

Picasso
TILES

ANNUAL REPORT
2021 - 2022

FU-WANG CERAMIC INDUSTRY LTD.

FU-WANG
CERAMIC

FU-WANG CERAMIC INDUSTRY LTD.

FOR THE YEAR ENDED 30 JUNE 2022

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Corporate profile

Board of Directors

Chairman	:	Mrs. Hasna Opgen Haffen
Managing Director	:	Mr. Javed Opgenhaffen
Nominee Director	:	Mr. Sayeed Rezaraj Ahmmad
	:	Mr. Md. Shaheed Hossain Tanjil
	:	Mr. Omar Sharif
Independent Director	:	Mr. Sadad Rahman
		Mr. Md. Abu Zafer

Audit Committee

Chairman	: Mr. Md. Abu Zafer
Member	: Mr. Sayeed Rezaraj Ahmmad
Member	: Mr. Sadad Rahman
Secretary	: Company Secretary of the Company

NRC Committee

Chairman	: Mr. Md. Abu Zafer
Member	: Mr. Sadad Rahman
Member	: Mr. Sayeed Rezaraj Ahmmad
Secretary	: Company Secretary of the Company

Chief Executive Officer	: Mr. Rafiquzzaman Bhuiyan
Chief Financial Officer	: Mr. Ahmed Monabbi
Company Secretary	: Mr. Md. A. Halim Thakur
Head of Internal Audit & Compliance	: Mr. Md. Waresh Ali

Legal Advisor	:	Meah Mohd. Kausar Alam Samir Advocate, Supreme court of Bangladesh The Legal Edge
Banks	:	Southeast Bank Limited Principal Branch Motijheel, Dhaka-1000

Registered Office	:	204/B (4th Floor), Bir Uttam Mir Shawkat Road Tejgaon-Gulshan Link Road, Dhaka-1208
Head Office	:	Pearl Trade Centre (11th Floor) Cha 90/3, Progoti Shoroni, North Badda, Dhaka-1212
Factory	:	Hotapara, Gazipur
Auditors	:	MABS & J Partners Chartered Accountants SMC Tower (7th Floor) 33, Banani C/A, Road No. 17, Dhaka-1213

General Information

History of the Company

Date of Incorporation	:	31 May 1995
Listed in Dhaka Stock Exchange Ltd.	:	May 1998
Listed in Chittagong Stock Exchange Ltd.	:	May 1998
Commercial Production	:	October 1996
ISO Certification	:	ISO-9002 Certified on 04 Nov 1998
Business Lines	:	Manufacturing & Marketing of Ceramic & Homogeneous Floor & Wall Tiles
Authorized Capital	:	Tk. 5 Billion
Paid-up Capital	:	Tk. 1,362,690,930
Number of Employees	:	552

Financial and Operational Highlights for Five Years

(Taka in Million)

	2021-22	2020-21	2019-20	2018-19	2017-18
Turnover (Net)	842.564	767.107	585.556	595.172	572.643
Gross Profit	228.880	211.997	221.073	225.740	201.260
Net Profit/(Loss) before Tax	44.276	48.388	83.979	110.869	112.815
Net Profit/(Loss) after Tax	31.466	46.364	63.651	80.780	84.079
Shareholders Equity	1,605.810	1,594.870	1,567.583	1,519.533	1,438.753
Earning per share after Tax (Taka)	0.23	0.34	0.47	0.59	0.62
Cash/Bonus Dividend	Cash 2% Other than Sponsors/Directors	Cash 2% Other than Sponsors/Directors	Cash l.4%	Cash l%	B l0%

To,

Shareholders
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies and Firms

Respected/Honorable Sir(s)

Annual Report for the year ended on 30 June 2022

The undersigned on behalf of the Board of Directors and Management of Fu-Wang Ceramic Industry Limited is pleased to present herewith the Annual Report for the year ended on 30 June 2022 along with the audited Financial Statements (Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes) for the above mentioned period of the company ended on that date.

Best regards

Md. A. Halim Thakur
Company Secretary

NOTICE OF THE 27th ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of Fu-Wang Ceramic Industry Limited will be held on Saturday, 31 December 2022 at 11.30 am at Digital Platform through link **https://fuwangcer.bdvirtualagm.com** to transact the following business:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2022 and reports of Auditors and Directors thereon.
2. To declare 2% Cash Dividend for the all shareholders other than Sponsors/Directors.
3. To retire, elect and ratify the appointment of Directors.
4. To appoint statutory Auditors, compliance Auditors and Scrutinize Auditors for the next term and fix their remuneration.
5. To transact any other business with the permission of the Chair.

By order of the Board

Sd/-
Md. A. Halim Thakur
Company Secretary

Dated: Dhaka,
10 December 2022

NOTES:

1. Record date for the said **AGM: 08 December 2022.**
2. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her Proxy to attend and vote on his/her behalf through Digital Platform.
3. For appointing a Proxy, Proxy Form duly stamped must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
4. Specimen Proxy Form shall be attached with the Annual Report.
5. Members are requested to notify change of address, if any, to the Company.
6. The soft copy of the Annual Report 2021-2022 will be sent to the respective e-mail address of the shareholders mentioned in their BO Accounts with the Depository and the Annual Report 2021-2022 will be available in the Company's website at **www.fuwangceramic.com**

"বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন-এর বিধি মোতাবেক আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার গিফ্‌ট প্রদানের ব্যবস্থা থাকবে না"

Directors' Report

for the Year Ended 30 June 2022

DEAR SHAREHOLDERS, ASSALAMUALAIKUM:

On behalf of the Board of Directors and on my own behalf I take the privilege to welcome you all at the 27th Annual General Meeting of Fu-Wang Ceramic Industry Limited and present before you a summarized performance of the Company together with the Audited Accounts and Financial Statements for the year ended 30 June 2022 and the Auditor's Report thereon.

COMPANY'S PERFORMANCE AND FINANCIAL RESULT:

The Government has relaxed a little bit the embargo on extracting clay from our leasehold mine. We are expecting that as we have fulfilled DoE's prerequisite about submission of Environmental Management Plan (EMP), GOB will resolve the issue at the earliest. However, as per Hon'ble High Court's order, we are extracting clay from our own mine.

The reporting year profitability of the company has declined compared to last year by 8.50% despite of increased in sales by 9.83% due to increase in cost of sold and financial expenses by 10.55% and 12.63% respectfully in the current financial year. The Company has posted a net profit before tax amounting to Taka 4,42,75,770.00 in the year ended 30 June 2022 which has decreased by around 8.50% compared to immediate preceding year's net profit before tax amounting to Taka 4,83,88,653.00.

During this period Company launched 51 (Fifty One) new design of tiles including 20 (Twenty) Ceramic Wall tiles, 15 (Fifteen) White body wall tiles, 16 (Sixteen) White body punch wall tiles.

পরিচালনা পর্ষদের প্রতিবেদন

সমাপ্ত অর্থবছর ৩০ জুন ২০২২

প্রিয় শেয়ারহোল্ডারবৃন্দ, আস্‌সালামু আলাইকুম:

ফু-ওয়াং সিরামিক ইন্ডাস্ট্রি লিমিটেড-এর ২৭তম বার্ষিক সাধারণ সভায় আপনাদেরকে পরিচালনা পর্ষদের পক্ষ থেকে স্বাগত জানানোর সুযোগ পেয়ে আমি অত্যন্ত আনন্দিত বোধ করছি এবং সেইসাথে আমি ৩০ জুন ২০২২ তারিখে সমাপ্ত বছরের উল্লেখযোগ্য কার্যক্রমের সারসংক্ষেপ, বার্ষিক নিরীক্ষিত হিসাব ও আর্থিক বিবরণী উপস্থাপন করছি।

প্রতিষ্ঠানের কার্যক্রম এবং আর্থিক ফলাফল:

আমাদের ইজারাকৃত খনি থেকে মাটি আহরণের উপর নিষেধাজ্ঞা সরকার কিছুটা শিথিল করেছেন। আমরা আশা করছি যে, যেহেতু পরিবেশ অধিদপ্তরের "পরিবেশ ব্যবস্থাপনা পরিকল্পনা" জমা দেওয়ার পূর্বাবশ্যক শর্তাবলী পূরণ করেছি, বাংলাদেশ সরকার খুব শীঘ্রই বিষয়টি সমাধান করবেন। যাহোক, মাননীয় উচ্চ আদালতের আদেশ অনুযায়ী আমরা আমাদের নিজস্ব খনি থেকে মাটি আহরণ করছি।

গত বছরের তুলনায় বিক্রয় ৯.৮৩% বৃদ্ধি পাওয়া স্বত্তেও বিক্রিত পণ্যের খরচ ১০.৫৫% এবং আর্থিক খরচ ১২.৬৩% বৃদ্ধি পাওয়ায় কোমপানীর মুনাফা ৮.৫০% কমে গেছে। ৩০ জুন ২০২২ সমাপ্ত অর্থ বছরে কর পরিশোধের পূর্বে কোম্পানির কর পূর্ববর্তী নীট মুনাফা দাঁড়িয়েছে ৪,৪২,৭৫,৭৭০.০০ যা পূর্ববর্তী বছরের কর পূর্ববর্তী নীট মুনাফা ৪,৮৩,৮৮,৬৫৩.০০ এর তুলনায় প্রায় ৮.৫০% কম।

এই সময়ের মধ্যে কোম্পানি ৫১টি (একান্ন) নতুন ডিজাইনের টাইলস উদ্ভাবন করেছে, যার মধ্যে ২০টি (বিশ) সিরামিক ওয়াল টাইলস, ১৫টি (পনের) হোয়াইট বডি ওয়াল টাইলস (পিকাসো), ১৬টি (ষোল) হোয়াইট বডি পাঞ্চ ওয়াল টাইলস।

We have introduced homogenous tiles in March 2015 and we are producing best quality tiles in terms of size, less water absorption, thickness and hardness. Therefore, it's become popular to the customers and demand is increasing.

DIVIDEND:

During the year company invested Tk. 10.18 crore in the Fixed Assets. Out of which around Tk. 1.24 crore invested from company's own source.

Considering the company's financial capability, the Board has opted recommending @2% cash dividend for the Y2021-2022 to all the shareholders other than Sponsors/Directors to be distributed subject to approval of the shareholders at the 27th Annual General Meeting. The Sponsors/Directors are holding 4,08,76,546 ordinary shares of Tk. 10/- each out of total 13,62,69,093 ordinary shares. The cash dividend to be payable to the public shareholders Tk. 1,90,78,509.00 for their holding 9,53,92,547 ordinary shares.

Qualified Opinion:

Refer to Note No. 06: The auditors could not verify Inventories of Tk. 183,46,95,807.00 due to lac of proper schedule/documents/reports and haphazard position of inventories as on 30 June 2022

Refer to Note No. 24, 24.01.01 & 24.02.01: Raw Materials, Spare Parts and Packing Materials of Tk. 77,93,84,748.00, Tk. 4,52,00,513.00 and Tk. 3,98,99,796.00 respectively

Explanation of Board:

On 26 October, 2022 we informed to the Bangladesh Securities and Exchange Commission that due to electric short circuit we have lost entire accounting system of the company and for the reason, we applied to BSEC for allow us more 20 days time for completing the audit of the Financial Statements for the year 30 June 2022.

আমরা হোমোজেনিয়াস টাইলস মার্চ ২০১৫ হতে প্রবর্তন করি এবং আমরা আকার অনুযায়ী কম জল শোষণকারী, পুরু ও মজবুত সর্বোৎকৃষ্ট মানের টাইলস উৎপাদন করছি। ফলে, গ্রাহকদের কাছে এর জনপ্রিয়তা ও চাহিদা বাড়ছে।

লভ্যাংশ:

আলোচ্য অর্থবছরের কোম্পানী ১০.১৮ কোটি টাকা স্থায়ী সম্পদ সংযোজন করেছেন। তার মধ্যে প্রায় ১.২৪ কোটি টাকা কোম্পানী তার নিজস্ব তহবিল থেকে বিনিয়োগ করেছেন।

কোম্পানীর আর্থিক সক্ষমতা বিবেচনা করে পরিচালনা পরিষদ ২০২১-২২ অর্থবছরে উদ্যোক্তা/পরিচালক ব্যতীত সকল শেয়ারহোল্ডারদের জন্য ২% নগদ লভ্যাংশ প্রদানের জন্য ঘোষণা করেন, যা আগামী ২৭তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে বিতরণের সুপারিশ করেন। মোট ১৩,৬২,৬৯,০৯৩ পরিশোধিত শেয়ারের মধ্যে উদ্যোক্তা/পরিচালকদের কাছে ৪,০৮,৭৬,৫৪৬টি সাধারণ শেয়ার রয়েছে। পাবলিক শেয়ারহোল্ডারদের ধারণকৃত ৯,৫৩,৯২,৫৪৭টি সাধারণ শেয়ারের জন্য ১,৯০,৭৮,৫০৯.০০ টাকার লভ্যাংশ প্রদান করা হবে।

শর্তমুক্ত মতামত

নোট নং ০৬: নিরীক্ষকগন যথাযথ ডকুমেন্টস/রিপোর্ট না পাওয়ার কারনে ১৮৩,৪৬,৯৫,৮০৭.০০ টাকার ইনভেন্টরিজ যাচাই করিতে পারে নি।

নোট নং ২৪, ২৪.০১.০১ এবং ২৪.০২.০১: কাচাঁমাল, খুচরা যন্ত্রাংশ এবং প্যাকিং উপকরন ক্রয় বাবদ যথাক্রমে টাকা ৭৭৯৩৮৪৭৪৮.০০, ৪৫২০০৫১৩.০০ এবং ৩৯৮৯৯৭৯৬.০০ টাকা যথাযথ ডকুমেন্টস না থাকায় যাচাই করা যায় নি।

ব্যাখ্যাঃ

২৬শে অক্টোবর ২০২২ইং তারিখে আমরা বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনকে জানিয়েছিলাম যে, বৈদ্যুৎতিক শর্ট সার্কিটের করনে আমার একাউন্টিং সিস্টেম সম্পূর্নরুপে অকার্যকর হয়ে গিয়েছিল। তাই ৩০শে জুন ২০২২ইং তারিখে সমাপ্ত অর্থ বছরের হিসাব নিরীক্ষা কার্যক্রম সম্পূর্ন করার জন্য কমিশনের কাছে অতিরিক্ত ২০ দিন সময় চেয়েছিলাম।

Due to above reason we could not properly submit the all documents in time as required by Auditors.

Refer to Note No. 10.02: Cash at Bank reported in the statements of financial position of Tk. 45,77,403.00 with twenty-one bank account from which two bank statements containing balance of Tk. 47,475 were not available for verification.

Explanation of Board:

Taka 47,475.00 in NCC Bank Ltd., Gulshan Branch and Tk. 0.00 in BRAC Bank Ltd. Graphix BLDG Branch out of Tk. 47,475.00. Due to non-transactions in the two-bank accounts for a long time, the two accounts became dormant due to which we could not collect the bank statements.

Refer to Note No. 07: An amount of Tk. 1,33,31,551.00 receivable from Hua-Thai Ceramic Industry Ltd. including a Trade and Other Receivable of Tk. 6,79,92,411.00 carried forwarded since long. However, the company did not create any provision in this regard as required by IAS 37.

Explanation of Board:

Next year we will take necessary action as per IAS 37.

RETIRE, ELECT AND RATIFFICATION OF THE APPOINTMENT OF DIRECTORS:

As per article 126 of the Articles of Association Mrs. Hasna Opgenhaffen and Mr. Javed Opgenhaffen both Directors, will be retiring from the Board at the 27th Annual General Meeting and being eligible offered themselves for re-election subject to approval of the shareholders at the 27th Annual General Meeting.

Mr. Omar Sharif, representative of Opgenhaffen Holdings Ltd. appointed as Nominee Director of the board in a board meeting held on 31 May 2022

Mr. Sayeed Rezaraj Ahmmad, representative of NJ Holdings Ltd. appointed as Nominee Director of the board in a board meeting held on 20 June 2022.

উপরোক্ত কারনে আমরা অডিটরদের চাহিদা অনুযায়ী সময়মত সমস্ত ডকুমেন্টস সরবরাহ করিতে পরিনি।

নোট নং ১০.০২: আর্থিক বিবরনীতে ২১টি ব্যাংক হিসাবে ৪৫,৭৭,৪০৩.০০ টাকা দেখানো আছে যার মধ্যে ২টি ব্যাংক হিসাবে ৪৭,৪৭৫.০০ টাকা যাহা যথাযথ ব্যাংক স্টেটমেন্ট না থাকায় যাচাই করা যায় নি।

ব্যাখ্যাঃ

ব্যাংকে নগদ ৪৭,৪৭৫.০০ টাকার মধ্যে এনসিসি ব্যাংক লিঃ, গুলশান শাখায় ৪৭,৪৭৫.০০ টাকা এবং ব্র্যাক ব্যাংক লিঃ গ্রাফিক্স বিল্ডিং শাখায় ০.০০ টাকা। দীর্ঘদিন ব্যাংক হিসাব দুটিতে লেনদেন না করায় হিসাব দুটি ডরমেন্ট হয়ে যাওয়ায় ব্যাংক স্টেটমেন্ট আনা যায়নি।

নোট নং ০৭ঃ বানিজ্যিক এবং অন্যান্য পাওনার ৬,৭৯,৯২,৪১১.০০ টাকার মধ্যে হুয়া থাই সিরামিক ইন্ডাষ্ট্রি লিঃ হতে প্রাপ্য ১,৩৩,৩১,৫৫১.০০ টাকা অনেক দিন ধরে কেরি ফরওয়ার্ড হয়ে আসছে। এই ব্যাপারে কোম্পানী আইএএস ৩৭ মোতাবেক কোন প্রভিশন করে নি।

ব্যাখ্যাঃ

পরবর্তী বৎসর আমরা আইএএস ৩৭ অনুযায়ী ব্যবস্থা নিব।

অবসর গ্রহণ, মনোনয়ন ও নতুন পরিচালকবৃন্দের নিয়োগ অনুমোদনঃ

কোম্পানির সংঘ বিধির ১২৬ ধারা অনুযায়ী জনাবা হাসনা অপগেন হেপেন এবং জনাব জাভেদ অপগেনহেপেন উভয় পরিচালক অত্র ২৭তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন, যা ২৭তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।

অপগেনহেপেন হোল্ডিংস লিঃ এর প্রতিনিধি জনাব ওমর শরিফ ৩১ মে ২০২২ইং তারিখের বোর্ড সভায় মনোনীত পরিচালক হিসাবে নিয়োগ প্রাপ্ত হয়।

এনজে হোল্ডিংস লিমিটেড এর প্রতিনিধি জনাব সৈয়দ রেজারাজ আহমেদ ২০ জুন ২০২২ইং তারিখের বোর্ড সভায় মনোনীত পরিচালক হিসাবে নিয়োগ প্রাপ্ত হয়।

Mr. Sadad Rahman, representative of Fu-Wang Trading Ltd. appointed as Nominee Director of the board in a board meeting held on 31 August 2022.

The appointment of the above three directors are required to ratify by the shareholder in the 27th Annual General Meeting.

APPOINTMENT OF AUDITORS:

The existing MABS & J Partners, Chartered Accountants, SMC Tower (7th Floor) 33, Banani C/A, Road No. 17, Dhaka-1213 will be retiring at 27th Annual General Meeting, being eligible offered themselves for re-appointment for the next term.

The Board of Directors in its meeting held on 17 November 2022 recommended to appoint BSEC's panel auditor MABS & J Partners, Chartered Accountants, SMC Tower (7th Floor) 33, Banani C/A, Road No. 17, Dhaka as statutory auditor of the Company for the year 2022-2023 subject to approval of the shareholders at the 27th Annual General Meeting.

The Board also recommended to appoint Atik Khaled Chowdhury, Chartered Accountants, Hasan Court (1st floor), 23/1, Motijheel C/A, Dhaka-1000 as compliance auditor of the company for the year 2022-2023 subject to approval of the shareholders at the 27th Annual General Meeting.

The Board also recommended to appoint Atik Khaled Chowdhury, Chartered Accountants, Hasan Court (1st floor), 23/1, Motijheel C/A, Dhaka-1000 as scrutinize auditor of the company for the year 2022-2023 subject to approval of the shareholders at the 27th Annual General Meeting.

OTHERS:

(a) Implementation of ETP

In compliance with DoE, the Company has implemented ETP (Effluent Treatment Plant) in the factory through H.M. Enviro Care which became operational effecting March 29, 2011. Accordingly DOE has provided

ফু-ওয়াং ট্রেডিং লিঃ এর প্রতিনিধি জনাব সাদাদ রহমান ৩১ আগষ্ট ২০২২ইং তারিখের বোর্ড সভায় মনোনীত পরিচালক হিসাবে নিয়োগ প্রাপ্ত হয়।

উপরোক্ত তিনজন পরিচালকের নিয়োগের জন্য ২৭তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন প্রয়োজন।

নিরীক্ষক নিয়োগ:

কোম্পানীর বর্তমান নিরীক্ষক ম্যাবস এন্ড জে পার্টনার্স, চার্টার্ড একাউন্টেন্টস, এসএমসি টাওয়ার (৮তম তলা) ৩৩, বনানী বা/এ, রোড নং ১৭, ঢাকা ২৭তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য বিধায় পরবর্তী বছরের জন্য পুনর্নিয়োগের প্রস্তাব করেছেন।

১৭ নভেম্বর ২০২২ইং তারিখের পরিচালনা পর্ষদের সভায় সকলের অনুমোদন সাপেক্ষে বিএসইসি'র প্যানেলভুক্ত নিরীক্ষক ম্যাবস এন্ড জে পার্টনার্স, চার্টার্ড একাউন্টেন্টস, এসএমসি টাওয়ার (৮ তলা) ৩৩, বনানী বা/এ, রোড নং ১৭, ঢাকা-১২১৩-কে কোম্পানীর নিরীক্ষক হিসেবে ২০২২-২০২৩ অর্থবছরের জন্য অনুমোদন করা হয়, যা ২৭তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।

এছাড়াও বোর্ড আতিক খালেদ চৌধুরী, চার্টার্ড একাউন্টেন্টস, হাসান কোর্ট (২য় তলা), ২৩/১, মতিঝিল, ঢাকা-১০০০-কে কোম্পানির কমপ্লায়েন্স নিরীক্ষক হিসেবে ২০২২-২০২৩ অর্থবছরের জন্য নিয়োগের প্রস্তাব করেছেন, যা ২৭তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।

এছাড়াও বোর্ড আতিক খালেদ চৌধুরী, চার্টার্ড একাউন্টেন্টস, হাসান কোর্ট (২য় তলা), ২৩/১, মতিঝিল, ঢাকা-১০০০-কে কোম্পানির স্ক্রুটিনাইজ অডিটর হিসেবে ২০২২-২০২৩ অর্থবছরের জন্য নিয়োগের প্রস্তাব করেছেন, যা ২৭তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।

অন্যান্য:

ক) ইটিপি বাস্তবায়ণ

পরিবেশ অধিদপ্তরের নীতিমালা অনুযায়ী বিগত ২৯ মার্চ ২০১১ সাল হতে এইচ.এম. ইনভাইরো কেয়ারের মাধ্যমে কোম্পানি ফ্যাক্টরীতে ইটিপি ব্যবস্থা চালু করেছে। সে অনুযায়ী ২১ অক্টোবর ২০১৩ পর্যন্ত পরিবেশ

Environmental Clearance Certificate for a period up to October 21, 2013. Against our application for renewal, DOE has renewed Environmental Clearance Certificate for the period up to 21 October 2023.

(b) Credit Rating of the Company

The Company has engaged Credit Rating Agency of Bangladesh Limited for rating the Company. Accordingly CRAB has awarded Long Term rating of A_3 which will remain valid up to 28 February 2023.

REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:

Pursuance to the provisions of BSEC Notification No. BSEC/CMRRD/2006-158/207/Admin/80, Dated: 03 June 2018, the Board of Directors has appointed Atik Khaled Chowdhury, Chartered Accountants regarding compliance of conditions of Corporate Governance Guidelines of BSEC for the financial year 2021-2022. The Corporate Governance Compliance Audit Report is annexed herewith as Annexure-B. The report does not contain any qualification, reservation or adverse remark.

APPRECIATION:

I would like to thank all our valued shareholders, patrons, well-wishers and all employees for their continued support and sincere efforts towards the growth of the Company.

On behalf of the Board

Hasna Opgen Haffen
Chairman

Javed Opgenhaffen
Managing Director

অধিদপ্তর পরিবেশগত ছাড়পত্র প্রদান করেছেন। আমাদের আবেদনের পরিপ্রেক্ষিতে পরিবেশ অধিদপ্তর আগামী ২১ অক্টোবর ২০২৩ পর্যন্ত উক্ত ছাড়পত্র নবায়ন করেছেন।

খ) প্রতিষ্ঠানের ক্রেডিট রেটিং

কোম্পানির ক্রেডিট রেটিং-এর জন্য 'ক্রেডিট রেটিং এজেন্সী অব বাংলাদেশ লিমিটেড' কে সম্পৃক্ত করা হয়। সে অনুযায়ী ক্রেব কর্তৃক ২৮ ফেব্রুয়ারী ২০২৩ পর্যন্ত মেয়াদের জন্য কোম্পানিকে দীর্ঘ মেয়াদী $এ_৩$ রেটিং এ ভূষিত করা হয়েছে।

প্রতিবেদন এবং কর্পোরেট গভর্নেন্স এর সম্মতি:

বিএসইসি'র প্রজ্ঞাপন # বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০, তারিখ ০৩ জুন ২০১৮- অনুসারে আতিক খালেদ চৌধুরী, চার্টার্ড একাউন্ট্যান্টস'কে বিএসসি'র নিয়ম অনুসারে ২০২১-২০২২ কমপ্লায়েন্স অডিটর হিসেবে নিযুক্ত করা হয়েছে। উক্ত কর্পোরেট গভর্নেন্স কমপ্লায়েন্স অডিট রিপোট সংযুক্তি-বি তে সংযুক্ত আছে। উক্ত রির্পোটে কোন প্রকার বিচ্যুতি, আপত্তি বা প্রতিকুল মন্তব্য নেই।

কৃতজ্ঞতা:

পরিচালক পর্ষদের পক্ষ থেকে সম্মানিত শেয়ারহোল্ডারবৃন্দ ও সকল শুভানুধ্যায়ী এবং কর্মচারীবৃন্দকে তাদের অব্যাহত সমর্থন ও কোম্পানির উন্নয়নে সহায়তা দানের জন্য আন্তরিক ধন্যবাদ।

পরিচালক পর্ষদের পক্ষে

হাসনা অপগেন হেপেন
চেয়ারম্যান

জাভেদ অপগেনহেপেন
ব্যবস্থাপনা পরিচালক

Role of Chairman, Chief Executive Officer, Chief Financial Officer, Company Secretary & Head of Internal Audit & Compliance (HIAC)

Role of the Chairman

The Chairman serves as the primary link between the board and management and work with the Managing Director and Company Secretary to set the agenda of the Board Meetings. She provides leadership to the Board and ensures that the board works effectively and discharges its responsibilities.

Role the Chief Executive Officer

The Chief Executive Officer is the key person and is responsible for running the business of the company. He is also responsible for formulating as well as implementing Board strategy and policy. The Chief Executive Officer is responsible for establishing and executing the Company's operating plan that is necessary to achieve the company's objectives. He has the overall control on the company's days to day affairs and is accountable to the board for the financial and operational performance of the company.

Role of the Chief Financial Officer

The Chief Financial Officer is responsible to develop and implement standard financial reporting, supervise and ensure proper record keeping and reporting smooth functioning of finance and accounts department. He also responsible to maintain proper books of accounts and timely and synchronization of management reporting system and to bring harmonization of intra-departmental functions.

Role of the Company Secretary

Company Secretary is responsible for advising the board through the Chairman on all governance matters. He is also responsible for ensuring proper information flow with the board and it's between the management and the non-executive directors. He is also acting as bridge between the regulators/stakeholders and the company.

Role of the Head of Internal Audit & Compliance (HIAC)

The HIAC is responsible to functioning of audit as per guidelines mentioned in the Audit Manual which may be change modified, amended, extended as and when required. The HIAC shall ensure timely completion of audits, finalization of reports and prompt submission of the to the Audit Committee.

STATEMENT OF CORPORATE GOVERNANCE

As per requirement of the Bangladesh Securities and Exchange Commission, the following information are incorporated in this report:

i) Fu-Wang Ceramic Industry Limited (Company) is one of the pioneers in Ceramic Industry in Bangladesh. The Company was incorporated on 31 May 1995 as a private Company limited by shares and converted into a public limited Company in 1998. The Company is now a public limited Company with foreign and local shareholders and listed in DSE & CSE. Deploying advanced technologies the company is producing quality tiles of European standard with affordable price for Bangladeshi consumers for comfortable, hygienic and fashion exotic house living. Because of its excellent quality the Company has achieved the ISO 9002 Certification in 1998. Thus the Company created a revolution in respect of tiles market and among the users in Bangladesh. We have introduced super glossy floor, wall & stair tiles in the brand name is "Picasso Tiles" in September, 2019 and its trial production is underway. We are getting best quality tiles in terms of size, less water absorption, thickness and hardness from trail production and expecting to go commercial operation very soon. However, we are implementing different measures so that the Company can improve turnover significantly.

ii) The Company was engaged producing and marketing of tiles only. So there is no segment-wise product performed by the Company.

iii) Risks and concerns.

As with all investments, investors should be aware that there are risks associated with an investment in the Company. These risks could result in loss of income or capital investment. Investors are encouraged to seek independent financial advice in this regard.

1) **Industry Risk:**

Entry of new competitors may increase the market competition and may adversely affect the profitability of the Company.

Management Perception:

Tiles business is a Distribution Intensive Business. The Company currently has 88 distributors all over the Country. It is not so easy for a new company to establish such a wide distribution network in a short period of time. Therefore it is difficult and time consuming for a new entrant to quickly establish itself in the market and grab market share from us.

Moreover, tiles business is brand-dependent business. Company's tiles are asked by the consumers by its brand name. The company is continuously concentrating on a 'pull' strategy instead of 'push'. To this end, the Company spends significant amount for promotion and advertisement to further enhance and strengthen its brand name.

2) **Interest rate Risk:**

Interest rate risk is concerned with borrowed funds having short term and long term maturity. Volatility of money market increased demand for loans/investments, current liquidity position, raised the rate of interest in recent time.

Management Perception:

The management of the Company is always aware of interest rate. If the interest rate increases the cost of fund will increase. On the other hand, if the interest rate decreases the Company will go for the alternative investment such as investment in shares and debentures instead of investing in FDR & NIB.

3) **Exchange Rate Risk:**

Exchange rate fluctuation may affect the profitability of the Company because of its foreign trade commitments from various sources of foreign exchange like export proceeds and import of raw materials.

Management Perception:

Presently, the Company's export to foreign markets is in limited scale, as a result the Company is relatively immune to this risk also improved exchange rate between Bangladesh with other currencies. But cost of imported raw material has increased due to escalation of price. Competitors may also compete to increase their price if the raw material prices increase.

4) **Market and Technology related Risk:**

In the global market of 21st century, developed technology obsoletes the old service/product strategy. So the existing technology may not be efficient enough to cope up with the future trend and needs.

Management Perception:

The Company continuously upgrading its machines and technology. So the risk of obsolete technology is mitigated as the Company continuously upgrades its technology every 6-7 years.

5) **Changes in Economic & Political Condition:**

Changing economic conditions may affect the demand for the product offered by the Company, which may affect the turnover and eventual erosion of profitability. In this situation the whole tiles sector will be affected.

Management Perception:

Social unrest due to political reasons may cause downturn in the economic activities which will have impact on demands of tiles. But as the elected Government is in place, we can expect that political rivalry within democratic environment will not badly affect the construction sector.

6) **Energy costs may rise:**

Due to the adverse power situation in the country, production may be hampered due to interruption of power supply which may result in higher production wastage.

Management Perception:

The Company is self sufficient in generating power by its own generators. However, in case of gas shortfall and subsequent rationing if any, then the productivity will be reduced. In that scenario, the overall sector will be affected.

7) **History of non-operation, if any:**

Interruption in normal operation condition of FWCIL may affect both in market and financial results.

Management Perception:

Fu-Wang Ceramic Industry Limited was incorporated on 31st May 1995. Already it has completed 26 years of successful operation. It has no operation failure history yet and chance of non-operative in future is minimum. But due to second wave COVID-19 Pendamic we are force to close the factory time to time from April 2021 to August 2021 for government declared nationally shutdown for control the pandemic COVID 19 and as well as considering the health risks of the workers and employees..

8) **Industrial Relation:**

Any political and social unrest/unstable situation may result in labor/worker unrest affecting smooth operation of the business resulting in drastic fall productivity eventual loss in financial results.

Management Perception:

Likelihood of political and social unrest/unstable situation affecting our labor/worker unrest is very low. In case of such situation, if any can be overcome by increased production in subsequent period.

iv) During the year the company's revenue increased by 9.84%, Cost of Goods Sold increased by 10.55%, net profit decreased by 32.13% compared to last years's net profit. The details are as follows:

Particulars	30 June 2022	30 June 2021	Increase/(Decrease)	
			Amount in Tk.	Percentage
Revenue	842,564,073	767,107,572	75,456,501	9.84
Cost of Goods Sold	613,683,455	555,109,676	58,573,779	10.55
Gross Profit	228,880,618	211,997,896	16,882,722	7.96
Net Profit before Tax	44,275,770	48,388,652	(4,112,882)	(8.50)
Net Profit after Tax	31,466,235	46,364,426	(14,898,191)	(32.13)
Gross Profit Margin (%)	27.16	27.64	-	-
Net Profit Margin (%)	3.73	6.04	-	-

v) Not applicable.

vi) The Company has no transactions with any related parties in the year 2021-2022.

vii) The Company has not issued right shares during the year 2021-2022.

viii) During this year the Company has not issued any Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, etc.

ix) Not applicable

x) No remuneration have been paid to directors including independent directors during the year 2021-2022.

xi) The Financial Statements prepared by the Management present fairly the company's state of affairs, result of operations, cash flows and changes in equity.

xii) Proper books of account of the Company have been maintained.

xiii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.

xiv) The International Accounting Standards, as applicable in Bangladesh, have been followed in the preparation of Financial Statements.

xv) The sound internal control system, effective implementation and monitoring process thereof are under continuous improvements.

xvi) Company follow the rules mention in companies Act to protect the interest of the minority shareholders at every stage.

xvii) There is no significant doubt upon the company's ability to continue as a going concern.

xviii) There is no significant deviation from last year in operating results of the Company.

xix) The key operating and financial data for the last five years may be seen at page 02.

xx) Not applicable.

xxi) Company never issued no bonus share or stock dividend has been or shall be declared as interim divident.

xxii) During the year ended 30 June 2022, the Board of Directors held Thirteen (13) meetings and attendance of the Directors in those meetings are as follows:

Sl #	Name	Position	Board Meeting Held	Meeting Attended
1	Mrs. Hasna Opgen Haffen Nominee of Al Dewan Technical Services LLC	Chairman	13	13
2	Mr. Javed Opgenhaffen	Managing Director	13	13
3	Mr. Md. Shaheed Hossain Tanjil Nominee of JO Holdings Ltd.	Nominee Director	13	8
4	Mr. Aqmar Areeb Chaudhury Nominee of NJ Holdings Ltd.	Nominee Director	13	2
5	Mr. Omar Sharif Nominee of Opgenhaffen Holdings Ltd.	Nominee Director	13	Nil
6	Mr. Sayeed Rezaraj Ahmmad Nominee of NJ Holdings Ltd.	Nominee Director	13	13
7	Mr. Sadad Rahman	Independent Director	13	13
8	Mr. Md. Abu Zafer	Independent Director	13	13

Note: 1) The nomination of Mr. Aqmar Areeb Chaudhury withdrawn on 20-06-2022 by nominator.
2) Mr. Sayeed Rezaraj Ahmmad resigned from Independent Director and appointed as nominee director on 20-06-2022.
3) The Chief Executive Officer, Chief Financial Of ficer, Company Secretary and Head of Internal Audit and Compliance were also attend in the all Board Meeting.

xxiii) At 30 June 2022 the pattern of shareholding (name wise) are given below:

Categories	Name	Shares	%
Parent/Subsidiary/Associate Companies and others	Mrs. Hasna Opgen Haffen	2,730,302	2.00
	Mr. Javed Opgenhaffen	2,728,550	2.00
Directors, CEO, CFO, Company Secretary, Head of Internal Audit & Others			
Chairman	Mrs. Hasna Opgen Haffen Nominee of Al Dewan Technical Services LLC	2,730,302	2.00
Managing Director	Mr. Javed Opgenhaffen	2,728,550	2.00
Nominee Director	Mr. Md. Shaheed Hossain Tanjil Nominee JO Holdings Ltd.	5,449,889	4.00
Nominee Director	Mr. Sayeed Rezaraj Ahmmad Nominee of NJ Holdings Ltd.	5,000,000	3.67
Nominee Director	Mr. Omar Sharif Nominee of Opgenhaffen Holdings Ltd.	3,829,871	2.81
Sponsor	Mr. Alexander Lee Nominee of Mr. Hsu Chin Hua	13,650,384	10.02
Sponsor	Mr. Hsu Chin Hua	3,712,217	2.72
Sponsor	Mr. Sui-Hong Wang	43,618	0.03
Sponsor	Mr. Sin Chung Yang	26,640	0.02
Sponsor	Mr. Chiang Chiu Chen	280,119	0.21
Sponsor	Mr. Chuan Chi Hsu	466,870	0.34
Independent Director	Mr. Sadad Rahman	Nil	Nil
Independent Director	Mr. Md. Abu Zafer	Nil	Nil
Chief Executive Officer	Mr. Rafiquzzaman Bhuiyan	Nil	Nil
Chief Financial Officer	Mr. Ahmed Monabbi	Nil	Nil
Company Secretary	Mr. Md. A. Halim Thakur		
Head of Internal Audit & Compliance	Mr. Md. Waresh Ali	Nil	Nil
Share Holding 10% or more shares	-	Nil	Nil

xxiv) a) A brief resume of the directors who seek re-appointment/appointment in the ensuring AGM.

RE-APPOINTMENT

Mrs. Hasna Opgen Haffen

Mrs. Hasna Opgen Haffen daughter of Mr. Herman Opgen Haffen, re-appointed as director. She is a Commerce Graduate. She is a businessman with more than 22 years of experience in different fields of business.

Mr. Javed Opgenhaffen

Mr. Javed Opgenhaffen son of Mr. Tauhidul I Chaudhury, re-appointed as director. He is a Bachelor of Science (Management) from Queen Mary, University of London. Previously he was the Managing Director and Chief Executive Officer of Generation Next Fashion Ltd. He is a businessman with more than 14 years of experience in different fields of business.

NEWLY APPOINTED

Mr. Sayeed Rezaraj Ahmmad

Mr. Sayeed Rezaraj Ahmmad son of Md. Hazrat Ali, representative of NJ Holdings Ltd. appointed as Nominee Director in the board meeting held on 20 June 2022. He is a Masters in Commerce (M.com) having 31 (thirty-one) years of experience in different fields of business.

Mr. Omar Sharif

Mr. Omar Sharif, representative of Opgenhaffen Holdings Ltd. appointed as Nominee Director in the board meeting held on 31 May 2022. He is a Graduate and a businessman.

b) Mr. Sadad Rahman and Mr. Md. Abu Zafer Independent Directors do not hold any directorship in any other company.

MANAGEMENT'S DISCUSSION AND ANALYSIS ON COMPANY'S POSITION AND OPERATION

Fu-Wang Ceramic Industry Limited (FWC) is one of the leading manufacturers of high quality Floor Tiles and Glaze Wall Tiles in Bangladesh. It is engaged in producing and marketing of Floor Tile and Glaze Wall Tile of various qualities & sizes from October-1996.

Business outlook of the Company

The Company is committed to produce and supply high quality Floor and Glaze Wall tiles to reputed buyers. FWC is a manufacturing and marketing base company. Presently, FWC is selling the products to the customers through 78 dealers all over the country.

Despite of worldwide economic recession after COVID-19 and current Russia-Ukrain war, the management has been able to increase the sales 9.84% compared to last year through hard working and adopting sales policy, but profit has declined compared to last year by 32.13% due to increase in cost of sold and financial expenses by 10.55% and 12.63% respectfully in the current financial year.

The board of directors is always striving hard to increase sale as well as profitability by inducing new design of Tiles as demand of the customers and also striving to be competitive and sustainable.

Preparation of Financial Statements

The accounting policies used in preparation of the Financial Statements have been followed consistently. The Financial Statements have been prepared on an ongoing concern basis and disclosers of information made in accordance with the requirements of the Companies Act 1994, the Securities and Exchanges Rules 1987 and International Accounting Standards (IFRSs).

Changes in Accounting Policies and Estimation

There are no major changes in accounting policies and estimation used in preparation of the Financial Statements during this year.

Comparative Analysis of Financial Results

Turnover amounted to Taka 842.564 million in the year 2021-2022 as against Taka 767.107 million in the year 2020-2021. The gross profit for the year was Taka 228.880 million as against Taka 211.998 million of the previous year showing increase of 7.96% but net profit decrease by 32.13%. The detailed performance of the company is stated page no. 02.

Comparison with peer Industry

The company started commercial operation from October-1996. Over this period, FWC creates a brand image in the country and the company is always reforming machineries to produce high quality Floor and Glaze Wall Tiles as the demand of customers.

Risks and concerns issues and mitigation plan

The details of risks and concerns as well as mitigation plan of the company have been explained in Statement of Corporate Governance under the heading "Risks and Concerns".

Future Plan

The Company are producing and marketing the best quality of different type of floor and glaze wall tiles as the demand of customers. The management is always responsive to the changing business scenario and conceiving means and measures to address the situations appropriately to be sustainable in the foreseeable future.



Javed Opgenhaffen
Managing Director

REPORT ON THE ACTIVITIES OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

For the year 2021-2022

The Board of **Fu-Wang Ceramic Industry Limited** formed a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board. The NRC Committee assists the Board of Directors in framing criteria or policy for appointment and remuneration for the directors and Top-Level executives of the Company.

The Committee comprised of:

Mr. Md. Abu Zafer, Independent Director	:	Chairman
Mr. Sadad Rahman, Nominee Director	:	Member
Mr. Sayeed Rezaraj Ahmmad, Nominee Director	:	Member
Mr. Md. A. Halim Thakur, Company Secretary	:	Secretary

Role and responsibilities of Nomination and Remuneration Committee

The role and responsibilities of the NRC are clearly stated in the Corporate Governance Guideline issued by Bangladesh Securities and Exchange Commission. The roles of the Committee are to oversee:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to remuneration of the directors and top level executives with consideration that remuneration is reasonable and sufficient to attract, retain and motivate suitable directors and top level executives;
- Devising a policy on Board's diversity of age, gender, experience, ethnicity, educational background and nationality;
- Identifying persons qualified to be directors and be appointed in top level executive positions;
- Framing the criteria for evaluation of performance of independent directors and the Board;
- Identifying the company's needs for employees at different levels and determine their selection, transfer and promotion criteria;
- Developing, recommending and reviewing annually the company's human resources and training policies.

Activities

The NRC held one meeting during this year and all the members were present in the meeting. The Committee also initiated the following activities during the year:

- Finalize a code of conduct for the Board.
- Finalize a nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives as well as a policy for formal process of considering remuneration of directors, top level executives.
- A process of identifying qualified persons within the organization to be promoted to hold senior level executive positions with better remuneration to retain and prosper.
- Reviewing company's human resources and training requirements.
- Recommend and review annually the company's human resources and training policies.
- Recommend the remuneration policy of the company particularly in relation to the yearly increment policy.
- Recommend of TA/DA and meeting attendance fee for the Board of Directors.



Md. Abu Zafer
Chairman
Nomination and Remuneration Committee

Annexure - A

FU-WANG 富王磁磚

FU-WANG CERAMIC INDUSTRY LTD.

Date: 17 November 2022

The Board of Directors
Fu-Wang Ceramic Industry Limited
204/B (4th Floor) Bir Uttam Mir Shawkat Road
Tejgaon-Gulshan Link Road
Dhaka-1208

Subject: **Declaration on Financial Statements for the year ended on 30 June 2022.**

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

1. The Financial Statements of Fu-Wang Ceramic Industry Limited for the year ended on 30 June 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to 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 exist no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed financial statements for the year ended 30th June 2022 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 financial 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 our 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,

(Rafiquzzaman Bhuiyan)
Chief Executive Officer

(Ahmed Monabbi)
Chief Financial Officer

AUDIT COMMITTEE REPORT
For the Year 2021-2022

The Audit Committee on behalf of the Board strives to ensure effective implementation of the processes set out in the business plans and policies. Its aim is to ensure that high standards of corporate reporting, control and compliance are achieved through which business effectiveness enhances in these areas and reduces the risks of the business.

Composition of Audit Committee:

Mr. Md. Abu Zafer, Independent Director	- Chairman
Mr. Sayeed Rezaraj Ahmmad, Nominee Director	- Member
Mr. Sadad Rahman, Nominee Director	- Member

The Company Secretary of the Company is the Secretary of the Audit Committee.

Major responsibility of the Audit Committee:

- To review the quarterly, half yearly and Annual Financial Statements of the Company and determined whether they are complete and consistent with accounting standards set by the regulatory authority;
- To recommend the statutory annual audited financial statements to the Board of Directors for approval;
- To review the efficiency and effectiveness of internal audit function;
- To review the existing risk management procedures for ensuring an effective internal check and control system;
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees;
- To review the findings of the internal and external auditors; and
- To review the work of the internal Audit Department and made suggestions for improvement.

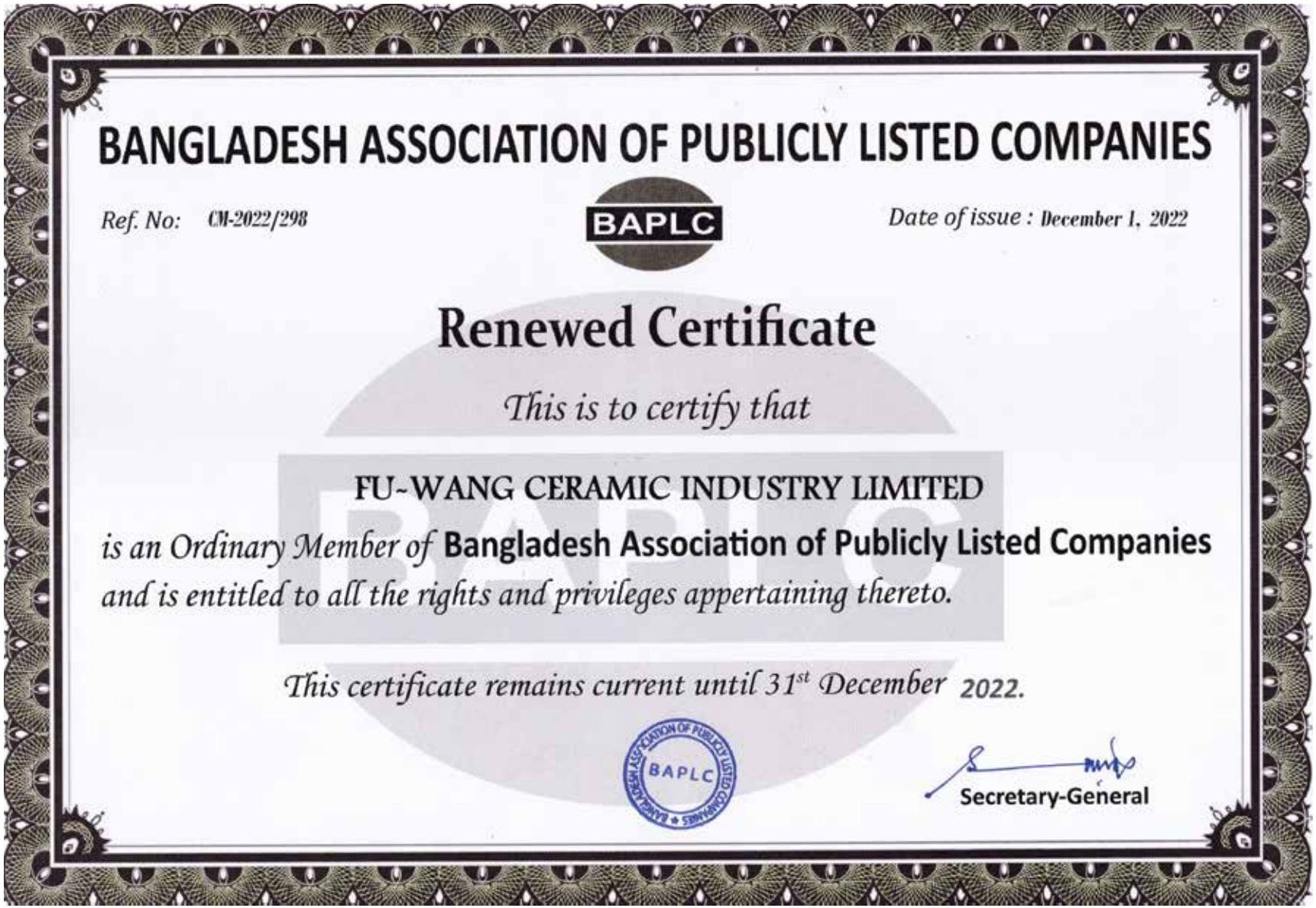
The audit comittee held four meeting during the year and all the members were present in the meeting.

Activities during the year:

- The financial statements of the year ended 30 June 2022 were reviewed by the committee and subsequently recommended to the Board for consideration and approval;
- The committee reviewed the internal audit report findings and made suggestions for improvement;
- The Committee reviewed the financial reporting process, the system of internal control, management of financial and operational risks and suggestions made to improve operational system and procedures and their implementation.
- The Committee reviewed and analyzed the Management's discussion.
- The Committee overseen the determination of audit fees.

On behalf of the Audit Committee

Md. Abu Zafer
Chairman of the Audit Committee



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/298

BAPLC

Date of issue : December 1, 2022

Renewed Certificate

This is to certify that

FU-WANG CERAMIC INDUSTRY LIMITED

is an Ordinary Member of **Bangladesh Association of Publicly Listed Companies** *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2022.

BAPLC

Secretary-General

Annexure - B

ATIK KHALED CHOWDHURY

Hasan Court (1st Floor)
23/1 Motijheel C/A
Dhaka-1000, Bangladesh
Tel: +88 02 47123214
Fax: +88-02-7124940
e-mail : atik.khaled@gmail.com
website : www.atikkhaled.com

Report to the Shareholders of FU-WANG CERAMIC INDUSTRY LIMITED on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **FU-WANG CERAMIC INDUSTRY LIMITED** for the year ended on 30 June 2022. This Code relates to the Notification No. BSEC/CMRRD/2006-158/207/Admin/80, dated; 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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 have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities law and other relevant law, and

(d) The Governance of the Company is satisfactory.

Dated: Dhaka
17 November 2022

Atik Khaled Chowdhury
Chartered Accountants

ATIK KHALED CHOWDHURY Chartered Accountants DHAKA

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Annexure - C

CORPORATE GOVERNANCE COMPLIANCE REPORT

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

(Report under condition no. 9)

Condition No	Title			Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
				Complied	Not Complied	
1	**Board of Directors**					
1 (1)	The total number of members of Board of Directors shall not be less than 5 (five) and more than 20 (twenty).			✓		
1 (2)	**Independent Directors**					
1 (2)	(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be Independent Directors.		✓		
1 (2)	(b)	(i)	The independent director 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)	The independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should 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)	The independent director 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 (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1 (2)	(b)	(vi)	The independent director is not a shareholder, director or officer of any member or TREC holder of stock exchange or any intermediary of the capital market;	✓		
1 (2)	(b)	(vii)	The independent director 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 this Code;	✓		
1 (2)	(b)	(viii)	The independent director shall not be an independent director in more than 5 (five) listed companies;	✓		
1 (2)	(b)	(ix)	The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1 (2)	(b)	(x)	The independent director has not been convicted for a criminal offence involving moral turpitude.	✓		
1 (2)	(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (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 of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.		✓		
1 (3)	**Qualification of Independent Director**					
1 (3)	(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.		✓		
1 (3)	(b)	**Independent Director shall have following qualifications:**				
1 (3)	(b)	(i)	Business Leader who is or was a promoter of director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		

Condition No	Title			Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
				Complied	Not Complied	
1 (3)	(b)	(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director of Deputy Managing Director of Chief Financial Officer 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; or	✓		
1 (3)	(b)	(iii)	Former official of government or statutory of 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; or	✓		
1 (3)	(b)	(iv)	University Teacher who has educational background in Economics or commerce or Business Studies or Law; or	✓		
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 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 Managing Director (MD) and/or Chief Executive Officer (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 Managing Director and/or Chief Executive Officer;	✓		
1 (4)	(e)		In the absence of the Chairperson of the Board, the remaining members may elect on of themselves from, non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such Incident
1 (5)	**The Directors' Report to the 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, if any;	✓		
1 (5)	(iv)		A discussion on Cost of Goods sold. Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1 (5)	(v)		Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	✓		
1 (5)	(vi)		A detailed 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;	✓		
1 (5)	(vii)		A statement of Utilization of proceeds from public issues, rights issues and/or through any others instruments;			N/A
1 (5)	(viii)		An 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
1 (5)	(ix)		An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1 (5)	(x)		A statement of remuneration paid to the directors including independent directors;	✓		
1 (5)	(xi)		A 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)		A statement that proper books of account of the issuer company have been maintained;	✓		

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Condition No			Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
				Complied	Not Complied	
1 (5)	(xiii)		A 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)		A statement that International Accounting Standards (IAS) or International Financial Reporting (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)		A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1 (5)	(xvi)		A 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)		A statement that there is no significant doubt upon the issuer company's ability to continue as 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)		An 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)		A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1 (5)	(xx)		An 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;	✓		
1 (5)	(xxii)		The total number of Board meetings held during the year and attendance by each director;	✓		
1 (5)	(xxiii)		**A report on the pattern of shareholding:**			
1 (5)	(xxiii)	a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	✓		
1 (5)	(xxiii)	b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1 (5)	(xxiii)	c)	Executives; and	✓		
1 (5)	(xxiii)	d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	✓		
1 (5)	(xxiv)		**Disclosure on Appointment/Re-appointment of Director:**			
1 (5)	(xxiv)	a)	A brief resume of the director;	✓		
1 (5)	(xxiv)	b)	Nature of his or her expertise in specific functional areas; and	✓		
1 (5)	(xxiv)	c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1 (5)	(xxv)		**A 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; and	✓		
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**; and	✓		

Condition No			Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
				Complied	Not Complied	
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 **Annexure-B and Annexure-C.**	✓		
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 Chief Executive Officer**					
1 (7)	(a)		The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer 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:**					
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	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):**					
3 (1)	**Appointment**					
3 (1)	(a)		The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1)	(b)		The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (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, the HIAC and the 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**					
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.			✓		
3 (3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (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; and	✓		
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 and applicable laws;	✓		

Condition No		Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
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**				
	For ensuring good governance in the company, the Board shall have at least following sub-committees:				
4	(i)	Audit Committee; and	✓		
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 sub-committee 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 member expires or there is any circumstance causing any committee members to 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;	✓		
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.	✓		
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).			will be complaied
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**				
	The Audit Committee shall:				
5 (5)	(a)	Oversee the financial reporting process;	✓		
5 (5)	(b)	Monitor choice of accounting policies and principles;	✓		

Condition No	Title				Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
					Complied	Not Complied	
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, annual 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;					No Transaction
5 (5)	(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;					No such Incident
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; and			✓		
5 (5)	(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.					N/A
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:				No such Incident
5 (6)	(a)	(ii)	(a)	report on conflicts of interests;			No such Incident
5 (6)	(a)	(ii)	(b)	suspected or presumed fraud or irregularity material defect identified in the internal audit and compliance process or in the financial statements;			No such Incident
5 (6)	(a)	(ii)	(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such Incident
5 (6)	(a)	(ii)	(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such Incident
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 finds 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 6 (six) months from the date of first reporting to the Board, whichever is earlier.					No such Incident
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 Nomination and Remuneration Committee (NRC) as sub-committee 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).			✓		

Condition No					Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
						Complied	Not Complied	
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
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 staff shall be required or valuable for the Committee;	✓		
6 (2)	(g)				The company secretary shall act as the secretary of the Committee;	✓		
6 (2)	(h)				The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6 (2)	(i)				No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6 (3)	**Chairperson of the NRC**							
6 (3)	(a)				The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6 (3)	(b)				In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such Incident
6 (3)	(c)				The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders.			will be complaied
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
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)			formulation 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; and	✓		
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;	✓		

Condition No	Title			Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
				Complied	Not Complied	
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; and	✓		
6 (5)	(b)	(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6 (5)	(c)		The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	**External or Statutory Auditors**					
7 (1)	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-**					
7 (1)	(i)		appraisal or valuation services or fairness opinions;	✓		
7 (1)	(ii)		financial information systems design and implementation;	✓		
7 (1)	(iii)		book-keeping or other services related to the accounting records or financial statements;	✓		
7 (1)	(iv)		broker-dealer services;	✓		
7 (1)	(v)		actuarial services;	✓		
7 (1)	(vi)		internal audit services or special audit services;	✓		
7 (1)	(vii)		any service that the Audit Committee determines;	✓		
7 (1)	(viii)		audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
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.			✓		
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.			✓		

Independent Auditors' Report
To the Shareholders of Fu-Wang Ceramic Industry Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Fu-Wang Ceramic Industry Limited,** which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our qualified opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Refer to Note No. 06:

We could not verify inventories of Tk. 1,834,695,807 due to lack of proper schedule/ documents/ reports and haphazard position of inventories as on 30 June 2022.

ii. Refer to Note No. 24.00, 24.01.01 & 24.02.01:

Raw Materials, Spare Parts and Packing Materials of Tk. 779,384,748, Tk. 45,200,513 and Tk. 39,899,796 respectively were purchased during the year remained unverified due to lack of sufficient supporting documents.

iii. Refer to Note No. 10.02:

Cash at Bank reported in the statement of financial position of Tk. 4,577,403 with twenty-one (21) bank accounts from which two (2) bank statements containing balance of Tk. 47,475 were not available to us for our verification.

iv. Refer to Note No. 7:

An amount of Tk. 13,331,551 receivable from Hua-Thai Ceramic Industry Ltd. included in Trade and Other Receivable of Tk. 67,992,411 carried forwarded since long. However, the company did not create any provision in this regard as required by IAS 37.

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) and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements of Fu-Wang Ceramic Industry Limited for the year ended 30 June 2021 were audited by Rahman Mostafa Alam & Co., Chartered Accountants, who expressed an unmodified opinion on those financial statements on 20 November, 2021.

Our key audit matters

Risk	Our response to the risk
Long Term Loan and Short Term Loan	
Refer note no. 14 & 17 to the Statement of Financial Position	
Long term loan and short term long are taken from financial institution and private bank under various terms and conditions, applicable interest rate, repayment time and fund utilization make it complex audit issue.	Our procedure includes: **Control test:** testing the effectiveness of the entity's control around the recording of loan, interest and repayments. T**est of details:** obtaining supporting documents of loan taken, utilization of loan, bank statements and transaction recorded either side of the year and credit notes issued after the year end to determine whether the amount recorded in correct period Test interest rates application, calculation and repayments for carrying amount and current and non-current distinguish. Critically analyze journal entries posted during the year to identify unusual items. **Assessing disclosure:** considering the adequacy of the entity's disclosure regarding loan. **Our result:** the result of our testing is satisfactory and we considered the carrying amount of loan recognized to be acceptable and recorded in correctly.

Turnover	
Refer to note no. 23 to the Statements of Profit and Loss and Other Comprehensive Income	
Turnover recognition and collection have significant and wide influence on financial statements. The Company reported turnover amounting Taka 842,564,073. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is completed through passing of control to the customers. While the risk and rewards are being transferred for the performance obligations at the delivery point and control has passed, there is a risk that the Company might misstate or manipulate sales quantity or price in the financial statements. There is also a risk that revenue may be overstated or understated through various discounts and incentives.	Our procedure includes: **Control test:** testing the effectiveness of the entity's control around the recording of turnover. **Test of details:** obtaining supporting documents of customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis also obtained and verified supporting documents for sales transactions recorded **Assessing disclosure:** considering the adequacy of the entity's disclosure regarding turnover. **Our result:** the result of our testing is satisfactory and we considered the amount of turnover recognized to be acceptable and recorded in correctly.

Income tax	
Refer note no. 29 to the Statements of Profit and Loss and Other Comprehensive Income	
The company has different items of income, assets and provisions which requires significant judgment for both in current tax and deferred tax calculation.	Our procedure includes: **Control test:** testing the effectiveness of the entity's control around the recording and re-assessment of the amount of tax expenses and related assets and liabilities. **Test of details:** obtaining supporting documents, checked calculation and challenged the amount as per our knowledge of corporate taxation both for current and deferred portion. **Assessing disclosure:** considering the adequacy of the entity's disclosure regarding tax. **Our result:** the result of our testing is satisfactory and we found the level of tax provisioning is acceptable.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that 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 the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report that except for the effects of the matters described in the Basis for Qualified Opinion section of our report:

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

d) The expenditure incurred was for the purpose of the Company's nosiness.

MABS & J Partners
Chartered Accountants



S H Talukder FCA
Partner
ICAB Enrollment No: 1244
DVC: 2211171244AS184196

Place: Dhaka, Bangladesh
Dated: 17 November 2022

Fu-Wang Ceramic Industry Limited

Statement of Financial Position
As at June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
ASSETS			
Non-current Assets		**1,669,567,408**	**1,342,231,980**
Property, Plant and Equipment	3.00	1,373,666,038	1,341,234,092
Capital Work in Progress	5.00	295,901,370	997,888
Current Assets		**2,448,803,268**	**1,826,719,970**
Inventories	6.00	1,834,695,807	1,316,584,080
Trade and Other Receivables	7.00	66,930,795	68,318,461
Advance, Deposit and Prepayments	8.00	302,121,680	241,801,634
Investment in FDR	9.00	240,327,279	190,161,153
Cash and Cash Equivalents	10.00	4,727,707	9,854,642
Total Assets		**4,118,370,676**	**3,168,951,950**
EQUITY AND LIABILITIES			
Shareholders' Equity		**1,605,810,463**	**1,594,870,307**
Share Capital	11.02	1,362,690,930	1,362,690,930
Share Premium	12.00	76,062,352	76,062,352
Retained Earnings	13.00	167,057,181	156,117,025
Non-current Liabilities		**348,533,459**	**351,546,608**
Long Term Loan Net off Current Maturity	14.00	243,325,117	254,030,775
Deferred Tax	16.00	105,208,342	97,515,834
Current Liabilities		**2,164,026,753**	**1,222,535,035**
Short Term Bank Loans and Others	17.00	1,860,522,693	816,167,682
Trade and Other Payables	18.00	73,958,862	81,365,488
Unpaid Dividend Account	19.00	7,725,995	7,487,938
Liabilities for Expenses	20.00	93,309,475	125,455,959
Liabilities for Goods		88,816,385	157,481,650
Provision for Income Tax	21.00	39,693,344	34,576,318
Total Liability		**2,512,560,213**	**1,574,081,644**
Total Equity and Liabilities		**4,118,370,676**	**3,168,951,950**
Net Asset Value (NAV) per Share	22.00	**11.78**	**11.70**

The annexed notes from 1 to 37 and Annexure-A & B form an integral part of these financial statements.

Hasna Opgen Haffen	**Javed Opgenhaffen**	**Sadad Rahman**	**Md. Abdul Halim Thakur**
Chairman	Managing Director	Nominee Director	Company Secretary

Signed in terms of our separate report of even date.

Place: Dhaka, Bangladesh
Date: 17 November 2022

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

S H Talukder FCA
Partner
ICAB Enrollment No: 1244
DVC: 2211171244AS184196

Fu-Wang Ceramic Industry Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended on June 30, 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
Turnover (Net of SD &VAT)	23.00	842,564,073	767,107,572
Cost of Goods Sold	24.00	613,683,455	555,109,676
Gross Profit		**228,880,618**	**211,997,896**
Operating Expenses		**63,668,559**	**59,385,929**
Administrative Expenses	25.00	31,427,069	30,109,775
Selling and Distribution Expenses	26.00	32,241,490	29,276,154
Operating Income before Financial Expenses		**165,212,059**	**152,611,967**
Financial Expenses	27.00	125,496,103	111,423,541
Provision for Gratuity		3,500,000	3,500,000
Operating Income		**36,215,956**	**37,688,426**
Non Operating Income	28.00	10,273,602	13,119,660
Net Profit before Tax and WPPF		**46,489,559**	**50,808,086**
Contribution to WPPF and Welfare Fund		2,213,789	2,419,433
Net Profit before Tax		**44,275,770**	**48,388,653**
Tax Expenses	29.00	12,809,534	2,024,227
Total Profit or Loss and Other Comprehensive Income		**31,466,235**	**46,364,426**
Earning Per Share (EPS)	30.00	**0.23**	**0.34**

The annexed notes from 1 to 37 and Annexure-A & B form an integral part of these financial statements.

Hasna Opgen Haffen	**Javed Opgenhaffen**	**Sadad Rahman**	**Md. Abdul Halim Thakur**
Chairman	Managing Director	Nominee Director	Company Secretary

Signed in terms of our separate report of even date.

S H Talukder FCA
Partner
ICAB Enrollment No: 1244
DVC: 2211171244AS184196

Place: Dhaka, Bangladesh
Date: 17 November 2022

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Fu-Wang Ceramic Industry Limited

Statement of Changes in Equity
For the year ended on June 30, 2022

Particulars	Share Capital	Share Premium	Retained Earnings	Total
Balance as at 01 July 2021	**1,362,690,930**	**76,062,352**	**156,117,024**	**1,594,870,306**
Dividend	-	-	(20,526,079)	(20,526,079)
Total Profit or Loss and Other Comprehensive Income	-	-	31,466,235	31,466,235
Balance as at 30 June 2022	**1,362,690,930**	**76,062,352**	**167,057,181**	**1,605,810,463**

For the year ended on June 30, 2021

Balance as at 01 July 2020	**1,362,690,930**	**76,062,352**	**128,830,272**	**1,567,583,554**
Dividend	-	-	(19,077,673)	(19,077,673)
Total Profit or Loss and Other Comprehensive Income	-	-	46,364,426	46,364,426
Balance as at 30 June 2021	**1,362,690,930**	**76,062,352**	**156,117,025**	**1,594,870,307**

The annexed notes from 1 to 37 and Annexure-A & B form an integral part of these financial statements.

Hasna Opgen Haffen	**Javed Opgenhaffen**	**Sadad Rahman**	**Md. Abdul Halim Thakur**
Chairman	Managing Director	Nominee Director	Company Secretary

Place: Dhaka, Bangladesh
Date: 17 November 2022

Fu-Wang Ceramic Industry Limited

Statement of Cash Flows
For the year ended on June 30, 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
Cash Flows From Operating Activities			
Collections from Turnover and others		843,951,739	780,291,944
Payment for Cost and Expenses		(1,259,003,993)	(582,375,650)
Non Operating Income from Scrap Sales		620,645	-
Income Tax Paid and Deducted at Source		(31,538,804)	(29,570,458)
Net Cash Flows from Operating Activities		**(445,970,413)**	**168,345,836**
Cash Flows From Investing Activities			
Acquision of Property, Plant and Equipment		(100,753,337)	(44,112,828)
Sales of property, plant and equipment		-	150,000
Capital Working Progress		(295,921,370)	(997,888)
Non Operating Income from FDR & Lease		9,652,957	13,119,660
Investment in FDR		(60,000,000)	(8,000,000)
Net Cash Used in Investing Activities		**(447,021,750)**	**(39,841,056)**
Cash Flows From Financing Activities			
Short Term Loan		1,044,355,011	(23,729,253)
Long Term Loan Received/(Paid)		(10,705,658)	21,725,748
Financial Expenses		(125,496,103)	(111,423,542)
Dividend paid		(20,288,022)	(11,589,735)
Net Cash Used in Financing Activities		**887,865,228**	**(125,016,782)**
Net Inflows of Cash and Cash Equivalents		(5,126,935)	3,487,998
Add: Opening Cash and Cash Equivalents		9,854,642	6,366,644
Closing Cash and Cash Equivalents		**4,727,707**	**9,854,642**
Net operating cash flows per share (NOCFPS)	32.00	**(3.27)**	**0.51**

The annexed notes from 1 to 37 and Annexure-A & B form an integral part of these financial statements.

Hasna Opgen Haffen	**Javed Opgenhaffen**	**Sadad Rahman**	**Md. Abdul Halim Thakur**
Chairman	Managing Director	Nominee Director	Company Secretary

FU-WANG CERAMIC INDUSTRY LIMITED

Notes to the Financial Statements
As at and for the year ended June 30, 2022

1.0 Corporate Information and Nature of Business Activities:

1.1 Corporate Information

The Company was incorporated on 31 May 1995 as a private company limited by shares and by a resolution passed on 28 February 1998 it was converted into a Public Limited Company. The company is now a public limited company with foreign and local shareholders. The company is engaged in manufacturing and marketing of various types and sizes of Floor Tiles and Glazed Wall Tiles in its factory facilities at Hotapara, Gazipur. The industry has utilized its 56% yearly production capacity of 40 million Sft. (Homogenous and Glazed). Production capacity has been calculated at 100% efficiency based on 3 shifts of 8 hours in a day.

The principal place of business is the registered office at 204/B (4th Floor), Bir Uttam Mir Shawkat Road, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh and the factories are located at Bokran Monipur, Hotapara, Gazipur.

1.2 Nature of Business Activities

The company owns and operates two industrial units for manufacturing of various types and sizes of floor tiles and glazed wall tiles and sales thereof.

1.3 Number of Employees

On the payroll of the company, there were 83 officers 469 staff and workers/technicians apart from many casual/contract technicians/workers.

		Amount in Taka
552	Staff/Officers/Employees drew yearly salary and allowances of Tk. 36,000 or more	44,576,798
Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages and allowances less than Tk. 36,000	Nil
552		44,576,7988

2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements:

2.1 Statement of Compliance

The financial statements have been prepared and disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules 1987, and International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

SL. No.	Applicable Accounting Standards	Note Reference
1	IAS 1	2.4
2	IFRS 16	2.9
3	IAS 2	2.11
4	IAS 7	2.13 and 2.14
5	IAS 10	2.27
6	IAS 12	2.16
7	IAS 16	2.8
8	IFRS 15	2.18
9	IAS 19	2.26
10	IAS 21	2.19
11	IAS 23	2.20
12	IAS 24	2.21
13	IAS 33	2.24
14	IAS 36	2.25
15	IAS 37	36

2.2 Basis of Preparation

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

2.3 Basis of Reporting

The financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards for reporting, IAS 1- Presentation of Financial Statements.

i. Reporting Period

Financial statements of the company cover one financial year from July 01, 2021 to June 30, 2022.

ii. Going Concern

There is no significant doubt upon the company's ability to continue as a going concern.

2.4 Components of the Financial Statements

According to the IAS-1 *"Presentation of Financial Statements"* the complete set of Financial Statements includes the following components:

i) Statement of Financial Position as at 30 June 2022;
ii) Statement of Profit or Loss and Comprehensive Income for the year ended 30 June 2022;
iii) Statement of Changes in Equity for the year ended 30 June 2022;
iv) Statement of Cash Flows for the year ended 30 June 2022; and
v) Accounting Policies and Explanatory Notes for the year ended 30 June 2022.

2.5 Accounting Estimates

Preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual result could differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of Management estimates in these financial statements relate to the useful life of depreciable assets and valuation of inventories. However, assumptions and judgments made by Management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amounts of assets and liabilities in the next year.

2.6 Risk and Uncertainty for Use of Estimates

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by IAS-37 *"Provisions, Contingent Liabilities and Contingent Assets",* provisions are recognized in the following situations:

i) When the company has an obligation as a result of past events;

ii) When it is provable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii) Reliable estimate can be made of the amount of the obligation.

2.7 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, the Company applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8.

2.8 Recognition of Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at their cost less accumulated depreciation in accordance with IAS-16 *"Property, Plant and Equipment".* Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction periods. No depreciation is charged on land and land development.

Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditure of maintenance and repairs are expensed; major replacements, renewals and betterments are capitalized.

The annual depreciation rates applicable to the principal categories are:

Category of fixed assets	Rate of Depreciation
Factory building and other construction	2.5%
Plant and machinery	5%
Office equipment	10%
Furniture and fixtures	10%
Motor vehicles	10%
Gas Generator & Gas line	10%
Electrical Installation	10%
Deep Tube Well & Pump	10%
Sign Board	20%
Telephone & PABX Installation	10%
Electric Equipment	10%
Soft Furniture Fixture	25%
Labor Shed	20%
Bicycle	10%
Crockery & Cutleries	10%
Gas Cylinder	10%
Oxygen Cylinder	2.5%
Effluent Testament Plant (ETP) Construction	10%
Electric Substation & Construction	10%

2.9 Lease:

2.9.1 For leases

The company adopted IFRS 16 with an initial application date of July 01, 2019. The entity applied the modified retrospective transition method and thus prior year comparatives were not restated. The entity has elected to present right-of-use assets separately and lease liabilities as part of the Non-current liabilities in the statement of financial position.

The company has a rental agreement but the agreement made for short-term lease. So that, Lease accounting is not applied as per pera 5(a), of IFRS-16.

2.9.2 For Lessor

The company recognized the net investment in lease de-recognizing investment in property which was lease to other company. Any difference between the net investment in lease and investment in property recognized in profit or loss account. At the

commencement date, net investment in the finance lease is measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term (the lease payments included in the measurement are the same as disclosed for the lease contract where the Company is a lessor). The lessor recognizes finance income over the lease term, based on a pattern reflecting a constant period rate of return on the lessor's net investment in the lease.

The company classified this contract for rental as operating lease, the intermediate lessor recognizes the lease income from operating leases on a straight-line basis over the lease term. The respective leased asset is included in the statement of financial position based on its nature.

2.10 Retirement and Disposals

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under the head other income/(loss) in the comprehensive income statement.

2.11 Inventories

Inventories comprise of raw materials, stock in transit, finished goods, packing materials and stores & spares. They are stated at the lower of cost or net realizable value in accordance with IAS-2 *"Inventories"* after making due allowance for any obsolete or slow moving items. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

2.12 Advance, Deposits and Prepayments

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. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit and loss account.

2.13 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7, *"Cash Flows Statement"* and the cash flows from operating activities has been presented under direct method as required by the Securities and Exchange Rules, 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using Direct Method."

2.14 Cash and Cash Equivalents

According to IAS-7 *"Statement of Cash Flows"*, cash comprises cash in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. IAS-1 *"Presentation of Financial Statements"* also provides that cash and cash equivalents are those which have no restriction in use considering the provision of IAS-7 and IAS-1. Cash in hand and bank balances have been considered as cash and cash equivalents.

2.15 Share Capital

Share capital represents paid up capital of the company which is contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.16 Income Tax Expenses

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per the Income Tax Ordinance, 1984. The company qualifies for being treated as a "Publicly Traded Company for" which the rate for tax at 22.50% has been applied for while making provision for income tax.

2.17 Trade Creditors and other Liabilities

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

2.18 Revenue Recognition

The revenue during the year represents revenue arising from the sale of various types and sizes of Tiles items which are recognized when deliveries are made, against the sales order received from the respective customers and after satisfying all the conditions for revenue recognition as provided in IFRS 15 *"Revenue from Contracts with Customers".*

Turnover

Turnover comprises sales of the company excluding VAT, Supplementary Duty etc.

Commission

Commission/bonus has been paid to sales agents during the year under audit.

Brokerage or discount

The company did not pay any brokerage or discount other than the conventional trade discount against sales.

2.19 Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Bangladeshi Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS-21 as *"The Effects of Changes in Foreign Currency Rates".*

2.20 Borrowing Costs

In compliance with the requirements of IAS-23 *"Borrowing Costs"* borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.21 Transaction with Related Parties

As per IAS - 24 *"Related Party Disclosures"* parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has no transactions with any related parties in the year 2021-2022.

2.22 Responsibility for the Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of financial statements under Section 183 of the Companies Act, 1994 and as per the provision of "The framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

2.23 Proposed Dividend

This is not considered as "Liability" in accordance with the provisions of the IAS 10 *"Contingencies and Events Occurring after the Balance Sheet Date"*. IAS 10 (original version) provides that *"Dividend proposed or declared after the balance sheet Date but before Approval of the financial statements should be either adjusted for or disclosed".*

2.24 Earning Per Share (EPS)

The company calculates Earnings per Share (EPS) in accordance with IAS 33 *Earnings Per Share"* which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note -30.

i. Basic Earnings

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

ii. Basic Earnings per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

iii. 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.

2.25 Assets of the Company

As all assets of the company shown in the financial statement that are within the scope of IAS-36 are in physical existence and valued no more than their recoverable amount following International Accounting Standards disclosures with regard to *"Impairment of Assets"* as per IAS-36 have not been considered necessary.

2.26 Employee Benefit Obligations

The Company operates gratuity and group insurance for its permanent employees.

2.27 Events after the Balance Sheet Date

In compliance with the requirements of IAS 10: Events after the balance sheet date are those events that occur between the balance sheet and the date when the financial statements are authorized for issue. All material events occurring after the balance sheet date have been considered in these financial statements (Note-37).

2.28 Acknowledgement of Claims

There was no claim against the company acknowledged as debt as on June 30, 2022.

2.29 Credit Facility not Availed of

There were no general credit facilities other than those are stated in "Note-14 and 17" were available to the company under any contract to be availed of at the Statement of financial position date.

2.30 Board Meeting and Board Members

There were 7 members in the Board of Directors of the company and 13 board meetings were held in the year under review.

2.31 Miscellaneous Expenses

Miscellaneous expenses do not include any item exceeding 1% of total revenue.

2.32 Directors Remuneration

During the year the company has not been paid any remuneration or any other facility to the key management personnel.

2.33 Audit Fee

As per decision taken in the 26th Annual General Meeting of the company held on 30 December, 2021; the auditor's remuneration of Tk. 350,000 (Excluding VAT) has been provided for in the accounts which is the only sum to be paid to auditors as remuneration furthermore audit fee to be paid to auditor's as tax consultancy fee if require.

2.34 Comparative Figures

Comparative figure and account titles in the financial statements have been re-arranged and classified, where necessary, to conform with changes in presentation in the current period.

2.35 COVID-19 disclosure in the financial statements

On 30 January 2020, the World Health Organization declared the outbreak of a novel corona virus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh and stock exchanges of Bangladesh declared general holiday from 26 March 2020. Since then the Company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID-19. While the disruption is currently expected to be temporary, there is uncertainty around the duration as well as the recovery timeline. Therefore, while the Company expects this matter to negatively impact its business. The Company has considered key accounting considerations related to conditions that may result from the COVID 19.

2.36 General

i) The financial statements are presented in Bangladeshi Taka which in the company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

ii) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the financial statements of the company.

iii) Figures of previous year have been re-arranged whenever necessary to conform to current year's presentation.

Notes	Particulars	Amount in Taka 2021-2022	Amount in Taka 2020-2021
3.00	**Property, Plant and Equipment: Tk. 1,373,666,038**		
	a) Cost :		
	Opening Balance	2,090,748,221	2,042,088,925
	Add: Addition during the year	101,771,225	49,909,296
	Less: Disposal/Adjustment during the year	-	(1,250,000)
	Sub Total (a)	**2,192,519,446**	**2,090,748,221**
	b) Accumulated Depreciation		
	Opening Balance	749,514,129	681,930,359
	Add: Charged during the year	69,339,279	68,397,249
	Less: Disposal/Adjustment during the year	-	(813,479)
	Sub Total (b)	**818,853,408**	**749,514,129**
	Written down value (a-b)	**1,373,666,038**	**1,341,234,092**
	*An elaborate schedule of PPE are shown in annexure -A.		
4.00	**Right of used assets: Tk. 0**		
	a) Cost :		
	Initial recognition	-	1,371,990
	Sub Total (a)	**-**	**1,371,990**
	b) Accumulated Depreciation		
	Opening Balance	-	685,995
	Add: Charged during the year	-	685,995
	Sub Total (b)	**-**	**1,371,990**
	Written down value (a-b)	**-**	**-**
	*An elaborate schedule of RoU are shown in annexure -B.		
5.00	**Capital Work in Progress: Tk. 295,901,370**		
	Opening Balance	997,888	4,546,468
	Add: Addition during the year	295,921,370	997,888
		296,919,258	**5,544,356**
	Less: Transferred to property, plant & equipment	(1,017,888)	(4,546,468)
	Closing Balance	**295,901,370**	**997,888**
6.00	**Inventories: Tk. 1,834,695,807**		
	Stock Raw Materials (Note : 6.01)	989,526,762	585,378,586
	Work-in-process	434,563,620	281,891,024
	Finished Tiles (Note : 6.02)	202,743,143	276,405,098
	Packing Materials (Note : 6.03)	18,259,044	19,958,806
	Stores and Spares (Note : 24.01.01)	184,674,098	147,027,391
	Raw Materials in Transit	4,929,140	5,923,175
		1,834,695,807	**1,316,584,080**

6.01	**Stock of Raw Materials: Tk. 989,526,762**			
	A. Local Raw Material			
	White Clay	1,453	1,051,285	2,735,436
	Red Clay	1,286	742,103	663,607
	Sand	18	35,683	26,581
	S. Silicate	6	86,855	210,371
	Lime Stone	-	-	735,394
	Sub -Total (A)	**2,764**	**1,915,926**	**4,371,389**

Notes	Particulars		Amount in Taka	
			2021-2022	2020-2021
	B. Imported Raw Material	**Qty in Ton**		
	Adhesive/CMC	10.00	6,360,199	4,458,952
	STPP/Diluting Agent	138.03	11,571,448	5,001,432
	Engobe and Glazes	3,331.82	252,596,940	90,560,976
	Frit	1,332.35	82,049,124	62,379,323
	Printing Glaze/Prepared	-	-	62,413,906
	Pigment	115.66	77,358,535	99,931,464
	Composed Glaze	439.00	25,417,042	13,085,587
	Soda Feldsper	18,125.83	132,168,245	25,578,782
	Potash Feldsper	7,437.70	49,812,985	44,261,017
	Clay Non Plastic	18,192.23	129,885,808	50,524,270
	Clay Plastic	21,214.02	140,236,914	51,361,762
	Ball Clay	0.00	386,063	40,314,185
	Aluminium Ball Stone	704.46	79,767,533	30,401,738
	Emulsion	-	-	733,803
	Sub-Total (B)	**71,041**	**987,610,836**	**581,007,197**
	Total (A+B)	**73,805**	**989,526,762**	**585,378,586**
6.02	**Finished Tiles: Tk. 202,763,143**			
		Qty SFT		
	Glazed Special Floor Tiles	125653	4,558,897	14,510,753
	Glazed Wall Tiles	2,085,600	93,827,449	106,258,093
	Glazed Wall Special Tiles	-	-	2,443,481
	Glazed Wall digital luxury Tiles	-	-	931,791
	Glazed Digital Wall Special Tiles(L)	-	-	4,596,538
	Glazed Digital Wall Tiles	627,353	25,359,346	-
	Homogeneous Floor Tiles(Stair)	83,915	4,025,476	-
	Homogeneous Tiles	643,777	33,101,079	103,340,899
	Mirror Glaze Floor Tiles	517,083	34,628,261	31,264,836
	Homogeneous Tiles(Porcelain)	55,375	3,183,005	9,193,110
	Homogeneous Tiles(Parking)	74,473	4,079,631	3,865,597
	Total	**4,213,229**	**202,763,143**	**276,405,099**
6.03	**Packing Materials: Tk. 18,259,044**			
	Carton	**Qty PCs**		
	A 20x30	58,725	1,047,366	894,946
	B 20x30	6,536	101,780	266,048
	A 25x33	-	-	65,757
	B 25x33	6,272	94,378	32,863
	A 31x31	70,390	886,677	604,069
	B 31x31	6,403	80,667	78,772
	A 31x44	-	-	2,145,294
	B 31x44	-	-	707,379
	A 25x40	28,549	393,973	516,996
	B 25x40	-	-	95,219
	A30.3X44.5	88,831	2,093,930	
	B30.3X44.5	30,700	641,647	
	A 30x60	27,961	1,143,107	308,880
	B 30x60	9,667	342,090	190,842
	A 30x50	4,452	133,318	133,318
	B 30x50	5,298	124,503	135,877

Notes	Particulars		Amount in Taka	
			2021-2022	2020-2021
	A 26x30.5	42,508	816,452	836,015
	B 26x30.5	10,546	86,338	105,020
	A 30.5x30.5	239,681	2,692,530	3,041,644
	B 30.5x30.5	76,743	717,539	731,718
	A 40.5x40.5	71,982	2,535,761	3,291,437
	B 40.5x40.5	9,550	292,223	378,574
	A60X60	42,883	1,921,804	
	B60X60	20,114	817,663	
	A 60.5x60.5	-	-	177,155
	B 60.5x60.5	-	-	33,075
	A 50x50	21,338	725,492	725,492
	B 50x50	4,491	143,712	143,712
	A 30x60	6,229	171,298	967,842
	B 30x60	6,126	162,064	650,144
	Gum Tape	927	92,733	2,700,718
	Total	**896,902**	**18,259,044**	**19,958,806**

7.00 Trade and Other Receivables: TK. 66,930,795

Dhaka City Dealers		31,968,580	30,329,089
Sylhet Division Dealers		3,228,384	3,690,739
Chittagong City Dealers		3,140,989	3,880,924
Other Division's Dealer		15,261,291	17,086,158
Other Receivables	7.01	13,331,551	13,331,551
		66,930,795	**68,318,461**
Ageing of accounts receivable			
Due within 6 Months		52,537,628	54,986,910
Due above 6 Months		14,393,167	13,331,551
Total		**66,930,795**	**68,318,461**

7.01 Other Receivables: Tk. 13,331,551

Rent receivable from Hua-Thai Ceramic Industry	13,331,551	13,331,551
	13,331,551	**13,331,551**

8.00 Advances, Deposit and Prepayments (Considered Good): Tk. 302,121,680

Advances	8.01	263,058,493	217,973,137
Pre-paid BSTI License Fee, Sales Center and Land Rent		-	1,449,460
Deposits	8.02	39,063,187	22,379,037
		302,121,680	**241,801,634**

8.01 Advances: Tk. 263,058,493

VAT Current Account and Supplementary Duty		42,418,036	28,825,652
Advance Income Tax	8.01.1	217,439,129	185,900,325
Advance for Appeal Fee		383,219	383,219
Advance against Purchasing and others		928,342	974,174
Advance for Tribunal		1,889,767	1,889,767
		263,058,493	**217,973,137**

8.01.1 Advance Income Tax: Tk. 217,439,129

Opening Balance	185,900,325	156,329,867
Add: Addition during the year	31,538,804	29,570,458
Closing Balance	**217,439,129**	**185,900,325**

Notes	Particulars		Amount in Taka 2021-2022	Amount in Taka 2020-2021
8.02	**Deposits: Tk. 39,063,187**			
	T & T Board for Telephone		127,000	127,000
	Eacm Business International for 4 Gas Cylinders		20,000	20,000
	Titas gas T & D (gas connection-factory)		33,479,588	16,795,438
	DESA for 1 Meter of 200 KVA Substation		300,000	300,000
	Nitrogen Gas Cylinder		50,000	50,000
	VAT Deposit against Appeal		1,934,719	1,934,719
	Linde Bangladesh Limited		44,000	44,000
	Gazipur Palli Bidyut Samity		3,107,880	3,107,880
			39,063,187	**22,379,037**
9.00	**Short Term Fixed Deposit: Tk. 240,327,279**			
	Commercial Bank OF Cylon		60,000,000	-
	Premier Bank Ltd		170,000,000	176,228,519
	Southeast Bank Ltd		-	4,084,000
	IPDC Finance		10,327,279	9,848,634
			240,327,279	**190,161,153**

Investment in FDR to Premier Bank amounting Tk.1700 Lac are liened against overall credit facilities of Tk. 4500 lac from Premier Bank Limited & Tk.40 lac against Stimulous loan Tk.200 lac. Investment in FDR to Southeast Bank amounting Tk.40 Lac against Stimulous loan Tk.200 lac and interest on liened FDR shall be applied at Bank prescribed rate.

10.00	**Cash and Cash Equivalents: Tk. 4,727,707**			
	Cash in Hand	10.01	150,304	156,705
	Cash at Bank	10.02	4,577,403	9,697,937
			4,727,707	**9,854,642**

10.01	**Cash in Hand: Tk. 150,304**		
	At Head Office	50,304	56,705
	At Factory	100,000	100,000
		150,304	**156,705**

10.02 **Cash at Bank: Tk. 4,577,403**

Bank Name	Branch	A/C No.	Amount in Tk.	Amount in Tk.
Pubali Bank Ltd.	Gulshan	CA-17877	2,016,732	1,788,800
Pubali Bank Ltd.	Principal	STD-974	647,071	1,209,242
Standard Bank Ltd.	Gulshan	STD-286	631,488	531,204
Standard Bank Ltd.	Gulshan	CD-399	1,071,302	666,714
Southeast Bank Ltd.	Principal	CD-8058	59,842	334,437
Southeast Bank Ltd.	Principal	STD-2127	-	594
Premier Bank Ltd.	Gulshan	CD-15652	-	445
Premier Bank Ltd.	Dhanmondi	CD-14192	-	82

Notes	Particulars			Amount in Taka	
				2021-2022	2020-2021
	Premier Bank Ltd.	Gulshan-Badda link Rd.	CD-352	6,092	841,398
	Commercial Bank of Ceylon	Dhaka	CD-4818	-	4,170,655
	NCC Bank Ltd.	Gulshan	CD-21006	47,475	47,475
	Dutch Bangla Bank Ltd.	Badda	CD-14685	283	2,353
	Modhumati Bank Ltd.	Gulshan	CD-421	65,445	66,135
	Janata Bank Ltd	Banani	CD-11781	5,071	6,456
	Exim Bank Ltd	Gulshan	CD-8402	2,070	4,635
	Rupali Bank Ltd	Motijheel Corporate	CD-8466	8,695	8,695
	Agrani Bank Ltd.	Gulshan Corporate	CD-10156	8,102	9,022
	Brac Bank Ltd.	Graphic Bld.	CD- 6001	-	-
	SABC Bank Ltd.	Gulshan	CD-4269	5,955	7,125
	Trust Bank Ltd.	Gulshan	CD- 1126	1,780	2,470
				4,577,403	9,697,937

Notes	Particulars	Amount in Taka	
		2021-2022	2020-2021

11.00 Share Capital

11.01 Authorized Capital: Tk. 5,000,000,000

500,000,000 nos. of ordinary shares of taka 10 each — **5,000,000,000** | **5,000,000,000**

11.02 Issued, Subscribed and Fully Paid-Up Capital: Tk. 1,362,690,930

136,269,093 ordinary shares @ of Tk. 10 each issued for cash — **1,362,690,930** | **1,362,690,930**

Date	No. of Shares	Particulars	30-Jun-22	30-Jun-21
Includig IPO	25,000,000	Ordinary of Tk. 10 each fully paid- up	250,000,000	250,000,000
15.12.01 to	8,000,000	Ordinary of Tk. 10 each issued as bonus shares	80,000,000	80,000,000
15.12.10	3,300,000	Ordinary of Tk. 10 each issued as bonus shares	33,000,000	33,000,000
08.03.11	16,500,000	Ordinary of Tk. 10 each issued as right shares	165,000,000	165,000,000
30.12.10	10,770,540	Ordinary of Tk.10 each against loan conversion as private placement	107,705,400	107,705,400
04.01.12	6,357,054	Ordinary of Tk. 10 each issued as bonus shares	63,570,540	63,570,540
08.01.13	6,992,759	Ordinary of Tk. 10 each issued as bonus shares	69,927,590	69,927,590
21.01.14	7,692,035	Ordinary of Tk. 10 each issued as bonus shares	76,920,350	76,920,350
25.01.15	8,461,238	Ordinary of Tk. 10 each issued as bonus shares	84,612,380	84,612,380
13.01.16	9,307,362	Ordinary of Tk. 10 each issued as bonus shares	93,073,620	93,073,620
21.12.16	10,238,098	Ordinary of Tk. 10 each issued as bonus shares	102,380,980	102,380,980
20.12.17	11,261,908	Ordinary of Tk. 10 each issued as bonus shares	112,619,080	112,619,080
26.12.18	12,388,099	Ordinary of Tk. 10 each issued as bonus shares	123,880,990	123,880,990
Total	**136,269,093**	**share @ Tk.10 each**	**1,362,690,930**	**1,362,690,930**

11.03 Composition of the Shareholders:

Sl No	Particulars	June 30, 2022			June 30, 2021		
		No. of Shares	Value of Shares	% of Sharehold	No. of Shares	Value of Shares	% of Sharehold
1	Directors/ Sponsors	37,918,460	379,184,600	27.83%	23,638,700	236,387,000	17.35%
2	Institutions	**9,879,509**	**98,795,090**	7.25%	51,046,402	510,464,020	37.46%
3	Foreigners	543,018	5,430,180	0.40%	543,018	5,430,180	0.40%
4	General Public	**87,928,106**	**879,281,060**	**64.52%**	61,040,973	610,409,730	44.79%
	Total	136,269,093	**1,362,690,930**	100%	136,269,093	1,362,690,930	100%

Note: Although the Sponsors/Directors Shareholding position is 27.83% as on June 30, 2022. The subsequent position as at August 31, 2022 of the Sponsors/Directors is 30% of total number of Shares.

Note	Particulars	Amount in Taka 2021-2022	2020-2021
12.00	**Share Premium: Tk. 76,062,352**		
	Opening Balance	76,062,352	76,062,352
	Less: Bonus share issued	-	-
	Closing Balance	**76,062,352**	**76,062,352**

In 2011, total amount of Tk. 110,596,499 was received as share premium in respect of right shares issued to shareholders and private placement. The cost of issue was set off against share premium.

13.00	**Retained Earnings: Tk. 167,057,181**		
	Opening Balance	156,117,025	128,830,272
	Dividend	(20,526,079)	(19,077,673)
	Adjustment for the application of IFRS-16 (Lease)	-	
	Add: Profit after Tax for the Year	31,466,235	46,364,426
	Profit Available for Appropriation	**167,057,181**	**156,117,025**
	Less: Appropriations:		
	Utilized for Bonus Share	-	-
	Closing Balance (carried-forward)	**167,057,181**	**156,117,025**
14.00	**Long Term Loan Net off Current Maturity: Tk. 243,325,117**		
	Balance as at July 01, 2021	397,382,596	382,832,607
	Addition During the Year	-	4,600,000
	Bank interest	35,595,952	43,076,005
		432,978,548	**430,508,612**
	Repayment Made During the Year	(62,188,919)	(33,126,016)
		370,789,629	**397,382,596**
	Current Portion of Long Term Loan	(127,464,512)	(143,351,821)
	Balance as at June 30, 2022	**243,325,117**	**254,030,775**
15.00	**Lease Liability: Tk. 0**		
	Initial recognition	-	979,719
	Add: Interest on lease liability	-	124,281
		-	**1,104,000**
	Less: Payment during the year	-	(1,104,000)
		-	**0**
16.00	**Deferred Tax : Tk. 105,208,342**		
	Deferred Tax for Temporery Difference in PPE		
	Opening Balance	97,515,834	100,172,970
	Add: Charged During the year 16.01	7,692,509	(2,657,137)
		105,208,342	**97,515,834**
	Less: Adjustment During the year	-	-
		105,208,342	**97,515,834**

Closing Deferred Tax liability on Temporary difference

Note	Particulars	Amount in Taka 2021-2022	Amount in Taka 2020-2021
16.01	**Deferred Tax Liability : Tk. 7,692,509**		
	Taxable Temporary Difference on PPE	478,394,672	444,441,352
	Closing Provision for Gratuity as per F/S	10,802,045	11,037,651
	Taxable Temporary Difference	**467,592,627**	**433,403,701**
	Applicable Tax Rate	22.50%	22.5%
	Opening Deferred Tax liability on Temporary difference	**105,208,341** 97,515,833	**97,515,833** 100,172,970
	Deferred Tax Expense/ (Income) for the year	**7,692,509**	**(2,657,137)**

17.00 Short Term Bank Loans and Others : Tk. 1,860,522,693

Current Portion of Long Term Loan 14.00	127,464,512	143,351,821
Southeast Bank Ltd. (OD #73300001693)	239,591,124	242,245,110
Premier Bank Ltd. (OD #0168781000000022)	208,578,144	204,577,851
Commercial Bank of Ceylon (OD # 4818)	4,963,194	-
National Bank Ltd. (OD # 1106004837699)	1,023,150,657	-
Southeast Bank Ltd. (STL)	171,073,750	182,221,622
Commercial Bank of Ceylon (STL)	55,637,448	-
Southeast Bank Ltd. (Covid-Stimulous)	9,974,141	20,223,986
Premier Bank Ltd. (Covid-Stimulous)	10,992,332	20,928,400
Premier Bank Ltd. (LTR)	1,829,877	-
Southeast Bank Ltd. (LTR)	7,267,514	2,618,892
	1,860,522,693	**816,167,682**

Cash credits with Southeast Bank Ltd. is secured by hypothecation of inventories and first charge on Company's PPE and interest at 9.00% per annum.

18.00 Trade and other Payables : Tk. 73,958,862

Trade Creditors		5,307,390	3,037,527
Security deposit received		33,035,973	43,495,983
Workers' Profit Participation and Welfare Fund	18.01	34,439,135	33,655,614
Advance Received from Sun Power Ceramic		1,176,364	1,176,364
		73,958,862	**81,365,488**

*In the year 2006-2007 Audited Financial Statements presented an amount of Tk. 5,250,000 which was shown under the head of Creditors (Note No.-18) as liability to Sun Power Ceramic Industry Ltd. (SPCIL). Actually it was the balance of Sundry Creditors. Although transaction with SPCIL in the year 2007-2008, but an amount of Tk. 1,176,364 taken from an unsigned statement for the period ended February 2008 of previous management though there was no record in the Company's books of accounts. But inadvertently recorded Tk. 6,426,364 against SPCIL as due from said company by adding the previous error amount of Tk. 5,250,000.

Therefore from the year 2008-2009, the then auditors amended this amount in the Financial Statements reflecting Tk. 1,176,364 that referred in this paragraph.

Note	Particulars		Amount in Taka 2021-2022	Amount in Taka 2020-2021
18.01	**Workers' Profit Participation and Welfare Fund: Tk. 34,439,135**			
	Opening Balance		30,433,945	30,218,986
	Add: Addition During the Year		2,213,789	2,419,433
			32,647,735	**32,638,419**
	Less: Adjustment During the Year		(1,532,290)	(2,204,474)
			31,115,445	**30,433,945**
	Add: Interest charged during the year		3,323,690	3,221,669
	Closing Balance		**34,439,135**	**33,655,614**
19.00	**Unpaid Dividend Account : Tk. 7,725,995**			
	Opening Balance		7,487,938	2,279,038
	Add: Addition during the year		1,057,885	5,208,900
			8,545,823	**7,487,938**
	Less: Dividend paid during the year		(819,828)	-
			7,725,995	**7,487,938**
	Ageing of Unpaid Dividend			
	Below 3 Years		7,725,995	6,918,839
	Above 3 years		-	569,099
			7,725,995	**7,487,938**
20.00	**Liabilities for Expenses : Tk. 93,309,475**			
	Electricity, Gas & Others		29,717,231	44,609,930
	Telephone and Fax (head office and sales)		-	3,514
	Audit Fee		350,000	350,000
	Provision for Gratuity	20.01	10,802,045	11,037,651
	Tax and VAT Payable on Rent and Others		52,440,199	69,454,864
			93,309,475	**125,455,959**
20.01	**Provision for Gratuity : Tk. 10,802,045**			
	Opening Balance		11,037,651	9,598,063
	Add: Addition During the Year		3,500,000	3,500,000
			14,537,651	**13,098,063**
	Less: Paid During the Year		(3,735,606)	(2,060,412)
	Closing Balance		**10,802,045**	**11,037,651**
21.00	**Provision for Income Tax : Tk. 39,693,344**			
	Opening Balance		34,576,318	29,894,955
	Add: Addition During the Year	29.01	5,117,026	4,681,363
			39,693,344	**34,576,318**
	Less: Adjustment During the Year		-	-
	Closing Balance		**39,693,344**	**34,576,318**
22.00	**Net Asset Value (NAV) Per Share: Tk. 11.78**			
	Total Assets		4,118,370,676	3,168,951,950
	Total Outside Liabilities		(2,512,560,213)	(1,574,081,643)
	Net Assets		**1,605,810,463**	**1,594,870,307**
	Number of ordinary Share		136,269,093	136,269,093
	Net Asset Value (NAV) Per Share		**11.78**	**11.70**

Note	Particulars		Amount in Taka 2021-2022	Amount in Taka 2020-2021
23.00	**Turnover : Tk. 842,564,073**			
	Local Sales		1,114,290,988	1,014,499,764
	Less: Total SD & VAT		271,726,915	247,392,192
	Total Turnover (Net of SD and VAT)		**842,564,073**	**767,107,572**
24.00	**Cost of Goods Sold: Tk. 613,683,455**			
	Opening Raw Materials		585,378,586	461,039,011
	Raw Material Purchased During the Year		779,384,748	514,431,660
	Raw Materials Available for Use		**1,364,763,334**	**975,470,671**
	Closing Raw Materials	6.01	(989,526,762)	(585,378,586)
	Raw Materials Consumed		**375,236,572**	**390,092,085**
	Direct Expenses	24.01	199,936,083	181,919,184
	Prime Cost		**575,172,655**	**572,011,269**
	Factory Overheads	24.02	118,016,101	113,378,729
	Total Manufactured Cost		**693,188,756**	**685,389,998**
	Moevement of work-in-process		(152,672,596)	(84,302,877)
	Opening Finished Goods		276,405,098	230,869,314
	Cost of Goods Available for Sales		**816,921,258**	**831,956,435**
	Closing Finished Goods	6.02	(202,743,143)	(276,405,098)
	Sample		(494,660)	(441,661)
	Cost of Goods Sold		**613,683,455**	**555,109,676**
24.01	**Direct Expenses: Tk. 199,936,083**			
	Wages		32,657,393	30,806,571
	Electricity and Gas		159,724,884	143,386,123
	Spare Parts	24.01.01	7,553,806	7,726,490
	Total		**199,936,083**	**181,919,184**
24.01.01	**Spare Parts : Tk. 7,553,806**			
	Opening Balance		147,027,391	138,709,820
	Add: Purchase During the Year		45,200,513	16,044,061
			192,227,904	**154,753,881**
	Less: Closing Balance	6.00	(184,674,098)	(147,027,391)
	Consumption During the Year		**7,553,806**	**7,726,490**
24.02	**Factory Overheads: Tk. 118,016,101**			
	Supplies for factory repair and maintenance		1,058,759	2,048,690
	Bonus to staff and workers		3,028,608	2,743,304
	Medical treatment expenses		78,261	78,763
	Maternity benefits		176,064	219,392
	Packing materials	24.02.01	41,599,558	36,314,240
	Oil and lubricants		3,538,678	3,640,934
	Uniform allowance		30,000	40,110
	Conveyance on public transport		148,635	127,740
	Printing and stationary		141,340	121,738
	Telephone, telex and fax		3,806	7,683
	Fooding expenses (buiscit, tea, etc.)		178,792	351,639
	Daily labor wages		594,439	511,081
	Carriage inward		632,280	641,388
	Insurance premium (fire)		1,201,959	584,430
	Other direct expenses		38,185	37,098
	Group life insurance		990,271	1,209,729
	Depreciation		64,576,466	64,700,770
			118,016,101	**113,378,729**

Note	Particulars		Amount in Taka 2021-2022	Amount in Taka 2020-2021
24.02.1	**Packing Materials: Tk. 41,599,558**			
	Opening Balance		19,958,806	24,434,707
	Add: Purchase During the Year		39,899,796	31,838,339
			59,858,602	56,273,046
	Less: Closing Balance	6.03	(18,259,044)	(19,958,806)
	Packaging Materials Used		41,599,558	36,314,240
25.00	**Administrative Expenses: Tk. 31,427,069**			
	Salary and Allowances		11,919,405	10,595,027
	Bonus to Staff		1,145,676	1,132,886
	Conveyance on public transport		381,246	376,968
	Printing and Stationery		378,822	790,980
	Postage and Telegram		97,091	102,259
	Telephone, Telex and Fax		132,000	81,087
	Office Rent		3,361,680	3,361,680
	Electricity, Gas and WASA		277,306	313,543
	Audit Fee		402,500	402,500
	Meeting Fees (Board meeting honourium)		431,250	402,500
	Maintenance of Vehicles		95,750	226,299
	Rent, Rates and Taxes		1,157,990	938,554
	Legal and Other Professional Fees		1,991,413	2,382,201
	Fooding expenses (buiscit, tea, etc.)		69,021	68,977
	Books and Periodicals		13,560	8,740
	Travelling Expenses on public transport		590,733	604,811
	Insurance Premium		33,609	235,814
	Fuel for Transport		458,690	446,974
	Maintenance of Office		72,904	74,886
	AGM Expenses		157,500	186,000
	Group life insurance		172,420	172,420
	Interest charged on WPPF		3,323,690	3,221,669
	Depreciation		4,762,812	3,696,479
	Loss on Sales of property, plant and equipment		-	286,521
			31,427,069	30,109,775

During the period company did not pay any rent, service charge, utility bills, etc. against using of corporate office situated at North Badda, Dhaka.

26.00	**Selling and Distribution Expenses: Tk. 32,241,490**			
	Advertisements		144,578	137,143
	Carriage Outward		6,217,911	6,444,706
	Sample		534,875	441,661
	Business Promotion and Development Expenses		106,820	133,192
	Commission to Dealers		23,367,470	21,059,430
	Electricity Expenses of Sales Centre (Hatirpol)		613,721	295,134
	Office Maintenance of Sales Centre (Hatirpol)		64,715	78,893
	Rent for Sales Center (Hatirpol)		1,191,400	-
	Depreciation of Right of Use Assets		-	685,995
			32,241,490	29,276,154

Note	Particulars		Amount in Taka 2021-2022	Amount in Taka 2020-2021
27.00	**Financial Expenses: Tk. 125,496,103**			
	Bank Charges and		1,776,896	3,221,875
	Bank Interest		123,719,206	108,077,385
	Interest on Lease Liability		-	124,282
			125,496,103	111,423,541
28.00	**Non Operating Income : Tk. 10,273,602**			
	Income from lease rental		1,129,543	1,123,718
	Interest on FDR		8,523,414	11,576,862
	Scrap Sales		620,645	419,080
			10,273,602	13,119,660
29.00	**Income Tax Expenses : Tk. 12,809,534**			
	Current Tax	29.01	5,117,026	4,681,363
	Deferred Tax	16.01	7,692,509	(2,657,137)
	Total Tax Expenses		12,809,534	2,024,227
29.01	**Current Tax Expenses: Tk. 5,117,026**			
	A) Income Tax on Regular rate			
	Profit Before Tax		44,275,770	48,388,653
	Accounting Depreciation	3.00	69,339,279	67,583,770
	Provision for Gratuity	20.01	3,500,000	3,500,000
			72,839,279	71,083,770
	Tax Depreciation as per Third Schedule		(102,783,772)	(101,913,376)
	Gratuity Paid	20.01	(3,735,606)	(2,060,412)
			(106,519,378)	(103,973,788)
	Taxable Income		10,595,671	15,498,636
	Income Tax on profit before Tax @ 22.50%		2,384,026	3,487,193
	B) Income tax deducted at source			
	AIT on Vehicle		175,000	28,000
	AIT On Bank Interest		852,341	1,208,134
			1,027,341	1,236,134
	C) Minimum tax on gross receipt			
	Gross receipt from business income	23.00	842,564,073	767,107,572
	Minimum tax rate @ 0.6%		0.60%	0.60%
			5,055,384	4,602,645
	Gross receipt from others source	28.00	10,273,602	13,119,660
	Minimum tax rate @ 0.6%		0.60%	0.60%
			61,642	78,718
	Total minimum tax on gross receipt		5,117,026	4,681,363
	Income tax expense (Higher of A, B, C)		5,117,026	4,681,363

Note	Particulars	Amount in Taka 2021-2022	Amount in Taka 2020-2021

30.00 Earning Per Share (EPS) : Tk. 0.23

Earnings attributable to the ordinary shareholders	31,466,235	46,364,426
Number of ordinary shares used to compute EPS	136,269,093	136,269,093
Earnings per Share (EPS)	**0.23**	**0.34**

* The reason for decreasing of Earning Per Share is increase of Cost of Goods Sold.

31.00 Reconciliation of Net Income With Cash Flows from Operating Activities: Tk.-445,970,413

Profit before income tax	44,275,770	48,388,653
Income Tax Expenses	(5,117,026)	(4,681,363)
Financial Expenses	125,496,103	-
Non Operating Income	(9,652,956)	-
Depreciation charged	69,339,279	68,397,249
Depreciation of Right of use assets	-	685,995
Dividend paid	0	-
Interst on lease liability	124,281	124,281
Payment of lease liability	(1,104,000)	(1,104,000)
(Increase)/Decrease in Account Receivables	1,387,666	13,184,372
(Increase)/Decrease in inventories	(518,111,727)	(250,852,120)
(Increase)/Decrease in Advances, Deposits and Pre-payments	(60,320,045)	(44,479,418)
Increase/(Decrease) in Accounts Payable	(7,168,569)	41,441,025
Increase/(Decrease) Liabilities for Expenses	(85,119,185)	198,936,983
Cash Generated from Operations	**(445,970,413)**	**70,041,655**
Net cash generated from operating activities	**(445,970,413)**	**70,041,655**

32.00 Net Operating Cash Flows Per Share

Net cash generated from operating activities	(445,970,413)	70,041,954
No. of Share outstanding	136,269,093	136,269,093
Net Operating Cash Flows Per Share (NOCFPS)	**(3.27)**	**0.51**

* The reason for decreasing of Net Operating Cash Flow Per Share is the high level of Raw-Material Purchase .

33.00 Related party disclosures

During the year ended June 30, 2022, the company has no transactions with related parties in the normal course of business accordance with the provisions of IAS 24: *Related Party Disclosures* .

34.00 Key Management Personnel

Salary & Allowances paid to CEO, CFO & Company Secretary

For the year ended on June 30, 2022

Name of Employee	Designation	Basic	House Rent	Conveyance	Medical	Bonus	Mobile Bill	Total Salary
Mr. Rafiquzzaman Bhuiyan	Chief Executive Officer	2,610,000	1,305,000	652,500	652,500	207,000	24,000	5,451,000
Mr. Ahmed Monabbi	Chief Financial Officer	1,413,943	706,971	353,486	353,486	132,220	12,000	2,972,106
Mr. Md. Abdul Halim Thakur	Company Secretary	451,040	225,520	112,760	112,760	40,250	12,000	954,330
Total		4,474,983	2,237,491	1,118,746	1,118,746	379,470	48,000	9,377,436

For the year ended on June 30, 2021

Name of Employee	Designation	Basic	House Rent	Conveyance	Medical	Bonus	Mobile Bill	Total Salary
Mr. Rafiquzzaman Bhuiyan	Chief Executive Officer	2,160,000	1,080,000	540,000	540,000	206,100	24,000	4,550,100
Mr. Ahmed Monabbi	Chief Financial Officer	1,379,700	689,850	344,925	344,925	131,646	12,000	2,903,046
Mr. Md. Abdul Halim Thakur	Company Secretary	420,000	210,000	105,000	105,000	40,075	-	880,075
Total		3,959,700	1,979,850	989,925	989,925	377,821	36,000	8,333,221

35.0 Financial risk management

35.1 Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by accounts and finance department under policies approved by the Board of Directors. Company finance identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Finance Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

35.2 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2022:

Maturity Analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Loans and receivables:					
Cash and Cash Equivalents	4,727,707	-	-	-	4,727,707
Trade and Other Receivables	46,766,432	3,623,316	2,147,880	14,393,167	66,930,795
Advances, Deposits and Prepayments	61,830,460	17,796,661	34,321,248	188,173,311	302,121,680
"Balance at June 30, 2022"	**113,324,599**	**21,419,977**	**36,469,128**	**202,566,478**	**373,780,182**

Financial liabilities measured at amortized cost:					
Short Term Bank Loans and Others					
Long Term Loan Net off Current Maturity	10,622,043	31,866,128	84,976,341	243,325,117	370,789,629
Short Term Bank Loans and Others	271,886,027	433,264,545	1,027,907,609	-	1,733,058,181
Trade Payables	5,307,390	16,637,074	50,218,986	1,176,364	73,958,862
Liabilities for Expenses	12,048,636	70,458,794	-	10,802,045	93,309,475
"Balance at June 30, 2022"	**299,864,096**	**552,226,541**	**1,163,102,936**	**255,303,526**	**2,271,116,147**

35.3 Credit risks:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable (see note 07) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are companied as follows (risk companies): governmental organizations, listed public limited

companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

35.4 Market risks

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

35.5 Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Finance manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Finance focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

35.6 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation. Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying amount	Between 1 and 90 days	Between 91 and 160 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities					
Long Term Loan Net off Current Maturity	370,789,629	31,866,128	95,598,384	127,464,512	115,860,605
Short Term Bank Loans and Others	1,733,058,181	433,264,545	1,299,793,636	-	-
Trade Payables	73,958,862	21,944,464	50,218,986	1,176,364	-
Liabilities for Expenses	93,309,475	82,507,430		10,802,045	-
"Balance at June 30, 2022"	**2,271,116,147**	**569,582,567**	**1,445,611,006**	**139,442,921**	**115,860,605**

36.0 Contingent liability (as per last year):

A. There was a demand of Tk. 10,931,183 (Taka Ten million nine hundred thirty-one thousand one hundred eighty-three) only made by the Deputy Commissioner of Customs, Excise and VAT, Gazipur Division, for payment of VAT in excess of the amount paid by the Company during the financial years 1997-1998, 1998-1999 and 1999-2000. The demand was made vide his memo No-4/MUSAK/TILES/1/95/3531 dated 30-09-2001. The company preferred appeal against the aforesaid demand before the learned Commissioner, Appeal. The learned Commissioner, Appeal in his award dated 03-09-2002 quashed Tk. 6,693,314 out of total demand of Tk. 10,931,183 while for the balance demand of Tk. 4,237,869 "remand" was ordered for a decision. Subsequently the company on 10-10-2005 preferred appeal with Appellate Tribunal against the demand of Tk. 4,237,869. Against the verdict of the learned Appellate Tribunal, the Company filed a writ petition before the Hon'ble High Court and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

B. There is a further demand of Tk. 79,039,872.30 by the Custom Authority for payment of VAT and supplementary duty in excess of the amount paid by the company during the period from 01-10-1998 to 31-07-2001. The management filed civil suit # 53/2002 before the learned 2nd Sub-Judge Court, Dhaka challenging the basis of the demand. The management stated in the plaint that the papers on the basis of which the demand was created did not belong to the company and prayed for a decree to that effect. The suit is yet to be disposed off by the learned Court. This liability is therefore contingent upon "Verdict" of the Court and disposal of appeals, if any, at all arises.

C. There is a further demand of Tk. 129,978,478.00 by the Commissioner of LTU-VAT vide Nothi No. 4/LTU (Mushok) 02/Ceramic/Demand/Division/04/1996 dated July 17, 2007 against Unit - 1 of the Company arising out of audit covering the period from November 1997 through April 2003. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

D. There is a further demand of Tk. 33,300,749.17 by the Commissioner of LTU-VAT vide Nothi No. 4/LTU(Mushok)2/Ceramic/Division/05/1993 dated July 17, 2007 against Unit - 2 of the Company arising out of audit covering the period from October 2000 through April 2003. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

E. There is a further demand of Tk. 390,365.00 & penalty amount of Tk. 345,000.00 by the Preventive Team vide Nothi No. 4/Mushak/8(111) Fuwang/Aniom/Bichar/2008/1414 dated August 31, 2008 against Unit-2. The Preventive Team claimed stock difference between physical & register. The Company filled Appellate Tribunal against such claimed.

F. There is a further demand of Tk. 861,438.00 & penalty amount of Tk. 600,000.00 by the Preventive Team vide Nothi No. 4/Mushak/8(110) Fuwang/Aniom/Bichar/2008/1466 dated September 10, 2008 against Unit-1. The Preventive Team claimed stock difference between physical & register. The Company filled Appellate Tribunal against such claimed.

G. There is a further demand of Tk. 77,007,568.00 by the Directorate of VAT Audit Intelligence & Investigation (DIT) vide Nothi No. 4/Mushak/8(118) Fuwang/Aniom/Bichar/2008/271 dated February 15, 2009 against Unit-1 of the Company arising out of audit covering the period from May 2003 to November 2007. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises. Further development that NBR filed appeal being C.P. No. 1258/2009 against stay order which was dismissed on December 02, 2012. Now stay will continue.

H. There is a further demand of Tk. 58,199,865.00 by the Directorate of VAT Audit Intelligence & Investigation (DIT) vide Nothi No. 4/Mushak/8(119) Fuwang/Aniom/Bichar/2008/291 dated February 16, 2009 against Unit-2 of the Company arising out of audit covering the period from May 2003 to November 2007. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

37.0 Events after the Balance Sheet Date

The Board recommended 2% (Two percent) cash dividend to be distributed to all the Shareholders other than Sponsor/Directors for their holding 40,876,546 ordinary shares of Tk. 10/- each out of total 136,269,093 ordinary shares. The cash dividend to be payable to the public shareholders Tk. 19,078,509 for their holding 95,392,547 ordinary share.

Hasna Opgen Haffen	**Javed Opgenhaffen**	**Sadad Rahman**	**Md. Abdul Halim Thakur**
Chairman	Managing Director	Nominee Director	Company Secretary

Fu-Wang Ceramic Industry Limited

Schedule of Property, Plant and Equipment
As at June 30, 2022

Annexure-A

Particulars	Cost				Dep. Rate	Depreciation				Written down value as on June 30, 2022
	Balance as at July 01, 2021	Addition during the year	Adjustment during the year	Total as at June 30, 2022		Balance as at July 01, 2021	Charged during the year	Adjustment during the year	Total as at June 30, 2022	
Freehold Land and Land Development	75,618,267	9,500,000	-	85,118,267	-	-	-	-	-	85,118,267
Factory Building and Other Construction	254,716,617	7,506,451	-	262,223,068	2.5%	55,947,800	5,367,890	-	61,315,690	200,907,378
Plant and Machinery	1,390,689,646	31,618,125	-	1,422,307,771	5%	518,431,031	45,241,992	-	563,673,023	858,634,748
Gas Generator and Gas Line	139,743,771	500,000	-	140,243,771	10%	67,958,589	7,210,162	-	75,168,751	65,075,020
Electrical Installation	12,518,942	-	-	12,518,942	10%	4,091,385	842,756	-	4,934,141	7,584,801
Deep Tube Well and Pump	3,764,209	270,645	-	4,034,854	10%	2,285,285	152,744	-	2,438,029	1,596,825
Sign Board	2,640,301	-	-	2,640,301	20%	2,161,859	95,688	-	2,257,547	382,754
Telephone and PABX Installation	1,057,947	-	-	1,057,947	10%	923,746	13,420	-	937,166	120,781
Furniture and Fixture	27,520,165	8,134,976	-	35,655,141	10%	12,775,125	1,503,445	-	14,278,570	21,376,571
Motor Vehicle	60,916,255	42,592,631	-	103,508,886	10%	24,902,339	5,929,544	-	30,831,883	72,677,003
Electric Equipment	22,007,353	-	-	22,007,353	10%	11,931,101	1,007,625	-	12,938,726	9,068,627
Office Equipment	16,449,301	1,580,470	-	18,029,771	10%	8,746,473	827,540	-	9,574,013	8,455,758
Soft Furniture and Fixture	227,438	-	-	227,438	25%	227,221	54	-	227,275	163
Factory Building (No. 2)	14,469,813	-	-	14,469,813	2.5%	6,595,181	196,866	-	6,792,047	7,677,766
Labor Shed (Fac)	75,403	-	-	75,403	20%	75,105	60	-	75,165	238
Bicycle	15,220	-	-	15,220	10%	12,291	293	-	12,584	2,636
Crockery and Cutleries	115,683	-	-	115,683	10%	103,363	1,232	-	104,595	11,088
Gas Cylinder	220,000	-	-	220,000	10%	189,456	3,054	-	192,510	27,490
Oxygen Cylinder	46,531	-	-	46,531	2.5%	21,129	635	-	21,764	24,767
Effluent Testament Plant (ETP) Constriction	1,962,268	-	-	1,962,268	10%	1,314,935	64,733	-	1,379,668	582,600
Office Building	12,801,686	-	-	12,801,686	2.5%	5,470,773	183,273	-	5,654,046	7,147,640
Electric Substation Construction	3,346,969	-	-	3,346,969	10%	2,061,681	128,529	-	2,190,210	1,156,759
Sub-Total	**2,040,923,785**	**101,703,298**	**-**	**2,142,627,083**		**726,225,867**	**68,771,536**	**-**	**794,997,404**	**1,347,629,680**
Raw Material Processing Plant										
Factory Building	9,553,900	-	-	9,553,900	2.5%	4,230,998	133,073	-	4,364,070	5,189,830
Plant and Machinery	27,750,685	-	-	27,750,685	5%	19,057,264	434,671	-	19,491,935	8,258,750
Sub-Total	**37,304,585**	**-**	**-**	**37,304,585**		**23,288,262**	**567,744**	**-**	**23,856,006**	**13,448,579**
Land (Rent to Hua Thai Indrustry Ltd.)	**12,519,851**	**67,927**	**-**	**12,587,778**	**-**	**-**	**-**	**-**	**-**	**12,587,778**
Grand Total	**2,090,748,221**	**101,771,225**	**-**	**2,192,519,446**		**749,514,129**	**69,339,279**	**-**	**818,853,409**	**1,373,666,037**
As at 30 June 2021	**2,042,088,925**	**49,909,296**	**1,250,000**	**2,090,748,221**		**681,930,359**	**68,397,249**	**813,479**	**749,514,129**	**1,341,234,092**

Depreciation has been charged to:	Taka
Production	64,576,466
Administration	4,762,812
	69,339,279

Picasso TILES

Fu-Wang Ceramic Industry Limited

Schedule of Right of Use Assets

As at June 30, 2022

Annexure-B

Particulars	Cost			Dep. Rate	Depreciation			Written down value as on June 30, 2020
	Balance as at July 01, 2021	Addition during the year	Total as at June 30, 2022		Balance as at July 01, 2021	Charged during the year	Total as at June 30, 2022	
Right of used assets	-	-	-		-	-	-	-
Total	-	-	-		-	-	-	-
30-Jun-21	1,371,990	-	1,371,990		685,995	685,995	1,371,990	0



FU-WANG CERAMIC INDUSTRY LIMITED

Registered Office: 204/B (4th Floor), Bir Uttam Mir Shawkat Road
Tejgaon-Gulshan Link Road, Dhaka-1208

PROXY FORM

I/We ..... of .....
..... being the member of Fu-Wang Ceramic Industry Limited, do hereby appoint Mr./Mrs. .....as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on 31 December 2022 at 11.30 am at Digital Platform through link **https://fuwangcer.bdvirtualagm.com** and any adjournment thereof. As witness my hand this ..... day of .....2022.

Signature of Shareholder(s)

Signature of Proxy

Folio #		Folio #	
Or		Or	
BO #		BO #	

Revenue Stamp Tk. 20/-

Number of Shares held.....

Note: According to the Articles of Association of the company proxy can be given only to the person who is a member (Shareholder) of the Company. The proxy form should reach the company not later than 48 hours before the time fixed for the meeting.

FU-WANG CERAMIC INDUSTRY LIMITED

Registered Office: 204/B (4th Floor), Bir Uttam Mir Shawkat Road
Tejgaon-Gulshan Link Road, Dhaka-1208

ATTENDANCE SLIP

I hereby record my attendance at the 27th Annual General Meeting of the Company to be held on 31 December 2022 at 11.30 am at Digital Platform through link **https://fuwangcer.bdvirtualagm.com**.

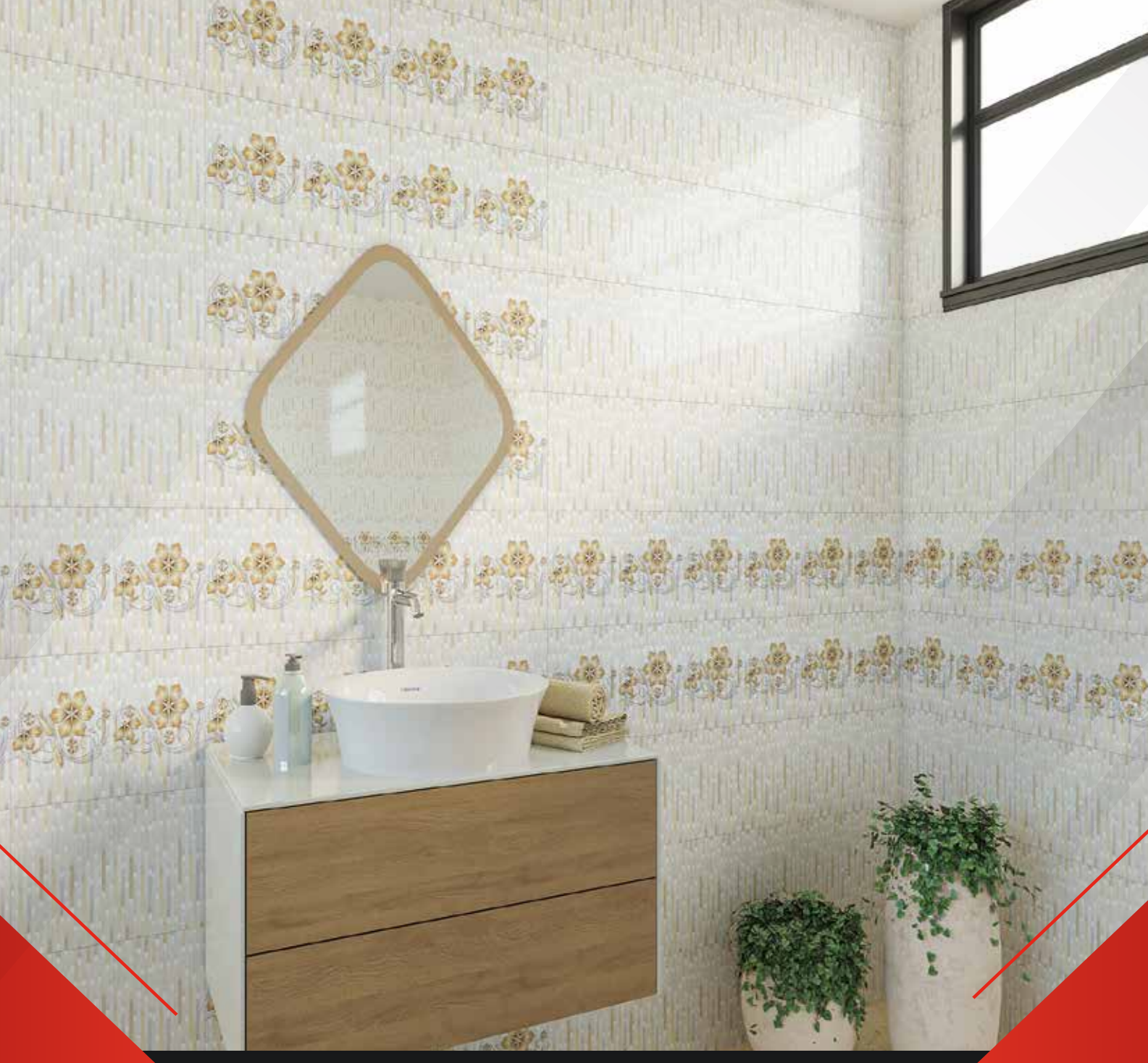
Name of Shareholder	
Number of Shares	
Folio No.	
BO ID No.	
Name of the Proxy (if any)	

Signature of Shareholder/Proxy

Signature verified by

Note: Please present this Slip at the Reception Desk. Children and non-Shareholders will not be allowed at the meeting.





FU-WANG CERAMIC INDUSTRY LTD.

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