



ANNUAL REPORT 2021-'22

SHINEPUKUR CERAMICS LIMITED

CORE VALUES

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 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

Year of Establishment (registration)	1997
Commercial Production	1999
Status	Public Limited Company
First Export	1999 (Porcelain in April & Bone China in November)
Business Lines	Manufacturing, Marketing and Exporting of Porcelain and Bone China tableware.
Current Export Markets	USA, Canada, UK, Germany, France, Italy, Romania, Norway, Sweden, Denmark, Poland, Spain, Turkey, Japan, Australia, New Zealand, Brazil, India, Chile, Egypt, Russia etc.
Authorized Capital (Taka)	5,000 million
Paid-up Capital (Taka)	1469.661 million
Number of Shareholders	14,373
Stock Exchange Listing	2008
Number of Employees	2,992



2021-'22 HIGHLIGHTS

NEW CUSTOMERS

5 customers from different countries (USA, Turkey & India)

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 C-TPAT audit.
- Successfully conducted BSCI audit.
- Successfully conducted SMETA audit.



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

a classic touch in life

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 2992 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 products. Winning of Gold Export Trophies for a consecutive five years from Fy2014-'15 to Fy2018-'19 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 eight (8) 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).

PRODUCT RANGE

Porcelain	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
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

Board Secretary

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

Independent Auditors

M/S M. J. Abedin & Co.

Chartered Accountants, National Plaza (3rd Floor)
109 BirUttam C R Datta Road, Dhaka 1205.

Corporate Governance Compliance Certifier

Suraiya Parveen & Associates

Chartered Secretaries, Chartered Secretaries in Practice
Kaze Avalon, (1st Floor), Flat 1A, 1/15A Iqbal Road
Mohammadpur, Dhaka 1207.

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.

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.

BRIEF PROFILES



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 2022-25. 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.

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 - 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.

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 of mitigations including the impacts and management of Covid-19 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 financial risks and risks from the pandemic (Covid-19) are disclosed in the notes to Audited Financial Statements.

MANAGEMENT TEAM



PRODUCTION DEPARTMENTAL HEADS WITH CEO IN FACTORY



DEPARTMENTAL HEADS WITH CEO IN HEAD OFFICE

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.



COMPANY PROFILE

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 22 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 Tableware 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 nine (9) times, i.e. for the FY 2018 - 2019, 2017-2018, 2016- 2017, 2015-16, 2014-15, 2009-10, 2005-06, 2002-03 and 2000-01 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, 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@scld.net

Web: 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 2022)

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

Visit of Customers, Dignitaries and Ambassadors to SCL factory





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.

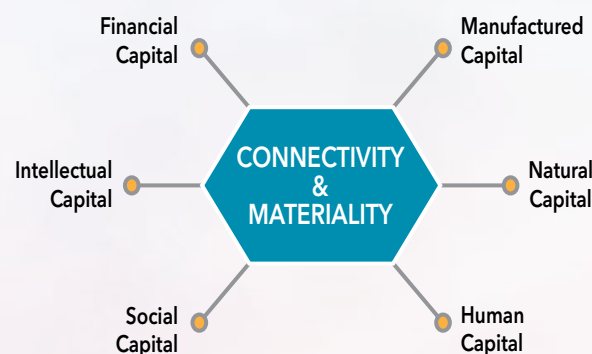
Governance

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 2022 are as described below:

- a) **Financial Capital:** at the beginning of the year shareholders fund was Taka. 4502.261 million which was enhanced to taka 4633.221 million at the end of the year.
- b) **Manufacturing Capital:** the value of the physical asset (gross) at the beginning of the year was Taka. 7345.885 million which was enhanced to taka 7405.612 million at the end of the year.
- c) **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.



- d) **Human Capital:** The strength of human capital increased to 2,992 at the end of the FY2021-'22 from 2,964 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.

e) Social & Relation Capital: Through the CSR and welfare activities, the company enhanced its social & relation capital during the year.

f) 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 2021-'22.

Date of Rating	Validity	Rating Company	Rating Action	Grade for Long term	Grade for Short term	Outlook
January 01, 2022	December 31, 2022	Emerging Credit Rating Ltd.	Initial	A+	ST	Stable
June 04, 2020	June 03, 2021	Emerging Credit Rating Ltd.	Initial	A	ST	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

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
January 01, 2022	December 31, 2022	Surveillance	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 30th June, 2021)

Total Asset : BDT 6,557.02 million (As on 30th June, 2021)

Banks & NBFI : Sonali Bank Limited
Bank Asia Limited
Southeast Bank Limited
Phoenix Finance & Investment Limited

Bank Outstanding : Long Term Loan **BDT 412.60 million**
Short Term Loan **BDT 1,327.06 million**
(Limit BDT 1,827.60 Million)

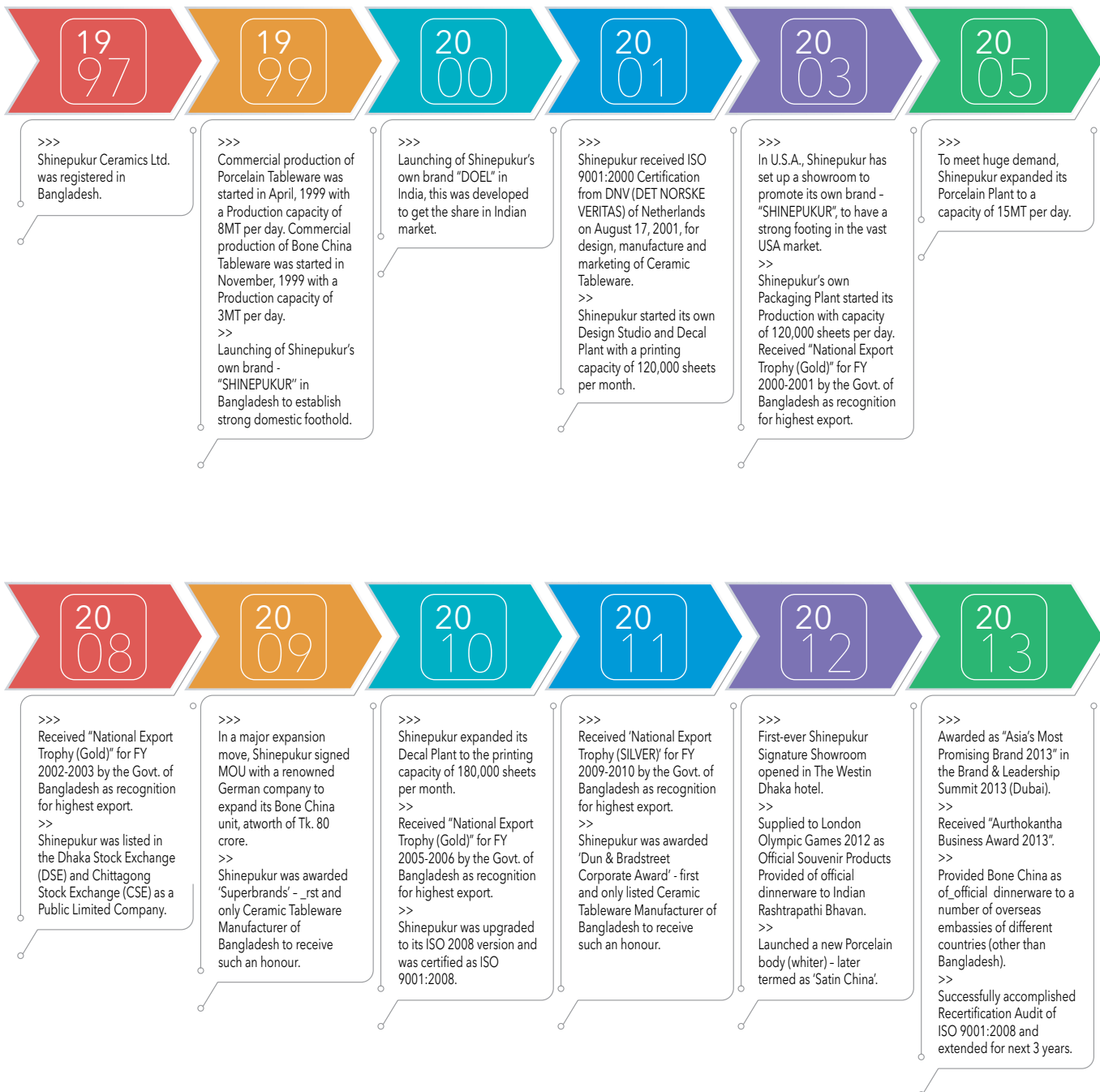
Contact Analysts : Abdur Rahman rahman@emergingrating.com
Harun Chowdhury harun@emergingrating.com

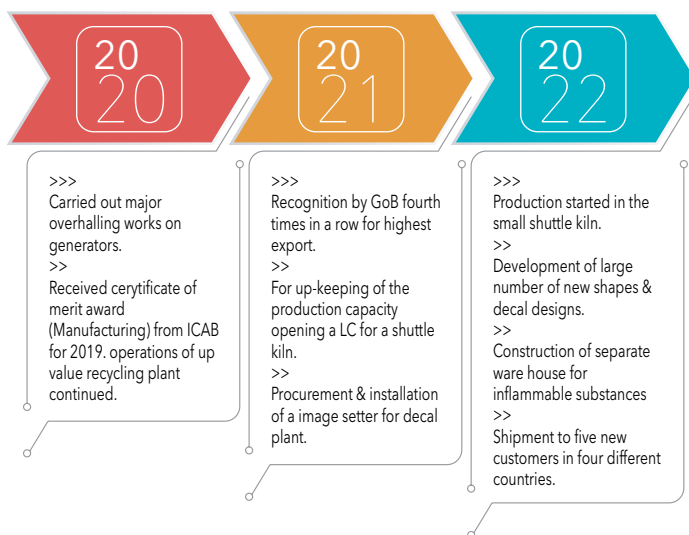
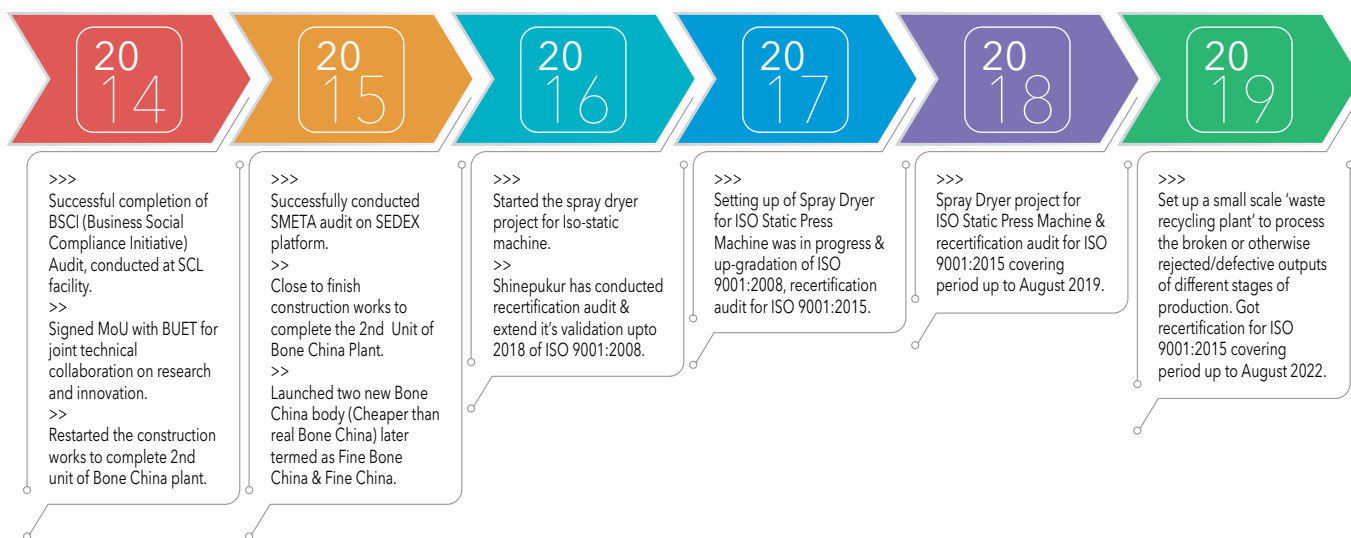
**Credit
Analysis**

Entity Rating


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

ride on time: CHRONOLOGY





GLOBAL PRESENCE



SHINEPUKUR
worldwide
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 ITS (INTERTEK) on April 2018. 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 2019-'20. 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. Shinepukur Ceramics Limited has been successfully conducted CTPAT by TUV-SUD on September 2019.

NATIONAL RECOGNITION



CEO is receiving National Export Trophy (Gold) for 2018-'19 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 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.

NATIONAL RECOGNITION



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





Govt. of Bangladesh
Awarded the Bangabandhu Sheikh Mujib Export Trophy (Gold) to
Shinepukur Ceramics Limited
for the highest Export Performance in Ceramic Product during FY 2018-19

রেজিস্টার্ড নং ডি এ-১ "জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের
জন্মশতবার্ষিকী উদ্‌যাপন সফল হোক"

বাংলাদেশ  গেজেট 

অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

বৃহস্পতিবার, জুলাই ২১, ২০২২

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
রাষ্ট্রপতি মন্ত্রণালয়
রংগুনি-৪ অধিশাখা

নং ২৬.০০.০০০০.১০০.৪৯.০০৬.২০.১৬৭ তারিখ: ২১ জুলাই ২০২২
০৬ শ্রাবণ ১৪২৯

প্রজ্ঞাপন
জাতীয় রংগুনি ট্রফি ২০১৮-২০১৯

২০১৮-২০১৯ অর্থবছরের সর্বোচ্চ রংগুনি আয়ের ভিত্তিতে "বঙ্গবন্ধু শেখ মুজিব রংগুনি ট্রফি"
প্রদানের জন্য নিম্নোক্ত প্রতিষ্ঠানকে সেরা রংগুনি কারক প্রতিষ্ঠান হিসেবে নির্বাচিত করা হলো :

স্মারক ক্র. নং	ট্রফি প্রাপক প্রতিষ্ঠানের নাম	ট্রফির প্রেমা
০১	শাইন পুকুর সিরামিকস লিমিটেড বেল টাওয়ার (লেভেল-১২), ১৯ খানমন্ডি আ/এ, রোড নং-১, ঢাকা। ফোন: ৮৬১৮২২০	স্বর্ণ



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 25TH ANNUAL GENERAL MEETING

Notice is hereby given that the 25 th Annual General Meeting of the Shareholders of Shinepukur Ceramics Limited will be held under Virtual Platform on Thursday, the 22 nd December, 2022 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 30 th June, 2022 together with reports of the Auditors and the Directors thereon.
2. To declare 3% cash dividend.
3. To elect Director.
4. To approve the re-appointment of Independent Director.
5. To appoint Auditors for the year 2022-23 and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year 2022-23 and to fix their remuneration.

By order of the Board,



(MOHAMMAD ASAD ULLAH, FCS)

Executive Director & Company Secretary

Dated: November 15, 2022

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. 21 November, 2022, 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 2021-22 will be sent through e-mail address of the Shareholders and will be available in the Website of the Company at: 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 1 (one) hour 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 or mazibur@beximco.net.



চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

কোম্পানীর ২৫তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সকলকে সু-স্বাগতম এবং কোম্পানীর ১লা জুলাই ২০২১ইং সাল থেকে ৩০শে জুন ২০২২ইং অর্থবছর এই সময়কালের সার্বিক কার্যক্রমের সারসংক্ষেপ আপনাদের সামনে উপস্থাপন করছি।

রাজস্ব

সামগ্রিক রাজস্বঃ রপ্তানী ও অভ্যন্তরীণ বিক্রয়, ভর্তুকী এবং অন্যান্য খাত থেকে অর্জিত আয় সামগ্রিক রাজস্বের অন্তর্ভুক্ত। চলতি ২০২১-’২২ অর্থবছরে সামগ্রিক রাজস্ব টাকা ১৭৩৩.০১৯ মিলিয়ন হয়েছে- যা গত ২০২০-’২১ অর্থবছরে ছিল টাকা ১৪০১.৩৩০ মিলিয়ন। ২০২১-’২২ অর্থবছরে সামগ্রিক রাজস্ব বৃদ্ধির হার ২৩.৬৭% - যা গত ২০২০-’২১ অর্থবছরে ছিল ১৫.৭৩%। নীচের টেবিল হতে এটা স্পষ্ট যে, ২০২১-’২২ অর্থবছরে কোম্পানীর অর্জিত সামগ্রিক রাজস্ব কোভিড -১৯ পূর্ববর্তী ২০১৮-’১৯ অর্থবছরকে অতিক্রম করেছে।

টাকা মিলিয়ন

বিবরণ	২০২১-’২২	২০২০-’২১	২০১৯-’২০	২০১৮-’১৯	২০১৭-’১৮	২০১৬-’১৭
সামগ্রিক রাজস্ব	১৭৩৩.০১৯	১৪০১.৩৩০	১২১০.৮৯৪	১৫৪২.৮৫৩	১৫৪৪.৩৩৫	১৪৫৭.৩৭৯
পূর্ববর্তী বছরের তুলনায় বৃদ্ধি	২৩.৬৭%	১৫.৭৩%	(২১.৫২%)	(০.১০%)	৫.৯৭%	৪.৭৮%

রপ্তানী বিক্রয়ঃ ২০২১-’২২ অর্থবছরে রপ্তানী খাত থেকে টাকা ১০৩০.৮২৩ মিলিয়ন (ভর্তুকী টাকা ৬৭.৮৯৪ মিলিয়নসহ) রাজস্ব আয় করেছে- যা আগের বছরে ছিল টাকা ৬২৯.১১২ মিলিয়ন (ভর্তুকী টাকা ৩৯.৬৮৩ মিলিয়নসহ)। রপ্তানী বিক্রয় পূর্ববর্তী বছরের তুলনায় ৬৩.৮৫% বৃদ্ধি হয়েছে। উন্নত বিশ্বের অর্থনীতিতে মন্দার কারণে চাহিদা হ্রাস এবং দেশী-বিদেশী সিরামিকস পণ্য নির্মাতাদের মাঝে বিরাজমান কঠোর প্রতিযোগিতা সত্ত্বেও রপ্তানী বিক্রয় থেকে কোম্পানীর রাজস্ব আয় প্রাক-মহামারী (২০১৮-’১৯ অর্থবছর) স্তর ছাড়িয়ে গেছে- যা আমাদের কোম্পানীর জন্য একটি সাফল্য।

টাকা মিলিয়ন

বিবরণ	২০২১-’২২	২০২০-’২১	২০১৯-’২০	২০১৮-’১৯	২০১৭-’১৮	২০১৬-’১৭
রপ্তানী আয় ভর্তুকী ছাড়া	৯৬২.৯২৯	৫৮৯.৪২৯	৫৭৮.৩১৩	৮৭৭.৫১২	৮৯৩.৩৪২	৮৯৬.৬১২
পূর্ববর্তী বছরের তুলনায় বৃদ্ধি	৬৩.৩৭%	১.৯২%	(৩৪.১০%)	(১.৭৭%)	(০.৩৬%)	০.৩২%
রপ্তানী আয় ভর্তুকীসহ	১০৩০.৮২৩	৬২৯.১১২	৬৭১.৫১২	৮৭৭.৫১২	৮৯৩.৩৪২	৮৯৬.৬১২
পূর্ববর্তী বছরের তুলনায় বৃদ্ধি	৬৩.৮৫%	(৬.৩১%)	(২৩.৪৮%)	(১.৭৭%)	(০.৩৬%)	০.৩২%

অভ্যন্তরীণ বিক্রয়ঃ আমাদের কোম্পানী অভ্যন্তরীণ বাজার থেকে চলতি ২০২১-’২২ অর্থবছরে টাকা ৬৮৪.২৩২ মিলিয়ন রাজস্ব অর্জন করেছে- যা গত ২০২০-’২১ অর্থবছরের তুলনায় ১০.৪৯% ঋণাত্মক বৃদ্ধি। মূলতঃ পোরসিলিন পণ্য কম বিক্রয়ের কারণে অভ্যন্তরীণ বিক্রয় থেকে কম রাজস্ব অর্জিত হয়েছে। আমাদের কারখানায় রপ্তানী বিক্রয়ের নিমিত্তে উৎপাদনকে প্রধান দেওয়ায় চলতি বছরে অভ্যন্তরীণ বাজারে আমাদের বিক্রয় পূর্ববর্তী বছরের তুলনায় কম হয়েছে।

বিবরণ	২০২১-'২২	২০২০-'২১	২০১৯-'২০	২০১৮-'১৯	২০১৭-'১৮	২০১৬-'১৭
অভ্যন্তরীণ বিক্রয়	৬৮৪.২৩২	৭৬৪.৪৪৭	৫৩৩.৫৬৪	৬৫৫.৬০৯	৬৩৫.৩০১	৫৪১.২৫৪
পূর্ববর্তী বছরের তুলনায় বৃদ্ধি	(১০.৪৯%)	৪৩.২৭%	(১৮.৬২%)	৩.২০%	১৭.৩৮%	১৩.৮৯%

মোট মুনাফা ও নীট আয়

টাকা মিলিয়ন

বিবরণ	২০২১-'২২	২০২০-'২১	২০১৯-'২০	২০১৮-'১৯	২০১৭-'১৮	২০১৬-'১৭
মোট/সার্বিক মুনাফা (GP) অনুপাত	১৬.৮০%	১৬.২৩%	১৫.৪২%	২২.২০%	২২.৬৫%	২২.৬৭%
Operating Expenses	টাকার পরিমাণ	১১৮.১৪৫	৯৮.৭৩২	৯৮.৬২১	১১৯.১২৬	১২৩.০৯৫
	রাজস্বের উপর অনুপাত	৬.৮৬%	৭.০৬%	৮.১৫%	৭.৭৩%	৮.০৪%
আর্থিক ব্যয়	টাকার পরিমাণ	৭৬.১৫৫	৭৮.৮৩৮	৮১.১৯৪	১৩৩.৯২৮	১৫০.৭৭৯
Finance Cost	রাজস্বের উপর অনুপাত	(৩.৪০%)	(২.৯০%)	(৩৯.৩৭%)	(১১.১৮%)	(২৪.৬৫%)
টাক্স পূর্ববর্তী নীট মুনাফা	টাকার পরিমাণ	১০০.৩০২	৫৪.৫৯৬	১১.২৯৬	৯২.৪৭৭	৮১.৪০৪
Net Profit Before Tax	রাজস্বের উপর অনুপাত	৮৩.৭২%	৩৮৩.৩২%	(৮৭.৭৯%)	১৩.৬০%	২৬০.৯৫%
টাক্স পরবর্তী নীট মুনাফা	টাকার পরিমাণ	৫৭.৯৮০	৪৬.৩৭৯	৩১.৫৯৩	৬২.৭১২	৬১.৫৪৮
Net Profit After Tax	রাজস্বের উপর অনুপাত	৩.৩৭%	৩.৩১%	২.৬২%	৪.০৯%	৪.০৩%
শেয়ারপ্রতি আয় (EPS) টাকা		০.৩৯	০.৩২	০.২১	০.৪৩	০.৪২

চলতি ২০২১-'২২ অর্থবছরে Gross Profit Ratio বিগত ২০২০-'২১ অর্থবছরের তুলনায় ১৬.২৩% থেকে বৃদ্ধি পেয়ে ১৬.৮০% হয়েছে। সামগ্রিক রাজস্ব (গত ২০২০-'২১ অর্থবছরের টাকা ১৩৯৯.৩১৩ মিলিয়ন হতে চলতি ২০২১-'২২ অর্থবছরে টাকা ১৭২২.৭৪১ মিলিয়ন) বৃদ্ধির কারণে Gross Profit বৃদ্ধি পেয়েছে। যদিও পরিচালন ব্যয় (Operating Expenses) গত ২০২০-'২১ অর্থবছরের টাকা ৯৮.৭৩২ মিলিয়ন হতে চলতি ২০২১-'২২ অর্থবছরে টাকা ১১৮.১৪৫ মিলিয়ন টাকায় বৃদ্ধি পেয়েছে; কিন্তু রাজস্বের অনুপাতে- যা গত ২০২০-'২১ অর্থবছরে ছিল ৭.০৬% এবং চলতি ২০২১-'২২ অর্থবছরে ৬.৮৬% কম হয়েছে। বর্ধিত Gross Profit Ratio এর সাথে Finance Cost থেকে সঞ্চয় (গত ২০২০-'২১ অর্থবছরের টাকা ৭৮.৮৩৮ মিলিয়ন এর বিপরীতে চলতি ২০২১-'২২ অর্থবছরে টাকা ৭৬.১৫৫ মিলিয়ন) হওয়ায় কর পূর্ববর্তী নীট মুনাফা (Net Profit Before Tax) গত ২০২০-'২১ অর্থবছরের টাকা ৫৪.৫৯৬ মিলিয়ন এর বিপরীতে চলতি ২০২১-'২২ অর্থবছরে টাকা ১০০.৩০২ মিলিয়ন এবং কর পরবর্তী নীট মুনাফা (Net Profit After Tax) গত ২০২০-'২১ অর্থবছরের টাকা ৪৬.৩৭৯ মিলিয়ন এর বিপরীতে চলতি ২০২১-'২২ অর্থবছরে টাকা ৫৭.৯৮০ মিলিয়ন হয়েছে। চলতি ২০২১-'২২ অর্থবছরের রাজস্বের সাথে NPAT অনুপাত ৩.৩৭% হয়েছে- যা গত ২০২০-'২১ অর্থবছরে ছিল ৩.৩১% এবং ৩০ শে জুন ২০২২ইং সময়কালে শেয়ার প্রতি আয় দাঁড়ায় ০.৩৯ টাকা- যা ৩০শে জুন ২০২১ইং তারিখে সমাপ্ত অর্থবছরে ছিল প্রতি শেয়ারের বিপরীতে ০.৩২ টাকা।

নগদ অর্থ সংস্থান ও তার ব্যবহার

চলতি অর্থবছরে রাজস্ব এবং অন্যান্য খাত থেকে আয় দাঁড়িয়েছে টাকা ১৮০৫.৫৩৬ মিলিয়ন- যা গত অর্থবছরে ছিল টাকা ১৩৯৩.৫৪৭ মিলিয়ন। চলতি অর্থবছরে পরিচালন কার্যক্রম থেকে খরচ ও খরচের বিপরীতে অর্থপ্রদান করার পর অধিক পরিমাণ নগদ অর্থের সংস্থান হয় যা বিনিয়োগ, ঋণ পরিশোধ এবং লভ্যাংশ প্রদানে ব্যয় করা হয়েছে।

ব্যাংক লোন

৩০শে জুন, ২০২২ইং তারিখে সমাপ্ত অর্থবছরে আমাদের কোম্পানীর ব্যাংক লোনের পরিমাণ কমে টাকা ১২১৩.৮৭৭ মিলিয়ন হয়েছে- যা ৩০শে জুন ২০২১ইং অর্থবছরে ছিল টাকা ১২৬৫.৪১৯ মিলিয়ন- যার ফলে ৩০শে জুন ২০২২ইং তারিখে ব্যাংক লোন - মোট সম্পত্তির অনুপাত কমে ১৯.০৭% হয়েছে- যা ৩০শে জুন ২০২১ইং তারিখে ছিল ১৯.৩০%। যাহোক, গ্রাহুইটি, ক্রেডিটর, সঞ্চয়পত্র ও অন্যান্য দায় (ব্যাংক লোন ব্যতীত) - মোট সম্পত্তি অনুপাত ৩০ শে জুন ২০২২ইং তারিখে কমে ৮.১৩% হয়েছে- যা গত অর্থবছর শেষে ছিল ১২.০৩%। লোন পরিশোধ এবং পাওনাদারদের দায় মেটানোর ফলে এই উন্নতি সম্ভব হয়েছে।

বোন চায়না ইউনিট

কীলন, যন্ত্রপাতি এবং সরঞ্জামাদি বিশেষ করে বোন চায়না ইউনিট -১ এর বয়স ২২ 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 পুরাতন অংশগুলোকে উন্নত পণ্য এবং উৎপাদনের ধারাবাহিকতা রক্ষার জন্য সংস্কার করা প্রয়োজন। যাহোক, কোভিড-১৯ এবং পরবর্তী রাশিয়া - ইউক্রেন যুদ্ধের কারণে বৈশ্বিক অর্থনৈতিক মন্দার কারণে নিম্নমুখী চাহিদার পরিপ্রেক্ষিতে কোন সংস্কার শুরু হয় নাই।

চেয়ারম্যানের প্রতিবেদন

পোরসিলিন ইউনিট

বোন চায়না প্লান্টের মতোই পোরসিলিন প্লান্টের কীলন, যন্ত্রপাতি এবং সরঞ্জামাদিও ২৩ বছরেরও বেশি পুরাতন হয়ে গেছে। High Pressure Casting (HPC) এবং গুস্ট কীলন-এর সীমাবদ্ধতা আমাদেরকে বড় আকারের/square shaped পণ্যের বৃহৎ ক্রয়াদেশ গ্রহণে প্রতিবন্ধকতা প্রদান করে। অন্যদিকে, পুরাতন কীলন এবং যন্ত্রপাতির কারণে কোম্পানীর সর্বোত্তম দক্ষতা ও পণ্যের গুণগতমানের ধারাবাহিকতা রক্ষা করা কষ্টসাধ্য হয়ে যাচ্ছে। যার দরুণ, নতুন কীলন প্রতিস্থাপন ও পুরাতন কীলন সংস্কার এবং ডিকেল প্রিন্টিং যন্ত্রপাতি অতীব জরুরী ছিল। এই পরিস্থিতি উত্তরণের জন্য কোম্পানী তারল্য সংকটের মাঝেও একটি ছোট কীলন (শাটল) এবং ডিকেল প্রিন্টিং প্লান্টের জন্য একটি ইমেজ সেটার মেশিন ক্রয় করেছে।

বিক্রয় ও বিপণন

করোনা মহামারীর কারণে ২০২১-২২ অর্থবছরে দেশে বা বিদেশে কোন বাণিজ্য মেলায় অংশগ্রহণ করে নাই। ঢাকার ওয়েস্টিনে এক্সকুসিভ 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 ক্রয়াদেশপ্রাপ্তি অনেক কম। মহামারীকালীন সময়ে ভোক্তাদের নিজ নিজ বাড়িতে অবস্থানের নির্দেশনা দেওয়া হয় এবং রেষ্টোরা ও হোটেলে যেতে নিরুৎসাহিত করা হয় এবং ভোক্তারা অত্যাবশ্যকীয় এবং স্বাস্থ্যসেবা খাতে তাদের ব্যয় সীমাবদ্ধ রাখে। যার ফলে, 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 মুদ্রাস্ফীতির আশংকা/উদ্বেগের কারণে ভোক্তাদের ক্রয়ক্ষমতা হ্রাস পাবার কারণে খুচরা বিক্রয় কমে যায়, ফলে রপ্তানী বাণিজ্যে চাহিদাও সঙ্কুচিত হয়। এই সকল বিরূপ পরিস্থিতি সত্ত্বেও আমাদের কোম্পানী চলতি অর্থবছরে গ্রাহকদের আস্থা অর্জন করতে সক্ষম হয়েছে এবং রপ্তানী আয় প্রাক-মহামারী পর্যায়েকে অতিক্রম করতে সক্ষম হয়েছে।

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) ৬ষ্ঠ বারের মতো অডিট সম্পন্ন করেছে। পাশাপাশি, ২০২১-২২ইং অর্থবছরে DNV (Det Norske Veritas) দ্বারা ISO এর দুইটি পর্যায়ক্রমিক অডিট সম্পন্ন করেছে। উৎপাদিত পণ্য আমেরিকার বাজারে রপ্তানীর জন্য C-TPAT ২০২১ 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)	২০২২	EU/UK
SEDEX Members Ethical Trade Audit (SMETA)		
Business Social Compliance Initiative (BSCI)	২০২২	ইউরোপ
Customs-Trade Partnership Against Terrorism C-TPAT	২০২২	আমেরিকা
International Organization for Standardization - ISO	২০২২	বিশ্বের সকল দেশ

সরকারী স্বীকৃতি - ৫ম বারের (২০১৪-’১৫ থেকে ২০১৮-’১৯) মতো জাতীয় রপ্তানী পদক (স্বর্ণ) গ্রহণ

আমাদের কোম্পানীকে ২০১৮-’১৯ইং অর্থবছরে বাংলাদেশ থেকে সর্বোচ্চ সিরামিকস পণ্য রপ্তানীর স্বীকৃতিস্বরূপ গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের বাণিজ্য মন্ত্রণালয় কর্তৃক Bangabandhu Sheikh Mujib Export Trophy (Gold) পদকে ভূষিত করা হয়েছে। Bangabandhu Sheikh Mujib Export Trophy (Gold) পদক প্রাপ্তির বিষয়টি জাতীয় গেজেট এবং জাতীয় রপ্তানী উন্নয়ন ব্যুরো-এর ২১শে জুলাই ২০২২ইং এর স্মারক নং ২৬.০০.০০০০.১০৩.৪৯.০০৬.২০.১৬৭-এর মাধ্যমে অবহিত করা হয়।

বছর	স্বীকৃতির ধরন	পদক গ্রহণ
২০১৮-’১৯	বঙ্গবন্ধু শেখ মুজিব রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় বাণিজ্যমন্ত্রী জনাব টিপু মুন্শি, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
২০১৭-’১৮	বঙ্গবন্ধু শেখ মুজিব রপ্তানী ট্রফি (স্বর্ণ)	মাননীয় বাণিজ্যমন্ত্রী জনাব টিপু মুন্শি, 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 ২০২১-’২২ইং অর্থবছরে রাষ্ট্রীয় কোষাগারে টাকা ১৯৫.৮২৫ মিলিয়ন পরিশোধ করেছে- যার মধ্যে আয়কর ছিল টাকা ৪২.৩২৩ মিলিয়ন, আমদানী শুল্ক ছিল টাকা ৪০.০৪২ মিলিয়ন এবং VAT ছিল টাকা ১১৩.৪৬০ মিলিয়ন। নীচের টেবিল হতে বিষয়টি আরও বোধগম্য হবেঃ

বিষয়	২০২১-’২২	২০২০-’২১	২০১৯-’২০	২০১৮-’১৯	২০১৭-’১৮	২০১৬-’১৭
VAT	১১৩.৪৬০	১১৪.৬৭৩	৯১.২৯৪	১০৯.১৭২	১১১.৬৭১	১১২.৩৯৯
আয়কর	৪২.৩২৩	২৩.৫৩৬	৩০.৩২২	২৯.৭৬৬	২৯.০৪৬	২৬.৩৫০
আমদানী শুল্ক	৪০.০৪২	২৫.৪২৮	২৩.৪৩৬	২৭.২২৭	২৫.৬২৩	২৩.৯৬৪
সর্বমোট	১৯৫.৮২৫	১৬৩.৬৩৭	১৪৫.০৫২	১৬৬.১৬৫	১৬৬.৩৪০	১৬২.৭১৩

মানব সম্পদ

আমাদের কোম্পানী তার কর্মীদের পেশাদার এবং ব্যক্তি উন্নতি বিকাশে বিভিন্ন সুযোগ প্রদান করে। কর্মকর্তাদের বিশ্বস্ততা, পারস্পরিক সহযোগিতা এবং সমন্বয় সাধনের উপর গুরুত্বারোপ করে। কোম্পানীর টেকসই উন্নয়নের ধারা অব্যাহত রাখার স্বার্থে আমরা আমাদের কর্মীদের দক্ষতা, উদ্যোগকে অনুপ্রাণিত করি। ৩০শে জুন ২০২২ইং তারিখে শাইনপুকুর সিরামকিস লিমিটেড-এর মানব সম্পদের সংখ্যা ২৯৯২ জনে উন্নীত হয়- যা ৩০শে জুন ২০২১ইং তারিখে ছিল ২৯৬৪ 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। সিরামকিস শিল্পের উন্নয়নকল্পে বুয়েটের একটি গবেষণা দলকে সহযোগিতা করেছে এবং এই লক্ষ্যে তাদেরকে আমাদের পরীক্ষাগার ও এর সরঞ্জামাদি ব্যবহারের অনুমতি দিয়েছি। শাইনপুকুর সিরামকিস 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 আস্থানে সাড়া দিতে দ্বিধা করিনি। কর্পোরেট সোশ্যাল এ্যাকটিভিটির অংশ হিসাবে আমাদের কোম্পানী/গ্রুপ কোভিড-১৯ মহামারী চলাকালীন সময়ে বেশ কয়েকটি প্রোগ্রাম/কার্যকলাপে অংশগ্রহণ করেছে। বিগত বছরের ন্যায় আমাদের গ্রুপ সরকারী হাসপাতালগুলোতে বেমসিভির (জেনেরিক রেমডিসিভির) বিনামূল্যে সরবরাহ করা অব্যাহত রেখেছে এবং অন্যান্য হাসপাতালগুলোতে তুলনামূলক কম মূল্যে সরবরাহের ব্যবস্থা করেছে। সরকারের আস্থানে সাড়া দিয়ে আমরাও মানবিক কারণে বিনামূল্যে ঔষধ বিদেশে পাঠিয়েছি। আমরা ফ্রন্টলাইন কর্মীদের সুরক্ষার জন্য সরকার মনোনীত হাসপাতালগুলোতে বিনামূল্যে পিপিই, ঔষধ এবং করোনা পরীক্ষার কীট প্রদান করেছে। গ্রুপের পক্ষ থেকে গত বছর স্থাপিত করোনা টেস্টিং ল্যাবরেটরী বছরব্যাপী চালু ছিল। কর্মকর্তা-কর্মচারীদের ব্যক্তিগত সুরক্ষার জন্য কোম্পানীর পক্ষ থেকে স্যানিটাইজেশনের জন্য আর্চওয়ে স্থাপন, সকল প্রবেশপথে তাপমাত্রা পরীক্ষা, নিয়মিত হাত ধোয়ার ব্যবস্থা এবং কর্মক্ষেত্রে সকলকে মাস্ক ব্যবহার বাধ্যতামূলক করা হয়েছে।

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।

মহামারী (কোভিড-১৯) ২০২০-২১ এবং ২০২১-’২২ অর্থবছরে আমাদের কোম্পানীর কর্মক্ষমতা এবং সমগ্র বিশ্বের অর্থনীতিকে প্রভাবিত করেছে। যাহোক, এটি সাম্প্রতিক সময়ে চীনে পুনরায় আবির্ভূত হয়েছে এবং দ্রুত পরিবর্তনশীল চরিত্রের অধিকারী (মাংকী পক্ষ) এখনও অন্য সবার মতো আমাদের কাছে উদ্বেগের বিষয়। মহামারীর প্রভাব পণ্যের সরবরাহ এবং ব্যবসা-বানিজ্যকে মারাত্মকভাবে প্রভাবিত করে। আমরা তথা বিশ্ব যখন কোভিড-১৯ এর নেতিবাচক প্রভাব (লক ডাউন এবং কাচামালের সরবরাহের বিঘ্নতা) থেকে উত্তোরণের পর্যায়ে তখন ইউক্রেন - রাশিয়া যুদ্ধ পরিস্থিতি আরও উদ্বেগের কারণ হয়ে উঠছে। জ্বালানী খরচ ও খাদ্য মূল্যবৃদ্ধিজনিত কারণে উচ্চমূল্যস্বীতি হচ্ছে যা বাবসা বানিজ্যকে সংকুচিত করছে এবং বিশ্ব অর্থনীতিকে মন্দার দ্বারপ্রান্তে নিয়ে যাচ্ছে। কোন সন্দেহ নাই যে, বৈশ্বিক অর্থনৈতিক মন্দা আমাদের অভ্যন্তরীণ এবং রপ্তানী বানিজ্যে 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 অর্শীজনদেরকে আন্তরিক ধন্যবাদ জানাচ্ছি এবং ভবিষ্যতেও আপনারা এই সমর্থন ও সহযোগিতা রাখবেন এই প্রত্যাশা করি।

X. R. P. Lakshmi

এ এস এফ রহমান

চেয়ারম্যান

তারিখ: ২৭শে অক্টোবর, ২০২২ইং

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 2021 to 30 June 2022.

Revenue

Overall Revenue: Overall revenue comprises of export sales, subsidy income, domestic sales & other income. Overall revenue increased to Taka 1733.019 million in FY2021-'22 against Taka 1401.330 million in FY2020-'21. The overall revenue grew at the rate of 23.67% during the year FY2021-'22 which had been 15.73% during the last year. The table below shows that during the year FY 2021-'22, the company's overall revenue has been exceeded the level of pre-pandemic year FY2018-'19.

Taka in Million

Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Overall Revenue	1733.019	1401.330	1210.894	1542.853	1544.335	1457.379
Increase/(decrease) over previous Year	23.67%	15.73%	(21.52%)	(0.10%)	5.97%	4.78%

Export Sales: During FY2021-'22 the company earned export sales of Taka 1030.823 million (including Subsidy Taka 67.894 million) against Taka 629.112 million (including Subsidy Taka 39.683 million) in previous year, which indicates an increase of 63.85%. Despite lower demand in advanced economies and prevailing stiff competition amongst the manufacturers from home & abroad, the company's earnings from the export sales has exceeded from the pre-pandemic (FY2018-'19) level which is a notable achievement during the year for our company.

Taka in Million

Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Export sales without incentive	962.929	589.429	578.313	877.512	893.342	896.612
Increase/(decrease) over previous Year	63.37%	1.92%	(34.10%)	(1.77%)	(0.36%)	0.32%
Export sales including incentive	1030.823	629.112	671.512	877.512	893.342	896.612
Increase/(decrease) over previous Year	63.85%	(6.31%)	(23.48%)	(1.77%)	(0.36%)	0.32%

Domestic Sales: Our company earned Taka 684.232 million from the domestic sales during FY2021-'22, 10.49% lower than that of FY2020-'21. Decrease in domestic sales was due to lesser sales of porcelain. Entry of porcelain wares in the domestic market from a new manufacturer and our priority & focus on export sales resulted lower porcelain sales during the year.

Taka in Million

Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Domestic sales	684.232	764.447	533.564	655.609	635.301	541.254
Increase/(decrease) over previous Year	(10.49%)	43.27%	(18.62%)	3.20%	17.38%	13.89%

Operating Result

Taka in Million

Particulars		FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Gross Profit (GP) Ratio		16.80%	16.23%	15.42%	22.20%	22.65%	22.67%
Operating Expenses	Amount	118.145	98.732	98.621	119.126	123.095	119.49
	Percentage on Revenue	6.86%	7.06%	8.15%	7.73%	8.04%	8.30%
Finance Cost	Amount	76.155	78.838	81.194	133.928	150.779	200.109
	Percentage on Revenue	(3.40%)	(2.90%)	(39.37%)	(11.18%)	(24.65%)	(18.22%)
Net Profit Before Tax	Amount	100.302	54.596	11.296	92.477	81.404	22.553
	Percentage on Revenue	83.72%	383.32%	(87.79%)	13.60%	260.95%	155.69%
Net Profit After Tax	Amount	57.980	46.379	31.593	62.712	61.548	8.293
	Percentage on Revenue	3.37%	3.31%	2.62%	4.09%	4.03%	0.58%
Earnings Per Share (EPS) in Taka		0.39	0.32	0.21	0.43	0.42	0.06

Gross profit ratio during the year improved to 16.80% from last year's 16.23%. Increased overall revenue (Taka 1722.741 million against last year's Taka 1399.313 million) helped to achieve higher GP during the year. Although, operating expenses increased in amount (Taka 118.145 million against Taka 98.732 million) but in terms of percentage it has improved to 6.86% from previous year's 7.06%. Savings from finance cost (Taka 76.155 million against Taka 78.838 million), along with increased GP ratio, resulted higher net profit before tax (Taka 100.302 million against Taka 54.596 million) and net profit after tax Taka 57.980 million against last year's Taka 46.379 million. NPAT for current year stood at 3.37% against last year's 3.31% on revenue and EPS for current year calculated at Taka 0.39 against Taka 0.32 of previous year.

Generated cash & Utilization

During the year, collections from turnover & other income increased to Taka 1805.536 million which was Taka 1393.547 million in previous year. After making payments against cost & expenses resulted higher net cash generation from the operating activities during the year which was used to finance the cash outflows for investing activities, repayment of loans and dividend payments.

Outstanding loan & Liabilities

Loan outstanding of our company decreased at Taka 1213.877 million as on June 30, 2022, which was Taka 1265.419 million as on June 30, 2021. As a result, outstanding loan to total assets ratio also decreased at 19.07% on June 30, 2022 compared to 19.30% on June 30, 2021. However, the ratio of Liabilities (Taka 517.366 million) for gratuity, creditors, accruals, other payables etc (other than loans) to total assets decreased to 8.13% on June 30, 2022 which was 12.03% at the end of last year. Repayments of loans and payment against creditors resulted such improvements.

Bone China Plant

The kiln, machinery and equipments, specially the Unit - I of bone china plant has become over 22 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, no rehabilitation/renovation works were undertaken during the year in view of the depressed demand resulting from economic slowdown due to Covid 19 and subsequent R-U war.

Porcelain Plant

Similar to bone china plant the kiln, machinery and equipments of porcelain plant has become over 23 years old. 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. Aged kilns and machinery are standing in the way for optimum efficiency and quality consistency. Therefore, renovation & replacement of kilns, production and decal printing machinery were required. To ease the situation, the company, despite liquidity constraints, has procured a small Kiln (shuttle) and an image setter for decal printing plant during the year.

CHAIRMAN'S STATEMENTS

Marketing and Sales

In 2021-'22 SCL did not participate any trade fair neither in home nor in abroad due to the pandemic situation. However, 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 fifth 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 2021 -22. We have also obtained C-TPAT 2021 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)	2023	Europe
Customs-Trade Partnership Against Terrorism C-TPAT	2023	USA
International Organization for Standardization - ISO	2025	Across the Globe

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

Our company has been awarded Bangabandhu Sheikh Mujib Export Trophy (Gold) by Ministry of Commerce, Government of Bangladesh in recognition to our highest export performance in ceramic products during the FY2018-'19. The declaration of awarding the National Export Trophy has been gazetted and was communicated by Export Promotion Bureau (EPB) vide ref. 26.00.0000.103.49.006.20.167, dated: 21th July, 2022.

Year	Type of Recognition	Handed Over By
2018-'19	Bangabandhu Sheikh Mujib Export Trophy (Gold)	Honorable Commerce Minister Mr. Tipu Munshi
2017-'18	Bangabandhu Sheikh Mujib Export Trophy (Gold)	Honorable Commerce Minister Mr. Tipu Munshi
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 195.825 million during the year, of which Taka 113.460 million was in the form of VAT, income tax was Taka 42.323 million and import duty was Taka 40.042 million as shown below:

Taka in Million						
Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
VAT	113.460	114.673	91.294	109.172	111.671	112.399
Income Tax	42.323	23.535	30.322	29.766	29.046	26.35
Import Duty	40.042	25.428	23.436	27.227	25.623	23.964
Total	195.825	163.636	145.052	166.165	166.34	162.713

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 2022 stood 2,992 against 2,964 of June 2021.

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 a research team of BUET on advanced ceramic studies and allowed them to use our laboratory and equipments for the research works. SCL took part in sponsoring sports, cultural programs and assisted the organizations helping underprivileged children and physically challenged/incapacitated people.

As a part 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 pandemic period caused by the Covid-19. Like previous year, our Group continued supplying government hospitals with Bemsivir (the generic Remdesivir) for free and kept the price of the medicine relatively lower for other hospitals. In response to Government call, we have also sent free medicine abroad on humanitarian grounds. We continued donating PPEs, medicines, and test kits to government-designated hospitals for frontline workers. The Corona testing lab set up during last year by the Group was also functioning during the year. The preventive measures, such as setting up archway for sanitization, checking temperature on the entrance, practice of washing hands and compulsory wearing face mask for all employees at work, were also kept enforced at company's cost 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

The pandemic (Covid -19) impacted our company's performance and the economies of the World during FY2021-'22 and FY2020-'21. However, it's recent re-emerging in China and mutating characters (Monkey pox) is still remain a matter of concern. Shutdown put in place in response to the pandemic affects the supply chains and businesses. When the businesses were trying to come out of the negative impacts (due to shutdown and supply chain disruptions) of Covid-19, subsequent R-U war has become matter of more concern. It has resulted high inflation from steep increase in energy cost and food prices which is bringing the world economies to the brink of recession. The economic slowdown/recession has/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: 27th October, 2022



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 2022 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.

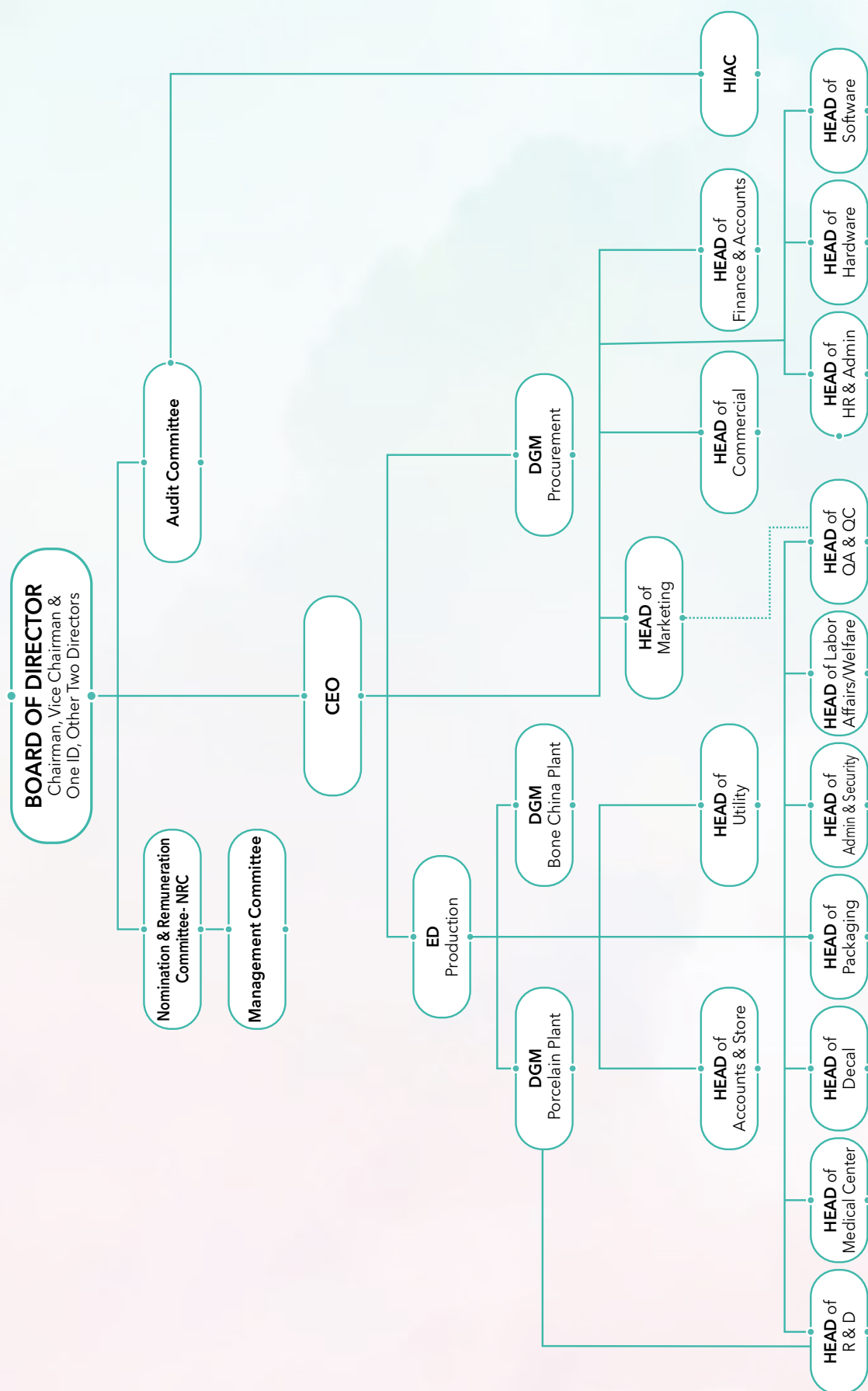
Relations with Shareholders – The annual general meeting are used as an important opportunity for communication with both institutional and general shareholders. In addition, the Company maintains relations with shareholders through the corporate affairs secretarial department.

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.

ORGANOGRAM





DIRECTORS' REPORT

to the Shareholders for the year ended June 2022

Dear Shareholders,

The Directors have pleasure in submitting hereunder "Directors' Report" together with the Audited Accounts for the year ended June 2022 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 due to disruption in supply chains. Also regulatory measures to increase the prime (base) interest rates to combat the inflationary pressure in advanced economies accelerated the depreciation of value of BDT against US\$, the trend of such depreciation may be continued in near future as well. Moreover, widening the spread between the rates of buying (from exporters) and selling (to importers) by banks against foreign currencies has and will negatively impact on cost of imported materials.

Erratic pressure and uncertainty on availability of Gas

Government, in view of abnormal price in sport market, took a policy of slowing down the import volume of LNG which ultimately causes erratic pressure and uncertainty on availability of gas in the supply lines to the industries. Although industries were invoiced as if there were continued supplies of gas with required pressure and accordingly industries had to pay the billed amount in full but in reality, absence of required gas pressure caused production loss to the industries. Because of dollar crisis, if the rationing of imported LNG continue, availability of gas for kiln for firing the ceramic table wares may not be adequate and therefore, production continuity and quality of production will be disrupted.

DIRECTORS' REPORT

Energy Cost - Gas

Government has increased the gas tariffs for industries effective from 1st June 2022. Along with the increased tariffs, no or low pressure in supply line is pushing the incidence of energy (gas) expenses up on cost of production. Meanwhile, energy cost - gas has become almost four times higher in last eight years. 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 1st June 2022	30-Jun-20 (effective from March 2020)	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Gas Tariffs -Power generation, Taka per M3	16.00	13.85	13.85	9.62	9.62	8.36	4.18	4.18
Gas Tariffs - Kiln, Taka per M3	11.98	10.72	10.72	7.76	7.76	6.74	5.86	5.86

Energy Cost - Electricity

Although, the Government has not increase the electricity tariffs for consumers during the year, it is apprehended that Government may in any time increase the existing tariffs of electricity for industries in near future. Moreover, due to shortage of electricity production, the frequency and duration of electricity outage has worsened which increase the dependency on captive power generation. Since the captive power generators are gas operated, non-availability of gas again may disrupt the continuous production. Following table shows the change in Electricity unit cost since 2014:

	30 June 2020 (effective from March 2020)	30 June 2019	30 June 2s018	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2014
Electricity Taka per KW	10.69 Peak / 7.70 off peak	10.69 Peak / 7.70 off peak	8.15	7.57	7.32	7.32	7.32	4.18

Shrinking Demand in International Market

Global worsening economic situations, 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 unfavourable business environment specially when the purchasing power of consumers have declined due to high inflation, our company did well in regaining the export 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. The competition will be stiffer because of higher devaluation of currencies by the competing countries like China, India, Thailand, Indonesia etc than Bangladesh as well as their advantage in sourcing the materials 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 Kilns, machinery & other equipments productive. With the increase of the age of the Kilns, 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 kilns, machinery and other equipments operational, because of stopping of manufacturing of the same by the original manufacturers (of the kilns, machinery and other equipments) due to updating of their models. It may be noted that Kilns, Decal Printing, HPC and Jiggering machines of our company have become more than 20 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 kilns, 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, erection of the shuttle kilns, LC for which opened last year, has been completed. Also bricks and other furniture for renovation of an existing glost kiln was procured in FY2021-'22. The said renovation works to the glost kilns has been carried out during the months of Sep-Oct 2022. With the addition of the small shuttle kiln and the completion of the renovation works in the glost kiln production capacity in porcelain plant has been regained to

a large 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 for marketing porcelain wares and may challenge our dominance in export as well in future.

Impact of Covid-19

In July 2021 shops, malls, hotel & restaurants were closed factories offices and plying of public transportation were restricted for combat the spread of Covid 19 (Delta variant) which affected production & sales of the company, when it had to pay full wages, allowances, etc to the employees. During July-August 2021 in FY 2021-22 operations of the company were affected due to non presence of employees in work place(s) fearing the infection(s) from the virus and due to restriction in plying public transports. The company had to face and manage following impacts of pandemic (Covid-19):

- (i) Disruptions in international supply chain(s);
- (ii) Declining of export demand due to slowdown in the world economies; and
- (iii) Covid-19 disrupted the movements of goods, lengthened the voyage time which caused significant increase in freight charges. Consequently importing cost of materials went up in one hand and caused our product costlier at the customer's end which ultimately affects the demand of the product.

Future Plan

In view of present, Global economic situation resulting from the pandemic and R-U war and also considering the company's liquidity position and increasing gas price and prevalence of higher inflationary pressure to adjust for the wages & salaries for employees and also the foreign exchange (dollar) crisis, the Board of Directors of the company does not consider that it will be prudent to go for any large scale capital investment (for Modernization & expansion) in near future.

Performance & Outlook- Total Sales

The table below reflect that the total sales (export excluding incentives and domestic sales excluding scrap) during the FY2021-'22 increased to Taka 1647.162 million which is 21.66% higher than previous year.

<i>Taka in million</i>						
Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Total sales (Without Incentives & Scrap Sales)	1647.162	1353.875	1111.877	1533.121	1528.643	1437.866
Increase/(Decrease) over previous FY	21.66%	21.76%	(27.48%)	0.29%	6.31%	1.84%

SCL has been continued to be largest tableware exporters from Bangladesh, although it's share to total Bangladesh export has slightly been decreased. SCL exported \$10.14 million during FY 2021-'22 which was 22% of total Bangladesh export. Whereas it's export of \$7.14 million in FY2020-'21 was almost 23% of total Bangladesh export US\$31.11million.

<i>US\$ in million</i>						
Ceramics Products	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Bangladesh Export (including ceramic tiles & sanitary wares) source: EPB	46.02	31.11	27.97	68.97	51.94	39.14
Shinepukur Export	10.14	7.14	7.03	10.57	11.04	11.58
Shinepukur Share to total BD Export	22.03%	22.95%	25.13%	15.32%	21.26%	29.59%

DIRECTORS' REPORT

Performance & Outlook- Export Sales

The table below shows the ratio of export sale to total sales of the company for preceding five years:

Taka in million

Particulars	FY 2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17
Export without incentive	962.929	589.429	578.313	877.512	893.342	896.612
% of Export over total sales (WI)	58%	44%	52%	57%	58%	62%
Increase/(Decrease) over previous FY	63.37%	1.92%	(34.10%)	(1.77%)	(0.36%)	0.32%

During FY2021-'22, export sales (export without incentive) increased by 63.37% over previous year and 7.44% over FY 2018-'19 (pre-pandemic year) and contribution of export to total sales reached to 58%, almost similar to pre-pandemic 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. We are confident that, SCL will be able to increase the ratio of its export sales to 60% and able to retain the leadership position in exporting table wares from Bangladesh in the coming years.

Business Outlook- Domestic Sales

Taka in Million

Particulars	FY 2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17
Domestic Sales	684.233	764.447	533.564	655.609	635.3	541.254
% of Domestic Sales over SCL total sales	42%	56%	48%	43%	42%	38%
% increase or Decrease over previous FY	(10.49%)	43.27%	(18.62%)	3.20%	17.38%	13.89%

Our company could earn Taka 684.232 million from the domestic sales during FY 2021-'22, which was 10.49% lower than that of FY2020-'21. Stiff competition among the manufacturers and the importers of ceramic table wares and entry of porcelain wares in the domestic market from a new manufacturer and our priority & focus on export sales resulted lower porcelain sales during the year. Moreover, increased product cost, resulting from higher Gas price, 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 forecast of economic recession, it is apprehended that export sales from Q2 of FY2022-'23 will be under pressure. The Board of the company always put emphasis on our strong presence in the domestic market and employing the strategy of utilization of net production capacity (after meeting the export demand) by selling to domestic market.

Segmental/Product wise Reporting

As an OEM facility for manufacturing ceramic table wares, there is no geographical or otherwise identifiable divisions are there for segmental reporting for 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 FY2021-'22 along with preceding five years are tabulated below:

Taka in million

Year	Porcelain			Bone China			Ratio to total Revenue Total			Ratio to total Revenue			
										Porcelain		Bone China	
	Export	Domestic	Total	Export	Domestic	Total	Export	Domestic	Total	Export	Domestic	Export	Domestic
FY2021-'22	525.937	421.257	947.194	436.992	262.975	699.967	962.929	684.232	1647.161	32%	26%	26%	16%
Incr/(Dec) over pre. year	68.28%	(19.09%)	13.68%	57.82%	7.87%	34.43%	63.37%	(10.49%)	21.66%	58%		42%	
FY2020-'21	312.539	520.648	833.187	276.890	243.799	520.689	589.429	764.447	1353.876	24%	38%	20%	18%
Incr/(Dec) over pre. year	(19.62%)	61.34%	17.10%	46.12%	15.63%	30.06%	1.92%	43.27%	21.76%	62%		38%	
FY2019-'20	388.818	322.711	711.529	189.495	210.853	400.348	578.313	533.564	1111.877	35%	29%	17%	19%
Incr/(Dec) over pre. year	(14.84%)	(23.01%)	(18.75%)	(54.98%)	(10.83%)	(39.10%)	(34.10%)	(18.62%)	(27.48%)	64%		36%	
FY2018-'19	456.574	419.144	875.718	420.938	236.465	657.403	877.512	655.609	1533.121	30%	27%	28%	15%
Incr/(Dec) over pre. year	(10.93%)	(3.44%)	(7.49%)	10.55%	17.50%	12.96%	(1.77%)	3.20%	0.29%	57%		43%	
FY2017-'18	512.584	434.059	946.643	380.758	201.241	581.999	893.342	635.300	1528.643	34%	28%	25%	13%
Incr/(Dec) over pre. year	(22.60%)	32.64%	(4.34%)	62.29%	(5.96%)	29.73%	(0.40%)	17.38%	6.31%	62%		38%	
FY2016-'17	662.296	327.257	989.553	234.617	213.997	448.614	896.913	541.254	1437.867	46%	23%	16%	15%
Incr/(Dec) over pre. year	27.53%	0.67%	17.19%	(8.34%)	30.76%	6.91%	15.69%	10.75%	13.75%	69%		31%	

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;

Taka in million

Year	Material (including packaging)			Contribution to recover conversion Cost and OPEX			Contribution as a % of sales WIS		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total	Porcelain	Bone China	Total
FY2021-'22	414.954	289.636	704.590	532.240	410.332	942.752	56.19%	58.62%	57.22%
FY2020-'21	406.541	121.475	528.016	426.646	399.214	825.860	51.21%	76.67%	61.00%
FY2019-'20	248.13	154.245	402.375	463.399	246.103	709.502	70.55%	59.95%	66.63%
FY2018-'19	297.091	165.24	462.331	578.627	492.163	1070.79	68.57%	79.35%	73.08%
FY2017-'18	320.846	190.505	511.351	625.797	391.495	1017.292	72.28%	69.44%	71.17%
FY2016-'17	387.34	130.908	518.248	602.213	317.406	919.619	72.32%	74.54%	73.02%

During the year, export of porcelain wares has increased to Taka 525.937 million from Taka 312.539 million, an increase of 68.28% over previous year. Export unit prices of porcelain wares are higher than that of domestic sales. Higher export sales ratio resulted better contribution from porcelain wares (56.19% in FY 2021-'22 against 51.21% in FY2020-'21). Unit price of Bone China in domestic market is comparatively better. Although this year's total sales of bone china wares increased both in export & domestic markets, but the increased cost of imported materials reduced the rate of contribution to 58.62% in FY2021-'22 from 76.67% in FY 2020-'21, which also pulled down the overall contribution to 57.22% in FY 2021-'22 from 61.00% in FY2020-'21.

DIRECTORS' REPORT

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

Taka in million

Particulars	FY2021-'22			FY2020-'21		
	Porcelain	Bone China	Total	Porcelain	Bone China	Total
A. Total Sales without incentive & Scrap (WIS)	947.194	699.968	1647.162	833.187	520.689	1353.876
B. Carrying amount of PPE (Net Segmental Assets)	2115.162	2687.667	4802.829	2283.303	2761.616	5044.919
C. Share of Carrying amount (investment) of PPE	44.04%	55.96%	100%	45.26%	54.74%	100%
D. Contribution to conversion cost & OPEX	532.240	410.332	942.752	426.646	399.214	825.860
E. Share of contribution to conversion cost & OPEX	56.47%	43.53%	100%	51.66%	48.34%	100.00%
F. Contribution to Sales [D/A]	56.19%	58.62%	57.22%	51.21%	76.67%	61.00%
G. Sales to Carrying Amount (investment) of PPE [A/B]	44.78%	26.04%	34.30%	36.49%	18.85%	26.84%
H. Return (Contribution) on Carrying Amount of PPE (investment in net segmental assets) [FxG]	25.16%	15.27%	19.63%	18.69%	14.46%	16.37%

During the year sales to carrying amount (investment) of PPE and share of contribution to conversion cost & OPEX of porcelain unit were better (respectively 44.78% and 56.47%) than those of bone china unit (respectively 26.04% and 43.53%). However, the share of carrying amount (investment) of PPE of bone china unit and its contribution to sales in percent were proportionately higher respectively 55.96% and 58.26%. Compared to last year, return (contribution) on carrying amount of PPE (investment in net segmental assets) of both porcelain and bone china units have improved during the year respectively to 25.16% and 15.27% in FY2021-'22 from 18.69% and 14.46% in FY2020-'21.

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. |
| 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

Particulars	FY2021-'22			FY2020-'21		
	Amount	Vertical	Horizontal	Amount	Vertical	Horizontal
Total revenue including scrap sales, export incentive	1722.742	100%	23.11%	1399.313	100%	15.70%
CoGS Elements						
Material Cost	704.590	40.90%	33.44%	528.016	37.73%	31.22%
Wages & (Factory) Salaries	407.354	23.65%	19.16%	341.846	24.43%	12.73%
Power & Fuel	111.788	6.49%	10.77%	100.919	7.21%	(4.51%)
Consumable Store & Spares	55.637	3.23%	6.70%	52.143	3.73%	22.66%
Depreciation (Factory)	117.244	6.81%	(1.82%)	119.42	8.53%	(3.22%)
Overheads	36.789	2.14%	52.71%	24.091	1.72%	(42.67%)
Cost of Goods Sold (CoGS)	1433.402	83.20%	22.89%	1166.434	83.36%	14.44%
Gross Profit (GP)	289.339	16.80%	24.24%	232.879	16.64%	22.43%

Increase in price & freight, devaluation of Taka and higher consumption of packing materials for using inner boxes as per demand of the foreign customers pushed up the material cost during the year. Erratic gas supply (with no/low pressure) caused over billing and also implementation of higher tariffs for gas from June 2022 increased the power and fuel cost. Employment of additional workforces for production has increased the wages and salaries. Higher communication, transportation & handling cost caused increase in overhead expenses.

Gross Profit (GP)

GP ratio for the year increased to 16.80% from previous year's 16.64%. Total revenue (including incentive & scrap sale) earned during the year was increase by 23.11% over previous year. On the other hand, cost of goods sold to total revenue came down to 83.20% which was 83.36% in last year. Increased revenue resulted lower CoGS ratio and consequently higher GP ratio during the year. The increase of the revenue, particularly increase in export sales (WI) at a rate of 63.37% over previous year, has helped in achieving better GP ratio during the year.

DIRECTORS' REPORT

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 million						
Particulars	FY 2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17
Net profit / (Loss) before tax	100.302	54.597	11.296	92.477	81.405	22.553
Income tax (Expenses)/ Income:	(42.323)	(8.218)	20.296	-29.766	(19.857)	14.261
i. For the period under review	(42.323)	-11.549	-7.336		28.546	23.202
ii. Short/(excess) provision for earlier years		3.331	27.632	-	-	-
iii. Deferred tax (Income)/Expenses		-	-	-	(8.689)	(8.941)
Net profit / (Loss) after tax	57.980	46.379	31.592	62.712	61.548	8.292
Balance brought forward from previous year	(13.345)	(30.331)	(61.923)	(124.635)	(186.183)	(194.475)
Dividend Paid @2.5 % against FY 2020-'21 and 2% against FY2019-'20	(36.742)	(29.393)	-	-	-	-
Retained earnings carried forward	7.893	(13.345)	(30.331)	(61.923)	(124.635)	(186.183)
Net profit after tax, to paid up capital	3.95%	3.16%	2.15%	4.27%	4.19%	0.56%
EPS in Taka	0.39	0.32	0.21	0.43	0.42	0.06
Outstanding shares in number	146,966,055	146,966,055	146,966,055	146,966,055	146,966,055	146,966,055

Extra ordinary activities & their implications

Other Income: An amount of Taka 10.278 million was earned during the year as other income which includes dividend income of Taka 9.529 million against investment in shares of Bangladesh Export Import Company Limited. Last year's the dividend income was Taka 1.361 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 gain of Taka 109.722 million (last year: Taka 210.077 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	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Fair Value Gain/(loss) Brought forward	79.255	(130.822)	(106.501)	(96.47)	(81.118)	(113.019)
Fair Value Gain / (Loss) for the year	109.722	210.077	(24.321)	(10.031)	(15.352)	31.901
Fair Value Gain/(loss) Carried forward	188.977	79.255	(130.822)	(106.501)	(96.47)	(81.118)

Comprehensive Income: After recognizing the fair value gain of Taka 109.722 million, comprehensive income for the year, therefore, stood at Taka 167.702 million as follows:

Taka in million						
Particulars	FY 2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17
Net profit / (Loss) after tax	57.980	46.379	31.592	62.712	61.548	8.293
Fair Value Gain / (Loss) on investment in shares	109.722	210.077	(24.321)	(10.031)	(15.352)	31.901
Comprehensive income/(loss) for the year	167.702	256.456	7.271	52.681	46.196	40.194

EPS

The company has earned net profit after tax Taka 57.980 million during the FY 2021-'22. Earnings per share, therefore, comes to Taka. 0.39 for the year ended on June 30, 2022 which was Taka TK. 0.32 in previous year. EPS improved due to higher revenue earnings mainly from export sales and savings from finance cost during the year.

NAV per share

Net Asset Value (NAV) per share increased to Taka 31.53 as on 30th June, 2022 which was Taka 30.63 as on 30th June 2021 as follows:

<i>Taka in million</i>						
Particulars	FY2021-'22	FY 2020-'21	FY 2019-'20	FY 2018-'19	FY 2017-'18	FY 2016-'17
Retained Earnings carried forward	7.893	(13.345)	(30.331)	(61.923)	(124.635)	(186.183)
Fair Value Gain/(loss) Carried forward	188.977	79.255	(130.822)	(106.501)	(96.47)	(81.118)
Revaluation Surplus on PPE	2966.690	2966.690	2966.690	2966.690	2966.690	2966.690
Paid-up Capital	1469.661	1469.661	1469.661	1469.661	1469.661	1469.661
Shareholder's Equity	4,633.221	4502.261	4275.198	4374.428	4215.246	4169.05
Number of Outstanding Shares	146,966,055	146,966,055	146,966,055	146,966,055	146,966,055	146,966,055
NAV Per Share in Taka	31.53	30.63	29.09	29.76	28.68	28.37

Quarterly Performance Variance

Quarters	EPS		NAV/per share		NOCF/per share		Explanation
	FY 2021-'22	FY 2020-'21	FY 2021-'22	FY 2020-'21	FY 2021-'22	FY 2020-'21	
Q1 JUL-SEPT.	0.02	0.05	31.54	28.99	0.29	-0.09	EPS: varies due to; i) fluctuation in revenue earnings particularly in export sales ii) increase/(decrease) in expenditure relating to revenue earnings, iii) faster/slower disbursement of export incentive iv) effect of changes in rates of TDSs.
Q2 OCT - DEC	0.08	0.04	31.58	29.82	0.23	0.12	
Q3 JAN-MAR	0.17	0.04	31.84	30.1	0.80	0.28	
Q4 APR - JUN	0.12	0.19	31.53	30.63	1.00	0.10	NAV/share: increase/ decrease in retained earnings and changes in comprehensive income/loss.
For the year	0.39	0.32	31.53	30.63	1.00	0.10	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:

<i>Taka in million</i>					
Loan from New Dacca Industries Ltd.	2021-'22	2020-'21	2019-'20	2018-'19	2017-'18
Opening balance	36.500	49.000	54.000	60.000	0.000
Received during the year	-	-	-	-	310.000
Payment made during the year	4.000	12.500	5.000	6.000	250.000
Outstanding Balance	32.500	36.500	49.000	54.000	60.000

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.

DIRECTORS' REPORT

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:

Taka in million

Particulars	2021-'22			2020-'21			2019-'20			2018-'19		
	BEXIMCO	BSL	Total	BEXIMCO	BSL	Total	BEXIMCO	BSL	Total	BEXIMCO	BSL	Total
Opening Balance	243.673	0.552	244.225	33.708	0.441	34.149	58.082	0.388	58.470	67.936	0.565	68.501
Transaction during the year:												
Sold during the Year	-	-	-	-	-	-	-	-	-	-	-	-
Purchase during the year	-	-	-	-	-	-	-	-	-	-	-	-
Fair Value Gain/Loss	109.722	-	109.722	209.965	0.112	210.077	-24.374	0.053	-24.321	(9.854)	-0.177	-10.031
Closing Balance	353.395	0.552	353.947	243.673	0.553	244.225	33.708	0.441	34.149	58.082	0.388	58.470

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	For the year ended 30th June 2022	For the year ended 30th June 2021	For the year ended 30th June 2020	For the year ended 30th June 2019	For the year ended 30th June 2018	For the year ended 30th June 2017
Revenue including Incentive	1722.742	1399.312	1205.076	1533.121	1,528,643	1,437,867
Gross Profit	289.339	232.879	185.859	340.424	346,296	326,026
Profit / (Loss) Before Tax	100.302	54.596	11.296	92.477	81,404	22,553
Net Profit / (Loss) after Tax	57.979	46.379	31.593	62.712	61,548	8,293
PPE (Gross)	7405.612	7530.927	7511.009	7509.186	7,495.37	5,984.55
Revaluation Surplus	2966.69	2966.69	2966.69	2966.69	2966.69	2966.69
PPE at cost	4439.237	4564.237	4544.319	4542.496	4528.678	3017.858
cumulative Depreciation	2602.783	2486.008	2365.074	2239.848	2112.439	2020.373
PPE (Carrying) Value	4802.829	5044.919	5145.935	5269.337	5382.93	3964.176
Retained Earnings carried forward	7.893	(13.345)	(30.331)	(61.923)	(124,634)	(186,183)
Paid up Capital	1469.661	1469.661	1469.661	1469.661	1,469,661	1,469,61
Shareholders' Equity	4633.221	4502.261	4275.198	4267.926	4,215,245	4,169,050
Dividend	3.00% Cash	2.5% Cash	2% Cash	-	-	-
Return on Paid up Capital	3.95%	3.16%	2.15%	4.27%	4.19%	0.56%
Earnings per Share in Taka	0.39%	0.32	0.21	0.43	0.42	0.06
Shareholders' Equity Per Share (NAV) Taka	31.53	30.63	29.09	29.04	28.68	28.37
Number of Shareholders	14,373	16,754	14,969	15,934	16,325	17,438

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 7.893 million is before giving effect of the proposed dividend Taka 44.090 million (@ 3% cash) for FY2021-'22.



DIRECTORS' REPORT

Dividend

The Board of Directors of the company, in its meeting held on 27th October 2022, recommended a cash dividend @3.00 percent for the year FY2021-'22 out of current year's net profit. After approval in the AGM to be held on 22nd December 2022, the said recommended dividend will be distributed to the shareholders as on the record date (21.11.2022). **The proposed dividend 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 36.197 million as on 30th June 2022 which was Taka 50.087 million as on 30th June 2021 as follows:

Taka in million

Particulars	FY2021-'22		FY2020-'21		FY2019-'20	
Net profit after Tax for the year	57.980	100.00%	46.379	100.00%	31.593	100.00%
Cash Dividend Proposed for FY2021-'22 @3% (FY2020-'21 @2.5%)	44.090	76.04%	-36.742	-79.22%	-29.393	-93.04%
Current Year's Net profit retained for the business	13.890	23.96%	9.637	20.78%	2.200	6.96%
Balance of Retained Earnings brought forward before distribution of proposed dividend	(13.345)	-	(30.331)	-	(61.923)	-
Last years' dividend distributed during the year	(36.742)	-	(29.393)	-	-	-
Balance of Retained Earnings brought forward after distribution of last years' dividend	(50.087)	-	(59.724)	-	(61.923)	-
Balance of Retained earnings (Cumulative Loss) after giving effect of the current years proposed dividend	(36.197)	-	(50.087)	-	(59.723)	-
Balance of Retained earnings (before giving effect of the current years proposed dividend and as shown in the statements of financial position)	7.893	-	(13.345)	-	(30.331)	-

The policy and the factor influencing the dividend distribution

Despite the company has cumulative negative retained earnings (loss) of Taka 50.087 million (after giving effect of distributed dividend for FY2020-'21), 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 FY2021-'22 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

6 (Six) Board Meetings were held during the year 2021-22. The attendance records of the Directors are as follows:

Name	Representing in the Board	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

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 30-06-2022	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

Director

Retirement and Re-election

Mr. Iqbal Ahmed, 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.

Re-appointmet of the Independent Director

In compliance to the provisions of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated June 03, 2018, the Board of Directors of the Company in its meeting held on Wednesday the 16th March, 2022 has re-appointed Barrister Faheemul Huq as Independent Director of the Company for a further period of 3 years effective from 16th March, 2022 to 15th March 2025, subject to the approval of Shareholders in the Annual General Meeting. Proposal is placed for the approval of his appointment.

Board Audit Committee

The Audit Committee held four meetings to carry out its business as per the provision of Corporate Governance Code issued by 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	Representing in the Board	Position in the Committee	Number of Meeting Held	Attendance
Barrister Faheemul Huq	Independent Director	Chairman	4	4
Mr. Iqbal Ahmed	Director	Member	4	4
Mr. O K Chowdhury, FCA	Director	Member	4	4
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary	4	4

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

DIRECTORS' REPORT

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee held one meetings to carry out its business as per the provision of Corporate Governance Code issued by 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	Representing in the Board	Position in the Committee	Number of Meeting Held	Attendance
Barrister Faheemul Huq	Independent Director	Chairman	1	1
Mr. Iqbal Ahmed	Director	Member	1	1
Mr. O K Chowdhury, FCA	Director	Member	1	1
Mr. Mohammad Asad Ullah, FCS	Company Secretary	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.

Statutory 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 24th Annual General Meeting of the Company has carried out the Audit for the year ended 30 June 2022.

M. J. Abedin & Co., Chartered Accountants, the Auditors of the Company retire at this meeting and have expressed their willingness to continue in office for the year 2022-23. 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 2022-23.

Compliance Auditors

Pursuant to code 9.2 of the Codes of Corporate Governance issued by BSEC, Suraiya Parveen & Associates, Chartered Secretaries who were appointed as Compliance Auditors of the Company in the 24th 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, 2022.

Suraiya Parveen & Associates, Chartered Secretaries, the Compliance Auditors of the Company retire at this meeting and have expressed their willingness to continue in office for the year 2022-23. The Board after due consideration of the proposal made by Audit Committee recommends for reappointment of Suraiya Parveen & Associates, Chartered Secretaries as Compliance Auditors for the year 2022-23.

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,

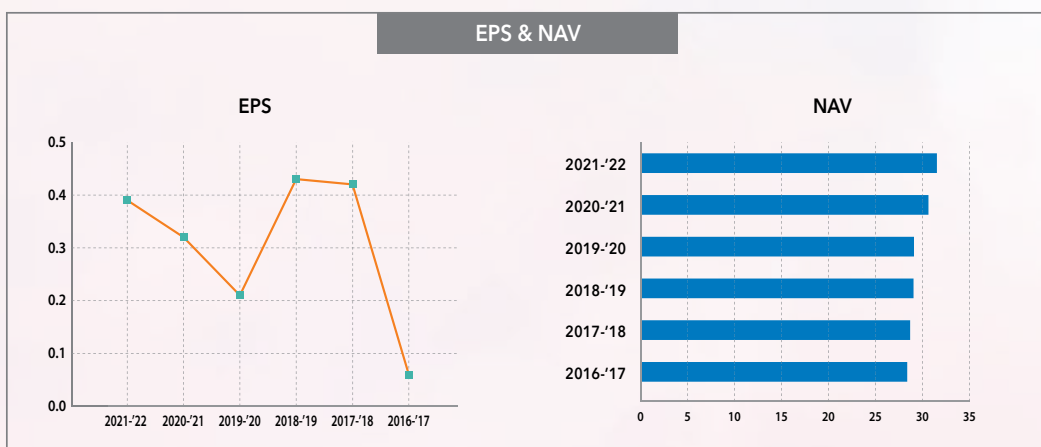
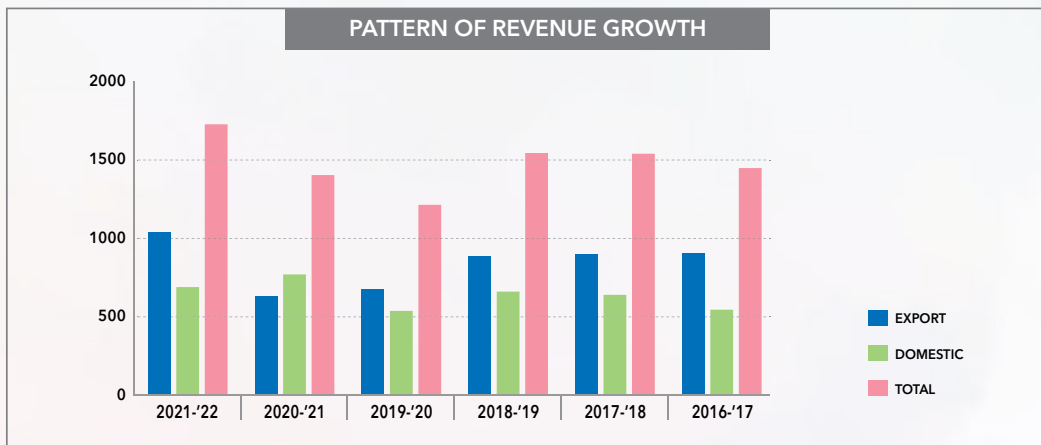
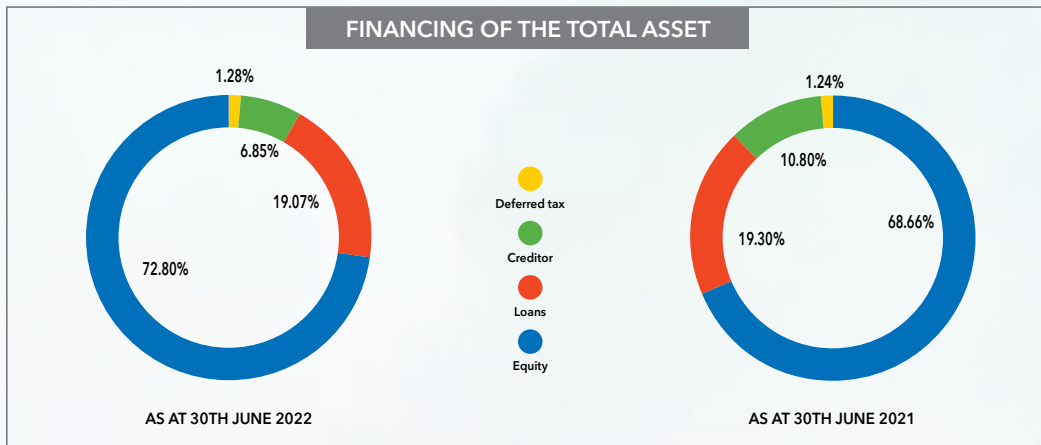
A S F Rahman

Chairman

Dated: 27th October 2022, Dhaka.



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) Finished wares both in Pieces & weight, (ii) Number of Shapes & Designs developed, and (iii) Capacity Utilization:

(i) Production:

Taka in million

Year	Particulars	Finished wares in the form of								
		White wares Production			DFW Production			Packed Wares		
		Porcelain	Bone China	Total	Porcelain	Bone China	Total	Porcelain	Bone China	Total
FY2021-'22	QTY in Million piece	11.829	3.479	15.308	11.303	3.423	14.726	10.752	3.117	13.869
	Inc./(Dec) % on last Year	0.95%	7.18%	2.30%	(4.58%)	21.81%	0.48%	(6.78%)	24.18%	(1.25%)
	Weight in MT	4733	1131	5864	4637	1119	5756	4282	1076	5358
	Inc./(Dec) % on last Year	7.79%	5.80%	7.40%	2.86%	23.37%	6.30%	(0.72%)	32.51%	4.55%
FY2020-'21	QTY in Million piece	11.718	3.246	14.964	11.845	2.810	14.655	11.534	2.510	14.044
	Inc./(Dec) % on last Year	11.39%	20.67%	13.28%	17.86%	20.60%	18.38%	22.18%	27.41%	23.09%
	Weight in MT	4391	1069	5460	4508	907	5415	4313	812	5125
	Inc./(Dec) % on last Year	13.90%	17.34%	14.56%	19.73%	16.58%	19.22%	25.01%	27.27%	25.37%
FY2019-'20	QTY in Million piece	10.520	2.690	13.210	10.050	2.330	12.380	9.440	1.970	11.410
	Inc./(Dec) % on last Year	(10.01%)	(40.35%)	(18.46%)	(11.76%)	(44.12%)	(20.39%)	(14.49%)	(49.10%)	(23.47%)
	Weight in MT	3855	911	4766	3765	778	4542	3450	638	4088
	Inc./(Dec) % on last Year	(16.01%)	(22.80%)	(17.40%)	(17.07%)	(27.63%)	(19.11%)	(20.62%)	(35.81%)	(23.45%)
FY2018-'19	QTY in Million piece	11.69	4.51	16.20	11.39	4.17	15.55	11.04	3.87	14.91
	Inc./(Dec) % on last Year	(5.33%)	20.98%	0.77%	(4.51%)	(8.75%)	(5.75%)	(7.69%)	(6.70%)	(7.44%)
	Weight in MT	4590	1180	5770	4540	1075	5615	4346	994	5340
	Inc./(Dec) % on last Year	(2.51%)	14.34%	0.52%	(0.66%)	18.65%	2.54%	4.75%	10.44%	5.76%
FY2017-'18	QTY in Million piece	12.348	3.728	16.076	11.928	4.57	16.498	11.96	4.148	16.108
	Inc./(Dec) % on last Year	(6.71%)	37.06%	0.75%	(8.25%)	4.36%	(5.07%)	(5.84%)	3.60%	(3.58%)
	Weight in MT	4708	1032	5740	4570	906	5476	4149	900	5049
	Inc./(Dec) % on last Year	6.78%	37.42%	11.24%	4.39%	14.54%	5.94%	3.62%	34.93%	8.09%
FY2016-'17	QTY in Million piece	13.236	2.72	15.956	13.001	4.379	17.38	12.702	4.004	16.706
	Weight in MT	4409	751	5160	4378	791	5169	4004	667	4671

MANAGEMENT'S DISCUSSION AND ANALYSIS

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
FY2021-'22	88	213	291	50	31	81
FY2020-'21	15	28	43	65	64	129
FY2019-'20	10	10	20	906	1095	2001
FY2018-'19	12	12	24	1720	2413	4133
FY2017-'18	16	15	31	2373	1936	4309
FY2016-'17	17	16	33	2343	1895	4238

Shapes & designs are developed according to the needs of the customers. During the year 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, new designs were lesser in number which indicate that there are cultural shift in customers' choices and tastes to white wares.

(iii) Capacity Utilization

Capacity & actual production in million pieces

Year	Porcelain			Bone China			Total Capacity			Ratio of actual production in %	
	Capacity	Actual Production	%	Capacity	Actual Production	%	Capacity	Actual Production	%	Porcelain	Bone China
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	11.928	82.84	5.400	3.305	61.20	19.800	15.233	76.93	78	22
FY2016-'17	14.400	13.236	91.92	3.240	2.720	83.96	17.640	15.956	90.45	83	17
2015-16 (6 month)	7.200	5.118	71.08	1.620	1.357	83.76	8.820	6.475	73.41	79	21
2015 12 month	14.400	10.815	75.10	3.240	2.771	85.52	18.000	13.586	75.48	79	21

Although actual production of white wares has increased both in porcelain and bone china plant during the year, but the capacity utilization in porcelain plant has gone down to 71% from last year's 81% because of increase of the total capacity of porcelain plant after recalculation. This recalculation has been done upon erection of the shuttle kiln and completion of major maintenance works for an existing glost kiln. Comparatively, demand for bone china wares were marginally higher during the year which increased the production ratio to 23% which was 22% last year.

Impact of pandemic (Covid-19) and subsequent R-U war

The Corona (Covid-19) virus had a mutating character. It's delta variant was prevailed in Bangladesh in July 2021 when, to combat it's spread, shops, malls, hotels and restaurants were closed and plying of public transportations were restricted by the general order of government of Peoples' Republic of Bangladesh. It may be mentioned that Government by general order shutdown the offices, shops, malls, hotels, restaurants and public transportations in 2019-'20 for 66days from 25th March to 31st May 2020 and again in April and May 2021 for 60 days to combat the spread of first and second waves of Covid-19 respectively. The production of the company hampered in July 2021 due to non- presence in work place(s) of the employees/workforces fearing infection from the virus and domestic sales affected because of non-opening /functioning of the retail shops & malls.

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 prices along with food and fertilizer. 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 gas 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 mainly 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 are consistently used, estimate and the underlying assumptions are however subject to review on an ongoing basis as per IASs 8: accounting policies, changes in accounting estimates and errors. Accordingly estimated cost of land development and liabilities there against of Taka 185,041,903 has been adjusted during the year which was recognized in FY2017-'18 without causing any impact on the prior years' reported result of operations, earning per share, net asset value per share and net operating cash flow per share. 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 2022. 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 2022.

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 FY 2020-'22 other than disclosed in the notes to the Audited Financial Statements.

Additions to Property, Plant & Equipments (PPE)

During the year, capital expenditure for Taka 19.918 million (Taka 1.824 million in FY2019-'20) was incurred as follows:

Taka in Million			
Particulars	FY2021-'22	FY2020-'21	FY2019-20
Building & other Construction	14.724	3.076	-
Plant & Machinery	46.654	16.614	0.900
Office Equipment	-	0.228	0.414
Furniture & Fixture			0.510
Total	61.378	19.918	1.824

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".

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 FY 2020-'21 and FY 2019-'20 are tabulated below;

Taka in million

Particulars	FY2021-'22			FY2020-'21			FY2019-'20		
	Amount	Vertical %	Horizontal%	Amount	Vertical %	Horizontal%	Amount	Vertical %	Horizontal%
Revenue including Other Income	1733.019	100.00%	23.67%	1,401.330	100.00%	15.73%	1,210.894	100.00%	(21.52%)
Materials including Packing Material	704.590	40.66%	33.44%	528.016	37.68%	31.23%	402.374	33.23%	(12.97%)
Depreciation	118.424	6.83%	(2.08%)	120.934	8.63%	(3.43%)	125.226	10.34%	(1.71%)
Employee Cost	498.326	28.75%	20.93%	412.094	29.41%	11.50%	369.579	30.52%	(17.22%)
Power, Fuel, Gas, Electricity, Utility	111.788	6.45%	10.51%	101.152	7.22%	(4.86%)	106.314	8.78%	(17.98%)
Consumable Store, Spares, Repair & Maintenance	55.637	3.21%	6.70%	52.142	3.72%	14.68%	45.469	3.75%	(25.46%)
Over Heads	67.797	3.91%	26.59%	53.557	3.82%	(22.88%)	69.442	5.73%	(26.44%)
Finance Cost	76.155	4.39%	(3.40%)	78.838	5.63%	(2.90%)	81.193	6.71%	(39.38%)
Income Tax Expense net	42.323	2.44%	415.00%	8.218	0.59%	(140.49%)	-20.296	(1.68%)	(168.19%)
a) Provision for the year	42.323			11.549			7.336		
b) Prior Years' (excess)/short	0			(3.331)			(27.632)		
Net Profit After Tax	57.980	3.35%	25.01%	46.379	3.31%	46.80%	31.593	2.61%	(49.62%)

Materials cost (including packing material) are mostly imported. As explained in the Directors' Report, materials cost went up due to supply chain disruptions (caused by Covid-19 pandemic). Not only the invoice value of the materials transportation cost (including ocean freight) and lead time to procure the materials increased significantly. All other cost and expenses were either in proportion to the respective year's revenue or lesser than the previous year.

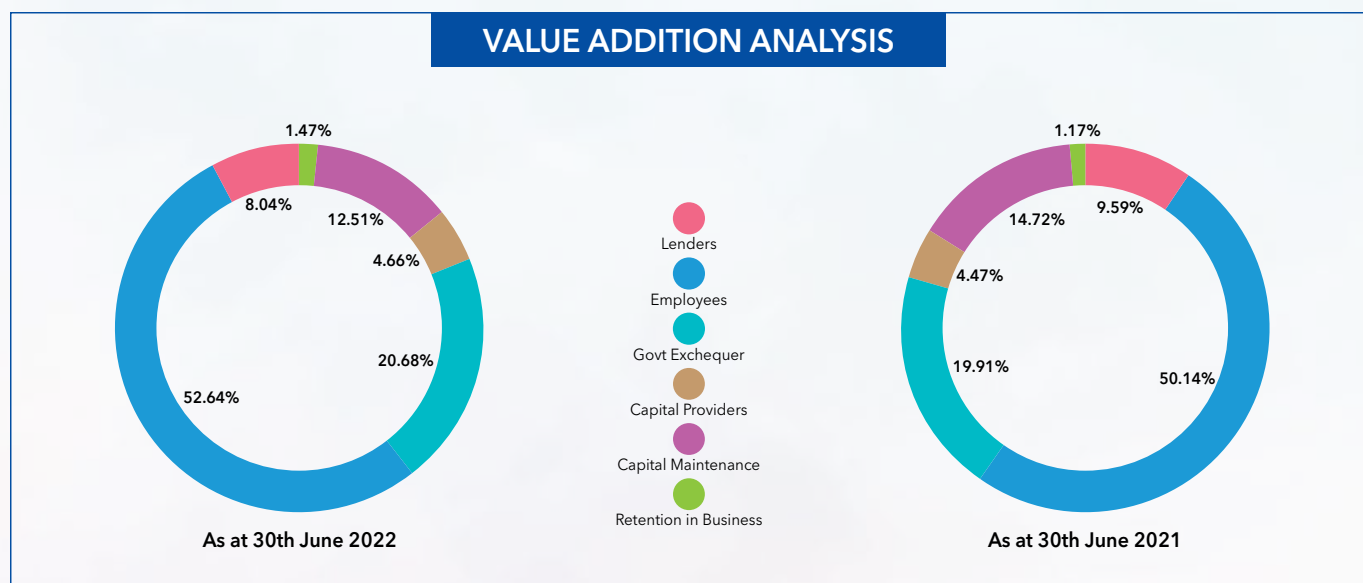


Economic Value addition analysis & Distribution

Value added statement for the FY 2021-'22, FY 2020-'21 and FY 2019-'20 are attached in Attachment-C. During the year the company added net value Taka 946.710 million (Taka 821.881 million in FY 2020-'21) to the national economy which was utilized as follows:

Taka in million

Distributed to stakeholders	FY2020-2021		FY2019-2020		FY2018-2019	
	Amount	%	Amount	%	Amount	%
Employees	498.326	52.64%	412.094	50.14%	400.959	51.14%
Lenders	76.155	8.04%	78.838	9.59%	81.193	10.36%
Govt. Exchequer	195.825	20.68%	163.636	19.91%	145.052	18.50%
Capital Maintenance	118.424	12.51%	120.934	14.72%	125.226	15.97%
Capital Providers	44.090	4.66%	36.742	4.47%	29.393	3.75%
Retention in Business	13.890	1.47%	9.637	1.17%	2.2	0.28%
Net Economic Value addition (NEVA)	946.710	100.00%	821.881	100.00%	784.023	100.00%
Gross Economic value addition (GEVA)	1846.479		1,531.32		1,352.49	
NEVA as a % of GEVA	51.27%		53.67%		57.97%	



MANAGEMENT'S DISCUSSION AND ANALYSIS

Compare 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	SCL		Ceramic Industry	Standard
	Current Year (2021-'22)	Preceding 5 years average		
GP Ratio in percentage	16.80%	19.89%	17.55%	±25%
EBITDA as a percentage of Revenue	17.02%	20.42%	26.09%	± 25%
OP Ratio in percentage	10.47%	12.61%	9.96%	20%
NP Ratio in percentage	3.35%	2.91%	2.42%	15%
Quick Asset Ratio	0.10:1	0.13:1	0.16:1	1:01
Current Asset Ratio	0.88:1	0.67:1	1.11:1	2:01
Debt Equity Ratio	0.37:1	0.52:1	0.43:1	1:01
Total Liability to Total Asset Ratio	0.27:1	0.34:1	0.30:1	0.5:1
ROCE in percentage	0.91%	0.62%	0.74%	5%
EPS in Taka	0.39	0.29	0.45	2
Debt. Servicing Coverage Ratio	0.81:1	0.87:1	0.88:1	2:01
Total Revenue to total asset	0.21:1	0.22:1	0.20:1	1:01
Total Revenue to Total Equity	0.37:1	0.33:1	0.33:1	2:01

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 and income of the people. State enforced locked down and closure of shopping malls and retail outlet's have disrupted the distribution channels 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. Moreover, state of employment and economic growth has direct link to the demand of table wares. Cultural shifts also have a bearing on this. During the pandemic, deficit financing for populist spending by the Governments around the world during the pandemic and subsequent R-U war fuelled up the international energy & food prices 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 enjoys 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 USA and European economies turned to recession, the impact of the same will be more severe on the export of ceramic table wares because it may bring the demand down to the lowest ebb.

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 (i) the spread of buying & selling rates of foreign currencies in Bangladesh has increased from Taka ± 1 to Taka ± 7 and (ii) increase in export sales in foreign currencies other than US dollar i.e, EURO, UK pound sterling etc (which are also devalued against US dollar). 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

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 2022 were as described below:

- g) Financial Capital: at the beginning of the year shareholders fund was Taka. 4502.261 million which was enhanced to taka 4633.221 million at the end of the year.
- h) Manufacturing Capital: the value of the physical asset (gross) at the beginning of the year was Taka. 7345.885 million which was enhanced to taka 7405.612 million at the end of the year.
- i) 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.
- j) Human Capital: The strength of human capital increased to 2,992 at the end of the FY2021-'22 from 2,964 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.
- k) Social & Relation Capital: Through the CSR and welfare activities, the company enhanced its social & relation capital during the year.
- l) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 82C (4) of Income tax ordinance (ITO) 1984. 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 2021-'22. As a listed company SCL applicable income tax rate is 22.50%. However, if the rebate on export sales is considered the said tax rate would not be more than 16.00%. 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 very high, which is apparent from the table below:

Taka in million

Year	Net Profit before tax NPBT	Assessed tax liability as per IT 15 Liability as per Assessment Orders/provisions	Effective Tax Rate	Remarks
FY2021-'22	100.302	42.323*	42.20%	Return to be Submitted by January 2023.
FY2020-'21	54.597	11.549*	21.15%	Assessment pending with DCT
FY2019-'20	11.296	26.150	64.94%	Assessed liability by DCT Taka 26.150 against tax provisions of Taka 7.336; no remission given in 1st appeal; 2nd appeal pending at IT Tribunal.
FY2018-'19	92.478	28.276	30.58%	Finalized at IT Tribunal
FY2017-'18	81.405	29.254	35.94%	Finalized at IT Tribunal
FY2016-'17	22.553	18.426	81.70%	Finalized at IT Tribunal

*provision.

(ii) Excess Tax Deduction at Sources (TDSs) and Provisions for Current Tax

Since the tax authority assessed the tax liability for FY2019-'20 covering the TDSs of that year, current year's tax provisions has been made considering the TDSs for FY2021-'22. As a result tax provision is significantly higher for current year FY2021-'22 and effective tax rate has also gone up to 42.20% against the applicable tax rate 22.50%. Tax deduction at sources during FY2019-'20, FY2020-'21 and FY2021-'22 and the income tax provisions are as follows:

Taka in million

Financial Year (FY)	Assessment Year (AY)	TDS	%NPBT	Provisions for Current Tax	Excess of TDS over Provisions
FY2021-'22	2022-'23	42.323	42.20	42.323	-
FY2020-'21	2021-'22	23.536	43.11	11.549	11.987
FY2019-'20	2020-'21	30.008	265.65	7.336	22.672
Total		95.867		61.208	34.659

(iii) Refundable Tax as per IT 15

Despite our appeals, excess TDS (at import stage on raw material @5%, on export sales @0.5% 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 as per IT15 was Taka 58.780 million up to FY 2018-'19 (Assessment Year FY 2019-'20) as follows:

Taka in million		
Financial Year (FY)	Assessment Year (AY)	Refundable Amount as per IT15 over assessed tax liabilities
2018-'19	2019-'20	25.967
2017-'18	2018-'19	-
2016-'17	2017-'18	8.574
2016 (JAN - JUN 2016)	2016-'17 (6 month)	5.856
2015 (12 month)	2016-'17 (12 month)	16.386
2014 and prior years	2015-'16 and prior years	1.997
Total		58.780

Future Plan or projection

Entry of a new porcelain wares manufacturer with larger production capacity to share the slice of the declining international 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 committed for improving financial performance in the coming years and is sincerely working for achieving that. However, the journey is not easy as we have the challenges & difficulties ahead which we have to overcome. We are confident that we can sail through the 'challenge from the competitors' from home and abroad and 'difficulties' from economic 'slowdown' and apprehended 'recession'. In this regard, 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: 27th October, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Attachment - A

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

Taka in million

Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Overall revenue Including Incentive & Scrap Sale	1722.741	1399.313	1209.425	1540.914	1531.282	1440.125
Inc/(dec) over previous year in %	23.11%	15.70%	(21.51%)	0.63%	6.33%	(30.07%)
Export Sales	1030.823	629.112	671.512	877.512	893.342	896.612
Inc/(dec) over previous year in %	63.85%	(6.31%)	(23.48%)	(1.77%)	(0.36%)	(33.12%)
% of total revenue	59.84%	44.96%	55.52%	56.95%	58.34%	62.26%
Domestic Sales	684.232	764.447	533.564	655.609	635.301	541.254
Inc/(dec) over previous year in %	(10.49%)	43.27%	(18.62%)	3.20%	17.38%	(24.07%)
% of total revenue	39.72%	54.63%	44.12%	42.55%	41.49%	37.58%
Income from Scrap Sales	7.686	575.40%	434.90%	779.30%	263.90%	225.90%
Inc/(dec) over previous year in %	33.58%	32.31%	(44.19%)	195.30%	16.82%	(61.40%)
% of total revenue	0.45%	0.41%	0.36%	0.51%	0.17%	0.16%
Other income	10.278	2.017	1.469	1.939	13.053	17.254
Inc/(dec) over previous year in %	409.57%	37.30%	(24.24%)	(85.15%)	(24.35%)	(36.23%)
% of total revenue	0.60%	0.14%	0.12%	0.13%	0.85%	1.20%
Cost of goods sold	1433.402	1166.434	1019.218	1192.696	1182.347	1111.841
Inc/(dec) over previous year in %	22.89%	14.44%	(14.55%)	0.88%	6.34%	(30.52%)
% of total revenue	83.20%	83.36%	84.27%	77.40%	77.21%	77.20%
Gross Profit (without O.I)	289.339	227.125	185.859	340.424	346.286	326.026
Inc/(dec) over previous year in %	27.39%	22.20%	(45.40%)	(1.69%)	6.21%	(28.08%)
% of total revenue	16.80%	16.23%	15.37%	22.09%	22.61%	22.64%
Depreciation (Manufacturing)	117.244	119.42	123.391	123.668	84.701	90.202
Inc/(dec) over previous year in %	(1.82%)	(3.22%)	(0.22%)	46.01%	(6.10%)	26.86%
% of total revenue	6.81%	8.53%	10.20%	8.03%	5.53%	6.26%
Gross Profit (Including Manufacturing Depreciation)	406.583	346.545	309.25	464.092	430.987	416.228
Inc/(dec) over previous year in %	17.32%	12.06%	(33.36%)	7.68%	3.55%	(8.19%)
% of total revenue	23.60%	24.77%	25.57%	30.12%	28.15%	28.90%
Total Depreciation	118.424	120.934	125.226	127.409	92.066	98.209
Inc/(dec) over previous year in %	(2.08%)	(3.43%)	(1.71%)	38.39%	(6.26%)	25.90%
% of total revenue	6.87%	8.64%	10.35%	8.27%	6.01%	6.82%
Operating Expense	(118.145)	(98.732)	(98.621)	(119.126)	(123.095)	(119.49)
Inc/(dec) over previous year in %	19.66%	0.11%	(17.21%)	(3.22%)	3.02%	(31.02%)
% of total revenue	(6.86%)	(7.06%)	(8.15%)	(7.73%)	(8.04%)	(8.30%)
Operating Profit	181.472	136.164	93.055	231.03	236.254	223.79
Inc/(dec) over previous year in %	33.27%	46.33%	(59.72%)	(2.21%)	5.57%	(27.14%)
% of total revenue	10.53%	9.73%	7.69%	14.99%	15.43%	15.54%
Finance Cost	(76.155)	(78.838)	(81.194)	(133.928)	(150.779)	(200.109)
Inc/(dec.) over previous year in %	(3.40%)	(2.90%)	(39.37%)	(11.18%)	(24.65%)	(45.48%)
% of total revenue	(4.42%)	(5.63%)	(6.71%)	(8.69%)	(9.85%)	(13.90%)
Profit Before WPPF	105.318	57.326	11.861	97.101	85.475	23.681
Inc/(dec) over previous year in %	83.72%	383.32%	(87.78%)	13.60%	260.94%	(139.57%)
% of total revenue	6.11%	4.10%	0.98%	6.30%	5.58%	1.64%
Net Profit/(loss) before Tax	100.302	54.596	11.296	92.477	81.404	22.553
Inc/(dec) over previous year in %	83.72%	383.32%	(87.79%)	13.60%	260.95%	(137.13%)
% of total revenue	5.82%	3.90%	0.93%	6.00%	5.32%	1.57%
Taxation	(42.323)	(8.218)	20.296	(29.766)	(19.856)	(14.26)
% of total revenue	(2.46%)	(0.59%)	1.68%	(1.93%)	(1.30%)	(0.99%)
Net profit/(loss) after tax	57.98	46.379	31.593	62.712	61.548	8.293
Inc/(dec) over previous year in %	25.01%	46.80%	(49.62%)	1.89%	642.17%	(125.47%)
% of total revenue	0.01%	0.03%	(0.04%)	0.00%	0.42%	(0.09%)
EBIDA	17.02%	18.15%	17.98%	22.93%	21.00%	22.02%
Fair Value Loss or Gain on Investment for the year	109.722	210.077	(24.321)	(10.031)	(15.352)	31.901
Comprehensive Income	167.702	256.456	7.272	52.681	46.196	40.194

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

Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Non Current Asset	5156.776	5289.145	5180.084	5327.807	5451.431	5550.313
Current Asset	1207.688	1267.872	1236.014	1295.154	1012.706	920.773
Total Asset	6364.464	6557.017	6416.098	6622.961	6464.137	6471.086
Equity	4633.221	4502.261	4275.198	4267.927	4215.246	4169.05
Non Current Liability	373.607	378.691	506.158	526.777	578.613	672.156
Current Liability	1357.637	1676.065	1634.742	1828.258	1722.306	1629.879
Total Liability	1731.244	2054.756	2139.917	2355.035	2300.919	2302.035
Quick Ratio	0.10:1	0.13:1	0.12:1	0.16:1	0.13:1	0.11:1
Current Asset Ratio	0.89:1	0.76:1	0.76:1	0.71:1	0.61:1	0.56:1
Debt. Equity Ratio	0.37:1	0.46:1	0.50:1	0.55:1	0.53:1	0.55:1
Total Asset to Total Liability	3.68:1	3.19:1	2.99:1	2.81:1	2.87:1	2.80:1
Net Asset Value per Share	31.53	30.63	29.09	29.04	28.68	28.37

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

Particulars	FY2021-'22	FY2020-'21	FY2019-'20	FY2018-'19	FY2017-'18	FY2016-'17
Net Cash Generated from Operating Activities	146.978	15.235	135.899	60.182	40.573	110.611
Cash flow used for investing activities	(61.378)	(19.918)	(1.824)	(13.817)	(8.536)	(21.25)
Increased /decreased in cash & cash equivalent	(2.683)	18.647	(17.705)	14.754	(7.911)	2.371
Net operating cash flows per share	1.00	0.1	0.92	0.41	0.28	0.75

MANAGEMENT'S DISCUSSION AND ANALYSIS

Attachment -C

Statement of Value Addition & Utilization

Taka in million

Particulars	FY2021-2022		FY2020-2021		FY2019-2020	
Total Revenue including Other Income	1733.019		1401.329		1,210.894	
Total VAT Paid	113.460		114.673		91.294	
Advance income tax paid excess of provisions for current tax	0		15.318		50.304	
Excess AIT over current year's provisions	0		11.987		22.672	
Excess tax provisions of prior years write	0		3.331		27.632	
Gross Value Addition	1846.479		1531.320		1352.492	
Material, Packing Handling & Carrying	704.590		528.016		402.374	
Import duty paid	(40.042)		(25.428)		(23.436)	
Material cost less import duty	664.548		502.588		378.938	
Store and Spares	55.636		52.142		45.469	
Overheads	67.797		53.557		69.442	
Power, Fuel, Gas, Electricity	111.788		101.152		106.314	
Adjustment for uncredited TDS of prior years					(0.314)	
Goods & Services Used	(899.769)		(709.439)		(599.849)	
Net Value Addition	946.710	100%	821.881	100%	752.643	100%
Employees	498.326	52.64%	412.094	50.14%	359.579	47.78%
Lenders	76.155	8.04%	78.838	9.59%	81.193	10.79%
Govt. Exchequer (Duty, VAT & Tax)	195.825	20.68%	163.636	19.91%	155.052	20.60%
Capital Maintenance (Depreciation)	118.424	12.51%	120.934	14.72%	125.226	16.64%
Capital Providers (Shareholders)	44.090	4.66%	36.742	4.47%	29.393	3.91%
Retention in Business	13.89	1.47%	9.637	1.17%	2.200	0.29%
Value Addition Used	946.710		821.881		752.643	
NEVA as a % of GEVA	51.27%		53.67%		57.97%	

REPORT OF THE CEO AND THE CFO

Date: 27th October, 2022

The Board of Directors
SHINEPUKUR CERAMICS LIMITED

Subject: Declaration on Financial Statements for the year ended on 30th June 2021.

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 2021 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.

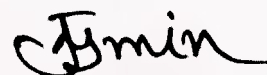
In this regards, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30th June 2021 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/CMRRCD/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 Boards 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	√		

COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√"/"N/A") 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			

COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√"/"") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and a Head of Internal Audit and Compliance	√		
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

Condition No.	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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
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:			

COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√"/"") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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		
5(6)(a)(ii)(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	√		

Condition No.	Title	Compliance Status ("√") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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	√		

COMPLIANCE STATUS REPORT

Condition No.	Title	Compliance Status ("√"/"") in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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 2022

Dear Shareholders,

I am pleased to present the Report of the Audit Committee for the year ended on 30 June 2022.

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 2022.

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

REPORT OF THE AUDIT COMMITTEE

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.

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 2022, and they state that:

- (i) They have reviewed the financial statements for the year ended on 30th June, 2022 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 statement 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 2022. 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 2022:

Financial Reporting

In terms of reference, the Committee in its first meeting held on October 19, 2021 reviewed the Annual Financial Statements for the year ended on 30 June 2021. 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 2022. All the Members were present in all meetings of the Committee.

The second meeting of the Committee was held on November 10, 2021, prior to release of the un-audited First Quarter Financial Statements of the Company for the quarter ended on September 30, 2021. 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 26, 2022 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, 2021.

The fourth meeting of the Committee was held on April 25, 2022 to release of the un-audited third quarter financial statements of the Company for the quarter ended March 31, 2022. 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

REPORT OF THE AUDIT COMMITTEE

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 2022 for inclusion in the Annual Report, 2021-22, 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 2022-23, subject to the approval of shareholders in the 25th AGM of the Company, who had carried out the audit of the Company for the year ended on 30 June 2022.

Report Authorization

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 27th October, 2022.

On behalf of the Audit Committee



(BARRISTER FAHEEMUL HUQ)

Chairman



CERTIFICATION ON COMPLIANCE



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

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 by Shinepukur Ceramics Limited for the year ended on 30 June 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 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 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:

- 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;
- 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;
- 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
- The Governance of the company is satisfactory.

Dhaka, Dated
November 17, 2022



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen

Suraiya Parveen, FCS
Chief Executive Officer

Kaze Avalons (1st Floor), Flat- 1A, 1/15A Iqbal road, Mohammadpur, Dhaka-1207
Phone : 02 41023157 (Off), Mob : 01911 421998, 01713 110408
E-mail : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com



INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS

OF
SHINEPUKUR CERAMICS LIMITED
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***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 2022, 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 2022 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
Revenue Recognition	
<p>At year end the company reported total revenue of Tk. 1,722,741,566.</p> <p>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.</p>	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the company • Evaluated the design of internal controls to identification of performance obligations and determining timing of revenue recognition. • 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. • Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.
See note No:(3.1 & 18.00) to financial statements	

Valuation of inventory	
<p>The company had inventory of Tk. 831,778,363. As at 30 June, 2022 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.</p> <p>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.</p>	<p>We verified the appropriateness of management’s assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factory and showroom. • Attending Inventory counts and reconciling the count results to the inventory listing to the test the completeness of data. • Reviewing the requirement of inventory provisioning and action there upon by the management. <p>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.</p>
See Note No:(3.5 & 6.00) to the financial statements	

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

Valuation of Property, Plant and equipment (PPE)	
<p>The carrying value of the PPE was Tk. 4,802,829,025 as at June, 2022.</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"> • We assessed whether the accounting policies on relation to the capitalization of expenditures are in compliance with IFRS and found them to be inconsistent. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with date of the act of completion of the work.
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. 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"> • 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 inspects of IT operational controls).this included testing that requests for access to systems were appropriately reviewed and authorized. • We tasted 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.
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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***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
27 October 2022

M.J Abedin & Co.
Chartered Accountants
Reg No: N/A



Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC: 2210300564AS176934

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Amount in Taka	
		30-June-22	30-June-21
ASSETS			
Non-Current Assets		5,156,776,337	5,289,144,884
Property, Plant and Equipment - Carrying Value	4.00	4,802,829,025	5,044,919,096
Investment in Shares	5.00	353,947,312	244,225,788
Current Assets		1,207,687,549	1,267,871,977
Inventories	6.00	831,778,363	876,561,784
Accounts & Other Receivables	7.00	113,967,509	186,484,430
Advances, Deposits & Prepayments	8.00	238,173,229	178,374,814
Cash and Cash Equivalents	9.00	23,768,448	26,450,949
Total Assets		6,364,463,886	6,557,016,861
EQUITY AND LIABILITIES			
Shareholders' Equity		4,633,220,631	4,502,260,698
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 Loss on Investment in Shares		188,976,698	79,255,174
Retained Earnings		7,893,368	(13,345,041)
Non-Current Liabilities		373,606,732	378,691,096
Long Term Loans - Net-off Current Maturity(Secured)	12.00	143,475,614	158,722,703
Gratuity Payable	13.00	148,659,041	138,496,316
Deferred Tax Liability	14.00	81,472,077	81,472,077
Current Liabilities		1,357,636,523	1,676,065,067
Short Term Loans from Banks & Other	15.00	834,759,861	830,406,737
Long Term Loans-Current Maturity (Secured)	16.00	235,641,732	276,288,843
Creditors, Accruals and Other Payables	17.00	286,533,660	560,414,081
Unclaimed dividend	29.00	701,270	8,955,405
Total Equity and Liabilities		6,364,463,886	6,557,016,861

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

Approved and authorized for issue by the board of directors on 27 October 2022 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
27 October 2022M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A

Hasan Mahmood FCA, Partner
 Enrollment No: 564
 DVC:2210300564AS176934

STATEMENT OF PROFIT OR LOSS*for the year ended 30 June 2022*

	Notes	Amount in Taka	
		01.07.2021- 30.06.2022	01.07.2020- 30.06.2021
Revenue	18.00	1,722,741,566	1,399,312,542
Cost of Goods Sold	19.00	(1,433,402,447)	(1,166,433,505)
Gross Profit		289,339,119	232,879,037
Other Income	20.00	10,277,835	2,017,169
Operating Expenses		(118,144,562)	(98,731,782)
Administrative Expenses	21.00	(58,347,514)	(49,232,297)
Selling & Distribution Expenses	22.00	(59,797,048)	(49,499,485)
Profit from Operations		181,472,392	136,164,424
Finance Cost	23.00	(76,154,801)	(78,838,068)
Profit before WPPF		105,317,591	57,326,356
Workers' Profit Participation Fund		(5,015,123)	(2,729,826)
Net Profit Before Tax		100,302,468	54,596,530
Income Tax Income/(Expense)	24.00	(42,322,545)	(8,217,838)
Net Profit After Tax for the year		57,979,923	46,378,692
Earning Per Share	25.00	0.39	0.32

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

Approved and authorized for issue by the board of directors on 27 October 2022 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
27 October 2022

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A


Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC:2210300564AS176934

STATEMENT OF OTHER COMPREHENSIVE INCOME*for the year ended 30 June 2022*

Particulars	Notes	Amount in Taka	
		01.07.2021- 30.06.2022	01.07.2020- 30.06.2021
Net Profit /(Loss) After Tax for the year		57,979,923	46,378,692
Fair Value Gain/(Loss) on Investment in Shares	5.00	109,721,524	210,076,920
Total Comprehensive Income/(Loss) for the year		167,701,446	256,455,612

STATEMENT OF CHANGES IN EQUITY*for the year ended 30 June 2022*


Particulars	Amount in Taka				
	Share Capital	Revaluation Surplus on PPE	Fair Value Loss on Investment in Shares	Retained Earnings	Total Equity
Balance as on 1 July 2020	1,469,660,550	2,966,690,015	(130,821,746)	(30,330,522)	4,275,198,297
Net Profit after tax for the year ended 30 June 2021	-	-	-	46,378,692	46,378,692
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	210,076,920	-	210,076,920
Cash Dividend	-	-	-	(29,393,211)	(29,393,211)
Total Balance as on 30 June 2021	1,469,660,550	2,966,690,015	79,255,174	(13,345,041)	4,502,260,698
Number of Shares	146,966,055				
Net Assets Value (NAV) Per Share	30.63				
Balance as on 1 July 2021	1,469,660,550	2,966,690,015	79,255,174	(13,345,041)	4,502,260,698
Net Profit after tax for the year ended 30 June 2022	-	-	-	57,979,923	57,979,923
Fair Value Gain/(Loss) on Investment in Shares (Note-5)	-	-	109,721,524	-	109,721,524
Cash Dividend	-	-	-	(36,741,514)	(36,741,514)
Total Balance as on 30 June 2022	1,469,660,550	2,966,690,015	188,976,698	7,893,368	4,633,220,631
Number of Shares	146,966,055				
Net Assets Value (NAV) Per Share (Note: 26)	31.53				

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

Approved and authorized for issue by the board of directors on 27 October 2022 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
27 October 2022

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A


Hasan Mahmood FCA, Partner
 Enrollment No: 564
 DVC:2210300564AS176934

STATEMENT OF CASH FLOWS*for the year ended 30 June 2022*

	Notes	Amount in Taka	
		01.07.2021- 30.06.2022	01.07.2020- 30.06.2021
Cash Flows From Operating Activities:			
Collections from turnover and other income		1,805,536,322	1,393,546,977
Payments for costs, expenses & others		(1,544,126,038)	(1,279,046,116)
Interest Paid		(72,109,302)	(75,729,985)
Income-Tax paid and /or deducted at sources		(42,322,545)	(23,536,016)
Net cash generated from operating activities	27.00	146,978,437	15,234,860
Cash Flows From Investing Activities:			
Property, Plant and Equipment acquired		(61,378,348)	(19,917,701)
Net cash used in investing activities		(61,378,348)	(19,917,701)
Cash Flows From Financing Activities:			
Increase/(Decrease) in Loan		(51,541,076)	52,723,124
Dividend Payment		(36,741,514)	(29,393,211)
Net cash generated from financing activities		(88,282,590)	23,329,913
Increase/(Decrease) in Cash and Cash Equivalents		(2,682,501)	18,647,072
Cash and Cash Equivalents at the beginning of the year		26,450,949	7,803,877
Effect of exchange rate changes on cash and cash equivalents	27.00	-	-
Cash and Cash Equivalents at the end of the year	9.00	23,768,448	26,450,949
Net Operating Cash Flows Per Share	28.00	1.00	0.10

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

Approved and authorized for issue by the board of directors on 27 October 2022 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
27 October 2022

M. J. ABEDIN & CO.
Chartered Accountants
Reg No : N/A


Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC:2210300564AS176934

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***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 2022;
- (b) a statement of profit or loss and other comprehensive income for the year ended from 01 July 2021 to 30 June 2022;
- (c) a statement of changes in equity for the year ended from 01 July 2021 to 30 June 2022;
- (d) a statement of cash flows for the year ended from 01 July 2021 to 30 June 2022; 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 27 October 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***2.6 Reporting Period and Comparative Information**

The financial Statements have been prepared for 12(Twelve) months (from 1st July 2021 to 30th June 2022).

Figures for the year ended 30 June 2021 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.

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-185,041,903 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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***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 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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***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.

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 82(C). 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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***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.

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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

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 2022

4.00 Property, Plant and Equipment-Carrying Value : Tk. 4,802,829,025

As at 30 June 2022							
Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 1st July 2021	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
At 30 June 2022	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
Depreciation:							
At 1st July 2021	-	499,038,190	1,880,772,721	56,413,961	29,145,295	20,637,909	2,486,008,077
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
At 30 June 2022	-	533,543,284	1,963,481,220	57,008,662	29,547,410	19,201,964	2,602,782,539
Carrying Amount:							
As at 30 June 2022	1,697,029,503	1,345,698,668	1,755,258,130	2,378,804	1,608,458	855,461	4,802,829,025

As at 30 June 2021							
Particulars	Amount in Taka						
	Land & Land Development	Building & Other Construction	Plant & Machinery	Office Equipment	Furniture & Fixture	Transport & Vehicle	Total
Cost or Valuation:							
At 1st July 2020	1,882,071,406	1,861,441,793	3,655,471,460	59,159,466	31,155,868	21,709,479	7,511,009,472
Addition during the year	-	3,076,090	16,613,611	228,000	-	-	19,917,701
At 30 June 2021	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
Depreciation:							
At 1st July 2020	-	464,025,890	1,796,365,333	55,670,585	28,642,652	20,370,017	2,365,074,477
Depreciation for the year	-	35,012,300	84,407,388	743,376	502,643	267,892	120,933,600
At 30 June 2021	-	499,038,190	1,880,772,721	56,413,961	29,145,295	20,637,909	2,486,008,077
Carrying Amount:							
As at 30 June 2021	1,882,071,406	1,365,479,693	1,791,312,350	2,973,505	2,010,573	1,071,570	5,044,919,096

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***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
Total Surplus on Revaluation	1,522,720,880	899,048,710	544,920,425	2,966,690,015

- (b) M/S G.K.Adjusters Ltd.(Insurance Surveyors, Loss Adjusters, Controllers, Consultants and Valuers) of Chand Mansion (5th 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 2022*

Amount in Taka	
as at	
30-June-22	30-June-21

5.00 Investment in Shares : Tk. 353,947,312

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 (30.06.2021: 65,716) Shares of Beximco Synthetics Ltd. (Face value Tk. 10.00),(Listed company, Market value Tk. 8.40 per share on 30 June 2022)	552,014	552,014
(b) In 2,722,614 (30.06.2021: 2,722,614) Shares of Bangladesh Export Import Co. Ltd.(Face value Tk. 10.00),(Listed company, Market value Tk. 129.80 per share on 30 June 2022)	353,395,297	243,673,774
	353,947,312	244,225,788

This is arrived at as follows:

	30.06.2022			30.06.2021		
	Beximco Synthetics Ltd.	Beximco Ltd.	Total	Beximco Synthetics Ltd.	Beximco Ltd.	Total
Opening Balance	552,014	243,673,774	244,225,788	440,297	33,708,571	34,148,868
Adjustment for Sales during the year	-	-	-	-	-	-
	552,014	243,673,774	244,225,788	440,297	33,708,571	34,148,868
Less: Quoted Price on year end	552,014	353,395,297	353,947,312	552,014	243,673,774	244,225,788
Fair Value Gain/(Loss) on Investment in Shares	0	109,721,523	109,721,524	111,717	209,965,203	210,076,920

6.00 Inventories : Tk. 831,778,363

This represents as follows:

Raw Material & Chemical	207,180,747	141,900,236
Packing Material	16,791,622	4,639,404
Stores & Spares	82,010,439	91,142,767
Work-in-process	279,975,834	275,774,295
Finished Goods	245,819,721	363,105,082
	831,778,363	876,561,784

7.00 Accounts & Other Receivables : Tk. 113,967,509

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. 238,173,229

This is considered good and consists of as follows:

Advances (Note - 8.01)	191,899,973	161,284,605
Deposits (Note - 8.02)	46,273,256	17,090,209
	238,173,229	178,374,814

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2022

	Amount in Taka	
	as at	
	30-June-22	30-June-21
8.01 Advances : Tk. 191,899,973		
This represents as follows:		
L/C-Margin & Others	40,218,022	52,107,189
Advance Income Tax (Note - 8.01.01)	150,663,028	108,340,483
Employees (other than officers)	172,559	425,245
Advance against Expenses	846,364	411,688
	191,899,973	161,284,605
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.		
8.01.01 Advance Income Tax : Tk. 150,663,028		
This has been arrived at :		
Opening Balance	108,340,483	115,170,554
Add : Paid/Deducted during the year under review (Note 17.01)	42,322,545	23,536,016
Less : Adjustment during the year	-	(30,366,087)
Closing Balance	150,663,028	108,340,483
8.02 Deposits : Tk. 46,273,256		
This represents as follows:		
VAT Deposit	32,109,277	2,926,230
Security Deposit	11,408,261	11,408,261
Bank Guarantee Margin	2,755,718	2,755,718
	46,273,256	17,090,209
9.00 Cash and Cash Equivalents : Tk. 23,768,448		
This consists of :		
(a) In Hand:	30,786	178,440
(b) At Banks in :	23,737,662	26,272,509
(i) Current Account	14,148,558	11,282,243
(ii) STD Account	7,538,825	12,936,987
(iii) FDR Account	2,050,279	2,053,279
	23,768,448	26,450,949
10.00 Issued Share Capital : Tk. 1,469,660,550		
This represents :		
(a) Authorised :		
500,000,000 Ordinary Shares of Tk.10/-each	5,000,000,000	5,000,000,000
(b) Issued, subscribed and paid -up:		
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
Total 146,966,055 shares of Tk. 10/- each fully paid-up	1,469,660,550	1,469,660,550

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***(c) Statement of Share Position:**

Name of the Shareholders	30-June-22		30-June-21	
	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	7,410,436	5.04%	12,250,355	8.34%
General Public	66,072,606	44.96%	61,232,687	41.66%
	146,966,055	100%	146,966,055	100%

(d) Distribution Schedule:

Share holdings	30-June-2022		
	No. of Shareholders	No. of Shares	Holding %
Less than 500 shares	7,061	978,734	0.67
500 to 5,000 shares	5,409	9,222,585	6.28
5001 to 10,000 shares	807	6,184,372	4.21
10,001 to 20,000 shares	511	7,560,330	5.14
20,001 to 30,000 shares	194	4,900,822	3.33
30,001 to 40,000 shares	77	2,689,202	1.83
40,001 to 50,000 shares	79	3,716,511	2.53
50,001 to 100,000 shares	124	8,874,103	6.04
100,001 to 1,000,000 shares	107	24,995,433	17.01
Over 1,000,000 shares	4	77,843,963	52.97
Total	14,373	146,966,055	100

(e) Market Price:

The shares of the Company are listed with in the Dhaka and Chittagong Stock Exchanges and quoted at Tk. 51.80 (in 30 June 2021; Tk 25.50) per share in the Dhaka Stock Exchange and Tk. 51.80 per share in the Chittagong Stock Exchange (in 30 June 2021; Tk 25.50).

(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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

	Amount in Taka	
	as at	
	30-June-22	30-June-21
12.00 Long Term Loans- Net-Off Current Maturity (Secured) : Tk. 143,475,614		
This represents loans from :		
Bank Asia Ltd. - Term Loan	-	39,458,469
Phoenix Finance & Investment Ltd.- Term Loan	143,475,614	119,264,234
	143,475,614	158,722,703
<u>Nature of Security :</u>		
(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.		
<u>Terms of Repayment :</u>		
<i>Bank Asia Ltd. - Term Loan :</i>		
In 20 (Twenty) equal Quarterly installments commencing from 30 March 2017 as per revised sanction.		
<i>Phoenix Finance & Investment:</i>		
In 96 (Ninety six) equal monthly installments commencing from 25 July 2015 as per revised sanction.		
<u>Rate of interest :</u>		
<i>Bank Asia Ltd. - Term Loan :</i>		
8% p.a. or the lending rate applicable from time to time based on Bank rate / policy.		
<i>Phoenix Finance & Investment:</i>		
11 % p.a. or the lending rate applicable from time to time based on Bank rate / policy.		
13.00 Gratuity Payable : Tk. 148,659,041		
This is arrived at as follows:		
Opening Balance	138,496,316	133,421,835
Add: Addition during the year	10,594,320	8,065,824
	149,090,636	141,487,659
Less: Payment during the year	(431,595)	(2,991,343)
Closing Balance	148,659,041	138,496,316
14.00 Deferred Tax Liability : Tk. 81,472,077		
Deferred Tax Liability is arrived at as follows:		
Opening Deferred Tax Liabilities	81,472,077	81,472,077
Deferred Tax Expense /(Income): 14.02	-	-
Closing Deferred Tax Liabilities	81,472,077	81,472,077
14.01 Deferred Tax Expense/(Income) is arrived at as follows		
Year end WDV of PPE including revalued amount	4,802,829,025	5,044,919,096
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)	(1,882,071,406)
Year end WDV of PPE excluding revalued amount	1,661,830,387	1,718,878,556
Year end tax base WDV of PPE	704,984,311	930,098,429
Taxable Temporary Difference	956,846,077	788,780,127
Applicable Tax Rate	16%	18%
Deferred Tax Liability before unabsorbed tax depreciation benefit	153,095,372	138,825,302
Less: Unabsorbed tax depreciation benefit	(71,623,295)	(57,353,225)
Closing deferred Tax Liability	81,472,077	81,472,077

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

	Amount in Taka	
	as at	
	30-June-22	30-June-21
14.02 Deferred Tax Expense is arrived at as follows		
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 ITO 1984, tax rate for FY2021-'22 (AY 2022-'23) 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 16% based on the calculation as shown below:

A) Calculation if Ratio on Export & Domestic Sales :

Export Sales	962,928,830	58%
Domestic Sales	684,232,502	42%
Total Sales	1,647,161,332	100%

B) Calculation of Applicable Tax Rate:

On Export Sales	0.58 x 12%	7%
On Domestic Sales	0.42 x 22.5%	9%
Applicable tax Rate		16%

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 and tax depreciation. In other words, the amount of temporary differences remain 'unabsorbed' during the year and therefore no provision for deferred tax expense/(Income) is applicable for the year 2021-2022

15.00 Short Term Loans From Banks & Other : Tk. 834,759,861

This is secured and consists of as follows:

Sonali Bank Ltd. - CC (H) (Secured)	536,082,481	553,446,024
Sonali Bank Ltd. - LTR (Secured)	134,045,472	71,795,954
Sonali Bank Ltd. - W.C Under Stimulus Package Industries (Covid-19 Loan)	132,131,908	168,664,759
New Dacca Industries Ltd. (Unsecured interest Free)	32,500,000	36,500,000
	834,759,861	830,406,737

16.00 Long Term Loans - Current Maturity (Secured) : Tk. 235,641,732

This consists of as follows:

Bank Asia Ltd. -Term Loan	69,738,405	73,973,580
Phoenix Finance & Investment Ltd.- Term Loan	165,903,327	202,315,263
	235,641,732	276,288,843

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

	Amount in Taka	
	as at	
	30-June-22	30-June-21
17.00 Creditors, Accruals and Other Payables : Tk. 286,533,660		
This consists of as follows:		
Gas & Electricity	12,578,457	7,378,520
Creditors for Goods	80,951,995	408,806,652
Income Tax Payable (Note-17.01)	108,028,513	65,705,968
Salary & Wages	58,862,895	48,181,876
Provident Fund Employee	4,168,863	12,628,381
Interest Payable	4,985,356	1,981,950
Security Deposit	7,190,000	6,190,000
WPPF Payable	8,077,823	4,819,841
TDS Payable	500,111	2,975,496
Group Insurance Payable	384,647	940,393
Audit Fees Payable	805,000	805,000
	286,533,660	560,414,081

17.01 Income Tax Payable : Tk. 108,028,513

This is arrived at as follows :

Opening Balance	65,705,968	87,854,217
Add: Tax provision for the year (Note-8.01.01)	42,322,545	11,548,723
Short/(Excess) Provision for previous years	-	(3,330,885)
Less: Adjustment against AIT	-	(30,366,087)
Closing Balance	108,028,513	65,705,968

	Amount in Taka	
	01.07.2021-30.06.2022	01.07.2020-30.06.2021
18.00 Revenue : Tk. 1,722,741,566		
This is made up as follows :		
	1,030,822,830	629,111,337
A. Export Sales	962,928,830	589,428,637
Export Sales (Cash Subsidy)	67,894,000	39,682,700
B. Local Sales	684,232,502	764,447,069
Distributors	451,969,525	500,076,609
Institutional	141,900,176	201,217,378
Show Room	9,320,256	5,670,991
Factory Sales	81,042,545	57,482,091
C. Scrap Sales	7,686,234	5,754,136
	1,722,741,566	1,399,312,542

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2022

	Amount in Taka	
	01.07.2021-30.06.2022	01.07.2020-30.06.2021
19.00 Cost of Goods Sold : Tk. 1,433,402,447		
This is arrived at as follows:		
Raw Material Issued (Note- 19.01)	544,235,067	447,816,841
Opening WIP	275,774,295	285,884,449
Material available for consumption	820,009,362	733,701,290
Closing WIP	(279,975,834)	(275,774,295)
Consumption	540,033,528	457,926,995
Manufacturing overhead (Note- 19.03)	887,092,485	718,943,395
Cost of production	1,427,126,013	1,176,870,390
Opening Finished Goods	363,105,082	352,668,197
Adjustment for Mould & Sagger	(111,008,927)	-
Cost of Goods Available for Sale	1,679,222,168	1,529,538,587
Closing Finished Goods	(245,819,721)	(363,105,082)
Cost of Goods Sold	1,433,402,447	1,166,433,505

Adjustment for Mould & Sagger(not being saleable finished goods).

19.01 Raw Material Issued : Tk. 544,235,067

This is arrived at as follows:

Opening Stock of Raw Material	141,900,236	163,164,404
Purchased of Raw Material	609,515,578	426,552,673
	751,415,814	589,717,077
Closing Stock of Raw Material	(207,180,747)	(141,900,236)
Raw Material Issued	544,235,067	447,816,841

19.02 Quantity Information

	Quantity in KG	Quantity in KG
Opening Stock of Raw Materials in Quantity	1,375,371	1,722,536
Add: Purchase fo Raw Materials in Quantity	9,581,587	8,073,776
Availabe for Use	10,956,958	9,796,312
Less: Raw Material Issued in Quantity	9,142,441	8,420,941
Closing Raw Materials in Quantity	1,814,517	1,375,371

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.

19.03 Manufacturing Overhead : Tk. 887,092,485

This consists of as follows :

Wages,etc	407,353,834	341,845,721
Depreciation	117,244,388	119,419,688
Packing Materials	158,279,773	80,525,146
Power & Fuel	111,787,897	100,919,162
Consumable Stores & Spares	55,637,346	52,142,631
Transport Expenses	12,284,361	11,983,392
Office Expenses	17,710,939	6,601,327
Insurance Expense	3,535,826	3,164,633
Communication Expenses	799,333	670,645
Handling & Carrying Expenses	2,458,788	1,671,050
	887,092,485	718,943,395

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

	Amount in Taka	
	01.07.2021-30.06.2022	01.07.2020-30.06.2021
20.00 Other Income: Tk. 10,277,835		
This consists of as follows :		
Dividend Income	9,529,149	1,361,306
Misc.Income-Employees' Provident Fund Forfeiture Account	43,323	-
Interest received	179,216	-
Misc Income-Transport & Vehicle Sale	403,757	-
Misc. Income	122,390	655,863
	10,277,835	2,017,169
21.00 Administrative Expenses : Tk. 58,347,514		
This consists of as follows :		
Salaries & Allowances	41,861,021	34,048,415
Depreciation	1,179,885	1,513,912
Office Expenses	7,582,709	6,739,474
Transport Expenses	3,593,603	2,875,343
Legal, Professional & Others Fees	715,750	228,550
AGM Expenses	264,100	304,930
Communication Expenses	655,226	536,119
Occupancy Expenses	71,300	481,239
Conveyance Expenses	675,219	1,013,876
Utilities Expenses	-	185,363
Audit Fee (Including VAT @15%)	805,000	805,000
General Expenses	-	-
Handling & Carrying Expenses	943,701	500,076
	58,347,514	49,232,297
22.00 Selling & Distribution Expenses : Tk. 59,797,048		
This consists of as follows :		
Promotional Expenses	8,507,169	2,402,685
Salaries & Allowances	31,835,313	28,517,561
Occupancy Expenses	5,331,237	3,949,191
Transport Expenses	2,911,560	1,901,418
Office Expenses	1,903,299	3,813,329
Communication Expenses	490,878	451,456
Travelling & Conveyance Expenses	8,163,081	1,719,069
Show Room Expenses	250,061	218,155
Utilities Expenses	-	47,799
Handling & Carrying Expenses	19,630	48,302
Legal & Prof.Expenses	384,820	362,355
Product Research & Sample	-	6,068,165
	59,797,048	49,499,485
23.00 Finance Cost : Tk. 76,154,801		
This consists of as follows :		
Interest on Loan from Banks & Others	72,109,302	75,729,985
Bank Commission & Charges	4,045,499	3,108,083
	76,154,801	78,838,068

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2022

	Amount in Taka	
	01.07.2021-30.06.2022	01.07.2020-30.06.2021
24.00 Income Tax Expenses/(Income): Tk. 42,322,545		
This represents:		
(a) Current Tax:		
Tax for the year under review	42,322,545	11,548,723
Short/ (Excess) Provision for previous years	-	(3,330,885)
Current Tax	42,322,545	8,217,838
(b) Deferred Tax (Income) / Expenses Note- 14.02	-	-
Total (a+b)	42,322,545	8,217,838

a) Current Tax : There are laws for minimum tax payable. Minimum Tax payable by the Company is calculated as follows:

1) U/S 82C(4) 0.60% on Gross Receipts(turnover+other income). 9,933,578

2) U/S 82C (1): 15,659,023

i) Tax deducted at source(TDS) @ 3-7% on supply of goods u/s 52 & rules 16(1) 2,707,008

ii) Tax deduction at source(TDS) @ 0.5%/1% from FY 2022-23) on Export Sales u/s-53BB/ 53 BBBB. 4,256,785

iii) Tax deduction at source @ 10% on Cash subsidy u/s 53DD. 6,789,400

iv) Tax deduction at source @ 20% on Dividend Income u/s 54 1,905,830

3) Higher of 1 & 2 above 15,659,023

4) Add: Tax Liability u/s 30B @ 22.5% on estimated disallowance on u/s 30 1,094,625

5) Minimum Tax payable (non Refundable u/s 82C(2) & estimated Tax u/s 30B),3+4 above 16,753,648

6) **Estimated Tax liability u/s 83 (regular assessment):**

Tax authorities assess the tax liability adding arbitrarily disallowed expenditures, payables and increasing GP to avoid the refund of the excess TDSs. Even if there is any remission in Appeal stages, the refund of excess TDS is rare. Therefore, estimated tax liabilities is considered equal to total TDSs made during the year as follows:

i) Non Refundable TDSs as shown in 2 above 15,659,023

ii) Add – Refundable TDSs @ 5% of imported materials u/s 53 & Rules 17A. 26,663,522

Estimated Tax Liabilities under regular assessment. 42,322,545

7) Current year's provision for income tax expenses has therefore, been made as per u/s 82C (8), being the regular tax is estimated to be higher than the refundable minimum tax, as shown in 6 above. 42,322,545

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 amount of temporary differences remain 'unabsorbed' during the year and therefore no provision for deferred tax expenses/(income) is applicable for the year 2021-2022.

25.00 Basic Earnings Per Share (EPS)

(a) Earning Attributable to the Ordinary Shareholders (Net Profit After Tax)	57,979,923	46,378,692
(b) Weighted Average Number of Ordinary Shares outstanding during the year (Note 3.11)	146,966,055	146,966,055
(c) EPS (a/b)	0.39	0.32

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.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

	Amount in Taka	
	01.07.2021-30.06.2022	01.07.2020-30.06.2021
26.00 Net Asset Value (NAV) per share		
Total Assets	6,364,463,886	6,557,016,861
Less: Total Liabilities	(1,731,243,255)	(2,054,756,163)
Net Assets	4,633,220,631	4,502,260,698
Number of Ordinary Shares of Tk. 10 each at Financial Position date.	146,966,055	146,966,055
Net Asset Value (NAV) per share	31.53	30.63

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

Net profit after tax	57,979,923	46,378,692
Adjustments for noncash items, non-operating items and for the net changes in operating accruals		
Depreciation	118,424,273	120,933,600
(Increases)/Decreases in Inventories	44,783,421	26,264,241
(Increases)/Decreases in Accounts & Other Receivables	72,516,921	(7,782,734)
(Increases)/Decreases in Advances	(30,615,368)	(40,025,995)
(Increases)/Decreases in Deposits	(29,183,046)	8,333,732
Increases/(Decreases) in Creditors for goods and Other Payables	(100,487,967)	(109,913,539)
Increases/(Decreases) Accruals	11,651,691	(39,674,932)
Increases/(Decreases) Gratuity Payable	10,162,725	5,074,481
Increases/(Decreases) Unclaimed dividend	(8,254,136)	5,647,313
	146,978,437	15,234,860

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	146,978,437	15,234,860
Number of Ordinary Shares of Tk. 10 each at Financial Position date	146,966,055	146,966,055
Net Operating Cash Flows Per Share (NOCFPS)	1.00	0.10

29.00 Unclaimed dividend

(a) The dividend payable/unclaimed dividend as on June 30 2022 consists of:

i) Fy 2020-2021	343,471	-
ii) Fy 2019-2020	357,799	5,647,313
iii) FY2007-2008	-	3,308,092
	701,270	8,955,405

(i) The Cash Dividend @2.5% declared for the year 2020-2021 were approved by the shareholders in the Annual General Meeting held on December 23, 2021.

(ii) The Cash Dividend @2% declared for the year 2019-2020 were approved by the shareholders in the Annual General Meeting held on December 19, 2020.

(iii) Unclaimed dividend of Taka 3,308,091.97 of FY 2007-2008 has been paid on 29-09-2021 as per directive of BSEC dated 06 July 2021.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022*

Amount in Taka	
01.07.2021-30.06.2022	01.07.2020-30.06.2021

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 2021-2022 an amount of Taka 7,300,000 paid as CEO's remuneration (FY 2020-21 was Tk. 7,000,000).**(c) Officers:**

Managerial Remuneration	67,990,968	64,001,218
Bonus	8,408,318	8,053,588

Perquisites:

Housing	19,102,496	19,002,473
Transport	3,981,336	3,674,875

99,483,118	94,732,154
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31.00 Production Capacity, Actual Production and reason of Excess/Short Fall:

	From 01 July 2021 to 30 June 2022				From 01 July 2020 to 30 June 2021			
	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
Porcelain	16,600,000	11,829,049	4,770,951	71.26%	14,400,000	11,717,699	2,682,301	81.37%
Bone China	5,400,000	3,479,174	1,920,826	64.43%	5,400,000	3,246,418	2,153,582	60.12%

Reason for Shortfall : Production as per market demand.

32.00 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for as on 30 June 2022.

There was no material capital expenditure authorised by the board but not contracted for as on 30 June 2022.

33.00 Contingent Liabilities

This consists of as follows:

(a) Outstanding letter of credit-	96,804,152	110,326,124
(b) Outstanding letter of (Bank) guarantee to (Titas Gas Transmission and distribution Company Ltd)	13,656,520	13,656,520
	110,460,672	123,982,644

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 2022.

35.00 Credit Facilities not Availed

There was no credit facilities available to the company but not availed of as on 30 June 2022 under any contract, other than trade credit available in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***36.00 Related Party Disclosure**

Name of Related Parties	Nature of Transactions	Value of Transactions During the year	Balance at the year ended 30-Jun-22
Bangladesh Export Import Co. Ltd.	Investment in Shares	109,721,524	353,395,297
Beximco Synthetics Ltd.	Investment in Shares	-	552,014
<u>Due to Related Party:</u>			
New Dacca Industries Limited	Short Term Loan	4,000,000	32,500,000

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 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-22		30-June-21	
Trade Debtors- Foreign	Foreign Currency	Equivalent Local Currency (Tk.)	Foreign Currency	Equivalent Local Currency (Tk.)
US\$	1,157,309	107,169,640	1,169,066	97,410,812
EURO	38,508	3,661,433	383,916	38,614,293
Total	1,195,817	110,831,074	1,552,982	136,025,105

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***(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. Local loans are, however, not significantly affected by fluctuations in interest rates. 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 in 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 during other months in full scale. During July-September 2021 in FY 2021-22 operation of the company was 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.

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 voyag time and freight charges. Consequently importing cost at the buyers end increased, causing declining the demand for the product.
- (iv) Lower export affected the cash inflow to the company.
- (v) To manage the liquidity and to pay employees, suppliers and utility bill, the company had to avail the additional CC hypo loan to overcome the liquidity constraints originated from Covid-19 in FY 2020-21.

(D) Post-pandemic Scenarios-Increased per unit cost of production due to pricier material, increased process loss and lesser production:

The company has been under strains since September 2021 due to Gas & electricity supply crunch resulting from energy price hike in the Global market during the aftermath of the pandemic and subsequent R-U war and US\$ crises. Imported materials are now pricier than pre pandemic period. Gas & Electricity crunch is affecting the company as if a double edged sword; it not only causes lower production but also increase the loss in the production process.

NOTES TO THE FINANCIAL STATEMENTS*As at and for the year ended 30 June 2022***38.00 Payments Made in Foreign Currency :**

	01.07.2021-30.06.2022		01.07.2020-30.06.2021	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:				
US\$	337,517	28,979,408	98,561	8,216,360
Euro	48,330	4,851,839	26,570	2,698,981
JP¥	9,912,130	7,593,120	4,931,500	3,895,885
Total		41,424,367		14,811,226
Import of Raw & Packing Material :				
US\$	4,204,263	362,632,487	3,172,668	269,982,582
Euro	832,337	81,796,502	604,979	62,683,891
JP¥	47,849,193	36,730,249	288,271	34,024,924
GBP	385,646	45,198,618	34,955,230	28,203,473
		526,357,856		394,894,870
Total		555,337,264		403,111,230


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:

	01.07.2021-30.06.2022		01.07.2020-30.06.2021	
	Amount in Foreign Currency	Equivalent in Tk.	Amount in Foreign Currency	Equivalent in Tk.
Import of Machinery, Equipments & Spares:				
US\$	9,219,509	813,874,783	US\$ 55,72,806	469,230,216
EURO	1,614,406	168,200,290	Euro 4,56,244	159,563,490
Total		982,075,073		628,793,706

40.00 Events After The Reporting Period

- The Board of Directors recommended 3% cash dividend (i.e. TK.0.30 per share for the year 2021-22). The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- 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
27 October 2022

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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 nine (9) 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...



OPERATIONAL HEAD OFFICE

Beximco Media Complex, Level 9, 149-50 Tejgaon I/A, Dhaka 1208, Bangladesh
Tel: 6091000300 • Fax: +88 02 9661678 • E-mail: spclint@bol-online.com

www.shinepukur.com



OPERATIONAL HEAD OFFICE

Beximco Media Complex, Level 9, 149-50 Tejgaon I/A, Dhaka 1208, Bangladesh
Phone: +88 02 8611891-5, +88 02 8618220-7, Direct: +88 02 9667135
Fax: +88 02 9661678, 8613470, E-mail: spclint@bol-online.com

PLANT BEXIMCO

Industrial Park Sarabo, Kashimpur, Gazipur, Bangladesh
Phone: +88 02 7789756-8, Fax: +88 02 7789821, E-mail: scflit@scfld.net

SHINEPUKUR SIGNATURE SHOWROOM

The Westin Dhaka Main Gulshan Avenue, Plot # 1, Road # 45, Gulshan-2, Dhaka-1212, Bangladesh
Phone: +88 02 8815093, +88 01714161638 • Fax: +88 02 9661678, 8613470 E-mail: display@bol-online.com

www.shinepukur.com