pharmaceuticals Ltd. in 1983 and served in different responsible positions. He is the Fellow Member of ICSB. He served as the President of ICSB for 4 Times. For his outstanding contributions he was awarded a Gold Medal by the ICSB in 2010. He is now the President of ICSB for the term 2002-'25. He is the Member of the Board of Directors of BICM. He is an active Member of a number of renowned professional and social organizations of the country.

# MANAGEMENT TEAM



PRODUCTION DEPARTMENTAL HEADS WITH CEO IN FACTORY



SENIOR OFFICIALS WITH CEO IN HEAD OFFICE



# RISK MANAGEMENT AND CONTROLLING

## Risk Management Framework

Risk management is an integral part of SCL's operations. In every stage of planning, be it for materials procurement from home and abroad or be it for sales of its products both in export and domestic markets or day to day operations of the manufacturing plant, risk identification and its mitigation remains at forefront. The Board is the highest oversight body and the top management are supervising and coordinating the implementation of the risk management framework at regular intervals. The company management has overall responsibility for the establishment of the company's risk management framework. Risk management policies, procedures and systems are reviewed by the Board regularly to reflect changes in market conditions and the company's activities.

## Risks Identification

**Business risks** – the company is exposed to following business risks:

**Internal** - (i) skilled manpower is critical to quantity and quality production. Company is prone to high labor turnover. (ii) Breakdown of aged kiln, plant & machinery and non-availability of parts, spares & consumables.

**External** - (i) Inconsistent/erratic gas pressure, disruption in gas supply & unit price of gas. (ii) Devaluation of taka causing increased cost for imported material (iii) Higher devaluation of foreign currencies of competing exporting countries making Bangladesh made ceramic table wares costlier in importing countries. (iv) Minimum wage rate hike. (v) Non-functioning of ports and highways. (vi) Supply disruptions due to stopping of production/mining or non-availability of right quality raw materials due to change in layer/level of the mines/quarries. (vii) Supply chain disruption due to shipping route/channel blockage and scarcity of containers. (viii) Upward adjustment of custom duty, VAT & Tax on imported raw material. (ix) Withdrawal of Competitive/ preferential tariff facilities e.g. GSP. (x) Social disorder and unrest.

**Acts of God** - (i) Pandemic (e.g., Covid-19) causing closer/shutdown of production facilities/ economic activities; (ii) Natural disaster(s) like flood causing absenteeism to work forces and disruption in supply chains and distribution channels; (iii) Earth quake causing demolition of buildings and fire accident resulting casualties and closure of production facilities.

**Finance Risks** - The company has exposure to the following risks from its use of financial instruments. i) Credit risk, ii) Liquidity risk, iii) Market risk : a) Foreign currency risk b) Interest rate risk.

## Risk Mitigation Methodology/Policies

### Business Risks:

- (i) Procurement – Sourcing from multiple suppliers and jurisdictions.
- (ii) Sales & Marketing – Diversified market and using multiple channels.
- (iii) Manufacturing – Compliance to regulatory and customers' 'ethical trade audits' requirements for health, welfare and safety at work place.

**Finance Risks** : Applying financial management techniques to improve liquidity and gearing ratios, profitability by cost controls and efficient use of resources through input-output analysis.

## Disclosure of Risk Reporting

Risks and plan for mitigations thereof are disclosed in the Chairman Statement and Directors' Report to Shareholders as well as in the Management Discussion & Analysis segments of the Annual Report. Also those are disclosed in the note 37 to Audited Financial Statements.

# COMPANY PROFILE

## Sister Concern of BEXIMCO

**Shinepukur Ceramics Limited (SCL)** – is a member of BEXIMCO Group which is the largest private sector business conglomerate in Bangladesh. The Group's operations and investments covers across a wide range of industries including Textiles, Pharmaceuticals, Trading, Ceramics, Information & Communication Technologies, Media, Marine Food, Real Estate Development, Hospitality, Construction, Financial Services and Energy. After being registered in 1997 and plants' commission in 1998, commercial production of porcelain tableware started in April 1999 and bone china in November 1999. SCL is located in the BEXIMCO Industrial Park, near Dhaka Export Processing Zone (DEPZ), 40km from capital Dhaka city. There are captive power generation, water supply, effluent waste water treatment and all other infrastructural facilities available inside the plant premises. Total investment in the company was in excess of US\$ 35 million during onset of business. The company has already made additional investment of US\$ 10 million to expand its bone china unit. The factory premises is set up on 25 acres of land and has a total covered area of more than 588,000 sft.

## Bone China Plant

For the upper echelons of the Global tabletop industry, Shinepukur produces World class bone china, using the top quality raw-materials and ingredients, sourced by highly reputed manufactures from all corners of the Globe.

These are meticulously crafted and transformed into exquisite bone china tabletop, mirroring a unique blend of eye catching shapes, enviable translucency, durability, all of it with a Lead and Cadmium free glaze. These are augmented by a highly calibrated test protocol for metal release, thermal shock tolerance, detergent, acid and chipping resistance, verification levels, dishwasher efficacy, all conducted by specialists at the SCL's most modern in-house Lab. Shinepukur's bone china facility is one of the premier OEM facilities in the world.

## Porcelain Plant

Complementing its superb range of bone china, Shinepukur also offers plain porcelain, ivory china, high alumina, satin Porcelain, pearl white porcelain, recycled porcelain and bone porcelain tableware to cater for all different market segments. From dinner to tea plates, from soup tureens to soup spoons, from retail tabletop to industrial, hotel ware and airline in-flight items. SCL offers a multifaceted choice of refined product lines, catering to the Omni changing market trends for novel shapes and patterns, setting new standards, and raising the quality bar for the top end of this industry.

## Which made us distinguishable

Today, Shinepukur is the leading bone china and porcelain tableware manufacturer and exporter from Bangladesh, equipped with the most modern state-of-the-art and latest machinery's from TAKASAGO, MINO and SKK of Japan, having about 3,000 highly skilled & motivated employees, cutting-edge technology, world class product quality and its blue chip overseas customers. The bone china unit has in-fact been set up with the technology transfer from NIKKO Japan, coupled with extensive training facilities to our production team. In addition, Shinepukur ceramics is equipped with the top-of-the-line testing and quality control laboratory, own raw material disposal set-up, own captive gas-based power generation capability, own water supply through deep tube well and sanitary facilities. The facility has its own medical center with in-house registered doctor.

## Quality Certification

The company has been certified with ISO 9001:2015 by Det Norske Veritas (DNV) of Netherlands for quality and process management. Being a member of SEDEX (UK), Shinepukur has been reported as quite compliant on safety, hygiene and employee benefits perspective with SMETA (Sedex Members' Ethical Trade Audit). Also being successful through BSCI audit, the company upholds itself as the most desired outsourcing tableware site. The facility is considered to be the most environment-friendly tableware plant in the sub-continent. Regular environment protection practices are there in line with EIA reports and World Bank guidelines for internationally accepted standards.

## Production Capacity

About ±18,000 Pieces of high quality bone china and ±48,000 Pieces of top class porcelain tableware are produced at SCL per day, that is about ±5.4 million pieces of bone china and ±16.6 million pieces of porcelain tableware are produced at SCL per year.

## Decal Plant and Design Studio

Decal production started in August 2001. Total printing capacity is about 120,000 Sheets per month, starting from single color up-to 8 Colors with gold/platinum, both on-glaze (840 degrees Celsius) and in-glaze (1220 degrees celsius), and completely lead & cadmium free. A design studio was also set-up inside the decal plant in 2005.

The current printing capacity of SCL's decal plant is 180,000 sheets per month. The machineries of this decal plant were sourced mostly from EU countries.

## Packaging Plant

Production in the packaging plant started in June 2003. Assorted about 200,000 pieces white and/or brown cartons per month are presently being produced in this facility. In addition, the company is also capable of supplying 4-6 Color printed cartons.

## Product Variety and Range

SCL produces variety of bone china and porcelain tableware for retail as well as hospitality (hotel industry), and ivory china for retail houseware, having about 245 shapes (85 shapes of bone china and 160 shapes of porcelain). Also Shinepukur has nearly 1,600 developed designs for both bone china and porcelain, which have been developed in its own design Studio and decal plant. Shinepukur has the most creative & region-best modelers. And for this, any new shapes of both bone china and/or porcelain can also be developed at SCL within 4-6 weeks as per buyer's requirements. Starting from 5 pcs place settings to 20 pcs dinner set and 127 pcs full service set to variety of gift items, diversified kind of ceramic tableware is supplied from Shinepukur.

## Quality Control

The Company ensures the highest standard of tableware through:

- State-of-the-art quality control laboratory run by highly qualified & experienced technicians.
- At least, 36 different types of tests are being done in the laboratory including-
  - i. Microware and dishwasher safety tests.
  - ii. Resistance to acids and detergents tests
  - iii. Tests of heavy metal release - compliant with lead & cadmium requirements of USFDA & California State Prop 65 & Norwegian standard.
- Continuous on-line quality assurance (QA) engaging QC inspectors.
- Regular quality checks at the final stages of production (after packing) following international standards.

## Exporting Countries

In last 26 years after came into being in 1999, Shinepukur has been able to successfully develop a large export market for its top-of-the-line bone china & porcelain tableware products. The customer portfolio now includes world-renowned tableware companies in USA, Canada, UK, Germany, France, Italy, Japan, Sweden, Norway, Denmark, Finland, Spain, Poland, Mexico, Brazil, Chile, UAE, Egypt, Australia, New Zealand, Turkey, India, Singapore and still growing.

## Achievements

Soon after launching, Shinepukur could establish its leadership in ceramics tableware export of Bangladesh, achieving nearly 30% of total National Ceramic Export every year. It's worth mentioning that Shinepukur is the largest ceramic tableware exporter from Bangladesh.

In recognition of its excellence in ceramic export and become the highest exporter, Shinepukur Ceramics Ltd. has been awarded National Export Trophy for record eleven (11) times, i.e. for the FY 2020-2021, 2019-2020, 2018-2019, 2017-2018, 2016-2017, 2015-2016, 2014-2015, 2009-2010, 2005-2006, 2002-2003 and 2000-2001 by the Government of Bangladesh (GOB).

SCL was awarded 'Superbrands' in 2010 - first and only ceramic tableware manufacturer of Bangladesh to receive such recognition.

SCL also was awarded 'Dun & Bradstreet (D&B) Corporate Award' in 2011 in its respective category. Shinepukur Ceramics is the first and only listed ceramic-tableware manufacturer of the country to win such recognition from Dun & Bradstreet Rating Agency Bangladesh Limited.

SCL also was awarded 'Asia's Most Promising Brands 2013' by World Consulting and Research Corporation (WCRC) at the Asian Brand and Leadership Summit 2013 held in Dubai.

## Contact Details:

### Corporate Office

BEXIMCO Media Complex  
Level-9, 149-150 Tejgoan I/A, Dhaka 1208, Bangladesh  
Phone: +8809609100300, Fax: +88028879051  
E-mail: display@bol-online.com

### Signature Showroom

The Westin Dhaka, Main Gulshan Avenue  
Plot 1, Road 45, Gulshan 2, Dhaka 1212, Bangladesh  
Phone: +88 02 8815093 Mobile: +88 01714161638  
E-mail: display@bol-online.com

### Plant

BEXIMCO Industrial Park  
Sarabo, Kashimpur, Gazipur Bangladesh  
Phone: +88027789756 - 8, Fax: +88027789823  
E-mail: sclfit@scldb.net

Web: [www.shinepukur.com](http://www.shinepukur.com)





# CODE OF CONDUCT

## For Chairperson of The Board, other Board Members & CEO of Shinepukur Ceramics Limited

*(approved by Nomination & Remuneration Committee (NRC)  
vide its meeting held on 15th June 2023)*

### Conduct & Behavior

Shall be prudent in conduct & behavior avoiding imprudence, extravagancy and indiscipline life causing disrespect or disrepute to the company.

### Prohibition of Insider Trading

Shall not get involved in any form which might be construed as an activity of insider trading.

### Relationship with Employees, Customers, Suppliers

Respect and motivate the employees to observe the core values of the company, treat equally and be fair to employees, customers & suppliers without any discrimination and biasness for kinship, gender, race & religion.

### Conflict of Interest

Shall disclose the situation if and when they come to a situation of conflict of interest and remain abstain from getting involved in that circumstance/decision making process.

### Confidentiality

Shall keep confidentiality and secrecy of the information and documents which they have got access to or are informed of while they are in position.

### Environment Protection

Shall take best endeavor to protect, preserve and maintain the environment by adopt policies & investments in this regard.

### Compliance with Laws, Rules & Regulations

Shall remain alert and committed to comply with the requirements of laws, rules & regulations of the countries where the company operates, buy and sell to avoid fines/penalties and litigations as far as possible and practicable.

### Independency

Be independent while adopting & executing the policies in the operations of the company.

# ACTIVITIES IN PICTOGRAPHY

## Meeting with customers at Ambiente fair







## Inspection Identification

<b>Report No.</b>	: EIL-IR-1700424
<b>Identification of Issuing Body</b>	: Shinepukur Ceramics Ltd.
<b>Address of Issuing Body</b>	: Beximco Industrial Park, Sarabo, Kashimpur, Gazipur, Bangladesh
<b>Date of Inspection</b>	: November 27-28, 2017
<b>Inspection Time</b>	: 9:00 AM-6:00 PM
<b>Date of Issue</b>	: December 07, 2017
<b>Identification of Item(s) Inspected</b>	: Sound/ Noise Level, Light Level, Temperature & Humidity Level, Stack Air Emission, Ambient Air Quality, Environmental Aspects Analysis

## Inspection summary

Sl. No.	Inspection Item	Requirement	Equipment	Methods	Comment
1	Sound/Noise Level	ECR 1997 Recommendation Value is 75 Decibel /OSHA Standard is 90 Decibel for 8 hours Exposures	Sound Level Meter (SL-4001)	In house (EIL-IMP-01)	See the Result
2	Light Level	BNBC 2006 Guidelines chapter 1, part 8	Light Meter (LX-101A)	In house (EIL-IMP-02)	See the Result
3	Temperature Level	---	Humidity /Temperature meter	In house (EIL-IMP-03)	See the Result
4	Humidity Level	---	Humidity/Temperature meter	(In house (EIL-IMP-03)	See the Result
5	Stack Air Emission	ECR 1997 Standards and World Bank 2006 –IFC Standard	Flue Gas Analyzer & Stach Sampler	In house (EIL-IMP-04)	See the Result
6	Indoor Air Quality	ECR- 1997 Standard and IFC/World Bank Standard	Respirable Dust Sampler / Air Monitor	In house (EIL-IMP-06) & (EIL-IMP-07)	See the Result
7	Ambient Air Quality	ECR- 1997 Standard and IFC/World Bank Standard	Respirable Dust Sampler/ Air Monitor	In house (EIL-IMP-06) & (EIL-IMP-07)	See the Result

### Corporate Office:

A.H Tower (4<sup>th</sup> Floor), Plot # 56, Road # 2  
Sector # 3, Azampur, Uttara, Dhaka-1230, Bangladesh  
Phone: + 88 02 48952923, Email: info@envirotechbd.com  
Web: [https:// www.envirotechbd.com](https://www.envirotechbd.com)

### India Office (Mumbai):

Flat C 203, Chamanrat CHS Ltd  
Ghodbunder Road, (New Suraj Water Park), Kavesar  
Thane West- 400615, Tele & Fax : 91 22 4122 0093



# SUSTAINABILITY REPORTING

## Environment • Social • Governance

SCL is also committed for environmental, social and governance (ESG) initiatives over time and is implementing responsible business practices throughout its entire manufacturing process.

### Environmental Related Initiatives

SCL is a eco friendly company. The factory open spaces are covered by gardening and plantation. No effluent or residual is being discharged to open environment by & through SCL operational activities. It gets certification from Department of Environment under ministry of Environment & Forest, People's Republic of Bangladesh each year in this regard. Moreover, SCL operating policies encourages using recycling of heat & waste water. SCL also invested in waste recycling plant to protect the environment from dumping of broken, rejected & defective outputs and "in process" materials. SCL's all these endeavors are for its commitments to care and protect the mother earth, the people and the society where it operates.

SCL is committed to make the planet greener and more livable for the generations to come by optimizing energy consumption through recovering/using the heat released from the kilns (for drying the wares and packaging boxes). There is no excessive CO2 emissions generated by SCL's operations. Our company is committed to continuous development of enhanced sustainable solutions for the energy-efficient and environmental- friendly manufacturing facility. For a Green Planet, SCL has following two projects in operations:

#### i) Up value Recycling

During the year 'waste recycling plant' was in operation which 'reprocesses' the broken or otherwise rejected/defective porcelain items. This recycling keeps our production process clean and eco friendly by avoiding dumping of the wastes in open spaces in the factory premisses.

#### ii) Sedimentation Tank

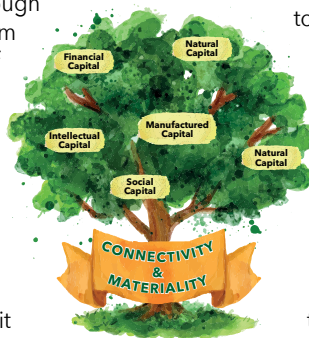
Our company recover waste clay and keep our plant free from discharging effluents to the environment.

### Social Obligation

#### i) Employing women and Physically challenged personnel without any discrimination

Shinepukur Ceramics Limited (SCL) is committed to empowering women through employing and up-skilling them by training them. More than 40% of SCL's workforce including four departmental heads (HRD, Accounts & Finance, Medical Center and Workers' Welfare) are women. SCL does not discriminate race, color, religion and gender and takes a positive view if found otherwise eligible in employing the physically challenged personnel as well.

ii) SCL remains engaged for better social relations through CSR activities and joining forces who works for greater wellbeing of the society at large. As a part of our social obligation we donated coffee mugs to Center to the Rehabilitation of the Paralyzed (CRP), Savar, Dhaka. Also, we sponsored news supplements on the occasion of the national and international important events. We joined with BUET to support a research team on advanced studies on ceramics and allowed them to use our lab and equipments for the research works.



### Governance

SCL operates following the code of corporate governance of BSEC and all laws and regulations including Companies Act, 1994 and Bangladesh Labor Act 2006. While using the resources at Shinepukur Ceramics Limited we interact and process the inputs in such a manner that we create value to anyone or more or all of the 'six capitals'. At the end, the values are either enhanced or may remain as it is. The state of six capitals as on 30th June 2023 are as described below:

- Financial Capital:** at the beginning of the year shareholders fund was Taka. 4633.221 million which was went down to taka 4610.163 million at the end of the year.
- Manufacturing Capital:** the value of the physical asset (gross) at the beginning of the year was Taka. 7405.612 million which was enhanced to taka 7423.185 million at the end of the year.
- Intellectual Capital:** there was no change in the key personnel of the company responsible for operations and planning. Also there is no change in the team responsible for critical works including development of shapes and designs. As a result the year-end intellectual capitals remained at same level of beginning of the year.
- Human Capital:** the strength of human capital decreased to 2,968 at the end of the FY2022-'23 from 2,992 of previous year. SCL has reputation and brand value to retain the existing work force and recruit new hands both at lateral and entry levels.
- Social & Relation Capital:** through the CSR and welfare activities, the company enhanced its social & relation capital during the year.
- Natural Capital:** the company operated in such a manner that natural capital remained unimpaired. For example, our factory did not produce any smog or dump wastages polluting the surroundings and the open air. Also use of underground water was minimized by storing the rain water and rechanneling the used water (for hand washing / bathing) to garden.



## CREDIT RATING

Shinepukur Ceramics Limited was rated as "A+" category company by Emerging Credit Rating Company for FY 2022-'23.

Date of Rating	Validity	Rating Company	Rating Action	Grade for Long term	Grade for Short term	Outlook
January 01, 2023	December 31, 2023	Emerging Credit Rating Ltd.	Surveillance-2	A+	ST-2	Stable
January 01, 2022	December 31, 2022	Emerging Credit Rating Ltd.	Surveillance-1	A+	ST-2	Stable
June 04, 2020	June 03, 2021	Emerging Credit Rating Ltd.	Initial	A	ST-2	Stable
May 10, 2018	May 09, 2019	Emerging Credit Rating Ltd.	Initial	A	ST-2	Stable
June 16, 2015	June 15, 2016	Emerging Credit Rating Ltd.	Initial	A	ECRL-2	Stable
May 25, 2008	May 24, 2009	Credit Rating information and Service Ltd. (CRISL)	Surveillance	A-	ST-3	-



## EMERGING Credit Rating Ltd

### Shinepukur Ceramics Limited

#### Credit Rating Report (Agreement-2022-03-31-61348)

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
January 01, 2023	December 31, 2023	Surveillance-2	A+	ST-2	Stable
January 01, 2022	December 31, 2022	Surveillance-1	A+	ST-2	Stable
June 04, 2020	June 03, 2021	Initial	A	ST-2	Stable

**Year of Incorporation** : January 26, 1997

**Chairman** : Mr. A S F Rahman

**Authorized Capital** : BDT 5,000.00 million

**Paid-up Capital** : BDT 1,469.66 million (As on 30<sup>th</sup> June, 2022)

**Total Asset** : BDT 6,364.46 million (As on 30<sup>th</sup> June, 2022)

**Banks & NBFIs** : Sonali Bank Limited  
Southeast Bank Limited  
Phoenix Finance & Investment Limited

**Bank Outstanding** : Long Term Loan **BDT 304.36 million**  
Short Term Loan **BDT 884.56 million**  
(Limit BDT 1,712.36 Million)

**Contact Analysts** : Prosenjit Datta Kanongo [prosenjit@emergingrating.com](mailto:prosenjit@emergingrating.com)  
Md. Harun Chowdhury [harun@emergingrating.com](mailto:harun@emergingrating.com)

### Credit Analysis

### Entity Rating

Arifur Rahman FCCA, ACA  
Director & COO  
Emerging Credit Rating Ltd.

## RIDE ON TIME: CHRONOLOGY

1997

>>>  
Shinepukur Ceramics Ltd. was registered in Bangladesh.

1999

>>>  
Commercial production of Porcelain Tableware was started in April, 1999 with a Production capacity of 8MT per day. Commercial production of Bone China Tableware was started in November, 1999 with a Production capacity of 3MT per day.  
>>  
Launching of Shinepukur's own brand - "SHINEPUKUR" in Bangladesh to establish strong domestic foothold.

2000

>>>  
Launching of Shinepukur's own brand "DOEL" in India, this was developed to get the share in Indian market.

2001

>>>  
Shinepukur received ISO 9001:2000 Certification from DNV (DET NORSKE VERITAS) of Netherlands on August 17, 2001, for design, manufacture and marketing of Ceramic Tableware.  
>>  
Shinepukur started its own Design Studio and Decal Plant with a printing capacity of 120,000 sheets per month.

2003

>>>  
In U.S.A., Shinepukur has set up a showroom to promote its own brand - "SHINEPUKUR", to have a strong footing in the vast USA market.  
>>  
Shinepukur's own Packaging Plant started its Production with capacity of 120,000 sheets per day. Received "National Export Trophy (Gold)" for FY 2000-2001 by the Govt. of Bangladesh as recognition for highest export.

2005

>>>  
To meet huge demand, Shinepukur expanded its Porcelain Plant to a capacity of 15MT per day.

2008

>>>  
Received "National Export Trophy (Gold)" for FY 2002-2003 by the Govt. of Bangladesh as recognition for highest export.  
>>  
Shinepukur was listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a Public Limited Company.

2009

>>>  
In a major expansion move, Shinepukur signed MOU with a renowned German company to expand its Bone China unit, atworth of Tk. 80 crore.  
>>  
Shinepukur was awarded 'Superbrands' - First and only Ceramic Tableware Manufacturer of Bangladesh to receive such an honour.

2010

>>>  
Shinepukur expanded its Decal Plant to the printing capacity of 180,000 sheets per month.  
>>  
Received "National Export Trophy (Gold)" for FY 2005-2006 by the Govt. of Bangladesh as recognition for highest export.  
>>  
Shinepukur was upgraded to its ISO 2008 version and was certified as ISO 9001:2008.

2011

>>>  
Received 'National Export Trophy (SILVER)' for FY 2009-2010 by the Govt. of Bangladesh as recognition for highest export.  
>>  
Shinepukur was awarded 'Dun & Bradstreet Corporate Award' - first and only listed Ceramic Tableware Manufacturer of Bangladesh to receive such an honour.





# GLOBAL PRESENCE



SHINEPUKUR  
worldwide  
[www.shinepukur.com](http://www.shinepukur.com)

# FACILITY AUDITS & CERTIFICATIONS



## SMETA

In August 2016 SCL (Shinepukur Ceramics Limited) has successfully conducted SMETA (Sedex Members Ethical Trade Audit) by ITS (INTERTEK). The SMETA is based on ETI code and local law as the measurement tool & includes the two modules of Health and safety and Labour standards as well as the optional pillars of Environment and Business Ethics. This audit upholds SCL to a unique standard & open up a new array of opportunity to choose SCL as most of prominent customer as their supply partner.



## BSCI

The BSCI (Business Social Compliance Initiative), is an initiative of the Foreign Trade Association (FTA) that seeks a world of free trade and sustainable global supply chains. BSCI is a business-driven initiative for companies committed to improving working conditions in factories and farms worldwide. Shinepukur Ceramics Limited has been successfully conducted BSCI by SGS on May 2023. After completion successful BSCI audit it would be helpful for SCL to open to retailers, importers and brands engaged in improving working conditions in their global supply chain. BSCI also brings direct benefits to the other actors of the supply chain, including producers, stakeholders and ultimately, workers.



## ISO 9001:2015

Shinepukur has been recertified with ISO 9001:2015 (Upgraded from ISO 9001:2008 version in 2017). In this regards Det Norske Veritas (DNV) conducted two periodic audits during 2022-'23. ISO 9001:2015 has implemented by over one million companies and organizations spreading over 170 countries. The aim of the standard is to confirm that the companies are meeting statutory and regulatory requirements relating to the product they are producing while achieving excellence in their customer service and delivery.



## CTPAT

Customs Trade Partnership Against Terrorism (CTPAT) is U.S. Customs and Border Protection's (CBP) multi-layered cargo enforcement strategy. Through this program, CBP works with the trade community to strengthen international supply chains and improve United States border security. CTPAT is a voluntary public-private sector partnership program with the principle stakeholders of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers.

# NATIONAL RECOGNITION



*CEO is receiving National Export Trophy (Gold) for 2020-'21 from Honorable Commerce Minister Tipu Munshi.*

*CEO is receiving National Export Trophy (Gold) for 2019-'20 from Honorable Commerce Minister Tipu Munshi.*





CEO is receiving National Export Trophy (Gold) for 2017-'18 from Honorable Commerce Minister Tipu Munshi.



CEO is receiving National Export Trophy (Gold) for 2018-'19 from Honorable Commerce Minister Tipu Munshi.



CEO is receiving National Export Trophy (Gold) for 2016-'17 from H.E. Prime Minister Sheikh Hasina on 2nd Septemebr 2019.



CEO is receiving National Export Trophy (Gold) for 2015-'16 from H.E. Prime Minister Sheikh Hasina on 2nd December 2018.



CEO is receiving National Export Trophy (Gold) for 2014-'15 from Honorable Commerce Minister Tofayel Ahmed on 15th July 2018.



Chairman is receiving National Export Trophy (Gold) for 2005-'06 from H.E. Prime Minister Sheikh Hasina.



*Director is receiving National Export Trophy (Gold) for 2002-'03 from the then Education & Commerce Advisor Hossain Zillur Rahman.*



*Chairman is receiving National Export Trophy (Gold) for 2000-'01 from the then Prime Minister Begum Khaleda Zia.*

*National Export Trophy (Silver) is recieved by the then MD for 2009-'10 from H.E. Prime Minister Sheikh Hasina*







# WOMEN EMPOWERMENT



*SCL is a family of about 3 thousand workforce; many of them are highly skilled as well as professional degree holders. It is an equal opportunity employer for all Bangladeshi citizens irrespective of gender and religion. In fact, almost 48% of its workforce and number of key managerial positions are held by women. Four key departmental heads are headed by women, two (HR & Admin and Finance & Accounts) in Head Office and two heads (Medical Center and Welfare) in Factory are led by women.*









# NOTICE

## SHINEPUKUR CERAMICS LIMITED

17 DHANMONDI, ROAD NO. 2, DHAKA 1205

### NOTICE OF THE 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of Shinepukur Ceramics Limited will be held under Virtual Platform on Thursday, the 28th December, 2023 at 11.30 a.m. to transact the following business:

#### AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30th June, 2023 together with reports of the Auditors and the Directors thereon.
2. To declare 3% cash dividend.
3. To elect Director.
4. To appoint Auditors for the year 2023-24 and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2023-24 and to fix their remuneration.

By order of the Board,

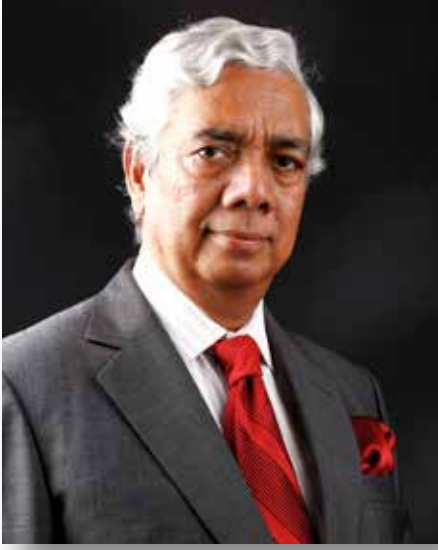


**(MOHAMMAD ASAD ULLAH, FCS)**  
Executive Director & Company Secretary

Dated: November 05, 2023

#### NOTES:

- (1) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 13 November, 2023, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (2) A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- (3) Annual Report for the year 2022-23 will be sent through e-mail address of the Shareholders and will be available in the Website of the Company at: [www.shinepukur.com](http://www.shinepukur.com).
- (4) The Shareholders will join the Virtual AGM through the link <https://spceramics.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 24 (Twenty-four) hours before commencement of the AGM and also during the AGM. For logging into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link.
- (5) We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email : [monir@beximco.net](mailto:monir@beximco.net) or [mazibur@beximco.net](mailto:mazibur@beximco.net).



## চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবন্দ,

কোম্পানীর পরিচালনা পর্ষদের পক্ষ থেকে ২৬তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে সু-স্বাগতম এবং ১লা জুলাই ২০২২ইং সাল থেকে ৩০শে জুন ২০২৩ইং অর্থবছর এই সময়কালে কোম্পানীর সার্বিক কার্যক্রমের সারসংক্ষেপ আপনাদের সামনে উপস্থাপন করছি।

### রাজস্ব

রপ্তানী ও অভ্যন্তরীণ বিক্রয়, ভর্তুকি ও অন্যান্য খাত থেকে অর্জিত আয় সামগ্রিক রাজস্বের অন্তর্ভুক্ত। সামগ্রিক রাজস্ব ২০২১-’২২ অর্থবছরে অর্জিত টাকা ১৭৩৩.০১৯ মিলিয়ন থেকে বৃদ্ধি পেয়ে ২০২২-’২৩ অর্থবছরে টাকা ২০৬৭.৩৪৪ মিলিয়ন হয়েছে। চলতি অর্থবছরে রাজস্ব প্রবৃদ্ধির হার ১৯.২৯%, যা ২০২১-’২২ অর্থবছরের অর্জিত প্রবৃদ্ধির হার ২৩.৬৭% এর থেকে কম। আমি অত্যন্ত আনন্দের সাথে আপনাদের জানাচ্ছি যে, ২০২২-’২৩ অর্থবছরে কোম্পানী প্রথমবারের মতো সামগ্রিক রাজস্ব টাকা ২০০০ মিলিয়ন সীমা অতিক্রম করতে সক্ষম হয়েছে- যা নীচের টেবিল থেকে প্রতীয়মানঃ

টাকা মিলিয়ন

বছর	২০২২-’২৩	২০২১-’২২	২০২০-’২১	২০১৯-’২০	২০১৮-’১৯	২০১৭-’১৮
সামগ্রিক রাজস্ব	২০৬৭.৩৪৪	১৭৩৩.০১৯	১৪০১.৩৩০	১২১০.৮৯৪	১৫৪২.৮৫৩	১৫৪৪.৩৩৫
পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধি	১৯.২৯%	২৩.৬৭%	১৫.৭৩%	(২১.৫২%)	(০.১০%)	৫.৯৭%

### রপ্তানী

চলতি অর্থবছরে রপ্তানী বিক্রয় থেকে কোম্পানীর আয় প্রাক-মহামারী (২০১৮-১৯ অর্থবছর) স্তর ছাড়িয়ে গেছে। চলতি ২০২২-’২৩ অর্থবছরে আমাদের কোম্পানী রপ্তানী খাত থেকে টাকা ১০৯৭.৫৯৮ মিলিয়ন (টাকা ৮৯.৮১১ মিলিয়ন ভর্তুকি) আয় করেছে- যা পূর্ববর্তী ২০২১-’২২ অর্থবছরে ছিল টাকা ১০৩০.৮২৩ মিলিয়ন। পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধির হার ছিল ৬.৪৮%। উন্নত বিশ্বের অর্থনৈতিক মন্দার কারণে নিম্নমুখী চাহিদা এবং দেশী ও বিদেশী সিরামিক পণ্য উৎপাদনকারীদের মাঝে বিরাজমান কঠোর প্রতিযোগিতার মাঝেও আমাদের কোম্পানী ধনাত্মক প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে। উল্লেখ্য যে, ২০১৪ সালের পর আমাদের কোম্পানী আবার টাকা ১০০০ মিলিয়ন (ভর্তুকি ছাড়া) রপ্তানী আয় করতে সক্ষম হয়েছে।

টাকা মিলিয়ন

বছর	২০২২-’২৩	২০২১-’২২	২০২০-’২১	২০১৯-’২০	২০১৮-’১৯	২০১৭-’১৮
রপ্তানী আয় ভর্তুকি ছাড়া	১০০৭.৭৮৭	৯৬২.৯২৯	৫৮৯.৪২৯	৫৭৮.৩১৩	৮৭৭.৫১২	৮৯৩.৩৪২
ভর্তুকি	৮৯.৮১১	৬৭.৮৯৪	৩৯.৬৮৩	৯৩.১৯৯	০	০
পূর্ববর্তী বছরের তুলনায় বৃদ্ধি	৪.৬৬%	৬৩.৩৭%	১.৯২%	-৩৪.১০%	-১.৭৭%	-০.৩৬%
রপ্তানী আয় ভর্তুকি ছাড়া	১০৯৭.৫৯৮	১০৩০.৮২৩	৬২৯.১১২	৬৭১.৫১২	৮৭৭.৫১২	৮৯৩.৩৪২
পূর্ববর্তী বছরের তুলনায় বৃদ্ধি	৬.৪৮%	৬৩.৮৫%	-৬.৩১%	-২৩.৪৮%	-১.৭৭%	-০.৩৬%

## অভ্যন্তরীণ

আধুনিক প্রযুক্তি এবং উচ্চ উৎপাদন সক্ষমতাসম্পন্ন নতুন সিরামিক পণ্য উৎপাদনকারীর বাজারে প্রবেশের কারণে অভ্যন্তরীণ বাজারে প্রতিযোগিতা বৃদ্ধি পাওয়ার পরেও আমাদের কোম্পানী ২০২২-২৩ অর্থবছরে অভ্যন্তরীণ বাজার থেকে টাকা ৯৪৮.৮৭৮ মিলিয়ন আয় করতে সক্ষম হয়েছে- যা পূর্ববর্তী ২০২১-২২ অর্থবছরের তুলনায় ৩৮.৪৮% প্রবৃদ্ধি নির্দেশ করে। চলতি ২০২২-২৩ অর্থবছরে খুচরা বিক্রয় বৃদ্ধির ফলে আমাদের কোম্পানীর ইতিহাসে সর্বোচ্চ অভ্যন্তরীণ বিক্রয় করতে সক্ষম হয়েছে।

টাকা মিলিয়ন

বছর	২০২২-২৩	২০২১-২২	২০২০-২১	২০১৯-২০	২০১৮-১৯	২০১৭-১৮
অভ্যন্তরীণ রাজস্ব	৯৪৮.৮৭৮	৬৮৪.২৩২	৭৬৪.৪৪৭	৫৩৩.৫৬৪	৬৫৫.৬০৯	৬৩৫.৩০১
পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধি	৩৮.৬৮%	(১০.৪৯%)	৪৩.২৭%	(১৮.৬২%)	৩.২০%	১৭.৩৮%

## মোট মুনাফা ও নীট আয়

টাকা মিলিয়ন

বিবরণ	২০২২-২৩	২০২১-২২	২০২০-২১	২০১৯-২০	২০১৮-১৯	২০১৭-১৮
মোট/সার্বিক মুনাফা (GP) অনুপাত	১৪.৮৬%	১৬.৮০%	১৬.২৩%	১৫.৩৭%	২২.০৯%	২২.৬১%
Operating Expenses	টাকার পরিমাণ	১২৭.৯৮৭	১১৮.১৪৫	৯৮.৭৩২	৯৮.৬২১	১১৯.১২৬
	রাজস্বের উপর অনুপাত	৬.১৯%	৬.৮২%	৭.০৫%	৮.১৪%	৭.৭২%
আর্থিক ব্যয় Finance Cost	টাকার পরিমাণ	৬৭.৭৯০	৭৬.১৫৫	৭৮.৮৩৮	৮১.১৯৪	১৩৩.৯২৮
	রাজস্বের উপর অনুপাত	৩.২৮%	৪.৩৯%	৫.৬৩%	৬.৭১%	৮.৬৮%
ট্যাক্স পূর্ববর্তী নীট মুনাফা Net Profit Before Tax	টাকার পরিমাণ	১১২.৮৪৫	১০০.৩০২	৫৪.৫৯৬	১১.২৯৬	৯২.৪৭৭
	রাজস্বের উপর অনুপাত	৫.৪৬%	৫.৭৯%	৩.৯০%	০.৯৩%	৫.৯৯%
আয়কর	টাকার পরিমাণ	৫৩.১৫১	৪২.৩২৩	৮.২১৮	২০.২৯৬	২৯.৭৬৬
	রাজস্বের উপর অনুপাত	২.৫৭%	২.৪৪%	০.৫৯%	১.৬৮%	১.৯৩%
ট্যাক্স পরবর্তী নীট মুনাফা Net Profit After Tax	টাকার পরিমাণ	৫৯.৬৯৪	৫৭.৯৮০	৪৬.৩৭৯	৩১.৫৯৩	৬২.৭১২
	রাজস্বের উপর অনুপাত	২.৮৯%	৩.৩৫%	৩.৩১%	২.৬১%	৪.০৬%
শেয়ারপ্রতি আয় (EPS) টাকা	০.৪১	০.৩৯	০.৩২	০.২১	০.৪৩	০.৪২
EBITDA	১৪.৩১%	১৭.০২%	১৮.১৫%	১৭.৯৮%	২২.৯৩%	২১.০০%

চলতি ২০২২-২৩ অর্থবছরে মোট মুনাফার অনুপাত (Gross Profit Ratio) ১৬.৮০% থেকে ১৯.৪৮% কমে ১৪.৮৬% হয়েছে। চলতি অর্থবছরে মোট মুনাফার অনুপাত (Gross Profit Ratio)-এর নিম্নমুখিতা মূলতঃ বর্ধিত COGS-এর কারণে হয়েছে। টাকার অবমূল্যায়নের কারণে কাচামালের বর্ধিত মূল্য এবং বিদ্যুৎ ও গ্যাসের ইউনিটপ্রতি শুল্কের উচ্চহারের কারণে মূলতঃ COGS-এর এই বৃদ্ধি ঘটেছে।

## নগদ অর্থ সংস্থান ও তার ব্যবহার

চলতি অর্থবছরে রাজস্ব এবং অন্যান্য খাত থেকে আয় দাঁড়িয়েছে টাকা ২১০৫.৫৯৪ মিলিয়ন- যা পূর্ববর্তী অর্থবছরে ছিল টাকা ১৮০৫.৫৩৬ মিলিয়ন। পরিচালন কার্যক্রম থেকে আয় হয়েছে টাকা ২৩৮.৯৭৫ মিলিয়ন- যা পূর্ববর্তী অর্থবছরের থেকে বেশি। পূর্ববর্তী অর্থবছরে NOCFS ছিল টাকা ১৪৬.৯৭৮ মিলিয়ন। চলতি অর্থবছরে টাকা ১৭.৫৭৩ মিলিয়ন বিনিয়োগ কার্যক্রমে, টাকা ১৭৬.০৯৩ মিলিয়ন ঋণ পরিশোধে এবং টাকা ৪৪.০৯০ মিলিয়ন লভ্যাংশ (২০২১-২২ অর্থবছর) পরিশোধে ব্যবহার করা হয়েছে।

## ব্যাংক লোন

বকেয়া লোন পরিশোধের পরিস্থিতিতে ৩০শে জুন ২০২৩ইং তারিখে আমাদের কোম্পানীর বকেয়া লোনের পরিমাণ কমে দাঁড়িয়েছে টাকা ১০৩৭.৭৮৫ মিলিয়ন- যা ৩০শে জুন ২০২২ইং তারিখে ছিল টাকা ১২১৩.৮৭৭ মিলিয়ন। যারফলে, মোট সম্পদের সাথে বকেয়া লোনের অনুপাত ৩০শে জুন ২০২৩ ইং তারিখে কমে ১৬.৭০% হয়েছে- যা ৩০ শে জুন, ২০২২ইং তারিখে ছিল ১৯.০৭%। যাইহোক, ৩০শে জুন ২০২৩ইং তারিখে মোট দায় (ব্যাংক লোন ব্যতীত) টাকা ৪৮৬.৩৫৮ মিলিয়ন (গ্রাচুইটি, ক্রেডিটর, সঞ্চয়পত্র, অন্যান্য দায় এবং আনক্লেক্ট ডিলিভেবল)- যা মোট সম্পদের সাথে অনুপাত ৭.৮২% এ উন্নীত হয়েছে- যা বিগত ৩০শে জুন ২০২২ -এ ছিল টাকা ৪৩৫.৮৯৮ মিলিয়ন অর্থাৎ মোট সম্পদের সাথে অনুপাত ৬.৮৫%। তহবিলের স্বল্পতার কারণে গ্রাচুইটি ক্রেডিটর, সঞ্চয় এবং পাওনা পরিশোধে কর্ম অর্থ ব্যয়ের কারণে দায়গুলি বৃদ্ধি পেয়েছে।





### বোন চায়না ইউনিট

কীলন, যন্ত্রপাতি এবং সরঞ্জামাদি বিশেষ করে বোন চায়না ইউনিট-১ এর বয়স ২৪ বছরেরও বেশি হয়ে গেছে। পুরাতন কীলন ও যন্ত্রপাতির কারণে বিশেষ করে মানসম্মত ইলেকট্রনিক খুচরা যন্ত্রাংশের অপ্রতুলতা বোন চায়না প্লান্টের সর্বোত্তম দক্ষতা ও গুণগতমানের ধারাবাহিকতা রক্ষার পথে অন্তরায় হয়ে দাঁড়িয়েছে। অধিকন্তু, ২২ বছরেরও বেশি আগে নির্মিত বোন চায়না প্লান্টের কারখানা বিল্ডিং এর পুরোন অংশগুলিকে উন্নত পণ্য এবং উৎপাদনের ধারাবাহিকতা রক্ষার জন্য সংস্কার করা প্রয়োজন। যাইহোক, তহবিল স্বল্পতা বিবেচনা করে চলতি অর্থবছরে বড় কোন সংস্কার কাজ করা হয় নাই।

### পোরসিলিন ইউনিট

বোন চায়না প্লান্টের মতোই পোরসিলিন প্লান্টের কীলন, যন্ত্রপাতি এবং সরঞ্জামাদিও ২৫ বছরের বেশি পুরনো হয়ে গেছে। পুরনো কীলন এবং যন্ত্রপাতির কারণে কোম্পানীর সর্বোত্তম দক্ষতা ও পণ্যের গুণগতমানের ধারাবাহিকতা রক্ষা করা কষ্টসাধ্য হয়ে যাচ্ছে। হাই প্রেসার কাস্টিং (HPC) এবং গুস্ট কীলনের স্থান স্বল্পতার কারণে বড় আকারের/বর্গাকার পণ্যের (ফ্লাট পণ্য) ক্রয়াদেশ গ্রহণের ক্ষেত্রে বড় বাধা হয়ে দাঁড়িয়েছে। চলতি অর্থবছরে তারল্য সংকটের কারণে বড় কোন সংস্কার কাজ, কীলন, জিগারিং এবং প্রিন্টিং যন্ত্রপাতি প্রতিস্থাপন করা সম্ভব হয় নাই।

### বিক্রয় ও বিপণন

ঢাকার ওয়েস্টিনে এক্সক্লুসিভ শো-রুম ও বিক্রয় কেন্দ্র স্থানীয় ও বিদেশী গ্রাহকদের চাহিদা পূরণে কাজ করছে। যাহোক, আমাদের পণ্যগুলি টেকসই এবং নিত্যপ্রয়োজনীয় পণ্যের অন্তর্ভুক্ত না হওয়ায় এর পুনরাবৃত্তি ক্রয়াদেশ প্রাপ্তি অনেক কম। মহামারীকালীন সময়ে ভোক্তাদের নিজ নিজ বাড়িতে অবস্থানের নির্দেশনা দেওয়া, রেষ্টোরা ও হোটেলে যেতে নিরুৎসাহিত করা এবং ভোক্তারা অত্যাবশ্যকীয় ও স্বাস্থ্যসেবা খাতে তাদের ব্যয় সীমাবদ্ধ রাখে। যারফলে, HoReCa পণ্যের চাহিদা উল্লেখযোগ্য হারে হ্রাস পেয়েছে। বিগত অর্থবছরে বাজারে নতুন একটি সিরামিকস পণ্য উৎপাদনকারী প্রবেশ করেছে। উপরন্তু বিকল্প পণ্য যেমন- ওপাল, পাইরেক্স, মেলামাইন এবং স্টেইনলেস পণ্যেরও বাজারে অংশগ্রহণ উল্লেখযোগ্য হারে বিদ্যমান ছিল। ইউরোপ ও উত্তর আমেরিকায় বৈশ্বিক অর্থনৈতিক মন্দার কারণে উচ্চ মূল্যবোধের আশংকা/উদ্বেগের কারণে ভোক্তাদের ক্রয়ক্ষমতা হ্রাস পায়, ফলশ্রুতিতে খুচরা বিক্রয় কমে যাওয়ায় রপ্তানী বাণিজ্যে চাহিদাও সংকুচিত হয়। এই সকল বিরূপ পরিস্থিতি স্বত্ত্বেও আমাদের কোম্পানী চলতি অর্থবছরে গ্রাহকদের আস্থা ধরে রাখতে সক্ষম হয়েছে এবং রপ্তানী আয় প্রাক-মহামারী পর্যায়কে অতিক্রম করেছে।

### উল্লেখযোগ্য স্বীকৃতি

রপ্তানী বাণিজ্য অব্যাহত রাখা এবং বিশ্বের শীর্ষ সিরামিকস প্রতিষ্ঠানগুলো ধরে রাখার স্বার্থে, শাইনপুকুর সিরামিকস লিমিটেডকে তাদের দাবি অনুযায়ী প্রয়োজনীয় সকল ধরনের Compliance নীতিমালা অনুসরণ করতে হয়। শাইনপুকুর সিরামিকস লিমিটেড সর্বদা পণ্যের গুণগতমান নিশ্চিত করে সর্বোচ্চ গুরুত্বারোপ করে থাকে। এই লক্ষ্যে, শাইনপুকুর সিরামিকস লিমিটেড চলতি অর্থবছরে Business Social Compliance Initiatives (BSCI) সপ্তম বারের মতো অডিট সম্পন্ন করেছে। পাশাপাশি ২০২২-’২৩ইং অর্থবছরে DNV (Det Norske Veritas) দ্বারা ISO-এর দুইটি পর্যায়ক্রমিক অডিট সম্পন্ন করেছে। উৎপাদিত পণ্য আমেরিকার বাজারে রপ্তানীর জন্য C-TPAT ২০২৩ এবং EU/UK তাদের চাহিদা অনুযায়ী SMETA (SEDEX Members Ethical Trade Audit) সনদ লাভ করেছে।

স্বীকৃতি/অডিট	মেয়াদ	কাজিত বাজার
Suppliers Ethical Data Exchange (SEDEX) SEDEX Members Ethical Trade Audit (SMETA)	২০২৩	EU/UK
Business Social Compliance Initiative (BSCI)	২০২৩	ইউরোপ
Customs-Trade Partnership Against Terrorism C-TPAT	২০২৩	আমেরিকা
International Organization for Standardization - ISO	২০২৫	বিশ্বের সকল দেশ

## সরকারী স্বীকৃতিঃ উপর্যুপরি ৭ম বারের (২০১৪-’১৫ থেকে ২০২০-’২১) মতো জাতীয় রপ্তানী পদক (স্বর্ণ) গ্রহণ

আমাদের কোম্পানীকে ২০২০-’২১ইং অর্থবছরে বাংলাদেশ থেকে সর্বোচ্চ সিরামিকস পণ্য রপ্তানীর স্বীকৃতিস্বরূপ গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের বাণিজ্য মন্ত্রণালয় কর্তৃক National Export Trophy (Gold) পদকে ভূষিত করা হয়েছে।

বছর	স্বীকৃতির ধরন	পদক গ্রহণ
২০২০-’২১	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় বাণিজ্যমন্ত্রী জনাব টিপু মুন্সী, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৯-’২০	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় বাণিজ্যমন্ত্রী জনাব টিপু মুন্সী, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৮-’১৯	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় বাণিজ্যমন্ত্রী জনাব টিপু মুন্সী, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৭-’১৮	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৬-’১৭	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৫-’১৬	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৪-’১৫	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় বাণিজ্যমন্ত্রী জনাব মোঃ তোফায়েল আহমেদ, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০৯-’১০	জাতীয় রপ্তানী ট্রফি (রৌপ্য)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০৫-’০৬	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী শেখ হাসিনা, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০২-’০৩	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় উপদেষ্টা বাণিজ্য মন্ত্রণালয় জনাব হোসেন জেড রহমান, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০০০-’০১	জাতীয় রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় প্রধানমন্ত্রী বেগম খালেদা জিয়া, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

## জাতীয় রাজস্ব খাতে অবদান

আমাদের কোম্পানী VAT, আমদানী শুল্ক এবং আয়কর হিসাবে চলতি ২০২২-’২৩ইং অর্থবছরে রাষ্ট্রীয় কোষাগারে টাকা ২৪৪.২১৪ মিলিয়ন পরিশোধ করেছে- যার মধ্যে আয়কর ছিল টাকা ৫৩.১৫১ মিলিয়ন, আমদানী শুল্ক ছিল টাকা ৪০.৭৪৪ মিলিয়ন এবং VAT ছিল টাকা ১৫০.৩১৯ মিলিয়ন। নীচের টেবিল হতে বিষয়টি আরও বোধগম্য হবেঃ

বছর	২০২২-’২৩	২০২১-’২২	২০২০-’২১	২০১৯-’২০	২০১৮-’১৯	২০১৭-’১৮
VAT	১৫০.৩১৯	১১৩.৪৬০	১১৪.৬৭৩	৯১.২৯৪	১০৯.১৭২	১১১.৬৭১
Income Tax (আয়কর)	৫৩.১৫১	৪২.৩২৩	২৩.৫৩৫	৩০.৩২২	২৯.৭৬৬	২৯.০৪৬
Import Duty (আমদানী শুল্ক)	৪০.৭৪৪	৪০.০৪২	২৫.৪২৮	২৩.৪৩৬	২৭.২২৭	২৫.৬২৩
Total (সর্বমোট)	২৪৪.২১৪	১৯৫.৮২৫	১৬৩.৬৩৬	১৪৫.০৫২	১৬৬.১৬৫	১৬৬.৩৪

## মানব সম্পদ

আমাদের কোম্পানী তার কর্মীদের পেশাদার এবং ব্যক্তি উন্নতি বিকাশে বিভিন্ন সুযোগ-সুবিধা প্রদান করে। কর্মকর্তাদের বিশৃঙ্খলতা, পারস্পরিক সহযোগিতা এবং সময় সাধনের উপর গুরুত্ব আরোপ করে। কোম্পানীর টেকসই উন্নয়নের ধারা অব্যাহত রাখার স্বার্থে আমরা আমাদের কর্মীদের দক্ষতা, উদ্যোগকে অনুপ্রাণিত করি। ৩০শে জুন ২০২৩ইং তারিখে শাইনপুকুর সিরামিকস লিমিটেড-এর মানব সম্পদ এর সংখ্যা ২৪ জন কমে ২৯৬৮ জনে দাঁড়িয়েছে- যা ৩০শে জুন ২০২২ইং তারিখে ছিল ২৯৯২ জন।

## সামাজিক প্রতিশ্রুতি

সামাজিক প্রতিশ্রুতির অংশ হিসাবে আমাদের কোম্পানী বিভিন্ন সামাজিক ও সাংস্কৃতিক প্রতিষ্ঠানকে সক্রিয় সাহায্য ও সহযোগিতা করে থাকে। আমরা জাতীয় দিবস পালন উপলক্ষ্যে বিভিন্ন নিউজ সাপ্লিমেন্ট প্রকাশে স্পন্সর করে থাকি এবং সিরামিক শিল্পের উন্নতিকল্পে বিভিন্ন গবেষণাদলকে নানাভাবে সহযোগিতা করে থাকি এবং এই লক্ষ্যে আমাদের কারখানার গবেষণামূলক কাজ ও বাস্তব প্রশিক্ষণের জন্য আমাদের নিজস্ব গবেষণাগার ও সরঞ্জামাদি ব্যবহারের সুযোগ দিয়ে থাকি। শাইনপুকুর সিরামিকস লিমিটেড বিভিন্ন সময়ে খেলাধুলা, সাংস্কৃতিক অনুষ্ঠান এবং সুবিধাবঞ্চিত শিশু ও শারীরিক প্রতিবন্ধী/অক্ষম ব্যক্তিদের সাহায্যকারী সংস্থাগুলিকে বিভিন্ন সময়ে অনুদান/সহযোগিতা করে আসছে।

দেশের বৃহত্তম ব্যবসায়িক গোষ্ঠী হিসাবে আমরা সমাজের প্রতি আমাদের দায়িত্ব ভুলে যাইনি বা জাতির আঙ্গানে সাড়া দিতে দ্বিধা করিনি। সামাজিক দায়বদ্ধতার অংশ হিসাবে আমাদের কোম্পানী/গ্রুপ বছরজুড়ে নানা প্রোগ্রাম/কার্যকলাপের সাথে সংযুক্ত ছিল।

## কৃতজ্ঞতা স্বীকার

আমাদের সম্মানিত গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারী সংস্থাসমূহ, বিধিবদ্ধ প্রতিষ্ঠানসহ সকল প্রতিষ্ঠানকে এবং যারা আমাদের ব্যবসা পরিচালনার সাথে জড়িত তাঁদের সকলকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমরা কোম্পানীর শেয়ার হোল্ডারদের প্রতি কৃতজ্ঞ- যাদের সার্বক্ষণিক মূল্যবান সহযোগিতা এবং সমর্থন কোম্পানীকে আজকের এই অবস্থানে এনেছে। আমরা যা অর্জন করেছি, তা সকলের সম্মিলিত প্রচেষ্টারই ফসল।





কোভিড-১৯, রাশিয়া-ইউক্রেন যুদ্ধ এবং এরই ফলস্বরূপ নিষেধাজ্ঞার ফলে সৃষ্ট বিশ্বব্যাপি অর্থনৈতিক ধীরগতি/মন্দা এবং উচ্চমুদ্রাস্ফীতির নেতিবাচক প্রভাবে জ্বালানী খরচ এবং খাদ্যপণ্যের মূল্য অস্বাভাবিকহারে বৃদ্ধি পাচ্ছে। কোন সন্দেহ নাই যে, বৈশ্বিক অর্থনৈতিক মন্দা আমাদের অভ্যন্তরীণ এবং রপ্তানী বাণিজ্যে নেতিবাচক প্রভাব ফেলবে। আগামী দিনের চ্যালেঞ্জগুলো সৃজনশীলতা এবং পরিবর্তিত পরিস্থিতির সাথে মানিয়ে নেওয়ার ক্ষমতার উপর নির্ভর করবে। সফলভাবে এই চ্যালেঞ্জসমূহ মোকাবেলায় আশাকরি আমরা সকলে এক সাথে থাকবো।

পরিশেষে আমাদের সকল অংশীজনদেরকে আন্তরিক ধন্যবাদ জানাচ্ছি এবং ভবিষ্যতেও আপনারা এই সমর্থন ও সহযোগিতা রাখবেন এই প্রত্যাশা করি।

*X. R. F. Latunde*

এ এস এফ রহমান

চেয়ারম্যান

তারিখ: ১৯শে অক্টোবর, ২০২৩ইং



# CHAIRMAN'S STATEMENTS

## Dear Shareholders,

I take this opportunity to welcome you on behalf of the Board of Directors to this 25th Annual General Meeting of our Company, and to lay before you a brief resume of the affairs of the company for the period from 1 July 2022 to 30 June 2023.

### Revenue

Overall revenue comprises of export sales, subsidy income, domestic sales & other income. Overall revenue increased to Taka 2067.344 million in FY2022-'23 against Taka 1733.019 million in FY2021-'22. The current year's overall revenue grew at a rate of 19.29% which was lower than the previous year's growth rate of 23.67%. However, the table below shows that during the year, the company's overall revenue has been exceeded benchmark of Taka 2000 million for the first time.

*Taka in Million*

Year	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Overall Revenue	2067.344	1733.019	1401.33	1210.894	1542.853	1544.335
Grown over previous Year	19.29%	23.67%	15.73%	-21.52%	-0.10%	5.97%

**Export:** The company's earnings from the export sales has exceeded from the pre-pandemic (FY2018-'19 ) level. During FY2022-'23 the company earned export sales of Taka 1097.598 million (including Subsidy Taka 89.811 million) which was Taka 1030.823 million (including Subsidy Taka 67.894 million) in previous year. The growth rate was 6.48% over previous year. This positive growth is a significant achievement in view of lower demand in the advanced economies and stiff competition amongst the manufacturers from home and abroad. Also after 2014, our company could earn above Taka 1000 million from export sales (without subsidy).

*Taka in Million*

Year	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Export Sales without subsidy income	1007.787	962.929	589.429	578.313	877.512	893.342
Subsidy	89.811	67.894	39.683	93.199	0	0
Grown over previous Year	4.66%	63.37%	1.92%	-34.10%	-1.77%	-0.36%
Export Sales including subsidy income	1097.598	1030.823	629.112	671.512	877.512	893.342
Grown over previous Year	6.48%	63.85%	-6.31%	-23.48%	-1.77%	-0.36%

**Domestic:** Despite increasing competition in the market because of entry of new manufacturer equipped with higher capacity and latest technology, our company Taka 948.878 million from the domestic sales during FY2022-'23 which was 38.68% higher than that of FY2021-'22. Increased retail sales during the year resulted highest domestic sales in our company's history.

*Taka in Million*

Year	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Domestic Sales	948.878	684.232	764.447	533.564	655.609	635.301
Grown over previous Year	38.68%	-10.49%	43.27%	-18.62%	3.20%	17.38%

## Operating Results

Taka Million

Year		FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
<b>Gross Profit (GP) Ratio</b>		14.86%	16.80%	16.23%	15.37%	22.09%	22.61%
<b>Operating Expenses</b>	Taka in million	127.987	118.145	98.732	98.621	119.126	123.095
	Percentage on Revenue	6.19%	6.82%	7.05%	8.14%	7.72%	7.97%
<b>Finance Cost</b>	Taka in million	67.790	76.155	78.838	81.194	133.928	150.779
	Percentage on Revenue	3.28%	4.39%	5.63%	6.71%	8.68%	9.76%
<b>Net Profit Before Tax</b>	Taka in million	112.845	100.302	54.596	11.296	92.477	81.404
	Percentage on Revenue	5.46%	5.79%	3.90%	0.93%	5.99%	5.27%
<b>Income Tax Expenses</b>	Taka in million	53.151	42.323	8.218	20.296	29.766	19.856
	Percentage on Revenue	2.57%	2.44%	0.59%	1.68%	1.93%	1.29%
<b>Net Profit After Tax</b>	Taka in million	59.694	57.980	46.379	31.593	62.712	61.548
	Percentage on Revenue	2.89%	3.35%	3.31%	2.61%	4.06%	3.99%
<b>EPS in Taka</b>		0.41	0.39	0.32	0.21	0.43	0.42
<b>EBITDA</b>		14.31%	17.02%	18.15%	17.98%	22.93%	21.00%

Gross profit ratio during the year declined by 1.94% to 14.86% from last year's 16.80%. Increased COGS pushed down the GP ratio during the year. Increased cost of materials due to devaluation of taka and higher per unit tariff rates of power & Gas pushed the COGS up.

### Generated cash & utilization

During the year, collections from turnover & other income increased to Taka 2105.594 million which was Taka 1805.536 million in previous year. Net cash generated from the operating activities was Taka 238.975 million during the year which was higher than that of previous year. Last year's NOCFS was Taka 146.978 million only. Current year's NOCFS was used for investing activities Taka 17.573 million, repayment of loans Taka 176.093 million and dividend (FY2021-'22) payments Taka 44.090 million.

### Outstanding loan & Liabilities

Because of repayment, loan outstanding of our company decreased to Taka 1037.785 million as on June 30, 2023, which was Taka 1213.877 million as on June 30, 2022. As a result, outstanding loan to total assets ratio decreased to 16.70% on June 30, 2023 compared to 19.07% on June 30, 2022. However, the ratio of Liabilities (other than loans) of Taka 486.358 million (for gratuity, creditors, accruals, other payables and unclaimed dividend) to total assets increased to 7.82% on June 30, 2023 which was Taka 435.894 million or 6.85% of total assets at the end of last year. Lesser payment against gratuity, creditors, accruals and payables due to paucity of fund caused such increase in liabilities.

### Bone China Plant

The kiln, machinery and equipments, specially the Unit - I of Bone China plant has become over 24 years old. Because of aged kilns and machinery, especially non-availability of quality electronic spare parts are standing on the way for getting optimum efficiency and keeping quality consistency at Bone China unit. Moreover, the older sections of the factory building of Bone China plant, which was constructed more than 22 years ago, is required to be renovated for better yield and quality consistency in production. However, considering the paucity of fund no major rehabilitation/renovation works were undertaken during the year.

### Porcelain Plant

Similar to Bone China Plant The kiln, machinery and equipments of porcelain plant has become over 25 years old. Aged kilns and machinery are standing in the way for optimum efficiency and quality consistency. Limitations in High Pressure Casting (HPC) and space constraints in glost kiln discouraged us to accept volume order for large sized "Platter" and big sized/square shaped (flat wares) items. Because of liquidity constraints no major renovation works & replacement of kilns, jigging and decal printing machinery were undertaken during the year.

## Marketing and Sales

The exclusive showroom & sales centre at Westine Dhaka was functioning to cater the needs of the high end local & foreign visiting customers. However, our products being durable and non-essentials in nature, its repeat purchase is minimum. During pandemic period, consumers preferred their spending for essential and health care items when consumers are directed to stay at home and visiting to restaurant and hotels were discouraged. As a result, demand for HoReCa wares substantially went down. During the year a new tableware manufacturer entered the race of stiff competitions. Substitute products like, imported Opal, Pyrex, Melamine & Stainless table wares are sharing the domestic market as well. Demand in export markets was also depressed mainly due to lower retail sales because of erosion in purchasing power of the consumers resulted from high inflation and prevalence of apprehension/ anxiety for economic depression in Europe and North America. Despite such situations, our company during the year could retain our customers and increased the total sales exceeding the pre pandemic year's achievements.

## Significant Accreditations

To continue export sale and retain the world's top brands, SCL has to ensure all the required compliances demanded by the buyers. Shinepukur has been serious in keeping its quality edge over its competitors. Towards these end, SCL has completed seventh audit of Business Social Compliance Initiatives (BSCI) during the year. ISO audits from DNV (Det Norske Veritas) completed its periodic half yearly review twice in FY2022 -23. We have also obtained C-TPAT 2023 certification for marketing our products in USA market during the year. We have also complied with the new requirements of SMETA (SEDEX Members Ethical Trade Audit) for EU/UK customers.

Accreditation	Validity	Focused Market
Suppliers Ethical Data Exchange (SEDEX) SEDEX Members Ethical Trade Audit (SMETA)	2023	UK/EU
Business Social Compliance Initiative (BSCI)	2025	Europe
Customs-Trade Partnership Against Terrorism C-TPAT	2023	USA
International Organization for Standardization - ISO	2026	Across the Globe

## Government Recognition - Recipient of National Export Gold Trophy for seventh year in a row

Our company has been awarded National Export Trophy (Gold) by Ministry of Commerce, Government of Bangladesh in recognition to our highest export performance in Ceramics products during the FY2020-'21.

Year	Type of Recognition	Handed Over By
2020-'21	National Export Trophy (Gold)	Honorable Commerce Minister Mr. Tipu Munshi
2019-'20	National Export Trophy (Gold)	Honorable Commerce Minister Mr. Tipu Munshi
2018-'19	National Export Trophy (Gold)	Honorable Commerce Minister Mr. Tipu Munshi
2017-'18	National Export Trophy (Gold)	Honorable Prime Minister H.E. Sheikh Hasina
2016-'17	National Export Trophy (Gold)	Honorable Prime Minister H.E. Sheikh Hasina
2015-'16	National Export Trophy (Gold)	Honorable Prime Minister H.E. Sheikh Hasina
2014-'15	National Export Trophy (Gold)	Honorable Commerce Minister Mr. Tofayel Ahmed
2009-'10	National Export Trophy (Silver)	Honorable Prime Minister H.E. Sheikh Hasina
2005-'06	National Export Trophy (Gold)	Honorable Prime Minister H.E. Sheikh Hasina
2002-'03	National Export Trophy (Gold)	Honorable Advisor In Charge of MoC Mr. Hossain Z. Rahman
2000-'01	National Export Trophy (Gold)	Honorable Prime Minister H.E. Begum Khaleda Zia





## Contribution to National Exchequer

Our Company contributed to national exchequer Taka 244.214 million during the year, in the form of VAT, income tax and import duty as shown below:

*Taka in Million*

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
VAT	150.319	113.46	114.673	91.294	109.172	111.671
Income Tax	53.151	42.323	23.535	30.322	29.766	29.046
Import Duty	40.744	40.042	25.428	23.436	27.227	25.623
Total	244.214	195.825	163.636	145.052	166.165	166.34

## Human Resources

Our company offers opportunities for both professional & personal development to its employees. It practices a work environment of trust, cooperation & collaboration. We do so to develop the skills & zeal of our employees to achieve the company goals on a sustainable basis. SCL's Human Resources strength at the end of June 2023 was 2,968 against 2,992 of June 2022.

## Social Commitment

As part of the social commitment, the company provided active cooperation and support to different organizations and institutions. We sponsored news supplements on the occasion of national days and supported research team(s) on advanced ceramic studies and allowed them to use our laboratory and equipments for the research works and practical training in our factory. SCL took part in sponsoring sports, cultural programs and assisted the organizations helping underprivileged children and physically challenged/incapacitated people.

As a sister concern of the largest conglomerates in the country, we have neither forgotten our responsibilities towards society nor hesitated to respond to the nation's calls. Accordingly as a part of corporate Social Responsibility our company/Group participated in a number of programmes /activities during the year.

## Acknowledgement

I take this opportunity to express my sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with whom the company interacted in conducting its business. We are grateful to you, the shareholders, for extending at all times, your invaluable support and cooperation to bring the company to the level it has reached today. The success we have achieved so far was only possible because of the collective efforts of all concerned.

## Concluding Remarks

We are trying to come out of the negative impacts of Covid-19, R-U war and consequent sanctions which resulted economic slowdown/recession and high inflation in world economies and stiff increase in energy cost and food prices. The has and will have inevitable consequences on our both domestic and exports businesses. We will rely on our creativity to withstand the challenges ahead. Hope we shall all remain together to prevail during this trying circumstances.

Once again, I convey my heartiest thanks to all our stakeholders and look forward to their continued support and cooperation in future.

**A S F Rahman**

Chairman

Dated: 19th October, 2023





## CORPORATE GOVERNANCE

The maintenance of effective Corporate Governance remains a key priority to the Board of Shinepukur Ceramics Ltd. Recognizing the importance of it, the board and other senior management remained committed to high standards of Corporate Governance. To exercise about clarity of director's responsibilities towards the shareholders, Corporate Governance must be dynamic and focus to the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of Company's management, both in its day-to-day business and in the areas associated with internal control have been instituted.

### Internal Financial Control

The Directors are responsible for the Company's system of internal financial control. Although no system of internal control can provide absolute assurance against material misstatement and loss, the Company's system is designed to provide the directors with reasonable assurance that problems are timely identified and dealt with appropriately. Key procedures to provide effective internal financial control can be described in following heads:

**Management Structure** - The Company is operating through a well defined management structure headed by a Chief Executive Officer (CEO) under whom there are Executive Director (ED) and Managers for various departments and according to hierarchy, various senior & mid level management staffs. The Chief Executive Officer, ED and Managers meet at regular interval represented also by Administration, Finance, Marketing & Production heads.

**Financial Reporting** - There are comprehensive management reporting disciplines which involve the preparation of annual budgets by all operating departments. Executive management reviews the budgets and actual results are reported against the budget and revised forecasts are prepared at regular intervals.

**Asset Management** - The Company has sound asset management policy, which reasonably assures the safeguarding of assets against unauthorized use or disposition. The Company also follows proper records and policy regarding capital expenditure.



**Functional Reporting** - In pursuance with keeping the reliability of financial information used within the business or for publication, the management has identified some key areas which are subject to monthly reporting to the chairman of the board. These include monthly treasury operations, Financial Statements. Other areas are also given emphasis by reviewing on quarterly basis. These include information strategy, environmental and insurance matters.

### Statement of Director's Responsibilities for Preparation and Presentation of the Financial Statements

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements.

The Companies Act 1994 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year / period to that date. In preparing those financial statements the directors are required:

- to select suitable accounting policies and the apply them in a consistent manner;
- to make reasonable and prudent judgments and estimates where necessary;
- to state whether all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements;
- to take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with disclosure requirements to the Companies Act 1994 and the Securities and Exchange Rules 1987; and
- to prepare the financial statements on a going concern basis unless it is inappropriate to presume the Company will continue in business.

### Board of Directors and Committee

**The Board** - The board is responsible to the shareholders for the strategic development of the Company, the management of the Company's assets in a way that maximizes performance and the control of the operation of the business.

The board of directors is responsible for approving Company policy and responsible to the shareholders for the Company's financial and operational performance. Responsibility for the development and implementation of Company policy and strategy, day-to-day operational issues is delegated by the board to the management of the Company.

**Board Structure and Procedure** - The membership of the board during the year/period ended 30 June 2023 stood at five directors. All directors are equally accountable at law to the shareholders for the proper conduct of the business. The Company's Board currently comprises the Chairman, Vice-Chairman and three Directors. The Board has two committee, namely, Audit Committee & Nomination & Remuneration Committee (NRC). The name of the Directors and Board's committee members stated in CORPORATE DIRECTORIES page in the beginning of the Annual Report.

**Management Committee (MC)** - MC annually appraises the performances of every level of employees as per policy & guidelines of the NRC. It determines the annual increment, promotion and parameter of remuneration for all level of executives & workers.

### Going Concern

After making enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Company have adequate resources to continue operation for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

### Rights and Relations with Shareholders

**Control Rights of Shareholders** - At annual general meeting, shareholders have rights of participation and supervision. They have the right to ask questions of and request of information from the board regarding item on the agenda to the extent necessary to make an informed judgment of the Company's affairs.

**Relations with Shareholders** - The annual general meeting are used as an important opportunity for communication with both institutional and general shareholders. In addition, the Company maintains relations with shareholders through the corporate affairs secretarial department.

The following information can be addressed through the secretarial department:

- Dividend payment enquires
- Dividend mandate instruction
- Loss of share certificate/dividend warrants
- Notification of change of address
- Transfer of shares

The board believes that it is important to respond adequately to all the queries of both institutional and general shareholders. At the AGM the shareholders are offered an opportunity to raise with the board any specific question they have concerning the Company. In addition, meetings are also held between individual directors and institutional shareholders at various times during the year.





# DIRECTORS' REPORT

## to the Shareholders for the year ended June 2023

Dear Shareholders,

The Directors have pleasure in submitting hereunder "Directors' Report" together with the Audited Accounts for the year ended June 2023 and "Auditors' Report" thereon:

### Industry Outlook and Possible Future Development

#### Higher Cost for Imported Material

Covid-19 and subsequent R-U war affected the supply chains and businesses. Increased invoice value, higher exchange rate of Taka against foreign currencies as well as increased rate of ocean freight to transport the materials to Bangladesh have resulted higher cost to imported inputs. Also regulatory measures to increase the interest rates to combat the inflationary pressure in the economy and the depreciation of value of BDT against US\$ has and will negatively impact on cost of imported materials.

#### Erratic pressure and uncertainty on availability of Gas

To arrest the declining Foreign Currency reserve, Government, despite unit price enhancement, took a policy of slowing down the import of volume of LNG which ultimately causes erratic pressure and uncertainty on availability of gas in the supply lines to the industries. Industries are invoiced as if there were continued supplies of gas in the pipeline with adequate pressure. In reality, absence of required gas pressure in the pipeline caused not only production loss to the industries but also they have to pay higher bills. Because of dollar crisis, if the rationing of imported LNG continues, production continuity and quality of production of ceramic tablewares will be more difficult and challenging in the coming days.



### Energy Cost - Gas

Government has increased the gas tariffs for industries effective from the billing month of February 2023. Along with the increased tariffs, no or low pressure in supply line is pushing the cost of energy (gas & electricity) expenses up. Meanwhile, gas cost has become 2.5 times higher in last year. It is apprehended that if the ongoing R-U war prolong, energy crisis will deepen and international energy price will also remain high. As a result Government may be forced to adjust the gas tariffs up further.

	Effect from February 2023	Effect from 1st June 2022	June 30, 2020 (effective from March 2020)	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Gas Tariffs -Power generation, Taka per M3	30.00	16.00	13.85	13.85	9.62	9.62	8.36	4.18	4.18
Gas Tariffs - Kiln, Taka per M3	30.00	11.98	10.72	10.72	7.76	7.76	6.74	5.86	5.86

### Energy Cost - Electricity

The Government has increased the electricity tariffs for consumers three times during the year. It is apprehended that Government may in any time increase the electricity tariff again in near future. Moreover, due to shortage of production and supply of the electricity in the national grid, the frequency and duration of electricity outage has worsened. This has increased our dependency on captive power generation. Since the captive power generators are gas fuelled, no or low gas pressure in the supply line may disrupt the captive power generation which may affect continuous and quality production in the kiln. Following table shows the change in Electricity unit cost since 2014:

	March 2023	February 2023	January 2023	June 30, 2020 (effective from March 2020)	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Electricity Taka per KW	12.37 Peak/ 8.91 off peak	11.78 Peak/ 8.49 off peak	11.22 Peak/ 8.09 off peak	10.69 Peak/ 7.70 off peak	10.69 Peak/ 7.70 off peak	8.15	7.57	7.32	7.32	7.32

### Shrinking Demand in International Market

Worsening economic situations in the global market, particularly higher energy, food and transportation cost resulted from Covid-19 and R-U war, has caused shrinking in demand for ceramic tablewares further. Despite prevailing unfavorable business environment specially when the purchasing power of consumers have declined due to high inflation, our company did well in increasing the export both in volume & value during the year. Retaining the competitive edge of our company will be more challenging in coming years because of erosion in the comparative advantages in energy and labor cost in Bangladesh. The competition will be stiffer because of higher devaluation of currencies by the competing countries as well as their advantage in sourcing the materials and the other inputs internally.

### Labor cost

Competitive labor cost is another important factor for continuity of table wares manufacturing in Bangladesh. In view of the inflationary pressure, any decision of the Government for increasing the minimum wages will have a direct impact on the cost of manufacturing of ceramic table wares in Bangladesh. Another big concern is decreasing labor productivity due to high turnover of skilled labor forces.

### Renovation and Maintenance of the Production Capacity

As we did in previous year, the company continued the policy of replacing the spares and undertaking the periodical repairing and maintenance program for keeping the Kiln, machinery & other equipments productive & operational. With the increase aging of the Kiln, machinery & other equipments, the spares & maintenance cost will continue to increase in future. Moreover, it has become more difficult to procure the parts & spares which are essential to keep the old kiln, machinery and other equipments operational, because of stopping of manufacturing of the same by the original manufacturers due to updating of their models. It may be noted that Kiln, Decal Printing, HPC and Jiggering machines of our company have become more than 25 years old, even in certain cases, those have become out dated due to technological advancement. Therefore, to maintain productivity & quality consistency, there is a need for replacement of kiln, machinery and other equipments, since there is increasing production loss due to frequent non-

functioning of the Kilns either due to derailment of the “cars” or formation of the rusts in the ceiling of the kilns or breaking of the nozzles or any other reason. During the year, production in the new shuttle kiln, which was installed last year, has been started. Also bricks and other furniture for renovation of an existing glost kiln was procured during the year. With the addition of the shuttle kiln and the completion of the renovation works in the glost kiln production capacity in Porcelain plant has been restored to some extent. However, renovation works for another glost kiln is also over due for which procurement of required parts, bricks and furniture will be undertaken soon. Regular scheduled and preventive maintenance works have also been strengthened to ensure the quality consistency as well as volume of production.

### Competition

With the entry of new porcelain table wares manufacturer with larger capacity and no / lesser borrowing cost, the field of competition has become more intense in domestic market and may challenge our dominance in export in future.

### Impact of Covid-19 & R-U war

The company had to face and manage following impacts of pandemic (Covid-19) & R-U war:

- (i) Disruptions in international supply chain(s) which caused longer voyage time and increased freight charges; and
- (ii) Declining of export demand due to slowdown in the world economies;

Consequently importing cost of materials went up causing our product costlier at the customer’s end which ultimately lowering the demand of the product.

### Future Plan

The Board of Directors of the company does not consider that it will be prudent to go for large scale capital investment (for Modernization & expansion) in near future, in view of following reasons -

1. Declining demand of ceramic tablewares in Global market due to worsening economic situations resulting from the pandemic and R-U war;
2. Company’s liquidity position;
3. Increasing gas & electricity cost ( and thereby loosing the comparative advantages in producing in Bangladesh)
4. High inflationary pressure enhancing the wages & salaries for employees; and
5. Foreign exchange (dollar) crisis from depleting FC reserves in the country.

## Performance

### Total Sales - Export without incentives and Domestic excluding scrap sales

The table below reflect that the total Sales (export excluding incentives and domestic sales excluding scrap) during the FY2022-'23 increased to Taka 1956.666 million which is 18.79% higher than previous year.

Taka in Million

Year	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Total sales (Without Incentives & Scrap Sales)	1956.666	1647.162	1353.875	1111.877	1533.121	1528.643
% increase or Decrease over previous FY	18.79%	21.66%	21.76%	-27.48%	0.29%	6.31%





## Export Sales in US\$

SCL has continued to be largest tableware exporters from Bangladesh. SCL exported \$10.16 million during FY2022-'23 which was 23.42% of total Bangladesh export.

US\$ in million

Ceramics Products	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Bangladesh Export (including ceramic tiles & sanitary wares) source: EPB	43.39	46.02	31.11	27.97	68.97	51.94
Shinepukur Export	10.16	11.31	7.11	7.03	10.66	11.04
Shinepukur Share to total BD Export	23.42%	24.58%	22.85%	25.13%	15.46%	21.26%

## Export Sales in Taka

The table below shows the ratio of export sale to total sales of the company:

Taka in Million

Year	FY 2022-'23	FY 2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18
Total sales (Without Incentives & Scrap Sales)	1956.666	1647.162	1353.875	1111.877	1533.121	1528.643
SCL Export without incentive	1007.787	962.929	589.429	578.313	877.512	893.342
% of Export over total sales (WI)	52%	58%	44%	52%	57%	58%
Increase/(Decrease) over previous FY	4.66%	63.37%	1.92%	-34.10%	-1.77%	-0.36%

During FY2022-'23, export sales in taka (without incentive) increased by 4.66% over previous year and contribution of export to total sales came down to 52% which was 58% in last year. Despite stiff competition in export markets, we could retain our existing customers and also added a few new customers. We achieved these by improving the product quality through cross-quality check on every production stages and improving the designs & packaging in-line with up-to-date international standards. The most challenging part was to achieve reliability from the buyers' fraternity and to establish Shinepukur as the most compliant facility. Shinepukur has been successful in this field as the series of Social Accountability audits from Suppliers Ethical Data Exchange (SEDEX), Business Social Compliance Initiatives (BSCI) and inspection from buyers' community continued to confirm SCL as a compliant OEM. These relentless & on-going endeavors will significantly & positively contribute in retaining customers. Export sales will continue to remain important driver to SCL's total revenue earnings. We are therefore focusing on buyers demand for developing new shapes, designs and new products ranges within shortest possible time and searching new markets and seizing inquiries from potential brands by faster response & close follow up.

## Domestic Sales in Taka

Taka in Million

Year	FY 2022-'23	FY 2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18
Total sales (Without Incentives & Scrap Sales)	1956.666	1647.162	1353.875	1111.877	1533.121	1528.643
SCL Domestic Sales without Scrap	948.879	684.233	764.447	533.564	655.609	635.300
% of Domestic Sales over SCL total sales	48%	42%	56%	48%	43%	42%
% increase or Decrease over previous FY	38.68%	-10.49%	43.27%	-18.62%	3.20%	17.38%

Our company could earn Taka 948.879 million from the domestic sales during FY 2022-'23, which was 38.68% higher than that of FY2021-'22. With the entry of a new porcelain tablewares manufacturer, competition in the domestic market has become more intense. Moreover, increased product cost, resulting from devaluation of Taka, higher energy, wages and spares, stores, repairing & maintenance cost, is reducing contribution and is forcing us to increase the product price, making the products costlier and price sensitive customers to buy less. Due to ongoing R-U war and persistence of high inflation and global economic slowdown, it is apprehended that export sales of FY2023-'24 will be under pressure. The Board of Directors always put emphasis on our strong presence in the domestic market and utilization of residual production capacity (after meeting the export demand) by selling to domestic market.



## Segmental/Product wise Reporting

There is no geographical or otherwise identifiable divisions for segmental reporting of our company. However, our company produces two types of ceramic table wares, namely Porcelain & Bone China. Increase/(decrease) over previous year's respective sales of Porcelain & Bone China and ratio of Porcelain & Bone China to total sales of FY 2022-'23 along with preceding five years are tabulated below:

*Taka in million*

Year	Revenue											
	Porcelain				Bone China				Total		Share over total Revenue	
	Export	Domestic	Total	Inc/(dec)	Export	Domestic	Total	Inc/(dec)	Amount	Inc/(dec)	Porcelain	Bone China
FY2022-'23	432.549	578.193	1010.742	6.71%	575.238	370.686	945.924	35.14%	1956.666	18.79%	52%	48%
FY2021-'22	525.937	421.257	947.194	13.68%	436.992	262.975	699.967	34.43%	1647.161	21.66%	58%	42%
FY2020-'21	312.539	520.648	833.187	17.10%	276.890	243.799	520.689	30.06%	1353.876	21.76%	62%	38%
FY2019-'20	388.818	322.711	711.529	-18.75%	189.495	210.853	400.348	-39.10%	1111.877	-27.48%	64%	36%
FY2018-'19	456.574	419.144	875.718	-7.49%	420.938	236.465	657.403	12.96%	1533.121	0.29%	57%	43%
FY2017-'18	512.584	434.059	946.643	-4.34%	380.758	201.241	581.999	29.73%	1528.643	6.31%	62%	38%

## Product wise Contribution/Segment Results

After adjustment of Material cost, contribution to recover Wages & Manufacturing Overheads (conversion Cost) and operating expenses (OPEX) were as follows;

Year	Material Consumption			Contribution to Prime Cost and OPEX			Contribution as a % of sales WIS		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total	Porcelain	Bone China	Total
FY2022-'23	406.392	298.011	704.403	604.35	647.913	1252.263	60%	68%	64%
FY2021-'22	323.724	216.309	540.033	623.47	483.659	1107.129	66%	69%	67%
FY2020-'21	406.540	121.475	528.015	426.647	399.214	825.861	51%	77%	71%
FY2019-'20	248.130	154.245	402.375	463.399	246.103	709.502	71%	60%	67%
FY2018-'19	297.091	165.24	462.331	578.627	492.163	1070.79	69%	79%	73%
FY2017-'18	320.846	190.505	511.351	625.797	391.495	1017.292	72%	69%	71%

During the year, export of porcelain wares has decreased to Taka 432.549 million from Taka 525.937 million, a decrease of 17.76% over previous year. Export unit prices of porcelain wares are higher than that of domestic sales. As a result contribution of Porcelain went down to 60% from 66% of last year. This year's domestic sales of both Bone China and porcelain wares increased respectively by 37.41% and 40.96% over previous year. Higher cost of imported materials and lower export of Porcelain wares pulled down the overall contribution to 64% in FY2022-'23 from 67% in FY2021-'22.

## Carrying amount of Net Segmental Assets and Return (contribution) thereon

Taka in million

Particulars	FY2022-'23			FY2021-'22		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total
(a) Sales WIS	1010.742	945.924	1956.666	947.194	699.968	1647.162
(b) Carrying amount of Net Asset of PPE	2088.199	2618.071	4706.270	2115.162	2687.667	4802.829
(c) Gross Investment	3426.870	3997.027	7423.897	3408.704	3996.907	7405.611
Ratio	44.37%	55.63%	100.00%	44.04%	55.96%	100.00%
Contribution	604.350	647.913	1252.263	623.470	483.659	1107.129
Ratio	48.26%	51.74%	100.00%	56.31%	43.69%	100.00%
Contribution to Sales	59.79%	68.50%	64.00%	65.82%	69.10%	67.21%
Sales to Carrying Amount of PPE	48.40%	36.13%	41.58%	44.78%	26.04%	34.30%
Contribution to Carrying Amount of PPE	28.94%	24.75%	26.61%	29.48%	18.00%	23.05%
Contribution to gross Investment	17.64%	16.21%	16.87%	18.29%	12.10%	14.95%

During the year sales to carrying amount (investment) of PPE of porcelain unit were better (48.40%) than that of bone china unit (36.13%). However, the share of carrying amount (investment) of PPE of bone china unit and its contribution to sales in percent were proportionately higher respectively 55.63% and 68.50%. Compared to last year, return (contribution) on carrying amount of PPE (investment in net segmental assets) of bone china unit has improved during the year to 24.75% in FY2022-'23 from 18.00% in FY2021-'22.

## Risk & Concerns

The company is exposed to following risks & concerns;

### Internal:

- (i) skilled manpower is critical to quality and quantitative production. Company is prone to high labor turnover.
- (ii) Breakdown of aged kiln, plant & machinery and non availability of parts, spares & consumables.

### External:

- (i) Inconsistent/erratic Gas pressure, insufficient gas supply & increase in unit price of gas.
- (ii) Devaluation of Taka and widening the spread of bank's buying and selling rates of foreign currencies causing the imported materials costlier.
- (iii) Depreciation of currencies of competing nations at higher rate than Bangladesh Taka (causing their export price cheaper than Bangladesh).
- (iv) Hike of minimum wage rate.
- (v) Non-functioning/closing down of ports and highways (due to pandemic or otherwise).
- (vi) Bottle necks in procuring of quality raw materials due to stopping of production/mining or non availability of right quality raw materials due to change in layer/level of the mines/quarries.
- (vii) Supply chain disruptions due to shipping route/channel blockage and scarcity of containers.
- (viii) Upward adjustment of custom duty, VAT & Tax on imported raw materials.
- (ix) Withdrawal of Competitive/ preferential tariff facilities e.g. GSP.
- (x) Social disorder and unrest.



#### Acts of God:

- (i) Pandemic (e.g., Covid-19) causing closer/shutdown of production facilities/economic activities;
- (ii) Natural disaster(s) like flood causing absenteeism to work forces and disruption in supply chains and distribution channels;
- (iii) Earth quake causing demolition of buildings and fire accident resulting casualties and closure of production facilities.

#### Impact on Environment

Environment Impact Assessment (EIA) report by an independent assessing firm (Envirotech) confirms that our operations are not threat to environment. Moreover, our company has received up to date yearly environment clearance certificate from the Directorate of Environment, Peoples' Republic of Bangladesh.

#### Cost of Goods Sold (CoGS)

A vertical and horizontal analysis of cost of goods sold are tabulated below;

*Taka in million*

	FY 2022-'23			FY 2021-'22		
	Amount	Vertical	Horizontal	Amount	Vertical	Horizontal
<b>Total revenue including scrap sales, export incentive</b>	<b>2058.999</b>	<b>100.00%</b>	<b>19.52%</b>	<b>1722.742</b>	<b>100.00%</b>	<b>23.11%</b>
<b>COGS Elements</b>						
Material Cost	868.567	42.18%	23.27%	704.591	40.90%	33.44%
Wages & (Factory) Salaries (Labor Cost)	444.968	21.61%	9.23%	407.354	23.65%	19.16%
Power & Fuel (Energy Cost)	229.015	11.12%	104.87%	111.788	6.49%	10.77%
Consumable Store & Spares	60.859	2.96%	9.39%	55.637	3.23%	6.70%
Depreciation (Factory)	113.187	5.50%	-3.46%	117.244	6.81%	-1.82%
Overhead (Manufactur)	36.484	1.77%	-0.83%	36.789	2.14%	52.71%
<b>Cost of Goods Sold (CoGS)</b>	<b>1753.080</b>	<b>85.14%</b>	<b>22.30%</b>	<b>1433.403</b>	<b>83.20%</b>	<b>22.89%</b>

Devaluation of Taka pushed up the material cost during the year. Erratic gas supply (with no/low pressure) caused over billing and also imposition of higher tariffs for gas and electricity from February 2023 resulted significant increase in the power and fuel cost.



## Gross Profit (GP)

During the year, the GP amount increased to Taka 305.919 million from previous year's GP amount of Taka 289.339 million (an increase of 5.73%). However, higher CoGS pulled down the current year's GP ratio to 14.86% from previous year's 16.80%. CoGS to total revenue went up to 85.14% which was 83.26% in last year. Increased material and energy cost pushed up CoGS which brought down the GP ratio during the year. Devaluation of Taka (from on an average Taka 85.68 in FY2021-'22 to on an average Taka 100.50 in FY2022-'23, a devaluation of over 17%) and enhancement of Gas and electricity tariffs as shown below, were the main reasons for higher CoGS and lower GP ratio during the year.

	FY2022-'23	FY2021-'22	% INC/(DEC)
<b>Gas Tariff Power Generation</b>			
July to January	16.00	13.85	15.52%
February - May	30.00	13.85	116.61%
June	30.00	16.00	87.50%
<b>Gas Tariff Kiln</b>			
July to January	11.98	10.72	11.75%
February - May	30.00	10.72	179.85%
June	30.00	11.98	150.42%
<b>Electricity</b>			
July to December Peak	10.69	10.69	0.00%
January Peak	11.22	10.69	4.96%
February Peak	11.78	10.69	10.20%
March Peak	12.37	10.69	15.72%
July to December Off Peak	7.70	7.70	0.00%
January Off Peak	8.09	7.70	5.06%
February Off Peak	8.49	7.70	10.26%
March Off Peak	8.91	7.70	15.71%



## Net Profit After Tax and Retained Earnings

The Directors are pleased to report that the working results of the Company for 12 months from July 01, 2021 to June 30, 2022 as follows:

*Taka in illion*

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Net profit / (Loss) before tax	112.845	100.303	54.597	11.296	92.477	81.405
Income tax (Expenses)/ Income:	-53.151	-42.323	-8.218	20.296	-29.766	-19.857
i. For the period under review	-53.151	-42.323	-11.549	-7.336	0	28.546
ii. Short/(excess) provision for earlier years	0	0	3.331	27.632	-	-
iii. Deferred tax (Income)/Expenses	0	0	0	-	-	-8.689
Net profit / (Loss) after tax	59.694	57.98	46.379	31.592	62.712	61.548
Balance brought forward from previous year	7.893	-13.345	-30.331	-61.923	-124.635	-186.183
Dividend Paid @3% for FY 2021-'22	-44.09	-36.742	-29.393	-	-	-
Retained earnings carried forward	23.497	7.893	-13.345	-30.331	-61.923	-124.635
Net profit after tax, to paid up capital	4.06%	3.95%	3.16%	4.27%	4.19%	0.56%
EPS in Taka	0.41	0.39	0.32	0.21	0.43	0.42

## Extra ordinary activities & their implications

Other Income: An amount of Taka 8.346 million was earned during the year as other income which includes dividend income of Taka 8.168 million against investment in shares of Bangladesh Export Import Company Limited. Last year's the dividend income was Taka 9.529 million.

Fair Value Gain/(Loss) on investment in shares: Following the International Financial Reporting Standards the company has to revalue the quoted shares held as investment on the date of statement of financial position and recognize the unrealized gain/(loss) thereon.

During the year there was a fair value loss of Taka 38.661 million (last year: gain Taka 109.722 million) which was recognized through 'Statement of Other Comprehensive Income' and also reflected in 'Statement of Change in Equity' as follows:

*Taka in million*

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Fair Value Gain/(loss) Brought forward	188.977	79.255	-130.822	-106.501	-96.47	-81.118
Fair Value Gain / (Loss) for the year	-38.661	109.722	210.077	-24.321	-10.031	-15.352
Fair Value Gain/(loss) Carried forward	150.316	188.977	79.255	-130.822	-106.501	-96.47



**Comprehensive Income:** After recognizing the fair value gain of Taka 38.661 million, comprehensive income for the year, therefore, stood at Taka 21.033 million as follows:

*Taka in million*

Particulars	FY2022-'23	FY2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18
Net profit / (Loss) after tax	59.694	57.98	46.379	31.592	62.712	61.548
Fair Value Gain / (Loss)	-38.661	109.722	210.077	-24.321	-10.031	-15.352
Comprehensive income/(loss) for the year	21.033	167.702	256.456	7.271	52.681	46.196

## EPS

The company has earned net profit after tax Taka 59.694 million during the FY 2022-'23. Earning per share, therefore, comes to Taka. 0.41 for the year ended on June 30, 2023 which was Taka TK. 0.39 in previous year. EPS improved due to higher revenue earnings and savings from finance cost during the year.

## NAV per share

Net Asset Value (NAV) per share increased to Taka 31.37 as on 30th June, 2023 which was Taka 31.53 as on 30th June 2022 as follows:

*Taka in million*

Particulars	FY2022-'23	FY2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18
Retained Earnings carried forward	23.497	7.893	-13.345	-30.331	-61.923	-124.635
Fair Value Gain/(loss) Carried forward	150.316	188.977	79.255	-130.822	-106.501	-96.47
Revaluation Surplus on PPE	2966.69	2966.69	2966.69	2966.69	2966.69	2966.69
Paid-up Capital	1469.661	1469.661	1469.661	1469.661	1469.661	1469.661
Shareholder's Equity	4610.164	4633.221	4502.261	4275.198	4374.428	4215.246
Outstanding Shares in number	146966055	146966055	146966055	146966055	146966055	146966055
NAV Per Share in Taka	31.37	31.53	30.63	29.09	29.76	28.68

## Quarterly Performance

Quarters	EPS in Taka		NAV/per share in Taka		NOCF/per share in Taka		Explanation
	FY2022-'23	FY2021-'22	FY2022-'23	FY2021-'22	FY2022-'23	FY2021-'22	
Q1 JUL-SEPT.	0.10	0.02	31.69	31.54	0.88	0.29	EPS: varies due to; i) fluctuation in revenue earnings particularly in export sales ii) increase/(decrease) in expenditure iii) faster/slower disbursement of export incentive iv) effect of changes in rates of TDSs. (v) Devaluation of Taka.
Q2 OCT - DEC	0.15	0.08	31.21	31.58	1.17	0.23	
Q3 JAN-MAR	0.06	0.17	31.27	31.84	1.69	0.80	
Q4 APR - JUN	0.10	0.12	31.37	31.53	1.63	1.00	NAV/share: increase/ decrease in retained earnings and changes in comprehensive income/loss.
For the year	0.41	0.39	31.37	31.53	1.63	1.00	NOCF: varies according to terms of trade with buyers & suppliers and income tax payments.



## Related Party Transaction

### Loan Received from related party

During the year no loan was taken or provided to any related party. However, short term loan received from New Dacca Industries Limited during FY2017-'18 had following movements during the year and outstanding balance (payable) to New Dacca Industries Limited at the yearend was as follows:

*Taka in Million*

#### Loan from New Dacca Industries

	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Opening balance	32.50	36.50	49.00	54.00	60.00	0.00
Received during the year	0.00	0.00	0.00	0.00	0.00	310.00
Payment made during the year	6.50	4.00	12.50	5.00	6.00	250.00

The loan payable to New Dacca Industries Limited does not bear any interest. The loan is short term in nature and has flexible terms of repayment, that is, payable on demand but at the convenience of our company.

### Investment in Shares in related parties

Besides, above outstanding short term loan payable to New Dacca Industries Limited, following investments in shares were made to related companies in earlier years. The movement of those investment in shares are reported below:

	FY2022-'23			FY2021-'22			FY2020-'21			FY2019-'20			FY2018-'19		
	BEXIMCO	BSL	Total	BEXIMCO	BSL	Total	BEXIMCO	BSL	Total	BEXIMCO	BSL	Total	BEXIMCO	BSL	Total
Opening balance	353.395	0.552	353.947	243.673	0.552	244.225	33.708	0.44	34.149	58.082	0.388	58.47	67.936	0.565	68.501
"Transaction during the year: Fair Value Gain/Loss"	-38.661	-	-38.661	109.722	-	109.722	209.965	0.112	210.077	-24.374	0.052	-24.322	-9.854	-0.177	-10.031
Payment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balance	314.734	0.552	315.286	353.395	0.552	353.947	243.673	0.552	244.226	33.708	0.44	34.148	58.082	0.388	58.47

There was no new purchase or selling of existing share holdings in related companies during the year.

### Public/Right Issue

There was no public/right issue during the year.

### Remuneration to Directors

During the year no amount of money was expended by the company for compensating any member of the board for special services rendered. During the year no board meeting attendance fee was paid to the directors of the company.



## Corporate and Financial Reports

The Directors are pleased to confirm that:

- The financial statements together with the notes thereon have drawn up conformity with the Companies Act 1994 and Securities and Exchanges Rules 1987. These statements presents fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and judgment.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- Minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.
- There is no significant doubt about the ability of the Company to continue as a going concern.
- Significant deviation in operating result compared to last year has been explained here in before.
- The summarized key operating and financial data of last five preceding years is presented below.

## Key operating and Financial Data

*Taka in million*

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Revenue including subsidy	2058.998	1722.742	1399.312	1205.076	1533.121	1528643
Gross Profit	305.919	289.339	232.879	185.859	340.424	346296
Profit / (Loss) Before Tax	112.845	100.302	54.596	11.296	92.477	81404
Net Profit / (Loss) after Tax	59.694	57.98	46.379	31.593	62.712	61548
PPE ( Gross)	7423.185	7405.612	7530.927	7511.009	7509.186	7495.37
Revaluation Surplus	2966.69	2966.69	2966.69	2966.69	2966.69	2966.69
PPE at cost	4456.495	4438.922	4564.237	4544.319	4542.496	4528.678
cumulative Depreciation	2716.915	2602.783	2486.008	2365.074	2239.848	2112.439
PPE (Carrying) Value	4706.27	4802.829	5044.919	5145.935	5269.337	5382.93
Retained Earnings carried forward	23.497	7.893	-13.345	-30.331	-61.923	-124634
Paid up Capital	1469.661	1469.661	1469.661	1469.661	1469.661	1469661
Shareholders' Equity	4610.163	4633.221	4502.261	4275.198	4267.926	4215245
Dividend	3.00% Cash	3.00% Cash	2.5% Cash	2% Cash	-	-
Return on Paid up Capital	4.06%	3.95%	3.16%	2.15%	4.27%	4.19%
Earnings per Share in Taka	0.41	0.39	0.32	0.21	0.43	0.42
Shareholders' Equity Per Share (NAV) Taka	31.37	31.53	30.63	29.09	29.04	28.68
Number of Shareholders	19858	14373	16754	14969	15934	16325

Following the International Financial Reporting Standards (IFRSs: IAS-1 and IAS-10), the amount of 'proposed dividend' is not recognized in the books of account as liability until the dividend is approved in Annual General Meeting (AGM) when it will become payable to share holders. Accordingly the balance of retained earnings' carried forward amount Taka 23.497 million is before giving effect of the proposed dividend Taka 44.090 million (@ 3% cash) for FY2022-'23.

## Dividend

The Board of Directors of the company, in its meeting held on 19th October, 2023, recommended a cash dividend @3.00 percent for the year FY2022-'23 out of current year's net profit. After approval in the AGM to be held on 28th December, 2023, the said recommended dividend will be distributed to the shareholders as on the record date (13.11.2023). The proposed dividend pay out is 76.04% of the current year's net profit. Upon distribution of the said dividend the balance of retained earnings' carried forward will stand at cumulative loss of Taka 32.194 million as on 30th June 2023 which was Taka 50.087 million as on 30th June 2022 as follows:

Particulars	FY2022-'23		FY2021-'22		FY2020-'21		FY2019-'20	
Net profit after Tax for the year	59.694	100.00%	46.379	100.00%	46.379	100.00%	31.593	100.00%
Cash Dividend Proposed for FY2022-'23 @3% (FY2021-'22 @3%)	44.090	73.86%	44.09	95.06%	36.742	79.22%	29.393	93.04%
Current Year's Net profit retained for the business	15.604	26.14%	2.289	4.94%	9.637	20.78%	2.200	6.96%
Balance of Retained Earnings brought forward before distribution of dividend	-3.708	-	-13.345	-	-30.331	-	-61.923	-
Dividend Distributed during the year	-44.090		-36.742	-	-29.393	-	-	-
Balance of Retained Earnings brought forward after distribution of dividend	-47.798	-	-50.087	-	-59.724	-	-61.923	-
Balance of Retained earnings after giving effect of the current years proposed dividend	-32.194	-	-47.798	-	-50.087	-	-59.723	-

## The policy and the factor influenced the dividend distribution

Despite the company has cumulative negative retained earnings (loss) of Taka 47.798 million (after giving effect of distributed dividend for FY2021-'22), and in spite of the fact that the company has requirements for fund to repay the current maturities of the long term loan (as reflected in the Audited Financial Statements) as well as for investments to maintain the production capacity intact, the Board of Directors proposed a cash dividend @3% for the FY2022-'23 out of current year's profit to respect the desire and preference of the shareholders. This (paying cash dividend out of current year's profit despite having negative cumulative retained earnings) is in consistence with the dividend policy followed by the company since FY2019-'20.

## The Board Meeting and Attendance

During the year 6 (Six) Board Meetings were held. The attendance record of the Directors is as follows:

Name	Designation	Number of meetings held	Number of Board Meetings attended
Mr. A S F Rahman	Chairman	6	6
Mr. Salman F Rahman	Vice Chairman	6	6
Mr. Iqbal Ahmed	Director	6	5
Mr. O K Chowdhury	Director	6	6
Barrister Faheemul Huq	Independent Director	6	6
Mr. Mohammad Asad Ullah, FCS	Company Secretary	6	6





## The Pattern of Shareholding

The Pattern of shareholding is as follows:

Name	Shares Held
i) Parent/Subsidiary/Associate Companies and other related parties:	
Bangladesh Export Import Co. Ltd. As on 30-06-2023	73,483,009
ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:	
Mr. A S F Rahman, Chairman	2
Mr. Salman F Rahman, Vice-Chairman	1
Mr. O K Chowdhury, Director	1
Chief Executive Officer, Spouse and minor children	NILL
Company Secretary, Spouse and minor children	NILL
Chief Financial Officer, Spouse and minor children	NILL
Head of Internal Audit, Spouse and minor children	NILL
iii) Executives:	
iv) Shareholders holding ten percent (10%) or more voting interest in the company	
Bangladesh Export Import Co. Ltd. (Mentioned in SL. No. (i) above.)	73,483,009

## Directors

### Retirement and Re-election

Mr. O K Chowdhury, Director of the Company retires by rotation as per Articles 127 and 128 of the Articles of Association of the Company and being eligible offers himself for re-election.

### Audit Committee

The Audit Committee held four meetings to carry out its business as per the provision of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated 03.06.2018 during the year. The membership of the Audit Committee together with their attendance at the meeting is given below:

Audit Committee Member	Designation	Number of Meetings Held	Attendance
Barrister Faheemul Huq	Chairman	4	4
Mr. Iqbal Ahmed	Member	4	4
Mr. O K Chowdhury, FCA	Member	4	4
Mr. Mohammad Asad Ullah, FCS	Secretary	4	4

The detail of the activities of the audit committee has been provided in "Audit Committee Report".

### Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee held one meeting to carry out its business as per the provision of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated 03.06.2018 during the year. The membership of the Nomination and Remuneration Committee together with their attendance at the meeting is given below:

NRC Committee Member	Designation	Number of Meeting Held	Attendance
Barrister Faheemul Huq	Chairman	1	1
Mr. Iqbal Ahmed	Member	1	1
Mr. O K Chowdhury, FCA	Member	1	1
Mr. Mohammad Asad Ullah, FCS	Secretary	1	1

### Independent Director

Barrister Faheemul Huq is qualified as a Barrister-at-Law from Lincon's Inn, UK and is currently an Advocate in the Supreme Court Bangladesh, both in the High Court Division and Appellate Division and acted as Legal Advisor of different corporate bodies and enlisted lawyer of different Banks and Financial Institutions in Bangladesh. He is a Senior Associate of M/s. Huq Company, a renowned Lawyers' Firm in Bangladesh since 1997 and he also Member of The Honorable Society of Lincoln's Inn, UK.

### Auditors

The existing Auditors, M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205 who were appointed as auditors of the Company in the 25th Annual General Meeting of the Company has carried out the Audit for the year ended 30 June 2023.

M. J. Abedin & Co., Chartered Accountants, the Auditors of the Company retire at this meeting and has expressed their willingness to continue in office for the year 2023-24. The Board after due consideration of the proposal made by Audit Committee recommends for reappointment of M. J. Abedin & Co., Chartered Accountants as Auditors for the year 2023-24.

### Compliance Auditors

Pursuant to code 9.2 of the Codes of Corporate Governance issued by BSEC, Jasmin & Associates, Chartered Secretaries who were appointed as Compliance Auditors of the Company in the 25th Annual General Meeting of the Company have examined the compliance status to the Corporate Governance Code by the Company for the year ended on 30th June, 2023.

Jasmin & Associates, Chartered Secretaries, the Compliance Auditors of the Company retire at this meeting and has expressed their willingness to continue in office for the year 2023-24. The Board after due consideration of the proposal made by Audit Committee recommends for reappointment of Jasmin & Associates, Chartered Scretaries as Compliance Auditors for the year 2023-24.

### Corporate Governance Compliance Status Report

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Compliance Status Report" is annexed.

### Acknowledgement

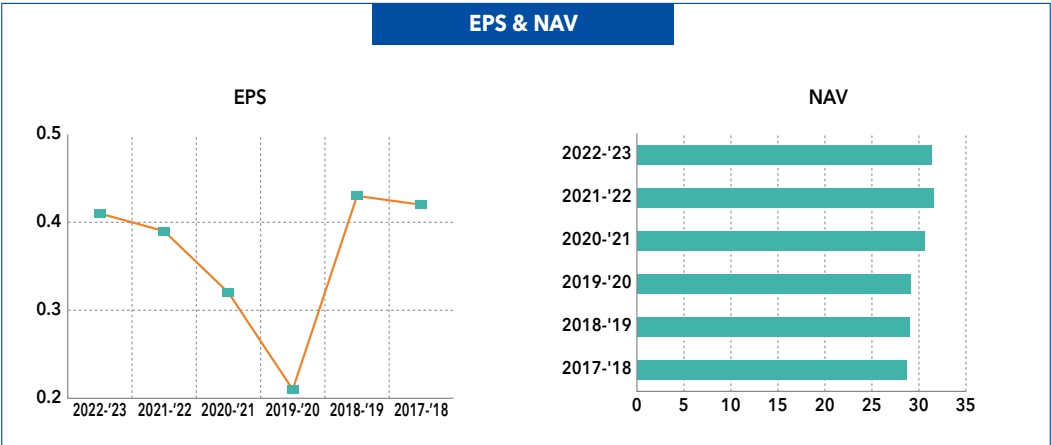
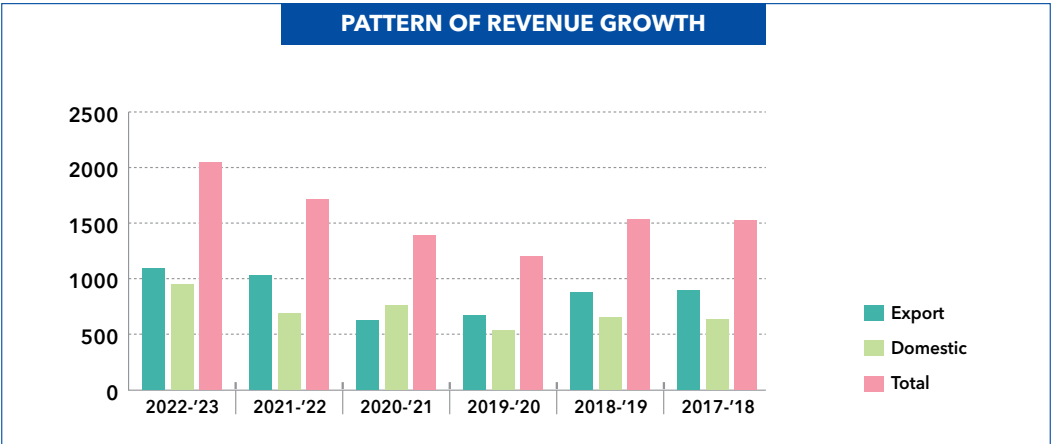
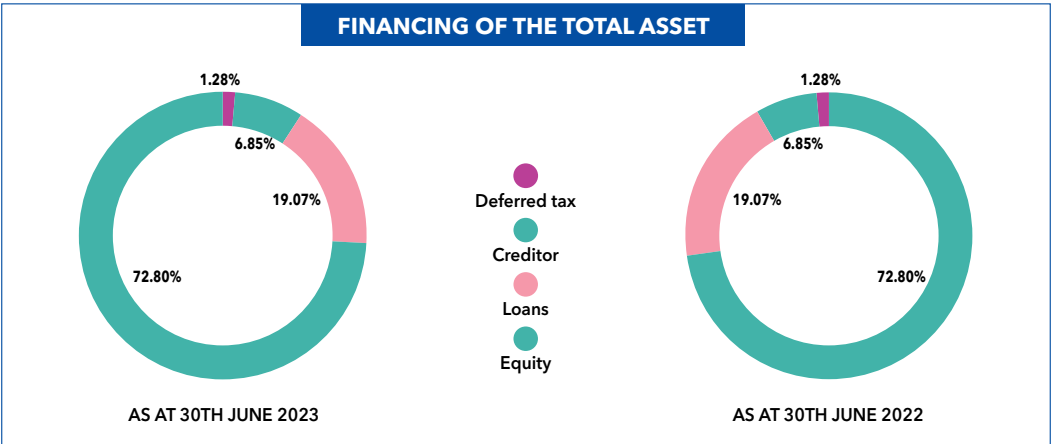
The Board of Directors have taken this opportunity to express our sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone with whom the company interacted in conducting its business. We are grateful to you, the shareholders, for extending at all times, your invaluable support and cooperation to bring the company to the level it has reached today.

On behalf of the Board of Directors

**A S F Rahman**  
Chairman

Dated: 19th October, 2023

# GRAPHICAL PRESENTATION







# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Operations

Shinepukur Ceramics Limited (SCL, the company) produces ceramics table wares for both export and domestic markets. Production capacity is primarily dependent on firing space of the kilns. Volume of production varies according to the customers' preference for shapes & the sizes of the wares. It is therefore difficult to quantify the production data of ceramic table wares as the number of pieces and the weight of the wares are different from order to order of the customers due to variation in shapes and sizes of the items in their orders. To depict the state of operations of the company during the year, following three (3) tables are presented below on porcelain & bone china production:

(i) Production of finished wares both in Pieces & weight

(ii) Shapes & Designs developed, and

(iii) Capacity Utilization:

### (i) Production of Finished wares

Particulars	Particulars	White Ware Production			DFW Production			Packed Ware		
		Porcelain	Bone China	Total	Porcelain	Bone China	Total	Porcelain	Bone China	Total
Quantities in million pieces	FY2022-'23	12.195	3.798	15.993	10.734	3.567	14.301	10.702	3.898	14.600
	FY2021-'22	11.829	3.479	15.308	11.303	3.423	14.726	10.752	3.117	13.869
	% increase/(Decrease) over last year	3.09%	9.17%	4.47%	-5.03%	4.21%	-2.89%	-0.47%	25.06%	5.27%
Weight in MT	FY2022-'23	4967	1193	6160	4464	1105	5569	4346	1204	5550
	FY2021-'22	4733	1131	5864	4637	1119	5756	4282	1076	5358
	% increase/(Decrease) over last year	4.94%	5.48%	5.05%	-3.73%	-1.25%	-3.25%	1.49%	11.90%	3.58%

White wares production of porcelain increased during the year but DFW production and packed porcelain table wares were decreased compared to last year due to increase in selling of items 'without decoration'. Also during the year factory gate's porcelain selling to individuals in pieces increased which are sold without packing. However, current year's Bone China production both in pieces & weight increased over the last year in all three forms.

## (ii) Shapes & Designs

Year	Shapes in number			Designs in number		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total
FY2022-'23	150	86	236	79	45	124
FY 2021-'22	88	213	291	50	31	81
FY 2020-'21	15	28	43	65	64	129
FY 2019-'20	10	10	20	906	1095	2001
FY 2018-'19	12	12	24	1720	2413	4133
FY 2017-'18	16	15	31	2373	1936	4309

Shapes & designs are developed according to the needs of the customers. During the year demand for new shapes particularly of bone china have substantially increased and therefore, the company had to recruit new modeler and invest for production of new moulds. However, compared to new shapes, demand for new designs were lesser in number which indicate that there are cultural shift in customers' choices and tastes to white wares.

## (iii) Capacity Utilization

*in million pieces*

Year	Porcelain			Bone China			Total Capacity			Ratio of actual production %	
	Capacity	Actual Production	%	Capacity	Actual Production	%	Capacity	Actual Production	%	Porcelain	Bone China
FY2022-'23	16.600	12.196	73.47%	5.400	3.798	70.33%	22.000	15.994	72.70%	76%	24%
FY2021-'22	16.600	11.829	71.26%	5.400	3.479	64.43%	22.000	15.308	69.58%	77%	23%
FY2020-'21	14.400	11.718	81.38%	5.400	3.246	60.11%	19.800	14.964	75.58%	78%	22%
FY2019-'20	14.400	10.524	73.08%	5.400	2.691	49.83%	19.800	13.215	66.74%	80%	20%
FY2018-'19	14.400	11.385	79.06%	5.400	4.170	77.22%	19.800	15.555	78.56%	73%	27%
FY2017-'18	14.400	12.350	85.76%	5.400	3.728	69.04%	19.800	16.078	81.20%	77%	23%

\* After erection of the shuttle kiln and completion of major maintenance works for an existing glost kiln.

Production of white wares has increased both in porcelain and bone china plant during the year. Therefore, the capacity utilization in porcelain plant has gone up to 73% from last year's 71%. During the year the production ratio of bone china has improved to 24% which was 23% last year indicates that demand for bone china wares were marginally higher during FY2022-'23.

## Impact of R-U war

While the world economies were on the path of recovery from the negative impacts of Covid 19, the R-U war came as a bolt from the blue which resulted abnormal increase in fuel, gas, food and fertilizer prices. Increase in gas & fuel prices in international spot markets forced the Bangladesh Government to slow down the purchase of LNG, which ultimately affected the generation &/ supply of electricity and LNG to the industries. Erratic gas pressure in national supply lines and increased duration & frequency of 'load shedding' affected the quantity & quality of our production which ultimately delayed the delivery of export orders as well as caused higher process loss and cost of production during the year.

## Up value Recycling

During the year 'recycling plant' was in operation in full scale which 'crushes' the broken or otherwise rejected/defective porcelain wares to reuse in the production process substituting imported materials. Thus this not only ensure the up-value recycling of the waste materials but also our commitment to keep our production process more clean and eco friendly by avoiding dumping of the rejected/defective wares.

## Use of estimates & judgments and Accounting policies

Financial Statements are prepared in conformity with IFRSs/IASs which require management to make estimates, judgments and assumptions. While the adopted accounting policies consistently use estimates and assumptions. The underlying estimates and assumptions are however subject to review on an ongoing basis as per IASs 8: accounting policies, changes in accounting estimates and errors. Use of estimates & judgments for preparing the Financial Statements have been disclosed in the notes 2.7 to the Audited Financial Statements for the year ended 30th June 2023. Similarly significant accounting policies for preparing the financial statements have been disclosed in notes 3 to Audited Financial Statements for the year ended 30th June 2023.

## Changes in Accounting Policies & Estimation

There is no change in the accounting policies and basis of estimation for preparation of financial statements during the year FY2022-'23 other than disclosed in the notes to the Audited Financial Statements.

## Additions to Property, Plant & Equipments (PPE)

*Taka in Million*

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-20
Building & other Construction	12.823	14.724	3.076	-
Plant & Machinery	4.750	46.654	16.614	0.9
Office Equipment	-	-	0.228	0.414
Furniture & Fixture	-	-	-	0.51
	<b>17.573</b>	<b>61.378</b>	<b>19.918</b>	<b>1.824</b>

During the year, boundary wall of the factory premises and a ware house to store separately the inflammable inventories were constructed for compliances to the fire & safety regulations and major overhauling works for a gas generator was carried out.

## Comparative Analysis of Financial Performance and Financial Position & Cash Flows

Current year's financial performance is compared with that of previous five years in attachment "A".

Similarly Current year's Financial position and Cash flows are compared with those of preceding five years in the attachment "B".

## Vertical & Horizontal Analysis of financial Result

A summarized vertical & Horizontal analysis of Revenue, Cost and Expenses & Financial Result for the FY2022-'23 and FY2021-'22 are tabulated below;

*Taka in Million*

Particulars	FY 2022-'23			FY 2021-'22		
	Amount	Vertical %	Horizontal%	Amount	Vertical %	Horizontal%
Revenue including Other Income	2067.344	100.00%	19.29%	1733.019	100.00%	23.67%
Materials including Packing Material	868.567	42.01%	23.27%	704.591	40.66%	33.44%
Depreciation	114.132	5.52%	-3.62%	118.424	6.83%	-2.08%
Employee Cost	516.272	24.97%	7.32%	481.051	27.76%	18.15%
Power, Fuel, Gas, Electricity, Utility	229.015	11.08%	104.87%	111.788	6.45%	10.77%
Consumable Store, Spares, Repair & Maintenance	60.859	2.94%	9.39%	55.637	3.21%	6.70%
Product Development & Promotion	12.279	0.59%	44.34%	8.507	0.49%	0.00%
Over Heads	79.942	3.87%	11.73%	71.549	4.13%	25.81%
Finance Cost	67.791	3.28%	-10.98%	76.155	4.39%	-3.40%
WPPF	5.642	0.27%	12.52%	5.014	0.29%	0.00%
Income Tax Expense net	53.151	2.57%	25.58%	42.323	2.44%	415.00%
Net Profit After Tax	59.694	2.89%	2.96%	57.980	3.35%	25.01%

Materials cost (including packing material) are mostly imported. Materials cost went up due to devaluation of Taka. Energy cost on account of Power, Fuel, Gas, electricity, lubricants, etc has increased due to enhancement of tariff rates by the Govt. Product Development & Promotion Expenses increased due to payment of BSTI fees. All other cost and expenses, compared to the respective year's revenue, were lesser than the previous year.

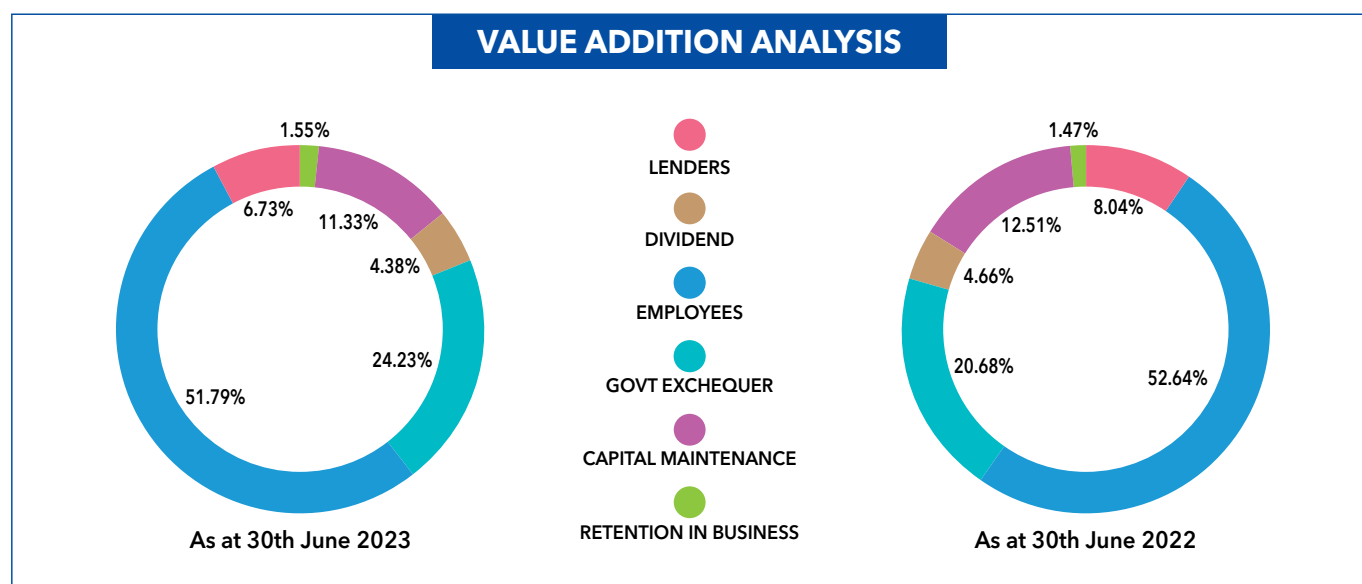


## Economic Value addition analysis & Distribution

Value added statement for the FY 2022-'23, with comparatives of previous three years are attached in Attachment-C. During the year the company added net value Taka 1007.744 million (Taka 934.479 million in FY 2021-'22) to the national economy which was utilized as follows:

Distribution	FY 2022-'23		FY2021-'22		FY2020-2021		FY2019-2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Employees	521.914	51.79	486.065	52.02	428.854	51.14	400.959	51.14
Lenders	67.79	6.73	76.155	8.15	78.838	9.40	81.193	10.36
Govt. Exchequer	244.214	24.23	195.825	20.96	163.636	19.51	145.052	18.50
Capital Maintenance	114.132	11.33	118.424	12.67	120.934	14.42	125.226	15.97
Capital Providers	44.09	4.38	44.09	4.72	36.742	4.38	29.393	3.75
Retention in Business	15.604	1.55	13.89	1.49	9.637	1.15	2.2	0.28
Net Economic Value addition (NEVA)	1007.744	100.00	934.449	100.00	838.641	100.00	784.023	100.00
Gross Economic value addition (GEVA)	2217.663		1846.479		1531.32		1352.492	
NEVA as a % of GEVA	45.44%		50.61%		54.77%		57.97%	

During the year GEVA increased at the rate of 20.10% over previous year. However, ratio of NEVA to GEVA decreased to 45.44% during FY2022-'23 from previous year's 50.61% due to higher material and energy cost.



## Comparison with the peer industry

There are mainly four sub sectors in ceramic industry, namely, (i) Ceramic Table wares, (ii) Ceramic Tiles, (iii) Ceramic Sanitary Wares, and (iv) Miscellaneous - Ceramic Bricks, Fittings, ball, knives etc. Ceramic table wares are not comparable with other ceramic products. There are 21 (twenty one) manufacturer of table wares in Bangladesh including Shinepukur Ceramics Ltd. ten (10) of them produced both for export & Domestic markets. Two (2) of them have more production capacity than ours. Of them only one is a listed company which produces both Bone China & Porcelain ceramic table wares. Its production capacity is higher (1.5 time more) than ours, but our company is listed with a higher paid up capital base (4.0 times more than the other listed company). Consequently, our EPS in Taka remains significantly lower than the other listed company. Data relating to other (18) ceramics table wares manufacturers are not publicly available. Therefore, comparing of Shinepukur Ceramic Limited's data with peer industry is difficult. However, a general comparison of important ratios is tabulated below:

Particulars	Current Year (2022-'23)	Preceding 5 Years Average	Ceramic Industry	Standard
GP Ratio in percentage	16.80%	18.62%	18.30%	±25%
EBITDA as a percentage of Revenue	14.25%	19.42%	35.16%	± 25%
OP Ratio in percentage	9.01%	11.63%	9.45%	20%
NP Ratio in percentage	2.89%	3.46%	1.49%	15%
Quick Asset Ratio	0.07:1	0.12:1	0.22:1	1:01
Current Asset Ratio	0.92:1	0.74:1	1.33:1	2:01
Debt Equity Ratio	0.35:1	0.48:1	0.48:1	1:01
Total Liability to Total Asset Ratio	0.26:1	0.32:1	0.33:1	0.5:1
ROCE in percentage	0.96%	0.80%	0.57%	5%
EPS in Taka	0.41	0.35	0.5	2
Debt. Servicing Coverage Ratio	0.84:1	0.88:1	0.94:1	2:01
Total asset to total revenue (Investment to output ratio)	3:1	4.35:1	5.26:1	2:1
Total Equity to Total Revenue (Capital to output ratio)	2.22:1	2.94:1	3.57:1	1:1

\*Ceramic industry information is based on FY2020-'21, updated information not available.

## Global Financial & economic scenarios and demand for Ceramic Table wares

Financial meltdown in USA in 2008, subsequent USA - China trade related disputes & covid-19 and recent R-U war have worsened the global business environments over the years. These sequential events caused contraction in economies resulting loss in employment & income of the people and lowered the consumer demand substantially. It may be noted that table wares are durable house hold product and are used by families of high income level. Deficit financing for populist spending by the Governments around the world during the pandemic and subsequent R-U war fuelled up the food prices & energy cost resulting escalation in prices of commodities and inflation in economies. To mitigate the inflationary pressure, all economies have increased the interest rate but interest rate hike in USA made the dollar stronger, pushing down the value of other currencies including UK pound sterling, EURO and BDT. High inflation erodes the purchasing power of the consumers and pulls down the demand of the products. On the other hand, BDT devaluation and higher spread between buying & selling rates of foreign currencies increased the landed cost of imported materials. As a result, competition has become stiffer in USA, UK & EU countries for Bangladeshi made table wares. China, India, Thailand and Vietnam are raw materials rich country for table wares manufacturing. Their labor cost although is in rising trend, still lower compared to Bangladesh considering their productivity. Besides, some of these countries enjoy tariffs advantage over Bangladesh particularly in USA market. Therefore, export of table wares from Bangladesh in the coming years, where gas & electricity supplies have become erratic, energy prices & wages have meanwhile gone up substantially, will be more challenging in coming days. If the advanced economies turned to recession, the impact of the same will be more severe on the export of ceramic tablewares. Also if they withdraw the preferential benefits to Bangladesh (e.g. GSP by EU) or impose any harsh measure (for labor and other issues) it may bring the export further down.

## Risks and concerns relating to financial statement & explaining such risks mitigation plan

Unit price of sales, both in export and domestic market, is under pressure because of declining demand and fierce competition amongst the manufacturers of ceramic table wares from home and abroad. Moreover, increasing materials, fuel & wages cost and devaluation of Taka increased the landed cost of imported material. Although currency devaluation will have positive impact on

export earnings in BDT, but this advantage is getting squeezed because of the spread of buying & selling rates of foreign currencies in Bangladesh has increased. Also declining demand in advanced countries due to contraction in economies and comparatively higher devaluation of currencies of competing countries have put us in disadvantageous situation for increasing our export sales. We therefore, are striving hard to control our production cost to remain competitive.

SCL's Quick - Asset and Current - Asset ratios are lower than standard which indicates the company is under liquidity constraints. The management of the company is focusing on to increase overall revenue and improve the terms of sales and purchases in its favor to come out of the liquidity constraints.

## Environment Related Initiative

SCL is a eco friendly company. Open space of our factory premises is covered by gardening and plantation. No effluent or residual is being discharged to open environment by & through our operational activities. Getting certification from Department of Environment under ministry of Environment & Forest, People's Republic of Bangladesh each year is a testimony in this regard. Moreover, SCL operating policies encourage recycling of heat & used water. SCL also invested in waste recycling plant to protect the environment from dumping of broken, rejected & defective wares. SCL's all these endeavors are for its commitments to care and protect the mother Planet, the people and the society where it operates.

## Corporate Social Responsibilities (CSR)

As a part of our social obligation we donated Coffee Mugs to Center to the Rehabilitation of the Paralyzed (CRP), Savar, Dhaka. Also, we sponsored news supplements on the occasion of the national and international important events. We joined with BUET to support a research team on advanced studies on Ceramics and allowed them to use our lab and equipments for the research works.

## Integrated Reporting & six Capitals

As reported herein before, SCL's Governance structure and operating procedures and policies are intertwined and aligned with integrated reporting framework and ESG strategies, so that its activities and reporting are complete, independent, unbiased and the reported information are future oriented to ensure that it's value creation processes keep focus to the needs of the society and environment amidst which it operates.

While using the resources at Shinepukur Ceramics Limited we interact and process the inputs in such a manner that we create value to anyone or more or all of the 'six capitals'. At the end, the values are either enhanced or may remain as it is. The state of six capitals as on 30th June 2023 were as tabulated below:

SL	Types of Capital	Period Beginning Status	Period Ending Status	Remarks
1	Financial Capital	Taka 4633.221 million	Taka 4610.163 million	Decreased due to recognition fair value loss in investment in shares
2	Manufacturing Capital	Taka 7405.612 million	Taka 7423.185 million	Increased due to additions to PPE
3	Intellectual Capital	Cumulative number of shapes & décor designs	Cumulative number of shapes & décor designs	Increased
4	Human Capital	Key operating & technical personnel	Key operating & technical personnel	Unchanged
5	Social & Relation Capital	Employee Welfare & CSR activities	Employee Welfare & CSR activities	Enhanced
6	Natural Capital	Did not produced any smog or dump wastages polluting the premises & surroundings;	Did not produced any smog or dump wastages polluting the premises & surroundings;	Unimpaired
		lessening the use of ground water by using the stored rain water & reusing the hand washed & bathing water for gardening	lessening the use of ground water by using the stored rain water & reusing the hand washed & bathing water for gardening	Continued



## Tax Status

### (i) Effective Tax Rate

There are laws for minimum tax payable. Hence, provision for income tax expenses has been made base on the minimum tax payable by the company under section 163 of Income tax Act 2023. Since minimum tax payable is expected to higher than tax payable under regular assessment, there is no scope for adjustment for the 'temporary differences' between accounting and tax depreciation during the year. And therefore, no provision for deferred tax expense/(income) was made for FY 2022-'23. As a listed company SCL's applicable income tax rate is 12.00% on income from export sales and maximum 22.50% on income from domestic sales and other income. But because of the Laws for minimum tax and discretionary disallowances made by the tax authority, the effective tax rate of the company is becoming higher, which is apparent from the table below:

*Taka in million*

Year	Net Profit before tax (Audited)	Assessed tax liability as per IT 15 Liability as per Assessment Orders/provisions		Effective Tax Rate	Remarks
		Assesed Tax as per IT 15	TDS		
FY2022-'23	112.845	53.151	53.151	47.10%	Return to be submitted in January 2024
FY2021-'22	100.302	42.323	42.323	42.20%	Assessment has not yet been completed
FY2020-'21	54.597	32.212	32.098	59.00%	Apeal before IT tribunal pending
FY2019-'20	11.296	8.95	30.008	79.23%	Finalized at IT Tribunal

\*provision

### (ii) Refundable Tax as per IT15

Despite our appeals, excess TDS (at import stage on raw material @5%, on export sales @1.0% and on domestic sales to different institutions @3% to @7% on the invoice value) are not refunded even after finalization of the assessment (i.e, after the order of the income tax tribunal) and therefore working capital of the company is remained blocked/stuck over years. At the end of 30th June 2021 excess Income Tax paid which are refundable/adjustable was Taka 76.046 million up-to FY2019-'20 (Assessment Year AY2020-'21), details are as follows:

*Taka in million*

Financial Year (FY)	Assessment Year (AY)	Refundable Amount as per IT15 over assessed tax liabilities
FY2019-'20	AY2020-'21	17.162
FY2018-'19	AY2019-'20	25.967
FY2017-'18	AY2018-'19	-
FY2016-'17	AY2017-'18	8.574
2016 (JAN - JUN 2016)	AY2016-'17 (6 month)	5.856
2015 (12 month)	AY2016-'17 (12 month)	16.386
2014 and prior years	AY2015-'16 and prior years	2.101
<b>Total</b>		<b>76.046</b>

## Future Plan or projection

Entry of a new porcelain wares manufacturer with larger production capacity to share the slice of the declining market has put the existing operators in a challenging situation. The competition obviously will be more intense and fierce in coming years. Amid such apprehension and also considering the current global economic situation, the company does not have any plan for investing for expansion of its capacity. However, company will continue in investing for up-keeping and renovation works and where ever necessary will add new kiln and other machinery for replacing the aged kilns and machinery and to keep the existing capacity intact and to ensure the productivity of the kilns and machinery at optimum level.

## Conclusion

The management is sincerely working for improving the financial performance of the company amidst stiff competition and the unfavorable market and economic conditions. However, the journey is not easy. We have a number of challenges & difficulties ahead including no/low gas pressure in the supply line, depleting foreign currency reserves resulting dollar crisis and continuing devaluation of Taka and double edged inflationary pressure pushing the cost of production up as well as causing erosion in the purchasing power & demand down. However, we are hopeful that we can sail through the 'challenge from the competitors' from home and abroad and 'difficulties' from economic 'slowdown'. We will rely on our creativity and ability to adapt to trying circumstances utilizing: (i) our stronger footprints in export market with tested relations with the customers, (ii) our strength of diversified designs & shapes and (iii) our loyal, experienced and skilled workforces.



**Mohammed Humayun Kabir FCA**  
Chief Executive officer (CEO)

Date: 19th October, 2023

## Comparative Analysis of Financial Performance or Result of current years with preceding 5 years

Taka in million

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Overall Revenue	2058.998	1722.741	1399.313	1209.425	1540.914	1531.282
Inc/(dec) over previous year in %	19.52%	23.11%	15.70%	-21.51%	0.63%	6.33%
Export Sales	1097.598	1030.823	629.112	671.512	877.512	893.342
Inc/(dec) over previous year in %	6.48%	63.85%	-6.31%	-23.48%	-1.77%	-0.36%
% of total revenue	53.09%	59.48%	44.89%	55.46%	56.88%	57.85%
Domestic Sales	948.878	684.232	764.447	533.564	655.609	635.301
Inc/(dec) over previous year in %	38.68%	-10.49%	43.27%	-18.62%	3.20%	17.38%
% of total revenue	45.90%	39.48%	54.55%	44.06%	42.49%	41.14%
Income from Scrap Sale	12.522	7.686	5.754	4.349	7.793	2.639
Inc/(dec) over previous year in %	62.92%	33.58%	32.31%	-44.19%	195.30%	16.82%
% of total revenue	0.61%	0.44%	0.41%	0.36%	0.51%	0.17%
Other Income	8.346	10.278	2.017	1.469	1.939	13.053
Inc/(dec) over previous year in %	-18.80%	409.57%	37.30%	-24.24%	-85.15%	-24.35%
% of total revenue	0.40%	0.59%	0.14%	0.12%	0.13%	0.85%
Cost of Goods Sold (COGS)	1753.08	1433.402	1166.434	1019.218	1192.696	1182.347
Inc/(dec) over previous year in %	22.30%	22.89%	14.44%	-14.55%	0.88%	6.34%
% of total revenue	85.14%	83.20%	83.36%	84.17%	77.30%	76.56%
Gross Profit (without O.I)	305.919	289.339	227.125	185.859	340.424	346.286
Inc/(dec) over previous year in %	5.73%	27.39%	22.20%	-45.40%	-1.69%	6.21%
% of total revenue	14.86%	16.80%	16.23%	15.37%	22.09%	22.61%
Depreciation - Manufacturing	113.187	117.244	119.42	123.391	123.668	84.701
Inc/(dec) over previous year in %	-3.46%	-1.82%	-3.22%	-0.22%	46.01%	-6.10%
% of total revenue	5.47%	6.77%	8.52%	10.19%	8.02%	5.48%
Gross Profit (Including Manufacturing Depreciation)	419.106	406.583	346.545	309.25	464.092	430.987
Inc/(dec) over previous year in %	3.08%	17.32%	12.06%	-33.36%	7.68%	3.55%
% of total revenue	20.27%	23.46%	24.73%	25.54%	30.08%	27.91%
Total Depreciation (Manu+Admin)	114.132	118.424	120.934	125.226	127.409	92.066
Inc/(dec) over previous year in %	-3.62%	-2.08%	-3.43%	-1.71%	38.39%	-6.26%
% of total revenue	5.52%	6.83%	8.63%	10.34%	8.26%	5.96%
Operating Expense	127.987	118.145	98.732	98.621	119.126	123.095
Inc/(dec) over previous year in %	8.33%	19.66%	0.11%	-17.21%	-3.22%	3.02%
% of total revenue	-6.22%	-6.86%	-7.06%	-8.15%	-7.73%	-8.04%
Operating Profit	186.277	181.472	136.164	93.055	231.03	236.254
Inc/(dec) over previous year in %	2.65%	33.27%	46.33%	-59.72%	-2.21%	5.57%
% of total revenue	9.01%	10.47%	9.72%	7.68%	14.97%	15.30%
Finace Cost	67.790	76.155	78.838	81.194	133.928	150.779
Inc/(dec) over previous year in %	-10.98%	-3.40%	-2.90%	-39.37%	-11.18%	-24.65%
% of total revenue	-5.60%	-6.29%	-6.51%	-6.71%	-8.68%	-9.76%
Profit Before WPPF	118.487	105.318	57.326	11.861	97.101	85.475
Inc/(dec) over previous year in %	12.50%	83.72%	383.32%	-87.78%	13.60%	260.94%
% of total revenue	6.84%	6.08%	4.09%	0.98%	6.29%	5.53%
Net Profit/(loss) before Tax	112.845	100.302	54.596	11.296	92.477	81.404
Inc/(dec) over previous year in %	12.51%	83.72%	383.32%	-87.79%	13.60%	260.95%
% of total revenue	6.51%	5.79%	3.90%	0.93%	5.99%	5.27%
Taxation	-53.151	-42.323	-8.218	20.296	-29.766	-19.856
% of total revenue	-3.07%	-2.44%	-0.59%	1.68%	-1.93%	-1.29%
Net profit/(loss) after tax	59.694	57.980	46.379	31.593	62.712	61.548
Inc/(dec) over previous year in %	2.96%	25.01%	46.80%	-49.62%	1.89%	642.17%
% of total revenue	2.89%	3.35%	3.31%	2.61%	4.06%	3.99%
EBIDTA	14.25%	17.02%	18.15%	17.98%	22.93%	21.00%
Fair Value Loss or Gain on Investment for the year	-38.661	109.722	210.077	-24.321	-10.031	-15.352
Comprehensive Income	21.033	167.702	256.456	7.272	52.681	46.196



## Attachment - B

### Comparative Analysis of Financial Position of Current Years with preceding 5 years

*Taka in million*

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Non Current Asset	5021.556	5156.776	5289.145	5180.084	5327.807	5451.431
Current Asset	1194.222	1207.688	1267.872	1236.014	1295.154	1012.706
Total Asset	6215.778	6364.464	6557.017	6416.098	6622.961	6464.137
Equity	4610.163	4633.221	4502.261	4275.198	4267.927	4215.246
Non Current Liability	312.037	373.607	378.691	506.158	526.777	578.613
Current Liability	1293.278	1357.637	1676.065	1634.742	1828.258	1722.306
Total Liability	1605.315	1731.244	2054.756	2140.9	2355.035	2300.919
Quick Ratio	0.08:1	0.10:1	0.13:1	0.12:1	0.16:1	0.13:1
Current Asset Ratio	0.92:1	0.86:1	0.76:1	0.76:1	0.71:1	0.59:1
Debt. Equity Ratio	0.35:1	0.37:1	0.46:1	0.50:1	0.55:1	0.53:1
Total Asset to Total Liability	3.87:1	3.68:1	3.19:1	3.00:1	2.81:1	2.87:1
Net Asset Value per Share	31.37	31.53	30.63	29.09	29.04	28.68

### Comparative Analysis of Cash Flows of Current Years with preceding 5 years

*Taka in million*

Particulars	FY2022-'23	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18
Net Cash generated from operating activities	238.975	146.978	15.235	135.899	60.182	40.573
Cash flow used for investing activities	17.573	61.378	19.918	1.824	13.817	8.536
Increased /decreased in cash & cash equivalent	1.219	-2.683	18.647	-17.705	14.754	-7.911
Net operating cash flows per share	1.63	1.00	0.10	0.92	0.41	0.28

## Statement of Value Addition &amp; Utilization

Taka in million

Particulars	FY2022-23		FY2021-2022		FY2020-'21		FY2019-'20		FY2018-'19	
Total Revenue including Other Income	2067.344		1733.019		1401.329		1210.894		1542.854	
Total VAT Paid	150.319		113.46		114.673		91.294		109.172	
Advance Income Tax paid excess of provision for current year					15.318		50.304			
Excess AIT over current year's provisions					11.987		22.672			
Excess Tax provisions for prior years write					3.331		27.632			
<b>Gross Economic Value Addition (GEVA)</b>	<b>2217.663</b>		<b>1846.479</b>		<b>1531.32</b>		<b>1352.492</b>		<b>1652.026</b>	
Increase/(Decrease) over previous Year	20.10%		20.58%		13.22%		-18.13%		-0.08%	
Material , Paking Handling & carrying	868.567		704.59		528.016		402.374		542.963	
Import Duty Paid	40.744		40.042		25.428		23.436		27.227	
Material cost less import duty	827.823		664.548		502.588		378.938		515.736	
Store & Spares	60.859		55.637		52.142		45.469		60.999	
Overheads	92.222		80.057		53.557		69.442		51.741	
Power, Fuel, Gas, Electricity	229.015		111.788		101.152		106.314		129.624	
Adjustment for uncredited TDS of prior years							-0.314		-35.675	
<b>Goods and services used</b>	<b>1209.919</b>		<b>912.03</b>		<b>709.439</b>		<b>599.849</b>		<b>722.425</b>	
Net Economic Value Addition (NEVA)	1007.744	100%	934.449	100%	821.881	100%	752.643	100%	929.601	100%
NEVA as a % of GEVA	45.44%		50.61%		53.67%		55.65%		56.27%	
Employees	521.914	51.79%	486.065	52.02%	412.094	50.14%	359.579	47.78%	439.386	47.27%
Lenders	67.79	6.73%	76.155	8.15%	78.838	9.59%	81.193	10.79%	133.929	14.41%
Govt Exchequer (Duty, VAT & Tax)	244.214	24.23%	195.825	20.96%	163.636	19.91%	155.052	20.60%	166.165	17.87%
Capital Maintance (Depreciation)	114.132	11.33%	118.424	12.67%	120.934	14.71%	125.226	16.64%	127.409	13.71%
<b>Dividend</b>	<b>44.09</b>	<b>4.38%</b>	<b>44.09</b>	<b>4.72%</b>	<b>36.742</b>	<b>4.47%</b>	<b>29.393</b>	<b>3.91%</b>		<b>0.00%</b>
<b>Retention in Business</b>	<b>15.604</b>	<b>1.55%</b>	<b>13.89</b>	<b>1.49%</b>	<b>9.637</b>	<b>1.17%</b>	<b>2.200</b>	<b>0.29%</b>	<b>62.712</b>	<b>6.75%</b>
<b>Value Addition Used</b>	<b>1007.744</b>		<b>934.449</b>		<b>821.881</b>		<b>752.643</b>		<b>929.601</b>	

# REPORT OF THE CEO & THE CFO

Date: 19th October, 2023

**The Board of Directors**  
**SHINEPUKUR CERAMICS LIMITED**

**Subject: Declaration on Financial Statements for the year ended on 30th June 2023.**

Dear Sir,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3rd June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Shinepukur Ceramics Limited for the year ended on 30th June 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and adjustments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30th June 2023 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**Mohammed Humayun Kabir, FCA**  
Chief Executive Officer



**Jesmin Ara Mitu**  
Head of Finance & Accounts

# CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT

## Annexure - C

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRC/2006-158/ 207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

### (Report under Condition No. 7.00)

Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS:			
1 (1)	Board's Size [number of Board members to be 5 - 20]	√		
1 (2)	Independent Directors			
1(2)(a)	Independent Director(s) (at least one fifth of total number of directors shall be Independent Director)	√		
1(2)(b)	Independent Director (ID)			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent(1%) shares of the total paid up shares of the company	√		
1(2)(b)(ii)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship , whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;			
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of the Code	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter In payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the AGM.	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1(2)(e)	The tenure of office on an independent director shall be for a period of 3(three) years, which may be extended for 1 tenure only.	√		
1.3	Qualification of Independent Director			



Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
1(3)(a)	Independent director shall be a knowledgeable Individual with Integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or member of any national or international chamber of commerce or business association	N/A		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company.	N/A		
1(3)(b)(iii)	Former official of Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law	N/A		
1(3)(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law	N/A		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or Equivalent qualification	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the commission	N/A		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director(MD) and/or Chief Executive Officer(CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
1(5)	The directors' Report to Shareholders			
1(5)(i)	industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns Including internal and external risk factors, threat to sustainability and negative impact on environment	√		
1(5)(iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss)	√		
1(5)(vi)	Detail discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		

Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
1(5)(vii)	Statement of utilization of proceeds raised through public issues, rights issues, and/or any other instruments	N/A		No public, right issue during the year
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc	N/A		No public, right issue during the year
1(5)(ix)	Explanation on any significant variance that occurs between quarterly Financial performances and Annual Financial Statements	√		
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		
1(5)(xi)	Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	Statement that proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	Statement that appropriate accounting policies have been consistently applied In preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5) (xiv)	Statement that IAS or IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1(5)(xv)	Statement that the system in internal control is sound in design and has been effectively Implemented and monitored	√		
1(5)(xvi)	Statement that minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1(5)(xvii)	Statement that there is no significant doubt upon the issuer company's ability to continue a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1(5)(xviii)	Explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1(5)(xix)	Statement where key operating and financial data of at least preceding 5 years shall be summarized	√		
1(5)(xx)	Explanation on the reasons if the issuer company has not declared dividend (Cash or stock) for the year	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as Interim dividend	N/A		
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director	√		
1(5)(xxiii)	Report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by	√		
1(5)(xxiii)(a)	Parent or subsidiary or associated companies and other related parties	√		
1(5)(xxiii)(b)	Directors, COE, Company Secretary, CFO, Head of Internal Audit and Compliance and their spouses and minor children	√		
1(5)(xxiii)(c)	Executives,	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	√		
1(5)(xxiv)	in case of appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	Brief resume of the director	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas	√		
1(5)(xxiv)(c)	names of company in which the person also holds the directorship and the membership of committees of the Board	√		

Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
1(5)(xxv)	Management's discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, If any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5 (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e, actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure - A	√		
1(5)(xxvii)	the report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per	√		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, Other Board members and CEO			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee at condition No.6, for the Chairperson of the Board, other board members and CEO of the company	√		
1(7)(b)	The Code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws; rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers and independency,	√		
2	Governance of Board of Directors of Subsidiary Company			There is no subsidiary company
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	N/A		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company.	N/A		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	N/A		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	N/A		
3	MD or CEO, CFO, Head of Internal Audit & Compliance and Company Secretary			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and a Head of Internal Audit and Compliance	√		

Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
3(1)(b)	The position of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, HIAC and CS.	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3(2)	Requirement to attend Board of Directors' Meetings			
3(3)	Duties of MD or CEO and CFO			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an audit committee as a subcommittee of the Board	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The audit committee shall be responsible to the Board; the duties of the audit committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director.	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10(ten) years of such experience	√		
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3(three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1(one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√		No such incident was occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	√		No such incident was occurred



Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM)	√		
5 (4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Monitor internal audit and compliance process to ensure that it is adequately resourced, including approval of the internal audit and compliance, plan and review of the internal audit and compliance report	√		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of all related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The audit committee shall report on its activities to the Board	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings if any:			
5(6)(a)(ii)(a)	Report on conflicts of interests	N/A		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	N/A		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	N/A		

Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
5(6)(a)(iii)(d)	Any other matter which the audit committee deems necessary shall be disclosed to the Board immediately	√		
5(6)(b)	Reporting to the Authorities: If the audit committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee find that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of six months from the date of first reporting to the Board, whichever is earlier.	N/A		No such matter arisen during the year
5(7)	Reporting to the Shareholders and General investors: report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a subcommittee of the Board	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		
6(1)(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director	√		
6(2)(b)	All members of the Committee shall be non-executive directors	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	√		
6(2)(e)	In case of death, resignation, disqualification or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.	√		No such incident was occurred
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staffs shall be required or valuable for the Committee	√		No such incident was occurred
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		No such incident was occurred
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial Year	√		

Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		No such incident was occurred
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board	√		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7(1)(i)	appraisal or valuation services or fairness opinions	√		
7(1)(ii)	financial information systems design and implementation	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	broker-dealer services	√		
7(1)(v)	actuarial services	√		
7(1)(vi)	internal audit services or special audit services	√		
7(1)(vii)	any service that the Audit Committee determines	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	any other service that creates conflict of interest	√		

Condition No.	Title	Compliance Status ("√") in appropriate column		Remarks (If any)
		Complied	Not Complied	
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		
8(2)	The company shall keep the website functional from the date of Listing	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		



# REPORT OF THE AUDIT COMMITTEE

for the year ended on 30th June 2023

## Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2023.

The Audit Committee Report presented under condition No.5 of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code provides an insight on the functions of the Audit Committee for the year ended on 30th June 2023.

### Composition of the Audit Committee:

The Audit Committee of Shinepukur Ceramics Limited, a prime Board sub-committee, assists the Board in discharging its governance responsibilities. The Board has formed the Audit Committee, required under Codes of Corporate Governance of BSEC with some specific assignments under its Terms of Reference. The existing Audit Committee of the Company is as follows:

- **Barrister Faheemul Huq**  
Independent Director  
Chairman of the Audit Committee
- **Mr. Iqbal Ahmed**  
Non-Executive Director  
Member
- **Mr. O. K. Chowdhury, FCA**  
Non-Executive Director  
Member
- **Mr. Mohammad Asad Ullah, FCS**  
Company Secretary  
Secretary of the Audit Committee

The Audit Committee is appointed by the main Board and all the Members are Non-Executive Directors and the Chairman is an Independent Director.

As required, all Members of the Audit Committee are 'financially literate' and are able to analysis and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee.

### Role of Audit Committee:

The Audit Committee performs in coherence and consistency and ensures compliance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review when appropriate, make recommendations to the main Board on business risk, internal controls and compliance and audit. The committee satisfies itself, by means of suitable steps and

appropriate information, that proper and satisfactory internal control system are in place to identify and contain business risk and that the Company's business is conducted in a proper and economically sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

The role of the Audit Committee includes the following:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- Oversee hiring and performance of external Auditors.
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- Review statement of all related party transactions submitted by the management;
- Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. framed/issued by the regulatory authorities have been complied with.
- Other matters as per Terms of Reference (ToR) of the Audit Committee and also as directed by the Board, from time to time.

## Authority:

In terms of Corporate Governance Code issued by BSEC, the Audit Committee is authorized by the Board to review any activity within the business as per its Terms of Reference (ToR). It is authorized to seek any information it requires from, and requires the attendance at any of its meeting of any Director or Member of Management, and all employees are expected to co-operate with any request made by the Committee.

The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The ToR of the Audit Committee may be amended from time to time as required for the business in line with BSEC Notifications, subject to approval by the Board of the Company.

## Responsibilities and Duties:

The responsibilities and duties of the Audit Committee are:

### Financial Reporting

- To review the quarterly and annual financial statements of the Company, focusing particularly on :
- Any significant changes to accounting policies and practices;
- Significant adjustments arising from the audits;
- Compliance with applicable financial reporting standards and other legal and regulatory requirements, and
- The going concern assumption.

### Related Party Transactions

- To review any related party transactions and conflict of interest situations that may arise within the Company, including any transaction, procedure or course of conduct that may arise questions of management integrity.

### Audit Committee Reports

- To prepare the annual Audit Committee Report and submit it to the Board which includes: the composition of the Audit Committee, its terms of reference, number of meetings held and attendance thereat, a summary of its activities and the performance of internal audit services for inclusion in the Annual Report, and to review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.

### Internal Control

- To consider annually the risk management framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Company to minimize losses and maximize opportunities;
- To ensure that the system of internal control is thoroughly conceived and in place, effectively administered and regularly monitored;
- To review the extent of compliance with established internal policies, standards, plans and procedures, including, for example, the Company's Standards of Business Conduct;
- To obtain assurance that proper plans for control has been developed prior to the commencement of major areas of change within the Company; and

- To recommend to the Board about steps needed to improve the system of internal control derived from the findings of the internal and external auditors, and from the consultations of the Audit Committee itself.

### Internal Audit

- To be satisfied that the plan, methodology and resource for internal auditing are communicated down through the Company. Specifically:
- To review the internal audit plans and to be satisfied as to their consistency with the risk management framework used and adequacy of coverage;
- To be satisfied that Internal Audit has the competency and qualifications to complete its mandates and approved audit plans.
- To review status reports from internal audit and ensure that appropriate actions have been taken to implement the audit recommendations;
- To recommend any broader review deemed necessary as a consequence of the issues or concerns identified;
- To ensure that internal audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its activities; and
- To request and review any special audit which it deems necessary.

### External Audit

- To review the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review with the external auditor, the Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- To review any matter concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditor;
- To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised; and
- To review the external auditor's findings arising from audits, particularly and comments and responses in management letters, as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

### Other Matters

- To act on any other matters as may be directed by the Board, from time to time.

## Reporting of the Audit Committee:

### Reporting to the Board of Directors

The Audit Committee reports on its activities to the Board of Directors. The Audit Committee immediately reports to the Board of Directors on the following findings, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter which the Audit Committee deems necessary shall be disclosed to the board immediately.

The Audit Committee further ensures that, in compliance with condition No.5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission dated 3 June 2018 the Chief Executive Officer(CEO) and Chief Financial Officer(CFO) of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 30th June 2023, and they state that:

- (i) They have reviewed the financial statements for the year ended on 30th June, 2023 and that to the best of their knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of their knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct of the Company's Board of Directors or its Members.

Such joint Certificate of the CEO and CFO is thoroughly reviewed by the Audit Committee before submission to the Board.

### Reporting to the Authorities

The Audit Committee reports to the Board of Directors about anything which has a material impact on the financial condition and results of operation. The Committee also discusses with the Board of Directors and the management if any rectification is necessary. If the Audit Committee finds that such rectification has been unreasonably ignored, the Committee reports such findings to the Bangladesh Securities and Exchange Commission upon reporting of such matters to the Board of Directors for three times or completion of a period of six months from the date of first reporting to the Board of Directors, whichever is earlier.

### Reporting to the Shareholders and General Investors:

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition No.5(6)(a)(i) of the BSEC's Corporate Governance Code mentioned above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

### Meeting Attendance

The Audit Committee met four times during the year ended on 30 June 2023. All the Members were present in all meetings of the Committee.

The Managing Director, Chief Financial Officer, Head of Internal Audit and Compliance of the Company and representatives of the external Auditors had attended the meetings upon invitation by the Audit Committee. From time to time, relevant stakeholders and other senior members of the management have also been invited by the Audit Committee to attend Audit Committee meetings. The Audit Committee met with the external Auditors separately, and with the Internal Auditors, on an annual basis without any Executive Director being present. The Company Secretary, being the Secretary of the Audit Committee, facilitates the Chairman and other Members for effective functioning of the Committee, as per its terms of reference as well as Corporate Governance Code of BSEC.

## Summary of activities and recommendations of the Audit Committee for the year ended on 30th June 2023:

### Financial Reporting

In terms of reference, the Committee in its first meeting held on October 24, 2022 reviewed the Annual Financial Statements for the year ended on 30 June 2022. During the meeting the Chief Financial Officer presented the draft annual accounts along with the independent auditors' report to the Committee and briefed the committee regarding the financial performance of the Company.

The Audit Committee in its aforesaid meeting also had detailed discussion with the Members of the accounts and finance department on various aspects of the financial statements and accounts. The Committee also reviewed the financial reporting process, discussed the adequacy of the internal control processes in place to prevent errors and fraudulent activities and thoroughly scrutinized the related party transactions carried out during the year. The committee was fully satisfied that the related party transactions were made on an arm length basis as part of normal course of business and the transactions have been adequately disclosed in the financial statements. The Independent Auditors' report also did not contain any material audit observation that warranted the Boards' attention. The Committee being satisfied, authorized for onward submission of the Audited Financial Statements to the Board for approval.

In addition to the above meeting, the Audit Committee met three times during the year ended on 30 June 2023. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 9, 2022, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2022. The Committee reviewed the financial progress during the first quarter and examined in detail and recommended the same for approval by the Board to release to the Shareholders of the Company.

The third meeting of the Committee was held on January 25, 2023 to review the un-audited second quarter financial Statements of the Company. The Committee being satisfied recommended for issue of the financial statements for the half-year ended on December 31, 2022.

The fourth meeting of the Committee was held on April 27, 2023 to release of the un-audited third quarter financial statements of the Company for



the quarter ended March 31, 2023. The detailed review of the financial statements was made by the Committee and recommended to the Board for approval of the financial statements for release to the Shareholders of the Company.

The Chief Executive Officers of concerned Divisions, Chief Financial Officer, Internal Auditors of the Company and representatives of the External Auditors had attended all the meetings upon invitation by the Audit Committee. From time to time, other senior Members of Management have also been invited by the Audit Committee to attend in the above Audit Committee meetings. The Audit Committee met with the External Auditors and separately, with the internal Auditors on an annual basis.

The Audit Committee also reviewed, approved and monitored the procedures and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and did not find any material deviation, discrepancies or any adverse findings/observation in the areas of reporting.

#### **Annual Reporting**

Reviewed disclosures required by the statement on corporate governance, audit committee report, standards of business conduct, statement on risk management and internal control for the financial year ended 30th June 2023 for inclusion in the Annual Report, 2022-23, and recommended their adoption to the Board.

#### **External Auditors'**

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, considered and made recommendations to the Board on the appointment and remuneration of external Auditors, M/s. M. J. Abedin & Company, Chartered Accountants for the year 2023-24, subject to the approval of shareholders in the 26thAGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2023.

#### **Report Authorization**

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 19th October, 2023.

On behalf of the Audit Committee

**(BARRISTER FAHEEMUL HUQ)**

Chairman



# CERTIFICATION ON COMPLIANCE

*Jasmin & Associates*  
Chartered Secretaries

**Report to the Shareholders  
of  
Shinepukur Ceramics Limited  
on Compliance on the Corporate Governance Code**

We have examined the Compliance status to the Corporate Governance Code of Shinepukur Ceramics Limited for the year ended on June 30, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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


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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

For: **Jasmin & Associates**  
Chartered Secretaries

Place : Dhaka  
Dated : November 20, 2023

  
Jasmin Akter, FCS  
Chief Executive

55/B Noakhali Tower (10th Floor), Suite : 11-F, Purana Paltan, Dhaka-1000, [www.jasminandassociates.com](http://www.jasminandassociates.com)  
E-mail: [jasminandassociates@gmail.com](mailto:jasminandassociates@gmail.com), [jasminmizan123@yahoo.com](mailto:jasminmizan123@yahoo.com), Phone : 02-9574125, 01712644440, 01711-076815



# INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS

of **SHINEPUKUR CERAMICS LIMITED**

As at and for the year ended 30 June 2023

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As at and for the year ended 30th June 2023

## Report on the Audit of the Financial Statements

## Opinion

We have audited the financial statements of **Shinepukur Ceramics Limited** (the “Company”), which comprise the statement of financial position as at 30 June 2023, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, The Securities and Exchange Rules, 2020 and other applicable laws and regulations.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<b>Revenue Recognition</b>	
At year end the company reported total revenue of Tk. 2,058,998,574.	Principal audit procedures:
The company manufactures and sells a number of products for customers. The company sales contracts for determining the principles for recognizing revenue in accordance with accounting standard IFRS 15. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time.	<ul style="list-style-type: none"> <li>Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the company</li> <li>Evaluated the design of internal controls to identification of performance obligations and determining timing of revenue recognition.</li> <li>Selected a sample of contract and though inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.</li> <li>Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.</li> </ul>
See Note No: (3.1 & 18.00) to financial statements	
<b>Valuation of inventory</b>	
The company had inventory of Tk. 789,795,282. As at 30 June, 2023 held in factory and showroom. Inventories are carried at the lower of cost and net realisable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.	We verified the appropriateness of management’s assumptions applied in calculating the value of the inventory by:
Since the values of inventory are significant to the financial statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.	<ul style="list-style-type: none"> <li>Evaluating the design and implementation of key inventory controls operating across the factory and showroom.</li> <li>Attending Inventory counts and reconciling the count results to the inventory listing to the test the completeness of data.</li> <li>Reviewing the requirement of inventory provisioning and action there upon by the management.</li> </ul>
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.	
See Note No: (3.5 & 6.00) to the financial statements	



## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As at and for the year ended 30th June 2023

Valuation of Property, Plant and equipment (PPE)	
<p>The carrying value of the PPE was Tk. 4,706,270,043 as at June, 2023.</p> <p>Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they related to repair or maintenance of the assets. Classification of the expenditures involves judgment's 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 conditions 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>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <li>• We assessed whether the accounting policies on relation to the capitalization of expenditures are in compliance with IFRS and found them to be inconsistent.</li> <li>• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.</li> <li>• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</li> <li>• We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with date of the act of completion of the work.</li> </ul>
See Note No: (3.2 & 4.00) to the financial statements	

IT systems and controls	
<p>Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and inspection of IT operational controls).this included testing that requests for access to systems were appropriately reviewed and authorized.</li> <li>• We tested the company's periodic review of access rights. We inspect requests of changes to system for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</li> </ul>
See Note No: (2.8) to the financial statements	

**Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual report but does not include the financial statements and our auditor's report thereon.

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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with 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.**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with, International Financial Reporting Standards (IFRSs), the Companies Act 1994, The Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As at and for the year ended 30th June 2023

**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 auditors' 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 decision of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that are sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidences 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 evidences 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 requirements of the Companies Act, 1994 and The Securities and Exchange Rules, 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, and the other applicable laws and regulations, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The company statement of Financial Position (Balance sheet) and Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account) dealt with by the report are in agreement with the books of account; and
- d) The expenditures incurred and payment made were for the purpose of the company's business for the year.

Dated, Dhaka  
19 October 2023

**M. J. ABEDIN & CO.**  
Chartered Accountants  
Reg No : CAF-001-111



**Hasan Mahmood FCA, Partner**  
Enrollment No: 564  
DVC: 2310230564AS891552

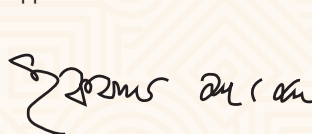
## STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Amount in Taka	
	Notes	30-June-2023	30-June-2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>5,021,556,236</b>	<b>5,156,776,337</b>
Property, Plant and Equipment - Carrying Value	4.00	4,706,270,043	4,802,829,025
Investment in Shares	5.00	315,286,193	353,947,312
<b>Current Assets</b>		<b>1,194,221,705</b>	<b>1,207,687,549</b>
Inventories	6.00	789,795,282	831,778,363
Accounts & Other Receivables	7.00	75,718,158	113,967,509
Advances, Deposits & Prepayments	8.00	303,720,482	238,173,229
Cash and Cash Equivalents	9.00	24,987,783	23,768,448
<b>Total Assets</b>		<b>6,215,777,941</b>	<b>6,364,463,886</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>4,610,163,214</b>	<b>4,633,220,631</b>
Issued Share Capital	10.00	1,469,660,550	1,469,660,550
Revaluation Surplus on Property, Plant and Equipment	11.00	2,966,690,015	2,966,690,015
Fair Value Gain on Investment in Shares		150,315,579	188,976,698
Retained Earnings		23,497,070	7,893,368
<b>Non-Current Liabilities</b>		<b>312,037,001</b>	<b>373,606,732</b>
Long Term Loans - Net-off Current Maturity (Secured)	12.00	70,425,061	143,475,614
Gratuity Payable	13.00	160,139,863	148,659,041
Deferred Tax Liability	14.00	81,472,077	81,472,077
<b>Current Liabilities</b>		<b>1,293,577,726</b>	<b>1,357,636,523</b>
Short Term Loans from Banks & Other	15.00	746,831,731	834,759,861
Long Term Loans-Current Maturity (Secured)	16.00	220,527,876	235,641,732
Creditors, Accruals and Other Payables	17.00	324,980,576	286,533,660
Unclaimed dividend	29.00	1,237,543	701,270
<b>Total Equity and Liabilities</b>		<b>6,215,777,941</b>	<b>6,364,463,886</b>

The accompanying notes form an integral part of these financial statements.

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board.



**Iqbal Ahmed**  
Director



**O K Chowdhury, FCA**  
Director



**Mohammed Humayun Kabir FCA**  
Chief Executive



**Jesmin Ara Mitu**  
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka  
19 October 2023

**M. J. ABEDIN & CO.**  
Chartered Accountants  
Reg No : CAF-001-111



**Hasan Mahmood FCA, Partner**  
Enrollment No: 564  
DVC: 2310230564AS891552

SHINEPUKUR CERAMICS LIMITED  
**STATEMENT OF PROFIT OR LOSS**  
*for the year ended 30 June 2023*

	Notes	Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
Revenue	18.00	2,058,998,574	1,722,741,566
Cost of Goods Sold	19.00	(1,753,080,017)	(1,433,402,447)
<b>Gross Profit</b>		<b>305,918,557</b>	<b>289,339,119</b>
<b>Other Income</b>	20.00	<b>8,345,613</b>	<b>10,277,835</b>
<b>Operating Expenses</b>		<b>(127,987,080)</b>	<b>(118,144,562)</b>
Administrative Expenses	21.00	(62,050,063)	(58,347,514)
Selling & Distribution Expenses	22.00	(65,937,017)	(59,797,048)
<b>Profit from Operations</b>		<b>186,277,090</b>	<b>181,472,392</b>
Finance Cost	23.00	(67,790,364)	(76,154,801)
<b>Profit before WPPF</b>		<b>118,486,726</b>	<b>105,317,591</b>
Workers' Profit Participation Fund		(5,642,225)	(5,015,123)
<b>Net Profit Before Tax</b>		<b>112,844,501</b>	<b>100,302,468</b>
Income Tax Income/(Expense)	24.00	(53,150,982)	(42,322,545)
<b>Net Profit After Tax for the year</b>		<b>59,693,519</b>	<b>57,979,923</b>
<b>Earning Per Share</b>	25.00	<b>0.41</b>	<b>0.39</b>

The accompanying notes form an integral part of these financial statements.

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:



**Iqbal Ahmed**  
Director



**O K Chowdhury, FCA**  
Director



**Mohammed Humayun Kabir FCA**  
Chief Executive



**Jesmin Ara Mitu**  
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka  
19 October 2023

**M. J. ABEDIN & CO.**  
Chartered Accountants  
Reg No : CAF-001-111



**Hasan Mahmood FCA, Partner**  
Enrollment No: 564  
DVC: 2310230564AS891552



## STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>Net Profit /(Loss) After Tax for the year</b>		<b>59,693,519</b>	<b>57,979,923</b>
Fair Value Gain/(Loss) on Investment in Shares	5.00	(38,661,119)	109,721,524
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>21,032,400</b>	<b>167,701,446</b>

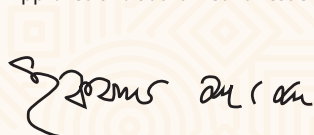
## STATEMENT OF CHANGES IN EQUITY


for the year ended 30 June 2023

Particulars	Amount in Taka				
	Share Capital	Revaluation Surplus on PPE	Fair Value Gain/(Loss) on Investment in Shares	Retained Earnings	Total Equity
<b>Balance as on 1 July 2022</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>188,976,698</b>	<b>7,893,368</b>	<b>4,633,220,631</b>
Net Profit after tax for the year ended 30 June 2023	-	-	-	59,693,519	59,693,519
Fair Value (Loss) on Investment in Shares (Note-5)	-	-	(38,661,119)	-	(38,661,119)
Cash Dividend				(44,089,817)	(44,089,817)
<b>Total Balance as on 30 June 2023</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>150,315,579</b>	<b>23,497,070</b>	<b>4,610,163,214</b>
Number of Shares	146,966,055				
<b>Net Assets Value (NAV) Per Share (Note: 26)</b>	<b>31.37</b>				
<b>Balance as on 1 July 2021</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>79,255,174</b>	<b>(13,345,041)</b>	<b>4,502,260,698</b>
Net Profit after tax for the year ended 30 June 2022	-	-	-	57,979,923	57,979,923
Fair Value Gain on Investment in Shares (Note-5)	-	-	109,721,524	-	109,721,524
Cash Dividend	-	-	-	(36,741,514)	(36,741,514)
<b>Total Balance as on 30 June 2022</b>	<b>1,469,660,550</b>	<b>2,966,690,015</b>	<b>188,976,698</b>	<b>7,893,368</b>	<b>4,633,220,631</b>
Number of Shares	146,966,055				
<b>Net Assets Value (NAV) Per Share (Note: 26)</b>	<b>31.53</b>				

The accompanying notes form an integral part of these financial statements.

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the Board:


Iqbal Ahmed  
Director

O K Chowdhury, FCA  
Director

Mohammed Humayun Kabir FCA  
Chief Executive

Jesmin Ara Mitu  
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka  
19 October 2023M. J. ABEDIN & CO.  
Chartered Accountants  
Reg No : CAF-001-111

Hasan Mahmood FCA, Partner  
Enrollment No: 564  
DVC: 2310230564AS891552



SHINEPUKUR CERAMICS LIMITED  
**STATEMENT OF CASH FLOWS**  
*for the year ended 30 June 2023*

	Notes	Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>Cash Flows From Operating Activities:</b>			
Collections from turnover and other income		2,105,593,538	1,805,536,322
Payments for costs, expenses & others		(1,749,453,183)	(1,544,126,038)
Interest Paid		(64,014,703)	(72,109,302)
Income-Tax paid and /or deducted at sources		(53,150,982)	(42,322,545)
<b>Net cash generated from operating activities</b>	27.00	<b>238,974,670</b>	<b>146,978,437</b>
<b>Cash Flows From Investing Activities:</b>			
Property, Plant and Equipment acquired		(17,572,979)	(61,378,348)
<b>Net cash used in investing activities</b>		<b>(17,572,979)</b>	<b>(61,378,348)</b>
<b>Cash Flows From Financing Activities:</b>			
Increase/(Decrease) in Loan		(176,092,539)	(51,541,076)
Dividend Payment		(44,089,817)	(36,741,514)
<b>Net cash generated from financing activities</b>		<b>(220,182,356)</b>	<b>(88,282,590)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>1,219,335</b>	<b>(2,682,501)</b>
Cash and Cash Equivalents at the beginning of the year		23,768,448	26,450,949
Effect of exchange rate changes on cash and cash equivalents	27.00	-	-
<b>Cash and Cash Equivalents at the end of the year</b>	9.00	<b>24,987,783</b>	<b>23,768,448</b>
<b>Net Operating Cash Flows Per Share</b>	28.00	<b>1.63</b>	<b>1.00</b>

The accompanying notes form an integral part of these financial statements.

Approved and authorized for issue by the board of directors on 19 October 2023 and signed for and on behalf of the board.



**Iqbal Ahmed**  
Director



**O K Chowdhury, FCA**  
Director



**Mohammed Humayun Kabir FCA**  
Chief Executive



**Jesmin Ara Mitu**  
Head of Finance & Accounts

As per our separate report of even date annexed.

Dated, Dhaka  
19 October 2023

**M. J. ABEDIN & CO.**  
Chartered Accountants  
Reg No : CAF-001-111



**Hasan Mahmood FCA, Partner**  
Enrollment No: 564  
DVC: 2310230564AS891552

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

**1 The background and activities of the Company****1.1 Status of the Company**

Shinepukur Ceramics Limited (SCL/the company) was incorporated in Bangladesh on 26 January 1997 under the Companies Act, 1994 as a Private Limited Company and launched its manufacturing operation in 1999. The Company was converted into a Public Limited Company on 7 May 2008. The Shares of the Company have been listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 18 November 2008 under the DSE and CSE Direct Listing Regulations 2006.

The registered office of the company is located at House No. 17, Road No. 2, Dhanmondi R/A, Dhaka. The industrial units are located at Sarabo of Gazipur.

**1.2 Principal Activities**

The company operates in a single industry segment. It is engaged in manufacturing and marketing of high-quality Porcelain and high value-added Bone China Tableware, which it sells in the local as well as international markets.

**2 Bases of Financial Statements – Preparation and Presentation****2.1 Measurement Bases**

The financial statements have been prepared on the Historical Cost basis, except lands, buildings and plant & machinery re-stated at current cost and investment in shares of listed companies are carried at fair value based on the period end quoted price of Dhaka Stock Exchange Limited.

**2.2 Reporting Framework and Compliance thereof**

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as listed entities with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994, the Securities and Exchange Rules 2020. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

**2.3 Presentation of Financial Statements**

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

The Financial Statements Comprises:

- (a) a statement of financial position as at 30 June 2023;
- (b) a statement of profit or loss and other comprehensive income for the year ended from 01 July 2022 to 30 June 2023;
- (c) a statement of changes in equity for the year ended from 01 July 2022 to 30 June 2023;
- (d) a statement of cash flows for the year ended from 01 July 2022 to 30 June 2023; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

**2.4 Authorization for Issue**

The financial statements have been authorized for issue by the Board of Directors on 19 October 2023.

**2.5 Functional and Presentation Currency**

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

**2.6 Reporting Period and Comparative Information**

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2022 to 30th June 2023).

Figures for the year ended 30 June 2022 have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the reported result of operation, Earnings Per Share, Net Asset Value Per Share & Net Operating Cash Flow Per Share in the financial statement.

**2.7 Use of Estimates and Judgments**

The preparation of financial statements in conformity with IFRSs / IASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during the year and at the date of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors prescribes that the effects of the revision of accounting estimates has to be recognized in the period in which the estimates are revised. Accordingly, adjustment in estimated cost of land & land Development of Taka-1,697,029,503 has been recognized during the year.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables.

## 2.8 IT system and control

The company maintains its General Ledger in Application system (AS) 400 Server through software MAPICS (Manufacturing Accounting and production Information Control System). Records relating to Human Resource (HR) including Employee's Attendance and Leave Registers and Payroll Accounting etc. and records relating to Operational activities including Production, Inventory, Sales, Receivable, VAT accounting, etc. are maintains in desktop computers through database software (s). Control on input and output end of the data on both (AS) 400 Server and desktop computers are secured. The communication system(s) linked to intranet and internet are also secured from external risk(s) and threat(s) through use of necessary firewall(s).

## 3. Significant Accounting Policies

### 3.1 Revenue Recognition

In compliance with the requirements of IFRS 15: Revenue, revenue from receipts from customers against sales is recognized when all performance obligation have been satisfied. Receipts from customers comprise sales price against export sales and domestic sales.

Export sales are considered as revenue at FOB value. Usually export sales are transacted in FOB basis. Where export sales are carried out other than at FOB price, additional costs are added to FOB price, accordingly those added costs (Ocean Freight, Commission Payable, Cost of Insurance etc.) if any, are net off to arrive at FOB value of the said export sales in order to be uniformed in revenue recognition.

### 3.2 Property, Plant and Equipment

#### 3.2.1 Recognition and Measurement

Property, plant and equipment (including assets acquired under finance lease) are capitalized at cost of acquisition and subsequently stated at cost revalued amount less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

#### 3.2.2 Pre-Operating Expenses and Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing cost considering the requirement of IAS 23: Borrowing Costs.

#### 3.2.3 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenances is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the statement of profit or loss and other comprehensive income as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

#### 3.2.4 Software

Software is generally charged off as revenue expenditure. Purchase of software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

#### 3.2.5 Disposal of PPE

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

#### 3.2.6 Depreciation on PPE

Depreciation is provided on all fixed assets except Land & Land Development at the following rates on reducing balance basis over



## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

the periods appropriate to the estimated useful lives of the different types of assets:

Building and Other Construction	2.5%
Plant and Machinery	4.5%
Furniture & Fixture	20%
Transport & Vehicle	20%
Office Equipment	20%

### 3.3 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables.

#### 3.3.1 Financial Assets

##### (a) Investment in Shares

Investment in Shares of listed companies are carried in the statement of financial position at fair value based on DSE quoted price at the period end and the gain / loss thereon were accounted for through other comprehensive income considering it as "Available – for - Sale" financial assets.

##### (b) Accounts Receivable

Accounts receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

##### (c) Advances and Deposits

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

##### (d) Cash and Cash Equivalents

Cash and Cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current and deposit accounts, which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

#### 3.3.2 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

### 3.4 Impairment

#### (a) Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

#### (b) Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

### 3.5 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: *Inventories*. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.



## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

**3.6 Provisions**

A provision is recognized in the statement of financial position when the company has legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation.

**3.7 Income Tax Expenses****Current Tax**

Applicable Income Tax Rate is 22.50% on taxable income. However, there are provisions for minimum tax u/s 163 of Income Tax Act 2023. Provision for current tax has been made considering the minimum tax payable which is higher than tax would be payable under regular assessment.

**Deferred Tax**

Deferred tax is recognised in compliance with IAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate income taxes levied by the same tax authority on the same taxable entity.

**3.8 Interest Income**

Interest Income is recognized on accrual basis.

**3.9 Employee Benefits**

The company maintains both contribution plan and defined benefit plan for its eligible permanent employees.

The company's employee benefits include the following:

**(a) Defined Contribution Plan (Provident Fund)**

The company contributes to a registered provident fund scheme (defined contribution plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrecoverable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

**(b) Defined Benefits Plan (Gratuity)**

Employees are entitled to gratuity benefit after completion of minimum five years of services in the company. The gratuity is calculated on the latest applicable basic pay and is payable at the rate of one-month basic pay for every completed year of service.

**(c) Short-term Employee Benefits**

Short-term employee benefits include salary, bonuses, leave encashment etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

**(d) Contribution to Workers' Participation/Welfare Funds**

This represents 5% of net profit before tax contributed by the Company as per provisions of Bangladesh Labor Act 2013 (amendment) and is payable to workers as defined in the said law.

**(e) Group Insurance Scheme**

Employees of the company are covered under group life insurance scheme.

**3.10 Proposed Dividend**

The amount of proposed dividend is not accounted for but disclosed in the notes to the accounts in accordance with the requirements of the International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the board of Directors.

**3.11 Earnings per Share**

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

**Basic Earnings (Numerator)**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

**Weighted Average Number of Ordinary Shares Outstanding during the year (Denominator)****Current Year**

The total number of shares has been considered as the Weighted Average number of Shares outstanding during the year.

**Earlier Periods**

The total number of shares has been considered as the Weighted Average Number of Shares outstanding during the year earlier periods.

The basis of computation of number of shares as stated above is in line with the provisions of IAS 33: "Earnings Per Share".

**Diluted Earnings per Share**

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

**3.12 Foreign Currency Transactions**

The Financial records of the company are maintained and the financial statements are stated in Bangladesh Taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: *The Effects of Changes in Foreign Exchange Rates*. However, as a requirement of the companies Act 1994, exchange loss relating to foreign currency loan has been capitalized to relevant fixed assets being procured under the said obligation.

**3.13 Statement of Cash Flows**

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: *Statement of Cash Flows*. The cash generated from operating activities has been reported using the Direct Method as encouraged by IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. However, Cash generated from operating activities using indirect method has also been calculated and disclosed in notes to the accounts (Note: 27).

**3.14 Events after the Reporting Period**

In compliance with the requirements of IAS 10: *Events after the Reporting Period*, post balance sheets events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

**4.00 Property, Plant and Equipment-Carrying Value : Tk. 4,706,270,043****As at 30 June 2023**

Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
<b>Cost or Valuation:</b>							
<b>At 1st July 2022</b>	1,697,029,503	1,879,241,952	3,718,739,350	59,387,466	31,155,868	20,057,425	7,405,611,564
Addition during the year	-	12,822,529	4,750,450	-	-	-	17,572,979
<b>At 30 June 2023</b>	1,697,029,503	1,892,064,481	3,723,489,800	59,387,466	31,155,868	20,057,425	7,423,184,543
<b>Depreciation:</b>							
<b>At 1st July 2022</b>	-	533,543,284	1,963,481,219	57,008,662	29,547,410	19,201,964	2,602,782,539
Depreciation for the year	-	33,963,030	79,200,386	475,761	321,692	171,092	114,131,961
<b>At 30 June 2023</b>	-	567,506,314	2,042,681,605	57,484,423	29,869,101	19,373,056	2,716,914,500
<b>Carrying Amount:</b>							
<b>As at 30 June 2023</b>	1,697,029,503	1,324,558,167	1,680,808,195	1,903,043	1,286,767	684,369	4,706,270,043

**As at 30 June 2022**

Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
<b>Cost or Valuation:</b>							
<b>At 1st July 2021</b>	1,882,071,406	1,864,517,883	3,672,085,071	59,387,466	31,155,868	21,709,479	7,530,927,173
Adjustment (Note-2.7)	185,041,903						185,041,903
Addition during the year	-	14,724,069	46,654,279	-	-	-	61,378,348
Disposal During the year	-	-	-	-	-	1,652,054	1,652,054
<b>At 30 June 2022</b>	1,697,029,503	1,879,241,952	3,718,739,350	59,387,466	31,155,868	20,057,425	7,405,611,564
<b>Depreciation:</b>							
<b>At 1st July 2021</b>	-	499,038,190	1,880,772,721	56,413,961	29,145,295	20,637,909	2,486,008,076
Depreciation for the year	-	34,505,094	82,708,498	594,701	402,115	213,865	118,424,273
Adjustment for Disposal	-	-	-	-	-	1,649,811	1,649,811
<b>At 30 June 2022</b>	-	533,543,284	1,963,481,219	57,008,662	29,547,410	19,201,964	2,602,782,539
<b>Carrying Amount:</b>							
<b>As at 30 June 2022</b>	1,697,029,503	1,345,698,668	1,755,258,130	2,378,804	1,608,458	855,461	4,802,829,025

**Disclosure on Revaluation:**

(a) The break-up of total revaluation surplus as included in the carrying amount is stated below:

Particulars	Amount in Taka			
	Land & land Development	Building & other Construction	Plant & Machinery	Total
Surplus on Revaluation in 2004	192,466,272	-	-	192,466,272
Surplus on Revaluation in 2008	376,892,108	351,072,849	433,853,724	1,161,818,681
Surplus on Revaluation in 2011	953,362,500	547,975,861	111,066,701	1,612,405,062
<b>Total Surplus on Revaluation</b>	<b>1,522,720,880</b>	<b>899,048,710</b>	<b>544,920,425</b>	<b>2,966,690,015</b>

- (b) M/S G.K. Adjusters Ltd. (Insurance Surveyors, Loss Adjusters, Controllers, Consultants and Valuers) of Chand Mansion (5<sup>th</sup> floor) , 66, Dilkusha Commercial Area, was involved to carry out the revaluation of 2004.
- (c) SF Ahmed & Co, Chartered Accountants, House 25, Road 13A, Block - D, Banani, Dhaka - 1213 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2008, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,161,818,681.
- (d) Ata Khan & Co, Chartered Accountants, 67 Motijheel Commercial Area, Dhaka - 1000 and valuers have revalued the lands, buildings and plant & machinery of the Company as of 31 December 2011, following "current cost method". Such revaluation resulted in a revaluation surplus aggregating Tk. 1,612,405,062.



## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

	Amount in Taka	
	As at	
	30 June 2023	30 June 2022
<b>5.00 Investment in Shares : Tk. 315,286,193</b>		
The basis of valuation is stated in Note 3.3.1 (a).		
This consists of Investment in Shares of listed Companies as follows :		
(a) In 65,716 (30.06.2022: 65,716) Shares of Beximco Synthetics Ltd. (Face value Tk. 10.00), (Listed company, Market value Tk. 8.40 per share on 30 June 2023)	552,014	552,014
(b) In 2,722,614 (30.06.2022: 2,722,614) Shares of Bangladesh Export Import Co. Ltd. (Face value Tk. 10.00 ),(Listed company, Market value Tk. 115.60 per share on 30 June 2023)	314,734,178	353,395,297
	<b>315,286,193</b>	<b>353,947,312</b>

This is arrived at as follows:

	30.06.2023			30.06.2022		
	Beximco Synthetics Ltd.	Beximco Ltd.	Total	Beximco Synthetics Ltd.	Beximco Ltd.	Total
Opening Balance	552,014	353,395,297	353,947,312	552,014	243,673,774	244,225,788
Adjustment for Sales during the year	-	-	-	-	-	-
	<b>552,014</b>	<b>353,395,297</b>	<b>353,947,312</b>	<b>552,014</b>	<b>243,673,774</b>	<b>244,225,788</b>
Less: Quoted Price on year end	552,014	314,734,178	315,286,193	552,014	353,395,297	353,947,312
<b>Fair Value Gain/(Loss) on Investment in Shares</b>	<b>-</b>	<b>(38,661,119)</b>	<b>(38,661,119)</b>	<b>-</b>	<b>109,721,523</b>	<b>109,721,524</b>

**6.00 Inventories : Tk. 789,795,282**

This represents as follows:

Raw Material & Chemical	225,844,873	207,180,747
Packing Material	9,770,110	16,791,622
Stores & Spares	89,361,212	82,010,439
Work-in-process	248,415,169	279,975,834
Finished Goods	216,403,918	245,819,721
	<b>789,795,282</b>	<b>831,778,363</b>

**7.00 Accounts & Other Receivables : Tk. 75,718,158**

This is considered good and is falling due within the year.

No amount was due by the directors (including Managing Director), managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

No amount was due by any associated undertaking.

**8.00 Advances, Deposits & Prepayments : Tk. 303,720,482**

This is considered good and consists of as follows:

Advances (Note - 8.01)	246,237,353	191,899,973
Deposits (Note - 8.02)	57,483,129	46,273,256
	<b>303,720,482</b>	<b>238,173,229</b>

**8.01 Advances : Tk. 246,237,353**

This represents as follows:

L/C-Margin & Others	41,297,753	40,218,022
Advance Income Tax (Note - 8.01.01)	203,814,010	150,663,028
Employees (other than officers)	495,314	172,559
Advance against Expenses	630,276	846,364
	<b>246,237,353</b>	<b>191,899,973</b>



## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

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

No amount was due by any associated undertaking.

Advances to employees (other than officers) are realisable from monthly salary in installments.

		Amount in Taka		
		As at		
		30 June 2023	30 June 2022	
<b>8.01.01 Advance Income Tax : Tk. 203,814,010</b>				
This has been arrived at :				
Opening Balance		150,663,028	108,340,483	
Less Adjustment during the year (Note 17.01)		53,150,982	42,322,545	
<b>Closing Balance</b>		<b>203,814,010</b>	<b>150,663,028</b>	
<b>8.02 Deposits : Tk. 57,483,129</b>				
This represents as follows:				
VAT Deposit		43,319,150	32,109,277	
Security Deposit		11,408,261	11,408,261	
Bank Guarantee Margin		2,755,718	2,755,718	
		<b>57,483,129</b>	<b>46,273,256</b>	
<b>9.00 Cash and Cash Equivalents : Tk. 24,987,783</b>				
This consists of :				
( a ) In Hand:		16,076	30,786	
( b ) At Banks in :		24,971,707	23,737,662	
( i ) Current Account		8,495,549	14,148,558	
( ii ) STD Account		14,428,879	7,538,825	
( iii ) FDR Account		2,047,279	2,050,279	
		<b>24,987,783</b>	<b>23,768,448</b>	
<b>10.00 Issued Share Capital : Tk. 1,469,660,550</b>				
This represents :				
<b>(a) Authorised :</b>				
500,000,000 Ordinary Shares of Tk.10/-each		<b>5,000,000,000</b>	<b>5,000,000,000</b>	
<b>(b) Issued, subscribed and paid -up:</b>				
66,060,000 Ordinary Shares of Tk.10/-each fully paid-up in cash		660,600,000	660,600,000	
61,736,571 Ordinary Shares of Tk.10/-each fully paid-up bonus shares		617,365,700	617,365,700	
19,169,485 Ordinary Shares of Tk.10/-each fully paid-up bonus shares		191,694,850	191,694,850	
<b>Total 146,966,055 shares of Tk. 10/- each fully paid-up</b>		<b>1,469,660,550</b>	<b>1,469,660,550</b>	
<b>(c) Statement of Share Position:</b>				
Name of the Shareholders	30-June-23		30-June-22	
	No. Of Shares	Holding %	No. Of Shares	Holding %
Bangladesh Export Import Co.Ltd.	73,483,009	50.00%	73,483,009	50.00%
Sponsors & Directors	4	0.00%	4	0.00%
Institutions	10,798,786	7.35%	7,410,436	5.04%
General Public	62,684,256	42.65%	66,072,606	44.96%
	<b>146,966,055</b>	<b>100%</b>	<b>146,966,055</b>	<b>100%</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

## (d) Distribution Schedule:

Share holdings	30-June-2023		
	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	9,407	1,442,224	0.98
500 to 5,000 shares	8,172	13,904,860	9.46
5001 to 10,000 shares	1,076	8,235,510	5.60
10,001 to 20,000 shares	604	8,792,595	5.98
20,001 to 30,000 shares	212	5,361,025	3.65
30,001 to 40,000 shares	99	3,440,306	2.34
40,001 to 50,000 shares	87	4,066,649	2.77
50,001 to 100,000 shares	110	8,118,207	5.52
100,001 to 1,000,000 shares	90	20,121,670	13.69
Over 1,000,000 shares	1	73,483,009	50.00
<b>Total</b>	<b>19,858</b>	<b>146,966,055</b>	<b>100</b>

## (e) Market Price:

The shares of the Company are listed with the Dhaka and Chittagong Stock Exchanges and was quoted respectively at Tk. 43.00 on 30 June 2023 & 30 June 2022 per shares in the Dhaka Stock Exchange and Chittagong Stock Exchange Tk. 51.80 per shares.

## (f) Option on unissued shares :

There is no option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid up capital through the issuance of new shares.

## (g) Voting Rights :

The rights and privileges of the shares are stated in the Bye-laws (Articles of Association) of the Company.

**11.00 Revaluation Surplus on Property, Plant and Equipment : Tk. 2,966,690,015**

This is as per last year accounts. Details are stated in Note - 4.

	Amount in Taka	
	As at	
	30 June 2023	30 June 2022

**12.00 Long Term Loans- Net-Off Current Maturity (Secured) : Tk. 70,425,061**

This represents loans from :

Bank Asia Ltd. - Term Loan

Phoenix Finance & Investment Ltd.- Term Loan

	-	-
	70,425,061	143,475,614
	<b>70,425,061</b>	<b>143,475,614</b>

**Nature of Security :**

- (i) Equitable mortgage over the immovable property.
- (ii) Hypothecation by way of a floating charge on all other movable assets both present and future.
- (iii) First Charge over all the finished stock, Work-In-Process and current assets excluding book debts.

**Terms of Repayment :****Bank Asia Ltd. - Term Loan :**

In 20 (Twenty) equal Quarterly installments commencing from 30 March 2017 as per revised sanction.

**Phoenix Finance & Investment:**

In 96 (Ninety six) equal monthly installments commencing from 25 July 2015 as per revised sanction.

**Rate of interest :****Bank Asia Ltd. - Term Loan :**

8% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

**Phoenix Finance & Investment:**

11% p.a. or the lending rate applicable from time to time based on Bank rate / policy.

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

	Amount in Taka	
	As at	
	30 June 2023	30 June 2022
<b>13.00 Gratuity Payable : Tk. 160,139,863</b>		
This is arrived at as follows:		
Opening Balance	148,659,041	138,496,316
Add: Addition during the year	14,325,223	10,594,320
	162,984,264	149,090,636
Less: Payment during the year	(2,844,401)	(431,595)
<b>Closing Balance</b>	<b>160,139,863</b>	<b>148,659,041</b>
<b>14.00 Deferred Tax Liability : Tk. 81,472,077</b>		
<b>Deferred Tax Liability is arrived at as follows:</b>		
Opening Deferred Tax Liabilities	81,472,077	81,472,077
Deferred Tax Expense /(Income): 14.02	-	-
<b>Closing Deferred Tax Liabilities</b>	<b>81,472,077</b>	<b>81,472,077</b>
<b>14.01 Deferred Tax liability is arrived at as follows</b>		
Year end WDV of PPE including revalued amount	4,706,270,043	4,802,829,025
Less: Revalued amount of Building, Plant & Machinery	(1,443,969,135)	(1,443,969,135)
Less: Land and Land Development at Revalued amount	(1,697,029,503)	(1,697,029,503)
<b>Year end WDV of PPE excluding revalued amount</b>	<b>1,565,271,406</b>	<b>1,661,830,387</b>
<b>Year end tax base WDV of PPE</b>	<b>650,242,227</b>	<b>704,984,311</b>
Taxable Temporary Difference	915,029,179	956,846,077
Applicable Tax Rate	17%	16%
<b>Deferred Tax Liability before unabsorbed tax depreciation benefit</b>	<b>155,554,960</b>	<b>153,095,372</b>
Less: Unabsorbed tax depreciation benefit	(74,082,883)	(71,623,295)
<b>Closing deferred Tax Liability</b>	<b>81,472,077</b>	<b>81,472,077</b>
<b>14.02 Deferred Tax Expense is arrived at as follows</b>		
Closing Balance of Deferred Tax Liability	81,472,077	81,472,077
Opening Balance of Deferred Tax Liability	(81,472,077)	81,472,077
	-	-

**Deferred Tax Expense for the year**

Deferred Tax Expense for the year: SCL is a listed company and as per ITA 2023, tax rate for FY2022-'23 (AY 2023-'24) is 12% on income from Export sales and 20% on income from domestic sales. However, the tax authorities may increase the tax rate to 22.5% from 20% on income from domestic sales on the plea that the SCL has not met the conditions in this regard. Accordingly for deferred tax calculation, applicable tax rate has been considered at 17% based on the calculation as shown below:

**A) Calculation of Ratio on Export & Domestic Sales :**

Export Sales	1,097,598,047	53%
Domestic Sales	961,400,528	47%
<b>Total Sales</b>	<b>2,058,998,574</b>	<b>100%</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

	Amount in Taka	
	As at	
	30 June 2023	30 June 2022

**B) Calculation of Applicable Tax Rate :**

On Export Sales	0.53x12%	6.40%
On Domestic Sales	0.47x22.5%	10.51%
<b>Applicable Tax Rate</b>		<b>17%</b>

Since current year's tax expenses under regular assessment is estimated to be equal to the total amount of tax deducted at sources, there is no room for adjustment of the 'Temporary Differences' arisen from accounting and tax depreciation. In other words, the amount of temporary differences remain 'unabsorbed' during the year. The temporary differences, therefore, do not have any bearing on the provisions for current year's tax expenses. As such, no provision for deferred tax Expense/(Income) is applicable for the year FY 2022-2023.

**15.00 Short Term Loans From Banks & Other : Tk. 746,831,731**

This is secured and consists of as follows:

Sonali Bank Ltd. - CC (H) (Secured)	524,201,805	536,082,481
Sonali Bank Ltd. - LTR (Secured)	196,629,926	134,045,472
Sonali Bank Ltd. - W.C Under Stimulus Package Industries (Covid-19 Loan)	-	132,131,908
New Dacca Industries Ltd. (Unsecured interest Free)	26,000,000	32,500,000
	<b>746,831,731</b>	<b>834,759,861</b>

**16.00 Long Term Loans - Current Maturity (Secured) : Tk. 220,527,876**

This consists of as follows:

Bank Asia Ltd. -Term Loan	-	69,738,405
Phoenix Finance & Investment Ltd.- Term Loan	220,527,876	165,903,327
	<b>220,527,876</b>	<b>235,641,732</b>

**17.00 Creditors, Accruals and Other Payables : Tk. 324,980,576**

This consists of as follows:

Gas & Electricity	27,122,334	12,578,457
Creditors for Goods	85,906,936	80,951,995
Income Tax Payable (Note-17.01)	161,179,495	108,028,513
Salary & Wages	33,978,428	58,862,895
Provident Fund Employee	1,431,319	4,168,863
Interest due	-	4,985,356
Security Deposit	6,690,000	7,190,000
WPPF Payable	6,714,111	8,077,823
TDS Payable	657,968	500,111
Group Insurance Payable	379,986	384,647
Audit Fees Payable	920,000	805,000
	<b>324,980,576</b>	<b>286,533,660</b>

**17.01 Income Tax Payable : Tk. 161,179,495**

This is arrived at as follows :

Opening Balance	108,028,513	65,705,968
Add: Tax provision for the year (Note-8.01.01)	53,150,982	42,322,545
<b>Closing Balance</b>	<b>161,179,495</b>	<b>108,028,513</b>



## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

		Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>18.00 Revenue :Tk. 2,058,998,574</b>			
This is made up as follows :			
		<b>1,097,598,047</b>	<b>1,030,822,830</b>
<b>A. Export Sales</b>		<b>1,007,786,647</b>	<b>962,928,830</b>
Export Sales ( Cash Subsidy )		89,811,400	67,894,000
<b>B. Local Sales</b>		<b>948,878,846</b>	<b>684,232,502</b>
Distributors		665,817,324	451,969,525
Institutional		165,053,734	141,900,176
Show Room		10,664,783	9,320,256
Factory Sales		107,343,005	81,042,545
		<b>12,521,682</b>	<b>7,686,234</b>
<b>C. Scrap Sales</b>		<b>2,058,998,574</b>	<b>1,722,741,566</b>
<b>19.00 Cost of Goods Sold : Tk. 1,753,080,017</b>			
This is arrived at as follows:			
Raw Material Issued ( Note- 19.01 )		672,842,417	544,235,067
Opening WIP		279,975,834	275,774,295
<b>Material available for consumption</b>		<b>952,818,251</b>	<b>820,009,362</b>
Closing WIP		(248,415,169)	(279,975,834)
<b>Consumption</b>		<b>704,403,082</b>	<b>540,033,528</b>
Manufacturing overhead ( Note- 19.03 )		1,019,261,132	887,092,485
<b>Cost of production</b>		<b>1,723,664,214</b>	<b>1,427,126,013</b>
Opening Finished Goods		245,819,721	363,105,082
Adjustment for Mould & Sagger		-	(111,008,927)
<b>Cost of Goods Available for Sale</b>		<b>1,969,483,935</b>	<b>1,679,222,168</b>
Closing Finished Goods		(216,403,918)	(245,819,721)
<b>Cost of Goods Sold</b>		<b>1,753,080,017</b>	<b>1,433,402,447</b>
<b>19.01 Raw Material Issued : Tk. 672,842,417</b>			
This is arrived at as follows:			
Opening Stock of Raw Material		207,180,747	141,900,236
Purchased of Raw Material		691,506,543	609,515,578
		<b>898,687,290</b>	<b>751,415,814</b>
Closing Stock of Raw Material		(225,844,873)	(207,180,747)
<b>Raw Material Issued</b>		<b>672,842,417</b>	<b>544,235,067</b>
<b>19.02 Quantity Information</b>		<b>Quantity in KG</b>	<b>Quantity in KG</b>
Opening Stock of Raw Materials in Quantity		1,814,517	1,375,371
Add: Purchase fo Raw Materials in Quantity		9,800,298	9,581,587
Availabe for Use		<b>11,614,815</b>	<b>10,956,958</b>
Less: Raw Material Issued in Quantity		<b>9,849,139</b>	<b>9,142,441</b>
<b>Closing Raw Materials in Quantity</b>		<b>1,765,676</b>	<b>1,814,517</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

The company manufactures tableware of different shapes, designs and sizes (more than three thousand) using both solid and liquid inputs, and therefore quantification of the WIP and the finished goods in weight with accuracy is very difficult. Similarly, packing's materials are used in small/large boxes of (printed or unprinted) cartoon paper in different sizes/pieces, quantification in weight of which are not practicable.

		Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>19.03</b>	<b>Manufacturing Overhead : Tk. 1,019,261,132</b>		
	This consists of as follows :		
	Wages,etc	444,967,575	407,353,834
	Depreciation	113,187,203	117,244,388
	Packing Materials	134,747,801	158,279,773
	Power & Fuel (Note-19.03.01)	229,014,909	111,787,897
	Consumable Stores & Spares	60,859,301	55,637,346
	Transport Expenses	13,290,516	12,284,361
	Office Expenses	15,902,100	17,710,939
	Insurance Expense	2,897,013	3,535,826
	Communication Expenses	494,197	799,333
	Handling & Carrying Expenses	3,900,516	2,458,788
		<b>1,019,261,132</b>	<b>887,092,485</b>
<b>19.03.1</b>	<b>Power &amp; Fuel: Tk. 229,014,904</b>		
	This consists of as follows :		
	Gas Bill-Titas Gas	208,835,022	100,001,009
	Electricity Bill	12,474,334	6,096,877
	Fuel & Lubricant	7,705,548	5,690,012
		<b>229,014,904</b>	<b>111,787,897</b>
<b>20.00</b>	<b>Other Income: Tk. 7,771,305</b>		
	This consists of as follows :		
	Dividend Income	8,167,842	9,529,149
	Misc.Income-Employees' Provident Fund Forfeiture Account	-	43,323
	Interest received	167,251	179,216
	Misc Income-Transport & Vehicle Sale	-	403,757
	Misc. Income	10,520	122,390
		<b>8,345,613</b>	<b>10,277,835</b>
<b>21.00</b>	<b>Administrative Expenses : Tk. 62,050,063</b>		
	This consists of as follows :		
	Salaries & Allowances	41,821,110	41,861,021
	Depreciation	944,758	1,179,885
	Office Expenses	8,534,131	7,582,709
	Transport Expenses	4,424,011	3,593,603
	Legal, Professional & Others Fees	740,250	715,750
	AGM Expenses	807,343	264,100
	Communication Expenses	1,125,539	655,226
	Occupancy Expenses	91,334	71,300
	Conveyance Expenses	780,492	675,219
	Audit Fee	920,000	805,000
	Handling & Carrying Expenses	1,861,095	943,701
		<b>62,050,063</b>	<b>58,347,514</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

	Amount in Taka	
	01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>22.00 Selling &amp; Distribution Expenses : Tk. 65,937,017</b>		
This consists of as follows :		
Promotional Expenses	10,002,001	8,507,169
Salaries & Allowances	29,483,427	31,835,313
Occupancy Expenses	7,969,457	5,331,237
Transport Expenses	2,354,176	2,911,560
Office Expenses	3,410,738	1,903,299
Communication Expenses	341,267	490,878
Travelling & Conveyance Expenses	8,760,496	8,163,081
Show Room Expenses	294,523	250,061
Handling & Carrying Expenses	293,560	19,630
Legal & Prof.Expenses	750,587	384,820
Product Research & Sample	2,276,785	-
	<b>65,937,017</b>	<b>59,797,048</b>
<b>23.00 Finance Cost : Tk. 67,790,364</b>		
This consists of as follows :		
Interest on Loan from Banks & Others	64,014,703	72,109,302
Bank Commission & Charges	3,775,661	4,045,499
	<b>67,790,364</b>	<b>76,154,801</b>
<b>24.00 Income Tax Expenses/(Income): Tk. 53,150,982</b>		
This represents:		
(a) <b>Current Tax:</b>		
Tax for the year under review	53,150,982	42,322,545
(b) <b>Deferred Tax (Income) / Expenses Note- 14.02</b>	-	-
<b>Total (a+b)</b>	<b>53,150,982</b>	<b>42,322,545</b>
a) Current Tax : There are laws for minimum tax payable. Minimum Tax payable by the Company is calculated as follows:		
1) U/S 163(5) 0.60% on Gross Receipts (turnover+other income)	<b>12,404,065</b>	
2) U/S 163 (2) (KHA):	<b>21,496,667</b>	
i) Tax deducted at source(TDS) on supply of goods u/s 89, ITA 2023	1,152,343	
ii) Tax deduction at source(TDS) on Export Sales u/s-123, ITA 2023	9,729,616	
iii) Tax deduction at source on Cash subsidy u/s 112, ITA 2023	8,981,140	
iv) Tax deduction at source on Dividend Income u/s 117, ITA 2023	1,633,568	
3) Higher of 1 & 2 above	<b>21,496,667</b>	
4) Add: Tax Liability U/S 56 on disallowances U/S 55 of ITA 2023	10,083,802	
5) Non Refundable U/S 163 (2) Minimum Tax payable & estimated Tax U/S 56 (3+4 above)	31,580,469	
6) <b>Estimated Tax liability U/S 183 of ITA 2023 (regular assessment):</b>		
Tax authorities assess the tax liability adding arbitrarily disallowed expenditures, payables and increased GP to avoid the refund of the excess TDSs. Therefore, estimated tax liability at is considered atleast equal to total TDSs made during the year as follows:		
i) Non Refundable TDSs as shown in 2 above	21,496,667	
ii) Add – Refundable TDSs on imported materials U/S 120 of ITA 2023	31,654,315	
Estimated Tax Liabilities under regular assessment U/S 183 of ITA 2023	<b>53,150,982</b>	
7) Current year's provision for income tax expenses has therefore, been made as per U/S 163 (2) (gha) & 183 of ITA 2023 as shown in 6 above, being higher than the minimum tax.		

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

- b) **Deferred Tax( Income) / Expenditure:** Since current year's tax expenses under regular assessment is estimated to be equal to the total amount of tax deducted at sources, there is no room for adjustment of the 'Temporary Differences' between accounting & tax depreciation. In other words, the temporary differences do not yield any benefit to or necessitate any recovery from the provisions against current year's tax expenses. Under such situation, no provision for deferred tax expenses/(income) is made for the year 2022-2023.

	Amount in Taka	
	01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>25.00 Basic Earnings Per Share (EPS)</b>		
(a) Earning Attributable to the Ordinary Shareholders (Net Profit/(Loss) After Tax)	59,693,519	57,979,923
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.11)	146,966,055	146,966,055
(c) <b>EPS (a/b)</b>	<b>0.41</b>	<b>0.39</b>

The calculation of the basic earnings per share is made in accordance with IAS 33 (Earning Per Share), dividing the Profit / (Loss) for the year by weighted average number of the shares outstanding during the year.

**No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.**

**26.00 Net Asset Value (NAV) per share**

Total Assets	6,215,777,941	6,364,463,886
Less: Total Liabilities	(1,605,614,727)	(1,731,243,255)
<b>Net Assets</b>	<b>4,610,163,214</b>	<b>4,633,220,631</b>
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
<b>Net Asset Value (NAV) per share</b>	<b>31.37</b>	<b>31.53</b>

**27.00 Reconciliation of Net profit with cash flows from operating activities.:**

<b>Net profit after tax</b>	<b>59,693,519</b>	<b>57,979,923</b>
<b>Adjustments for noncash items, non-operating items and for the net changes in operating accruals</b>		
Depreciation	114,131,961	118,424,273
(Increases)/Decreases in Inventories	41,983,081	44,783,421
(Increases)/Decreases in Accounts & Other Receivables	38,249,351	72,516,921
(Increases)/Decreases in Advances	(54,337,380)	(30,615,368)
(Increases)/Decreases in Deposits	(11,209,873)	(29,183,046)
Increases/(Decreases) in Creditors for goods and Other Payables	58,105,923	(100,487,967)
Increases/(Decreases) Accruals	(19,659,007)	11,651,691
Increases/(Decreases) Gratuity Payable	11,480,822	10,162,725
Increases/(Decreases)Unclaimed dividend	536,273	(8,254,136)
	<b>238,974,670</b>	<b>146,978,437</b>

At the year end, there was no unrealized exchange gain or loss and as such no adjustment was required while calculating of NOCF.

**28.00 Net Operating Cash Flows Per Share (NOCFPS)**

Net cash flows from operating activities	238,974,670	146,978,437
Number of Ordinary Shares of Tk. 10 each at Financial Position date	146,966,055	146,966,055
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>1.63</b>	<b>1.00</b>



## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

		Amount in Taka	
		01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>29.00 Unclaimed dividend</b>			
(a)	The dividend payable/unclaimed dividend as on 30 June 2023 consists of:		
	i) FY 2021-2022	538,717	-
	i) FY 2020-2021	341,027	343,471
	ii) FY 2019-2020	357,799	357,799
		<b>1,237,543</b>	<b>701,270</b>
(i)	The Cash Dividend @3% declared for the year 2021-2022 were approved by the shareholders in the Annual General Meeting held on 22 December, 2022.		
(ii)	The Cash Dividend @2.5% declared for the year 2020-2021 were approved by the shareholders in the Annual General Meeting held on 23 December, 2021.		
(b)	The Cash Dividend @2% declared for the year 2019-2020 were approved by the shareholders in the Annual General Meeting held on 19 December, 2020.		
<b>The unclaimed dividend which was included in Creditors and Other Payables in the prior period has been reclassified in this financial statement.</b>			

**30.00 Payments / Perquisites to Directors and Officers****(a) Directors**

During the year no amount of money was expended by the company for compensating any member of the board for special services rendered.

During the year no board meeting attendance fee was paid to the directors of the company.

(b) During the year 2022-2023 an amount of Taka 7,200,000 paid as CEO's remuneration (FY 2021-22 was Tk. 7,300,000).

**(c) Officers:**

Managerial Remuneration

77,836,468

67,990,968

Bonus

8,530,056

8,408,318

**Perquisites:**

Housing

20,446,644

19,102,496

Transport

4,309,716

3,981,336

**31.00 Production Capacity, Actual Production and reason of Excess/Short Fall:**

	From 01 July 2022 to 30 June 2023				From 01 July 2021 to 30 June 2022			
	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization	Production Capacity (in Pieces)	Actual Production (in Pieces)	Shortfall (in Pieces)	Capacity Utilization
<b>Porcelain</b>	16,600,000	12,195,518	4,404,482	73.47%	16,600,000	11,829,049	4,770,951	71.26%
<b>Bone China</b>	5,400,000	3,798,274	1,601,726	70.34%	5,400,000	3,479,174	1,920,826	64.43%

Reason for Shortfall : Production is usual made as per market demand. However erratic or no Gas pressure affected the production during the FY2022-'23.

**32.00 Capital Expenditure Commitment**

There was no capital expenditure contracted but not incurred or provided for as on 30 June 2023.

There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2023.

SHINEPUKUR CERAMICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS**

*As at and for the year ended 30 June 2023*

	Amount in Taka	
	01.07.2022- 30.06.2023	01.07.2021- 30.06.2022
<b>33.00 Contingent Liabilities</b>		
This consists of as follows:		
(a) Outstanding letter of credit-		
US\$	81,323,312	96,804,152
EUR	56,972,176	70,579,255
JPY	12,751,642	14,735,717
GBP	11,599,494	4,682,161
	-	6,807,019
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	<b>94,979,832</b>	<b>110,460,672</b>

No provision is required as on the date of financial position for contingent liabilities.

**34.00 Claims not Acknowledged**

There was no claim against the company not acknowledged as debt as on 30 June 2023.

**35.00 Credit Facilities not Availed**

There was no credit facilities available to the company but not availed of as on 30 June 2023 under any contract, other than trade credit available in the ordinary course of business.

**36.00 Related Party Disclosure**

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30 June 2023
Bangladesh Export Import Co. Ltd.	Investment in Shares	(38,661,119)	314,734,178
Beximco Synthetics Ltd.	Investment in Shares	-	552,014

**Due to Related Party:**

New Dacca Industries Limited	Short Term Loan	6,500,000	26,000,000
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**37.00 Financial Risk Management**

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- i) Credit risk
- ii) Liquidity risk
- iii) Market Risk

**Credit risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing.

**Market Risk**

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's

income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters

**(a) Currency Risk**

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and EURO and relate to procurement of raw materials, machineries and equipment from abroad.

**Exposure to Currency Risk**

Foreign Currency Denominated Assets	30-June-23		30-June-22	
	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
Trade Debtors- Foreign				
US\$	598,002	64,210,472	1,157,309	107,169,640
EURO	98,582	11,507,686	38,508	3,661,433
<b>Total</b>		<b>75,718,158</b>		<b>110,831,074</b>

All foreign currency denominated asset (trade debtors) were realised subsequently.

There was no foreign currency denominated outstanding liabilities as on the reporting date.

**(b) Interest Rate Risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There is no foreign currency loan which is subject to floating rates of interest. During FY 2022-'23 interest rate on local currency borrowing remain fixed at the rate of 9% per annum. Local loans are, therefore, not affected by fluctuations in interest rates. However, Bangladesh Bank has introduced a floating interest rate policy based on Six monthly average rate for treasury (SMART) Bills plus a corridor of 3% effective from July 2023, which may cause increase in the interest rate on local currency borrowing in future. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**(c).(1) Risk(s) from Pandemic (Covid -19) :**

The virus known as Covid-19, has affected the economy of Bangladesh in general and the operations of the company in particular. As per general order of the Govt. of Bangladesh, the offices including production facilities of the company were closed down for 66 days during FY 2019-20 from March 25, 2020 to May 31, 2020 and for 60 days in FY 2020-21 during April-May 2021. Even beyond these closed down period, due to Covid-19, the operational activities of the company could not be continued in full scale. During July-September 2021 in FY 2021-22 operations of the company were affected on account of following reasons:

- (i) Non presence in work place(s) by the employees fearing infection from the virus and due to restrictions in plying public transports.
- (ii) Non opening /functioning of domestic market/Shops/Retail Stores due to Govt.restriction and/or non showing up of customers.

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2023

**(c).(2) Impact(s) and management of consequence of pandemic (Covid-19)**

- (i) Disruptions in international supply chain(s)
- (ii) Declining of export demand due to slowdown in the world economies.
- (iii) Covid 19 disrupted the movements of goods, increased voyage time and freight charges.
- (iv) Increased production cost due to higher importing material cost and lower export affected the liquidity of the company.
- (v) The company had to avail the additional CC hypo loan in January 2022 to overcome the liquidity constraints originated from Covid-19 in FY 2020-21. The additional CC hypo loan, has been fully repaid by June 2023.

**(D) Post-pandemic Scenarios and Impact of R-U war-****Higher Energy Cost, devaluation of Taka and erratic/no pressure of Gas in supply line pushed up the production cost:**

During the aftermath of the pandemic (Covid - 19) and R-U war energy price increased substantially in the Global Market. Cost of imported materials also increased due to devaluation of TAKA. Rationing of Gas & Electricity is affecting the company as if a double edged sword; it not only causes higher energy cost but also causing lower production and increasing process loss. As a result the cost of production has been increased.

**38.00 39.00 Foreign Exchange Received against Collection from Export Sales:**

		01.07.2022-30.06.2023		01.07.2021-30.06.2022	
		Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:					
	US\$	238,421	24,369,046	337,517	28,979,408
	Euro	54,782	6,350,638	48,330	4,851,839
	JP¥	11,430,400	9,249,092	9,912,130	7,593,120
	<b>Total</b>		<b>39,968,776</b>		<b>41,424,367</b>
Import of Raw & Packing Material :					
	US\$	3,490,753	362,861,946	4,204,263	362,632,487
	Euro	1,155,868	129,596,720	832,337	81,796,502
	JP¥	48,552,005	38,001,229	47,849,193	36,730,249
	GBP	303,171	39,175,019	385,646	45,198,618
			<b>569,634,914</b>		<b>526,357,856</b>
	<b>Total</b>		<b>594,003,960</b>		<b>555,337,264</b>

No other expenses including royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

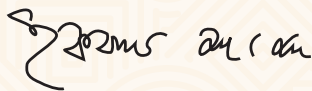
**39.00 Foreign Exchange Received against Collection from Export Sales:**

		01.07.2022-30.06.2023		01.07.2021-30.06.2022	
		Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
	US\$	8,500,921	857,987,085	9,219,509	813,874,783
	EURO	1,705,397	200,686,425	1,614,406	168,200,290
	<b>Total</b>		<b>1,058,673,509</b>		<b>982,075,073</b>



#### 40.00 Events After The Reporting Period

- a) The Board of Directors recommended 3% cash dividend (i.e TK.0.30 per share) for the year 2022-23. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- b) No circumstance have arisen since this statement of financial position date which would require adjustment to, or disclosure in, the financial statements or notes thereto.




**Iqbal Ahmed**  
Director



**O K Chowdhury, FCA**  
Director



**Mohammed Humayun Kabir FCA**  
Chief Executive



**Jesmin Ara Mitu**  
Head of Finance & Accounts

Dated, Dhaka  
19 October 2023

## NOTES

# Outline...

## SHINEPUKUR CERAMICS LTD.

(A BEXIMCO COMPANY)



Shinepukur Ceramics Ltd. (SCL) is the leading Bone China & Porcelain tableware manufacturer and exporter of Bangladesh. Shinepukur Ceramics Ltd. has been a successful brand, thanks to its state-of-the-art manufacturing facilities, about 3,000 highly skilled & motivated people and cutting-edge technology.

From its inception, SCL has been able to gain substantial headway against its competitors and acquire commendable market share from its competitors both in Porcelain and in Bone China. Therefore, SCL's position in the world's tableware industry is very high, with its world-class product quality, which helped to attract and retain leading century-old branded companies as its bluechip customers from USA, Canada, UK, Germany, France, Italy, Japan, Sweden, Norway, Denmark, Finland, Spain, Poland, Mexico, Brazil, Chile, UAE, Australia, New Zealand, Turkey, India, Egypt, Russia and still growing.

In domestic market also, Shinepukur Ceramics Ltd. is very well known for its premium quality tableware products. In Bangladesh, SCL is the leader in Ceramics' Market and ranked as number 1 in terms of sales revenue and market share. In the hospitality sector, most of the international hotels in Bangladesh use SCL's products.

The Company is ISO 9001:2015 certified and awarded National Export Trophy for record eleven (11) times by the Government of Bangladesh. SCL was also awarded Superbrands, D&B Corporate Award and Asia's Most Promising Brands 2010, 2011 & 2013 respectively.

**'Shinepukur' is the name of trust and elegance that brings**  
*a classic touch in life...*



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