ANNUAL REPORT 2022-2023

FU-WANG CERAMIC INDUSTRY LTD.

Pearl Trade Centre, (2nd Floor), Cha 90/3, Progati Sarani, North Badda, Dhaka-1212, Bangladesh.
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FU-WANG CERAMIC INDUSTRY LTD.

FOR THE YEAR ENDED 30 JUNE 2023

CONTENTS

Corporate Profile	01
General Information	02
Letter of Transmittal	03
Notice of the 28th Annual General Meeting	04
Directors' Report	05
Statement of Corporate Governance	11
Management's Discussion	17
Report on the Activities of NRC	19
Declaration on Financial Statements by CEO & CFO	21
Report of Audit Committee	22
Certificate of Membership of BAPLC	23
Compliance of the Corporate Governance Code	24
Corporate Governance Compliance Report	25
Independent Auditors' Report to the Shareholders	33
Statement of Financial Position	38
Statement of Comprehensive Income	39
Statement of Changes in Equity	40
Statement of Cash Flows	41
Notes to the Financial Statements	42
Schedule of Property, Plant and Equipment	70

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Corporate profile

Board of Directors

Chairman	:	Mrs. Hasna Opgen Haffen
Managing Director	:	Mr. Javed Opgenhaffen
Nominee Director	:	Mr. Sadad Rahman
	:	Mr. Sayeed Rezaraj Ahmmad
	:	Mr. Md. Shaheed Hossain Tanjil
	:	Mr. Omar Sharif
Independent Director	:	Mr. Narayan Roy, FCA
		Mr. Mohammad Hamidur Rashid, FCA

Audit Committee

Chairman	: Mr. Narayan Roy, FCA
Member	: Mr. Sadad Rahman
Member	: Mr. Sayeed Rezaraj Ahmmad
Secretary	: Company Secretary of the Company

NRC Committee

Chairman	: Mr. Mohammad Hamidur Rashid, FCA
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 Premier Bank Limited - Gulshan-Badda Link Road Branch AB Bank Limited - Gulshan Branch National Bank Limited - Banani Branch

Head Office & Registered Office	:	Pearl Trade Centre (2nd Floor) Cha 90/3, Pragati Sarani, North Badda, Dhaka-1212
Factory	:	Hotapara, Gazipur
Auditors	:	ISLAM QUAZI SHAFIQUE & CO. Chartered Accountants Al-Haj Shamsuddin Mansion (4th Floor) 17 New Eskaton Road Moghbazar, Dhaka-1000

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 PLC	:	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	:	451

Financial and Operational Highlights for Five Years

(Taka in Million)

	2022-23	2021-22	2020-21	2019-20	2018-19
Turnover (Net)	911.369	842.564	767.107	585.556	595.172
Gross Profit	261.006	228.880	211.997	221.073	225.740
Net Profit/(Loss) before Tax	46.743	44.276	48.388	83.979	110.869
Net Profit/(Loss) after Tax	36.001	31.466	46.364	63.651	80.780
Shareholders Equity	1,622.733	1,605.810	1,594.870	1,567.583	1,519.533
Earning per share after Tax (Taka)	0.26	0.23	0.34	0.47	0.59
Cash/Bonus Dividend	Cash 2% Other than Sponsors/Directors	Cash 2% Other than Sponsors/Directors	Cash 2% Other than Sponsors/Directors	Cash 1.4%	Cash 1%

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To,

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

Respected/Honorable Sir(s)

Annual Report for the year ended on 30 June 2023

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 2023 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 28th ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of Fu-Wang Ceramic Industry Limited will be held on Sunday, 31 December 2023 at 12.00 pm 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 2023 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.

SPECIAL AGENDA:

1. Ratification of Investment of Tk. 460,27,60,596 against Price Sensitive Information published on 1st September 2022.

By order of the Board

Sd/-
Md. A. Halim Thakur
Company Secretary

Dated: Dhaka,
09 December 2023

NOTES:

1. Record date for the said **AGM: 07 December 2023.**
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 2022-2023 will be sent to the respective e-mail address of the shareholders mentioned in their BO Accounts with the Depository and the Annual Report 2022-2023 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 2023

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 28th 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 2023 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 Turnover and Profit of the company has increased compared to last year by 8.17% and 14.41% respectively due to striving hard in line by the management despite of the overall economic recession for cumulative effect of COVID-19, Russia-Ukraine war and high cost of imported raw materials. The Company has posted a net profit before tax amounting to Taka 4,67,42,913 in the year ended 30 June 2023 which has increased by around 5.57% compared to immediate preceding year's net profit before tax amounting to Taka 4,42,75,770.

During this year, our company achieved substantial growth in our product portfolio by introducing 72 new designs tiles, comprising 42 in wall tiles and 30 in floor categories tiles.

পরিচালনা পর্ষদের প্রতিবেদন

সমাপ্ত অর্থবছর ৩০ জুন ২০২৩

প্রিয় শেয়ারহোল্ডারবৃন্দ, আস্সালামু আলাইকুম:

ফু-ওয়াং সিরামিক ইন্ডাস্ট্রি লিমিটেড-এর ২৮তম বার্ষিক সাধারণ সভায় আপনাদেরকে পরিচালনা পর্ষদের পক্ষ থেকে স্বাগত জানানোর সুযোগ পেয়ে আমি অত্যন্ত আনন্দিত বোধ করছি এবং সেই সাথে আমি ৩০ জুন ২০২৩ 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।

ব্যবস্থাপনা কর্তৃপক্ষের কঠোর পরিশ্রম ও দক্ষ ব্যবস্থাপনার ফলে কভিড-১৯, রাশিয়া-ইউক্রেন যুদ্ধের ফলে বিশ্ব অর্থনৈতিক মন্দা ও কাঁচামালের উচ্চ মূল্য সত্ত্বেও গত বছরের তুলনায় বিক্রয় ও লাভ যথাক্রমে ৮.১৭% এবং ১৪.৪১% বৃদ্ধি পেয়েছে। ৩০ জুন ২০২৩ সমাপ্ত অর্থ বছরে কর পরিশোধের পূর্বে কোম্পানির কর পূর্ববর্তী নীট মুনাফা দাঁড়িয়েছে ৪,৬৭,৪২,৯১৩ যা পূর্ববর্তী বছরের কর পূর্ববর্তী নীট মুনাফা ৪,৪২,৭৫,৭৭০ এর তুলনায় প্রায় ৫.৫৭% বেশী।

এই বছরে আমাদের কোম্পানি ৪২টি ওয়াল টাইলস এবং ৩০টি ফ্লোর ক্যাটাগরি টাইলস মোট ৭২টি নতুন ডিজাইনের টাইলস সংযোজন করায় আমাদের পণ্যের পোর্টফলিও উল্লেখযোগ্যহারে বৃদ্ধি পায়।

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. 5.78 crore in the Fixed Assets. Out of which around Tk. 1.69 crore invested from company's own source.

Considering the company's financial capability, the Board has opted recommending @2% cash dividend for the Y2022-2023 to all the shareholders other than Sponsors/Directors to be distributed subject to approval of the shareholders at the 28th 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.

RETIRE, ELECT AND RATIFFICATION OF THE APPOINTMENT OF DIRECTORS:

As per article 126 of the Articles of Association Mr. Md. Shaheed Hossain Tanjil, Mr. Sayeed Rezaraj Ahmmad and Mr. Omar Sharif, Directors, will be retiring from the Board at 28th Annual General Meeting and being eligible offered themselves for re-election subject to approval of the shareholders at 28th Annual General Meeting.

Mr. Narayan Roy, FCA and Mr. Mohammad Hamidur Rashid, FCA both are appointed as Independent Directors of the board for the next 3 (three) years in a board meeting held on 31 January 2023 with effect from 1 February 2023 on the basis of approval of Bangladesh Securities and Exchange Commission (BSEC).

The appointment of the above two Independent Directors are required to ratify by the shareholders in the 28th Annual General Meeting.

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 ৫.৭৮ কোটি টাকা স্থায়ী সম্পদ সংযোজন করেছেন। তার মধ্যে প্রায় ১.৬৯ কোটি টাকা কোম্পানি তার নিজস্ব তহবিল থেকে বিনিয়োগ করেছেন।

কোম্পানির আর্থিক সক্ষমতা বিবেচনা করে পরিচালনা পরিষদ ২০২২-২৩ অর্থবছরে উদ্যোক্তা/পরিচালক ব্যতীত সকল শেয়ারহোল্ডারদের জন্য ২% নগদ লভ্যাংশ প্রদানের জন্য সুপারিশ করেন, যা আগামী ২৮তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে বিতরণ করা হবে। মোট ১৩,৬২,৬৯,০৯৩টি 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।

অবসর গ্রহণ, মনোনয়ন ও নতুন পরিচালকবৃন্দের নিয়োগ অনুমোদন:

কোম্পানির সংঘ বিধির ১২৬ ধারা অনুযায়ী জনাব মোঃ শাহিদ হোসেন তানজিল, জনাব সাইদ রেজারাজ আহম্মদ এবং জনাব ওমর শরীফ, পরিচালকগণ অত্র ২৮তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন, যা ২৮তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের অনুমোদনের ভিত্তিতে ৩১শে জানুয়ারী ২০২৩ইং তারিখের পরিচালক পর্ষদের সভায় জনাব নারায়ন রায়, এফসিএ এবং জনাব মোহাম্মদ হামিদুর রশিদ, এফসিএ ১লা ফেব্রুয়ারী ২০২৩ইং তারিখ হইতে পরবর্তী ৩ (তিন) বছরের জন্য স্বতন্ত্র পরিচালক হিসাবে নিয়োগ প্রাপ্ত হন।

উপরোক্ত দুইজন স্বতন্ত্র পরিচালকের নিয়োগ ২৮তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন প্রয়োজন।

Ratification of Appointment of Auditors:

The auditors, appointed at the 27th Annual General Meeting, MABS & J Partners, Chartered Accountants, resigned from conducting the audit of financial statements for the year ended 30 June 2023. As a result the post of Statutory Auditors has become a casual vacancy.

The Board of Directors in its meeting held on 04 September 2023 appointed BSEC's panel auditors Islam Quazi Shafique & Co., Chartered Accountants, as statutory auditors of the company for conducting the audit for the year ended 30 June 2023 to fill up the casual vacancy subject to approval by the shareholders at 28th Annual General Meeting.

Ratification of Investment of Tk. 460,27,60,596 against Price Sensitive Information published on 1st September 2022.

The board decided in a board meeting held on 1st September 2022 to increase tiles production capacity by 15,000 sqm (estimated) per day through greenfield project i.e. including land and BMRE of existing tiles plant (Line-1, Line-2 and Line-3) at an investment of BDT 6,500 million and in this regard a Price Sensitive Information was also published.

Based on the above decision, an investment of Taka 460,27,60,596 has been made in different sections of the project in the financial year ended on 30 June 2023.

Mirror polished tiles made at our factory is direct result of said investment and has started trial production. Moreover commercial production will start very soon and other works of the project are in progress.

The above investments are required to be ratified by the shareholders in the 28th Annual General Meeting.

নিরীক্ষক নিয়োগের অনুমোদন:

কোম্পানির ২৭তম বার্ষিক সাধারণ সভায় নিয়োগপ্রাপ্ত নিরীক্ষক ম্যাবস এন্ড জে পার্টনার্স, চার্টার্ড একাউন্টেন্টস, ৩০শে জুন ২০২৩ইং তারিখে সমাপ্ত বছরের আর্থিক হিসাব নিরীক্ষা কার্যক্রম পরিচালনা থেকে অব্যাহতি নেন। এতে করে নিরীক্ষক পদটি শুন্য হয়ে যায়।

শুন্য পদটি পুরনের জন্য পরিচালনা পর্ষদ ৪ সেপ্টেম্বর ২০২৩ইং তারিখের সভায় বিএসইসি'র প্যানেলভূক্ত নিরীক্ষক ইসলাম কাজী শফিক এন্ড কোং, চার্টার্ড একাউন্টেন্টস-কে ৩০ জুন ২০২৩ইং তারিখে সমাপ্ত অর্থ বছরের নিরীক্ষা কার্য পরিচালনা করার জন্য নিয়োগ প্রদান করেন। যাহা ২৮তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন প্রয়োজন।

বিনিয়োগের অনুমোদন ১লা সেপ্টেম্বর ২০২২ তারিখের মূল্য সংবেদনশীল তথ্য অনুযায়ী ৪৬০,২৭,৬০,৫৯৬ টাকা।

গত ১লা সেপ্টেম্বর ২০২২ইং তারিখের পরিচালনা পর্ষদের সভায় জমি ক্রয়সহ নতুন প্রকল্প স্থাপন, বিদ্যমান প্রকল্পের ১, ২ এবং ৩ নং লাইনের বিএমআরই বাবদ ৬,৫০০ মিলিয়ন টাকা বিনিয়োগের মাধ্যমে টাইলস এর উৎপাদন ক্ষমতা দৈনিক ১৫,০০০ সেন্টিমিটার বৃদ্ধি করার সিদ্ধান্ত নেওয়া হয় এবং এই ব্যাপারে একটি মূল্য সংবেদনশীল তত্ব ও প্রচার করা হয়েছিল।

উপরোক্ত সিদ্ধান্তের ভিত্তিতে ৩০শে জুন ২০২৩ইং তারিখে সমাপ্ত অর্থ বছরে প্রকল্পের বিভিন্ন খাতে মোট ৪৬০,২৭,৬০,৫৯৬ টাকা বিনিয়োগ করা হয়েছে।

উক্ত বিনিয়োগের ফলে আমাদের ফ্যাক্টরীতে সরাসরি মিরর পলিশ টাইলস পরীক্ষামুলকভাবে তৈরী শুরু হয়েছে। খুব শীঘ্রই বানিজ্যিকভাবে উৎপাদন শুরু হবে এবং প্রকল্পের অন্যান্য কাজগুলো চলমান আছে।

উপরোক্ত বিনিয়োগ ২৮তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন প্রয়োজন।

APPOINTMENT OF AUDITORS:

The auditors Islam Quazi Shafique & Co., Chartered Accountants will be retired at 28th Annual General Meeting and being eligible offered themselves for re-appoint for the next term.

The Board of Directors in its meeting held on 16 November 2023 recommended to appoint BSEC's panel auditors Islam Quazi Shafique & Co., Chartered Accountants as statutory auditors of the company for the year 2023-2024 subject to approval of the shareholders at the 28th Annual General Meeting.

The Board also recommended to appoint Atik Khaled Chowdhury, Chartered Accountants, as compliance auditor of the company for the year 2023-2024 subject to approval of the shareholders at the 28th Annual General Meeting.

The Board also recommended to appoint Atik Khaled Chowdhury, Chartered Accountants, as scrutinize auditor of the company for the year 2023-2024 subject to approval of the shareholders at the 28th 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 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. Renewal for the next period is under process.

নিরীক্ষক নিয়োগ:

কোম্পানির নিরীক্ষক ইসলাম কাজী শফিক এন্ড কোং, চার্টার্ড একাউন্টেন্টস, ২৮তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য বিধায় পরবর্তী বছরের জন্য পুন:নিয়োগের প্রস্তাব করেছেন।

পরিচালনা পর্ষদ ১৬ নভেম্বর ২০২৩ইং তারিখের সভায় সকলের অনুমোদন সাপেক্ষে বিএসইসি'র প্যানেলভুক্ত নিরীক্ষক ইসলাম কাজী শফিক এন্ড কোং, চার্টার্ড একাউন্টেন্টস-কে ২০২৩-২০২৪ অর্থ বছরের জন্য নিরীক্ষক হিসাবে নিয়োগের সুপারিশ করেন, যাহা ২৮তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন প্রয়োজন।

এছাড়াও বোর্ড আতিক খালেদ চৌধুরী, চার্টার্ড একাউন্টেন্টস-কে কোম্পানির কমপ্লায়েন্স নিরীক্ষক হিসেবে ২০২৩-২০২৪ অর্থবছরের জন্য নিয়োগের প্রস্তাব করেছেন, যা ২৮তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।

এছাড়াও বোর্ড আতিক খালেদ চৌধুরী, চার্টার্ড একাউন্টেন্টস-কে কোম্পানির স্ক্রুটিনাইজ অডিটর হিসেবে ২০২৩-২০২৪ অর্থবছরের জন্য নিয়োগের প্রস্তাব করেছেন, যা ২৮তম 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 অধিদপ্তর পরিবেশগত ছাড়পত্র প্রদান করেছেন। আমাদের আবেদনের পরিপ্রেক্ষিতে পরিবেশ অধিদপ্তর ২১ অক্টোবর ২০২৩ পর্যন্ত উক্ত ছাড়পত্র নবায়ন করেছেন। পরবর্তী সময়ের জন্য নবায়ন প্রক্রিয়াধীন আছে।

(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 31 December 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 2022-2023. 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

খ) প্রতিষ্ঠানের ক্রেডিট রেটিং

কোম্পানির ক্রেডিট রেটিং-এর জন্য 'ক্রেডিট রেটিং এজেন্সী অব বাংলাদেশ লিমিটেড' কে সম্পৃক্ত করা হয়। সে অনুযায়ী ক্রেব কর্তৃক ৩১ ডিসেম্বর ২০২৩ পর্যন্ত মেয়াদের জন্য কোম্পানিকে দীর্ঘ মেয়াদী A_3 রেটিং এ ভূষিত করেছেন।

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 একাউন্টেন্টস-কে বিএসসি'র নিয়ম অনুসারে ২০২২-২০২৩ 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" 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 27 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 8.17%, Cost of Goods Sold increased by 5.98%, net profit increased by 14.41% compared to last years's net profit. The details are as follows:

Particulars	30 June 2023	30 June 2022	Increase/(Decrease)	
			Amount in Tk.	Percentage
Revenue	911,368,737	842,564,073	68,804,664	8.17
Cost of Goods Sold	650,363,111	613,683,455	36,679,656	5.98
Gross Profit	261,005,626	228,880,618	32,125,008	14.04
Net Profit before Tax	46,742,913	44,275,770	2,467,143	5.57
Net Profit after Tax	36,000,733	31,466,235	4,534,498	14.41
Gross Profit Margin (%)	28.64	27.16	-	-
Net Profit Margin (%)	3.95	3.73	-	-

v) Not applicable.

vi) The Company has no transactions with any related parties in the year 2022-2023.

vii) The Company has not issued right shares during the year 2022-2023.

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 2022-2023.

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 dividend.

xxii) During the year ended 30 June 2023, the Board of Directors held Seventeen (17) 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	17	16
2	Mr. Javed Opgenhaffen	Managing Director	17	16
3	Mr. Sadad Rahman Nominee of Fu-Wang Trading Ltd.	Nominee Director	17	14
4	Mr. Md. Shaheed Hossain Tanjil Nominee of JO Holdings Ltd.	Nominee Director	17	16
5	Mr. Sayeed Rezaraj Ahmmad Nominee of NJ Holdings Ltd.	Nominee Director	17	17
6	Mr. Omar Sharif Nominee of Opgenhaffen Holdings Ltd.	Nominee Director	17	10
7	Mr. Md. Abu Zafer	Independent Director	17	07
8	Mr. Sadad Rahman	Independent Director	17	03
9	Mr. Mohammad Hamidur Rashid, FCA	Independent Director	17	03
10	Mr. Narayan Roy, FCA	Independent Director	17	04

Note:
1) Mr. Sadad Rahman resigned from Independent Director and appointed as nominee director on 31 August, 2022.
2) Mr. Md. Abu Zafar completed his tenure as Independent Director on 24 October, 2022.
3) Mr. Mohammad Hamidur Rashid, FCA and Mr. Narayan Roy, FCA both are appointed as Independent Directors with effect from 01 February, 2023.
4) The Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit and Compliance were also attend in the all Board Meeting.

xxiii) At 30 June 2023 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. Sadad Rahman Nominee of Fu-Wang Trading Ltd.	2,958,086	2.17
Nominee Director	Mr. Md. Shaheed Hossain Tanjil Nominee of 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 Annual General Meeting.

RE-APPOINTMENT

Mr. Md. Shaheed Hossain Tanjil

Mr. Md. Shaheed Hossain Tanjil son of Mr. Md. Amir Hossain representative of JO Holdings Limited, nominee director of the board, re-appointed as director. He is a B.Sc. Engineer (Civil).

Mr. Sayeed Rezaraj Ahmmad

Mr. Sayeed Rezaraj Ahmmad son of Md. Hazrat Ali representative of NJ Holdings Ltd., nominee director of the board, re-appointed as director. He is a M.com (Masters in Commerce) having 32 (thirty two) years of experience in different fields of business.

Mr. Omar Sharif

Mr. Omar Sharif representative of Opgenhaffen Holdings Ltd., nominee director of the board, re-appointed as director. He is a Graduate and a businessman.

NEWLY APPOINTED

Mr. Sadad Rahman

Mr. Sadad Rahman son of late Dr. A Q B Rahman, representative of Fu-Wang Trading Ltd., appointed as nominee director of the board in the board meeting held on 31 August 2022. He is a MBA from City College University of London, UK.

Mr. Narayan Roy, FCA

Mr. Narayan Roy, FCA son of late Gouranga Chandra Roy, appointed as Independent Director of the board in a board meeting held on 31 January 2023 with effect from 1 February 2023. He is a M.com (Masters of Commerce in Accounting) and qualified as Chartered Accountant in 1978. He is a proprietor of R R Associates, Associated Consultants from 30 September 2009.

Mr. Mohammad Hamidur Rashid, FCA

Mr. Mohammad Hamidur Rashid, FCA son of Al-Haj Kafiluddin Ahmed, appointed as Independent Director of the board in a board meeting held on 31 January 2023 with effect from 1 February 2023. He is a M.com (Masters of Commerce in Accounting) and qualified as Chartered Accountant in 1990. He is a principal of Chowdhury Hossain Rashid & Co., Chartered Accountants.

b) Mr. Narayan Roy, FCA and Mr. Mohammad Hamidur Rashid, FCA both Independent Directors do no hold any directorships 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 82 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 and profit by 8.17% and 14.41% respectively compared to last year through hard working and adopting marketing and sales policy.

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 911.369 million in the year 2022-2023 as against Taka 842.564 million in the year 2021-2022 which is increased by 8.17%. The gross profit for the year was Taka 261.006 million as against Taka 228.880 million of the previous year showing increase by 14.04 and net profit is also increased by 14.41%. The detailed performance of the company is stated in 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 2022-2023

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. Mohammad Hamidur Rashid, FCA, 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:

- Reviewed the appointment of director of the company.
- Reviewed the recommendation of directors who shall resign by rotation and eligible for re-election as per provisions of Articles of Association of the company.
- Reviewed the company's human resources and training requirements.
- Reviewed and recommend annually company's human resources and training policies.
- Reviewed the remuneration policy of the company in related to the yearly increment policy.
- Reviewed the board meeting attendance fee for the board of directors.
- Finalized the report of NRC.



Mohammad Hamidur Rashid, FCA
Chairman
Nomination and Remuneration Committee

Annexure - A

FU-WANG 富王磁磚

FU-WANG CERAMIC INDUSTRY LTD.

Date: 16 November 2023

The Board of Directors
Fu-Wang Ceramic Industry Limited
Pearl Trade Centre (2nd Floor)
Cha 90/3, Progati Sarani, North Badda
Dhaka-1212

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

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 2023 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 2023 and that to the best of our knowledge and belief:

   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) These 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

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AUDIT COMMITTEE REPORT

For the Year 2022-2023

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. Narayan Roy, FCA, Independent Director	- Chairman
Mr. Sadad Rahman, Nominee Director	- Member
Mr. Sayeed Rezaraj Ahmmad, 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 for the year ended 30 June 2023 were reviewed by the committee and subsequently recommended to the Board for consideration and approval;
- Reviewed the Auditors Certification on Corporate Governance compliance for the year ended 30 June 2023.
- The Committee reviewed relevant quarterly Financial Statements during the year under review and recommended to the Board for their 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

Narayan Roy, FCA
Chairman of the Audit Committee

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: **CM-2023/275**

BAPLC

*Date of issue :***October 2, 2023**

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 **2023.**

BAPLC

Secretary General

Annexure - B

ATIK KHALED CHOWDHURY
Chartered Accountants

Chartered Accountants Worldwide Network Member

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 2023. 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.

Atik Khaled Chowdhury
Chartered Accountants

Dated: Dhaka
16 November 2023

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).				will be complaied
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;	✓		

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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 AUDITOR'S 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 Ltd.** which comprise the Statement of Financial Position as at June 30, 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter 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 June 30, 2023 and its financial performance and its cash flows for the year then ended June 30, 2023 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1 As referred to note no. 17 **"Unclaimed Dividend Account"** shown amount Tk. 6,285,600 in the financial statement which amount was available at various bank account of the company instead of specific bank account which is not complied as per BSEC guidelines.

2 As referred to financial statement, the management of the company distributed its **Worker's Profit Participation Fund (WPPF)** as per Labor Law 2006 (Amended 2018) but no audited WPPF account found. Even the management of the company did not maintain separate bank account for WPPF.

3 As referred to financial statement, the management of the company maintain its **Gratuity fund (GF)** but no audited GF account found. Even the management of the company did not maintain separate bank account for Gratuity Fund.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

Without qualifying our opinion, we would like to draw attention to the following matters:

1. We draw attention that the management of the company had adjust foreign exchange gain/loss with purchase value of raw material instead of showing foreign exchange gain/loss separately.
2. As referred note no 4 **"Capital Work in Progress"** of the financial statements shown amount TK. 4,602,760,596 Where Tk. 2,440,000,000 shown in **Capital Work in Progress** instead of **Advance, Deposit & Pre-Payment** for land purchase. The management of the company already paid the aforesaid amount as advance by making a notary deed and register deed is in under process.

Other Matter

The financial statements of **Fu-Wang Ceramic Industry Ltd.** for the year ended June 30, 2022 were audited by **MABS & J Partners,** Chartered Accountants who expressed a qualified opinion on those statements on November 17, 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statement section of our report, including in relation to those matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

At year end the Company reported total revenue amount Tk. 911,368,737 (Net off SD & VAT). Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales. Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates. There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.

How our audit addresses the key audit matter

We have tested the design and operating effectiveness of key controls focusing on the following:

- Calculation of discounts, incentives and rebates;
- Segregation of duties in invoice creation and modification; and
- Timing of revenue recognition.

Our substantive procedures in relation to the revenue recognition comprises the following:

- Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;
- Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing.
- Agreeing a sample of claims and rebate accruals to supporting documentation;
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Impairment of property, plant and equipment

Property, Plant and equipment represent about 14.66% of total assets of the company which is thus a material items to the financial statements, Property, Plant and equipment. Determining the level of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.

How our audit addresses the key audit matter

Our audit procedures included, among others, considering the impairment risk associated with the following different types of asset:

- Assets within branch which continue to trade - We critically assessed and challenged the Company's impairment model. This included consideration of the discounted cash flow forecasts on branch-by-branch basis and assessing the cash flow forecasts against the historical performance of those branch and against the Company's budgets. We assessed the appropriateness of the discount rate including bench marked it against similar national retailers. We also recalculated the impairment model to assess the sensitivity of the key assumptions including growth rate and discount rate;
- Fixtures and fittings within s which had either been closed or were identified by the Company for closure - We critically assessed the Company's identification of assets that were obsolete, using our experience of the Company and review of historical experience, whether such assets have any recoverable value;
- Buildings which had been identified as surplus to requirements, or where development plans had been aborted - We considered whether such assets had been written off or impaired where

necessary down to their recoverable amounts. We critically challenged the Company's assumptions in relation to recoverable amounts with reference to external third-party valuations obtained by the Company. We considered the qualifications and independence of the valuers and the movement in market values of property in relevant locations; and

- we have also considered the adequacy of the Company's disclosures about the degree of estimation involved in determining the amount of impairment and the sensitivity to key assumptions involved.

Inventory Valuation

The company had inventory of BDT 2,348,505,010 at 30 June 2023, held in factory and across multiple product lines. Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgement in determining the appropriate values for slow-moving or obsolete items. This is one of the key judgmental areas that our audit has concentrated on.

How our audit addresses the key audit matter

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of warehouses;
- Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;
- Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;
- Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year and;
- Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete.

Long-Term Loan & Short-term loan

At reporting date, the position of Long-Term Loan & short-term Loan outstanding was BDT 578,639,639 & 6,770,129,336 for the Company. Here, total liabilities Tk. 7,348,768,975 are represented by loans for the Company Evidently, the Company is using loan to operate the business and also, to acquire non-current assets. Loan, therefore, has been considered as key judgmental audit areas that our audit has concentrated on.

How our audit addresses the key audit matter

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included, among others, the followings:

- Understanding and reviewing the nature or types of loans;
- Reviewing the board meeting minutes on arrangements of the loans;
- Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans;
- Recalculating the interest related to loans;
- Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

Our procedures above did not identify any issues with regard to loans.

Capital work in Progress

At reporting date, the position of Capital work in progress was BDT 4,602,760,596 for the Company. Evidently, the Company is using Capital work in progress to operate the business and also, to extending wealth maximization of the company. Capital work in progress, therefore, has been considered as key judgmental audit areas that our audit has concentrated on.

How our audit addresses the key audit matter

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included, among others, the followings:

- Understanding and reviewing the nature or types of Capital work in progress;
- Reviewing the board meeting minutes on making decision of extending non-current assets;
- Obtaining the work order, work progress certificate, Time schedule to complete the work and also to transfer to Property, Plant & Equipment and Partial Payment procedures to parties;
- Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

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

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs 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.
- 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable , related safeguards.

From the matters communicates with those charged with governess, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances , we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act-1994, the Securities and Exchange Rules-2020 we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) 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;

(iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditure incurred and payments made were for the purposes of the company's business

Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka, Bangladesh
Dated: November 16, 2023
DVC: 2311160165AS215490

Fu-Wang Ceramic Industry Limited

Statement of Financial Position

As at June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
ASSETS			
Non-current Assets		**5,96,45,86,663**	**1,66,95,67,408**
Property, Plant and Equipment	3.00	1,36,18,26,067	1,37,36,66,038
Capital Work in Progress	4.00	4,60,27,60,596	29,59,01,370
Current Assets		**3,32,58,53,408**	**2,44,88,03,268**
Inventories	5.00	2,34,85,05,010	1,82,97,66,667
Trade and Other Receivables	6.00	8,65,50,241	6,69,30,795
Advance, Deposit and Prepayments	7.00	62,33,96,840	30,70,50,820
Investment in FDR	8.00	23,37,68,381	24,03,27,279
Cash and Cash Equivalents	9.00	3,36,32,936	47,27,707
Total Assets		**9,29,04,40,071**	**4,11,83,70,676**
EQUITY AND LIABILITIES			
Shareholders' Equity		**1,62,27,32,688**	**1,60,58,10,463**
Share Capital	10.02	1,36,26,90,930	1,36,26,90,930
Share Premium	11.00	7,60,62,352	7,60,62,352
Retained Earnings	12.00	18,39,79,406	16,70,57,181
Non-current Liabilities		**68,90,27,422**	**34,85,33,459**
Long Term Loan Net off Current Maturity	13.00	57,86,39,639	24,33,25,117
Deferred Tax	14.00	11,03,87,783	10,52,08,342
Current Liabilities		**6,97,86,79,961**	**2,16,40,26,753**
Short Term Bank Loans and Others	15.00	6,77,01,29,336	1,86,05,22,693
Trade and Other Payables	16.00	5,39,92,078	7,39,58,862
Unclaimed Dividend Account	17.00	62,85,600	77,25,995
Liabilities for Expenses	18.00	6,08,21,614	9,33,09,475
Liabilities for Goods		4,21,95,250	8,88,16,385
Provision for Income Tax	19.00	4,52,56,083	3,96,93,344
Total Liability		**7,66,77,07,383**	**2,51,25,60,213**
Total Equity and Liabilities		**9,29,04,40,071**	**4,11,83,70,676**
Net Asset Value (NAV) per Share	20.00	**11.91**	**11.78**

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Hasna Opgen Haffen	Javed Opgenhaffen	Sadad Rahman	Ahmed Monabbi	Md. Abdul Halim Thakur
Chairman	Managing Director	Nominated Director	Chief Financial Officer	Company Secretary

Signed in terms of our separate report of even date.

Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka, Bangladesh
Dated: November 16, 2023
DVC: 2311160165AS215490

Fu-Wang Ceramic Industry Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Turnover (Net off SD &VAT)	21.00	91,13,68,737	84,25,64,073
Cost of Goods Sold	22.00	65,03,63,111	61,36,83,455
Gross Profit		**26,10,05,626**	**22,88,80,618**
Operating Expenses		**7,03,27,914**	**6,36,68,559**
Administrative Expenses	23.00	3,34,24,174	3,14,27,069
Selling and Distribution Expenses	24.00	3,69,03,740	3,22,41,490
Operating Income before Financial Expenses		**19,06,77,712**	**16,52,12,059**
Financial Expenses	25.00	15,38,52,131	12,54,96,103
Provision for Gratuity		35,00,000	35,00,000
Operating Income		**3,33,25,581**	**3,62,15,956**
Non Operating Income	26.00	1,57,54,479	1,02,73,602
Net Profit before Tax and WPPF		**4,90,80,060**	**4,64,89,559**
Contribution to WPPF and Welfare Fund		23,37,146	22,13,789
Net Profit before Tax		**4,67,42,913**	**4,42,75,770**
Income Tax Expenses	27.00	1,07,42,180	1,28,09,534
Total Profit or Loss and Other Comprehensive Income		**3,60,00,733**	**3,14,66,235**
Earning Per Share (EPS)	28.00	0.26	0.23

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Hasna Opgen Haffen	Javed Opgenhaffen	Sadad Rahman	Ahmed Monabbi	Md. Abdul Halim Thakur
Chairman	Managing Director	Nominated Director	Chief Financial Officer	Company Secretary

Signed in terms of our separate report of even date.

Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka, Bangladesh
Dated: November 16, 2023
DVC: 2311160165AS215490

Fu-Wang Ceramic Industry Limited

Statement of Changes in Equity
For the year ended June 30, 2023

Particulars	Share Capital	Share Premium	Retained Earnings	Total
Balance as at 01 July 2022	1,36,26,90,930	7,60,62,352	16,70,57,181	1,60,58,10,463
Dividend	-	-	(1,90,78,509)	(1,90,78,509)
Total Profit or Loss and Other Comprehensive Income	-	-	3,60,00,733	3,60,00,733
Balance as at 30 June 2023	1,36,26,90,930	7,60,62,352	18,39,79,406	1,62,27,32,688

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

Balance as at 01 July 2021	1,36,26,90,930	7,60,62,352	15,61,17,024	1,59,48,70,306
Dividend	-	-	(2,05,26,079)	(2,05,26,079)
Total Profit or Loss and Other Comprehensive Income	-	-	3,14,66,235	3,14,66,235
Balance as at 30 June 2022	1,36,26,90,930	7,60,62,352	16,70,57,181	1,60,58,10,463

Hasna Opgen Haffen	Javed Opgenhaffen	Sadad Rahman	Ahmed Monabbi	Md. Abdul Halim Thakur
Chairman	Managing Director	Nominated Director	Chief Financial Officer	Company Secretary

Place: Dhaka, Bangladesh
Dated: November 16, 2023
DVC: 2311160165AS215490

Fu-Wang Ceramic Industry Limited

Statement of Cash Flows
For the year ended on June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Cash Flows From Operating Activities			
Collections from Turnover and others		89,17,49,291	84,39,51,739
Payment for Cost and Expenses		(1,55,51,44,432)	(1,25,90,03,993)
Non Operating Income from Scrap Sales		6,60,645	6,20,645
Income Tax Paid and Deducted at Source		(4,21,21,918)	(3,15,38,804)
Net Cash Flows from Operating Activities		**(70,48,56,414)**	**(44,59,70,413)**
Cash Flows From Investing Activities			
Acquisition of Property, Plant and Equipment		(5,78,32,285)	(10,07,53,337)
Sales of property, plant and equipment		-	-
Capital Working Progress		(4,30,68,59,226)	(29,59,21,370)
Non Operating Income from FDR & Lease		1,50,93,834	96,52,957
Encashment in FDR		1,07,96,979	-
Investment in FDR		-	(6,00,00,000)
Net Cash Used in Investing Activities		**(4,33,88,00,698)**	**(44,70,21,750)**
Cash Flows From Financing Activities			
Short Term Loan		4,91,16,18,856	1,04,43,55,011
Long Term Loan Received/(Paid)		33,53,14,522	(1,07,05,658)
Financial Expenses		(15,38,52,131)	(12,54,96,103)
Dividend paid		(2,05,18,904)	(2,02,88,022)
Net Cash Used in Financing Activities		**5,07,25,62,342**	**88,78,65,228**
Net Inflows of Cash and Cash Equivalents		2,89,05,230	(51,26,935)
Add: Opening Cash and Cash Equivalents		47,27,707	98,54,642
Closing Cash and Cash Equivalents		**3,36,32,936**	**47,27,707**
Net operating cash flows per share (NOCFPS)	30.00	**(5.17)**	**(3.27)**

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Hasna Opgen Haffen	Javed Opgenhaffen	Sadad Rahman	Ahmed Monabbi	Md. Abdul Halim Thakur
Chairman	Managing Director	Nominated Director	Chief Financial Officer	Company Secretary

FU-WANG CERAMIC INDUSTRY LIMITED

Notes to the Financial Statements
As at and for the year ended June 30, 2023

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 62% 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 29 officers 422 staff and workers /technicians apart from many casual/contract technicians/workers.

		Amount in Taka
451	Staff/Officers/Employees drew yearly salary and allowances of Tk. 36,000 or more	4,54,08,664
Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages and allowances less than Tk. 36,000	Nil
451		4,54,08,664

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 2020, 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.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	17	Leases	Not Applicable
9	19	Employee Benefits	Complied
10	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Cost	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plans	Complied
15	27	Separate Financial Statements	Not Applicable
16	28	Investments in Associates and joint ventures	Not Applicable
17	29	Financial Reporting in Hyper Inflationary Economics	Not Applicable
18	31	Interest in Joint Ventures	Not Applicable
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Not Applicable
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Not Applicable
25	39	Financial Instruments: Recognition and Measurement	Not Applicable
26	41	Agriculture	Not Applicable

SL. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	9	Financial Instruments	Complied
9	8	Operating Segments	Not Applicable

SL. No.	IFRS No.	IFRS Title	Compliance Status
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Not Applicable
17	17	Insurance Contracts	Not Applicable

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, 2022 to June 30, 2023.

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 June 30, 2023;
ii) Statement of Profit or Loss and Comprehensive Income for the year ended June 30, 2023;
iii) Statement of Changes in Equity for the year ended June 30, 2023;
iv) Statement of Cash Flows for the year ended June 30, 2023; and
v) Accounting Policies and Explanatory Notes for the year ended June 30, 2023.

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:

IFRS 16 introduces a single a lessee accounting model and requires a lessee to recognize assets and liabilities for the leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset a lease liability representing its obligation to make lease payments. During the year the company has no such type of agreement/issues which may raise to recognize the IFRS-16 “Leases” in the Financial Statements.

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 Bangladesh 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 is 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 2022-2023 except board meeting fees.

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 -28.

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-33).

2.28 Board Meeting and Board Members

There were 9 members in the Board of Directors of the company and 17 board meetings were held in the year under review.

2.29 Miscellaneous Expenses

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

2.30 Directors Remuneration

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

2.31 Audit Fee

Approved as per decision in the last Annual General Meeting of the company held on 31 December, 2022; the auditor's remuneration of Tk. 3,50,000 (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 as tax consultancy fee if require.

2.32 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.

2.33 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 June 30,2023	Amount in Taka June 30,2022
3.00	**Property, Plant and Equipment: Tk. 1,36,18,26,067**			
	a) Cost :			
	Opening Balance		2,19,25,19,446	2,09,07,48,221
	Add: Addition during the year		5,78,32,285	10,17,71,225
	Less: Disposal/Adjustment during the year		-	-
	Sub Total (a)		**2,25,03,51,731**	**2,19,25,19,446**
	b) Accumulated Depreciation			
	Opening Balance		81,88,53,408	74,95,14,129
	Add: Charged during the year		6,96,72,256	6,93,39,279
	Less: Disposal/Adjustment during the year		-	-
	Sub Total (b)		**88,85,25,664**	**81,88,53,408**
	Written down value (a-b)		**1,36,18,26,067**	**1,37,36,66,038**
	*An elaborate schedule of PPE are shown in annexure -A.			
4.00	**Capital Work in Progress: Tk. 4,60,27,60,596**			
	Opening Balance		29,59,01,370	9,97,888
	Add: Addition during the year		4,30,68,59,226	29,59,21,370
			4,60,27,60,596	**29,69,19,258**
	Less: Transferred to property, plant & equipment		-	(10,17,888)
	Closing Balance		**4,60,27,60,596**	**29,59,01,370**
5.00	**Inventories: Tk. 2,34,85,05,010**			
	Stock Raw Materials (Note : 5.01)		1,48,23,15,083	98,95,26,762
	Work-in-process		49,96,10,234	43,45,63,620
	Finished Tiles (Note : 5.02)		12,80,37,997	20,27,43,143
	Packing Materials (Note : 5.03)		2,28,67,598	1,82,59,044
	Stores and Spares (Note : 22.01.01)		21,56,74,098	18,46,74,098
			2,34,85,05,010	**1,82,97,66,667**
5.01	**Stock of Raw Materials: Tk. 1,48,23,15,083**			
	A. Local Raw Material			
	White Clay	1,041.87	14,58,028	10,51,285
	Red Clay	1,136.51	6,13,691	7,42,103
	Sand	205.26	3,18,135	35,683
	S. Silicate	54.91	15,78,732	86,855
	Lime Stone	12.94	51,716	-
	Sub -Total (A)	**2,451**	**40,20,302**	**19,15,926**
	B. Imported Raw Material	**Qty in Ton**		
	Adhesive/CMC	9.32	67,21,883	63,60,199
	STPP/Diluting Agent	180.17	2,53,06,190	1,15,71,448
	Engobe and Glazes	2,028.69	33,77,04,739	25,25,96,940
	Frit	854.50	16,51,48,208	8,20,49,124
	Printing Glaze/Prepared	1,301.15	22,45,93,457	-
	Pigment	13.67	1,72,93,211	7,73,58,535
	Composed Glaze	135.07	88,36,726	2,54,17,042
	Soda Feldsper	16,827.61	17,27,32,983	13,21,68,245
	Potash Feldsper	2,376.02	2,13,82,344	4,98,12,985
	Clay Non Plastic	10,952.89	8,50,95,837	12,98,85,808

Notes	Particulars		Amount in Taka	
			June 30,2023	June 30,2022
	Clay Plastic	35,652.77	26,33,14,775	14,02,36,914
	Ball Clay	859.52	2,29,41,840	3,86,063
	Aluminium Ball Stone	775.00	12,72,22,589	7,97,67,533
	Emulsion	-	-	-
	Sub-Total (B)	71,966	1,47,82,94,781	98,76,10,836
	Total (A+B)	74,418	1,48,23,15,083	98,95,26,762
5.02	**Finished Tiles: Tk. 12,80,37,997**			
		Qty SFT		
	Glazed Special Floor Tiles	280376.74	75,01,905	45,58,897
	Glazed Wall Tiles	15,11,140	5,32,62,586	9,38,27,449
	Glazed Wall Special Tiles	-	-	-
	Glazed Wall digital luxury Tiles	-	-	-
	Glazed Digital Wall Special Tiles(L)	15	449	-
	Glazed Digital Wall Tiles	4,24,139	1,29,72,020	2,53,39,346
	Homogeneous Floor Tiles(Stair)	26,331	14,31,587	40,25,476
	Homogeneous Tiles	6,16,707	2,46,22,990	3,31,01,079
	Mirror Glaze Floor Tiles	4,74,230	2,43,95,492	3,46,28,261
	Homogeneous Tiles(Porcelain)	57,731	25,42,259	31,83,005
	Homogeneous Tiles(Parking)	31,941	13,08,709	40,79,631
	Total	34,22,611	12,80,37,997	20,27,43,143
5.03	**Packing Materials: Tk. 2,28,67,598**			
	Carton	Qty PCs		
	A 20x30	36,751	6,54,160	10,47,366
	B 20x30	1,542	23,280	1,01,780
	A 25x33	-	-	-
	B 25x33	6,272	82,979	94,378
	A 31x31	47,836	9,31,845	8,86,677
	B 31x31	4,473	73,803	80,667
	A 31x44	-	-	-
	B 31x44	-	-	-
	A 25x40	29,929	6,55,451	3,93,973
	B 25x40	4,381	89,372	-
	A30.3X44.5	87,431	20,60,749	20,93,930
	B30.3X44.5	30,600	6,39,540	6,41,647
	A 30x60	40,504	16,68,773	11,43,107
	B 30x60	4,716	1,72,970	3,42,090
	A 30x50	4,452	1,11,300	1,33,318
	B 30x50	5,298	1,24,503	1,24,503
	A 26x30.5	44,968	13,15,302	8,16,452
	B 26x30.5	3,838	93,231	86,338
	A 30.5x30.5	66,895	10,88,716	26,92,530
	B 30.5x30.5	44,271	5,55,308	7,17,539
	A 40.5x40.5	20,030	6,48,969	25,35,761
	B 40.5x40.5	2,834	84,619	2,92,223
	A60X60	-	-	19,21,804
	B60X60	-	-	8,17,663
	A 60.5x60.5	54,130	29,50,604	-
	B 60.5x60.5	17,255	8,39,984	-
	A 50x50	21,338	7,25,492	7,25,492
	B 50x50	4,491	1,43,712	1,43,712
	A 30x60	6,229	2,05,557	1,71,298
	B 30x60	6,126	1,71,712	1,62,064
	Gum Tape	65,953	67,55,668	92,733
	Total	6,62,543	2,28,67,598	1,82,59,044

Notes	Particulars		Amount in Taka June 30,2023	Amount in Taka June 30,2022
6.00	**Trade and Other Receivables: TK. 8,65,50,241**			
	Dhaka City Dealers		4,23,14,330	3,19,68,580
	Sylhet Division Dealers		48,66,047	32,28,384
	Chittagong City Dealers		41,50,576	31,40,989
	Other Division's Dealer		1,76,26,096	1,52,61,291
	Other Receivables	6.01	1,75,93,192	1,33,31,551
			8,65,50,241	6,69,30,795
6.01	**Other Receivables: Tk. 1,75,93,192**			
	Rent receivable from Hua-Thai Ceramic Industry Ltd.		1,43,93,167	1,33,31,551
	Interest Receivables on FDR		32,00,025	-
			1,75,93,192	1,33,31,551

* The details have been shown in **Annexure: B**

Ageing and Classification of trade receivable as per Schedule XI, Part I, Para 4 of the Companies Act, 1994

Ageing of Accounts Receivable		
More than Six months	6,07,40,002	5,25,37,628
Less than Six months	2,26,10,214	1,43,93,167
Total	8,33,50,216	6,69,30,795

Particulars		
Receivables considered good and in respect of which the company is fully secured.	3,33,40,086	2,67,72,318
Receivables considered good for which the company holds no security other than the debtor's personal security	5,00,10,130	4,01,58,477
Receivables considered doubtful or bad.	-	-
Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Receivables due by companies under the same management		
The maximum amount due by directors or other officers of the company at any time during the period/year.	-	-
Total	8,33,50,216	6,69,30,795

7.00	**Advances, Deposit and Prepayments: Tk. 62,33,96,840**			
	Advances	Note: 7.01	33,03,89,775	26,30,58,493
	Deposits	Note: 7.02	29,30,07,065	4,39,92,327
			62,33,96,840	30,70,50,820
7.01	**Advances: Tk. 33,03,89,775**			
	VAT Current Account and Supplementary Duty		6,59,94,028	4,24,18,036
	Advance Income Tax	7.01.01	25,95,61,047	21,74,39,129
	Advance for Appeal Fee		3,83,219	3,83,219
	Advance against Purchasing and others		25,61,714	9,28,342
	Advance for Tribunal		18,89,767	18,89,767
			33,03,89,775	26,30,58,493

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
7.01.01	**Advance Income Tax: Tk. 25,95,61,047**		
	Opening Balance	21,74,39,129	18,59,00,325
	Add: Addition during the year	4,21,21,918	3,15,38,804
		25,95,61,047	**21,74,39,129**
	Less: Adjustment made during the year	-	-
	Closing Balance	**25,95,61,047**	**21,74,39,129**
7.02	**Deposits & Pre-Payments: Tk. 29,30,07,065**		
	T & T Board for Telephone	1,27,000	1,27,000
	Eacm Business International for 4 Gas Cylinders	20,000	20,000
	Titas gas T & D (gas connection-factory)	3,34,79,588	3,34,79,588
	DESA for 1 Meter of 200 KVA Substation	3,00,000	3,00,000
	Nitrogen Gas Cylinder	50,000	50,000
	VAT Deposit against Appeal	19,34,719	19,34,719
	Linde Bangladesh Limited	44,000	44,000
	Gazipur Palli Bidyut Samity	31,07,880	31,07,880
	Sub-Total	**3,90,63,187**	**3,90,63,187**
	Pre-Payments		
	Goods in Transit	25,39,43,878	49,29,140
	Total	**29,30,07,065**	**4,39,92,327**

Disclosure as per Schedule XI, Part I, Para 6 of the Companies Act, 1994

Particulars		
Advances, deposits & prepayments considered good and in respect of which the company is fully secured.	62,33,96,840	30,70,50,820
Advances, deposits & prepayments considered good for which the company holds no security other than the debtor's personal security.		-
Advances, deposits & prepayments considered doubtful or bad.	-	-
Advances, deposits & prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Advances, deposits & prepayments due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company at any time during the period/year.	-	-
Total	**62,33,96,840**	**30,70,50,820**

8.00	**Investment in FDR: Tk. 23,37,68,381**		
	Commercial Bank of Ceylon	6,22,36,875	6,00,00,000
	Premier Bank Ltd	17,15,31,506	17,00,00,000
	IPDC Finance	-	1,03,27,279
		23,37,68,381	**24,03,27,279**

Investment in FDR to Premier Bank amounting Tk.1700 Lac are liened against overall credit facilities of Tk. 4500 lac from Premier Bank Limited and Tk.600 lac are liened against credit facilities of Tk. 1470 lac from Commercial Bank of Ceylon

Notes	Particulars		Amount in Taka	
			June 30,2023	June 30,2022
9.00	**Cash and Cash Equivalents: Tk. 3,36,32,936**			
	Cash in Hand	Note: 9.01	1,75,895	1,50,304
	Cash at Bank	Note: 9.02	3,34,57,041	45,77,403
			3,36,32,936	**47,27,707**
9.01	**Cash in Hand: Tk. 1,75,895**			
	At Head Office		75,895	50,304
	At Factory		1,00,000	1,00,000
			1,75,895	**1,50,304**

9.02 **Cash at Bank: Tk. 3,34,57,041**

Bank Name	Branch	A/C No.	Amount in Tk.	Amount in Tk.
Pubali Bank Ltd.	Gulshan	CA-17877	88,09,889	20,16,732
Pubali Bank Ltd.	Principal	STD-974	6,55,315	6,47,071
Standard Bank Ltd.	Gulshan	STD-286	42,17,442	6,31,488
Standard Bank Ltd.	Gulshan	CD-399	95,615	10,71,302
Southeast Bank Ltd.	Principal	CD-8058	11,69,861	59,842
Southeast Bank Ltd.	Principal	STD-2127	-	-
Premier Bank Ltd.	Gulshan	CD-15652	-	-
Premier Bank Ltd.	Dhanmondi	CD-14192	-	-
Premier Bank Ltd.	Gulshan-Badda link Rd.	CD-352	1,65,480	6,092
NCC Bank Ltd.	Gulshan	CD-21006	46,684	47,475
Dutch Bangla Bank Ltd	Badda	CD-14685	-	283
Modhumati Bank Ltd.	Gulshan	CD-421	64,755	65,445
Janata Bank Ltd	Banani	CD-11781	4,151	5,071
Exim Bank Ltd	Gulshan	CD-8402	805	2,070
Rupali Bank Ltd	Motijheel Corporate	CD-8466	8,695	8,695
Agrani Bank Ltd.	Gulshan Corporate	CD-10156	7,159	8,102
Brac Bank Ltd.	Graphic Bld.	CD- 6001	10,927	-
SBAC Bank Ltd.	Gulshan	CD-4269	4,920	5,955
AB Bank Ltd	Gulshan	CD-7000	60,753	-
AB Bank Ltd	Gulshan	STD-7430	7,950	-
NRB Bank Ltd	Hotapara	CD-70560	1,80,99,985	-
NRBC Bank Ltd	Gulshan	CD-923	5,177	-
National Bank Ltd	Banani	CD-831	20,388	-
Trust Bank Ltd.	Gulshan	CD- 1126	1,090	1,780
			3,34,57,041	**45,77,403**

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
10.00	**Share Capital**		
10.01	**Authorized Capital: Tk. 5,000,000,000**		
	500,000,000 nos. of ordinary shares of taka 10 each	5,00,00,00,000	5,00,00,00,000
10.02	**Issued, Subscribed and Fully Paid-Up Capital: Tk. 1,36,26,90,930**		
	136,269,093 ordinary shares @ of Tk. 10 each issued for cash	1,36,26,90,930	1,36,26,90,930

Date	No. of Shares	Particulars	30-Jun-23	30-Jun-22
Including IPO	2,50,00,000	Ordinary of Tk. 10 each fully paid- up	25,00,00,000	25,00,00,000
15.12.01 to 5.01.10	80,00,000	Ordinary of Tk. 10 each issued as bonus shares	8,00,00,000	8,00,00,000
15.12.10	33,00,000	Ordinary of Tk. 10 each issued as bonus shares	3,30,00,000	3,30,00,000
08.03.11	1,65,00,000	Ordinary of Tk. 10 each issued as right shares	16,50,00,000	16,50,00,000
30.12.10	1,07,70,540	Ordinary of Tk.10 each against loan conversion as private placement	10,77,05,400	10,77,05,400
04.01.12	63,57,054	Ordinary of Tk. 10 each issued as bonus shares	6,35,70,540	6,35,70,540
08.01.13	69,92,759	Ordinary of Tk. 10 each issued as bonus shares	6,99,27,590	6,99,27,590
21.01.14	76,92,035	Ordinary of Tk. 10 each issued as bonus shares	7,69,20,350	7,69,20,350
25.01.15	84,61,238	Ordinary of Tk. 10 each issued as bonus shares	8,46,12,380	8,46,12,380
13.01.16	93,07,362	Ordinary of Tk. 10 each issued as bonus shares	9,30,73,620	9,30,73,620
21.12.16	1,02,38,098	Ordinary of Tk. 10 each issued as bonus shares	10,23,80,980	10,23,80,980
20.12.17	1,12,61,908	Ordinary of Tk. 10 each issued as bonus shares	11,26,19,080	11,26,19,080
26.12.18	1,23,88,099	Ordinary of Tk. 10 each issued as bonus shares	12,38,80,990	12,38,80,990
Total	**13,62,69,093**	**share @ Tk.10 each**	**1,36,26,90,930**	**1,36,26,90,930**

10.03 **Composition of the Shareholders:**

Sl No.	Particulars	June 30, 2023			June 30, 2022		
		No. of Shares	Value of Shares	% of Shareholder	No. of Shares	Value of Shares	% of Shareholder
1	Directors/ Sponsors	4,08,76,546	40,87,65,460	30.00%	3,79,18,460	37,91,84,600	27.83%
2	Institutions	95,40,086	9,54,00,860	7.00%	98,79,509	9,87,95,090	7.25%
3	Foreigners	5,43,018	54,30,180	0.40%	5,43,018	54,30,180	0.40%
4	General Public	8,53,09,443	85,30,94,430	62.60%	8,79,28,106	87,92,81,060	64.52%
Total		**13,62,69,093**	**1,36,26,90,930**	**100%**	**13,62,69,093**	**1,36,26,90,930**	**100%**

Note	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
11.00	**Share Premium: Tk. 7,60,62,352**		
	Opening Balance	7,60,62,352	7,60,62,352
	Less: Bonus share issued	-	-
	Closing Balance	**7,60,62,352**	**7,60,62,352**

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.

12.00	**Retained Earnings: Tk. 18,39,79,406**		
	Opening Balance	16,70,57,181	15,61,17,025
	Dividend	(1,90,78,509)	(2,05,26,079)
	Add: Profit after Tax for the Year	3,60,00,733	3,14,66,235
	Profit Available for Appropriation	**18,39,79,406**	**16,70,57,181**
	Less: Appropriations:		
	Utilized for Bonus Share	-	-
	Closing Balance (carried-forward)	**18,39,79,406**	**16,70,57,181**
13.00	**Long Term Loan Net off Current Maturity: Tk. 57,86,39,639**		
	Opening Balance	37,07,89,629	39,73,82,596
	Addition During the Year	49,37,10,853	-
	Bank interest	7,07,14,979	3,55,95,952
		93,52,15,461	**43,29,78,548**
	Repayment Made During the Year	(12,15,73,867)	(6,21,88,919)
		81,36,41,594	**37,07,89,629**
	Current Portion of Long Term Loan	(23,50,01,955)	(12,74,64,512)
	Closing Balance	**57,86,39,639**	**24,33,25,117**

Nature of Security of Loans:

Particulars	Details
Name of Bank/Financial	Southeast Bank Ltd.
Type of Facility	Term Loan
Limit	BDT 4,58,37,888
Repayment	Monthly
Interest Rate	9.00%
Period of Loan	60 months
Expiry Date	07 August 2023
Renewal Status	N/A
Securities	N/A
Purpose	Steel Building

Particulars	Details
Name of Bank/Financial Institute	Southeast Bank Ltd.
Type of Facility	Term Loan
Limit	BDT 6,25,95,609
Repayment	Monthly
Interest Rate	9.00%
Period of Loan	60 months
Expiry Date	22 October 2025
Renewal Status	N/A
Securities	N/A
Purpose	Capital Machinery

Particulars	Details
Name of Bank/Financial Institute	Southeast Bank Ltd.
Type of Facility	Term Loan
Limit	BDT 3,99,61,748

Note	Particulars	Amount in Taka	
		June 30,2023	June 30,2022

Repayment	Monthly
Interest Rate	9.00%
Period of Loan	60 months
Expiry Date	05 May 2026
Renewal Status	N/A
Securities	N/A
Purpose	Capital Machinery

Particulars	Details
Name of Bank/Financial Institute	Southeast Bank Ltd.
Type of Facility	Term Loan
Limit	BDT 15,48,14,607
Repayment	Monthly
Interest Rate	9.00%
Period of Loan	60 months
Expiry Date	19 August 2025
Renewal Status	N/A
Securities	N/A
Purpose	Capital Machinery

Particulars	Details
Name of Bank/Financial Institute	Premier Bank Ltd.
Type of Facility	Term Loan
Limit	BDT 5,00,00,000
Repayment	Monthly
Interest Rate	9.00%
Period of Loan	60 months
Expiry Date	30 November 2023
Renewal Status	N/A
Securities	N/A
Purpose	Steel Building

Particulars	Details
Name of Bank/Financial Institute	Premier Bank Ltd.
Type of Facility	Term Loan
Limit	BDT 53,60,00,001
Repayment	Monthly
Interest Rate	9.00%
Period of Loan	60 months
Expiry Date	20 September 2029
Renewal Status	N/A
Securities	N/A
Purpose	Capital Machinery

14.00 Deferred Tax : Tk. 11,03,87,783

Deferred Tax for Temporary Difference in PPE

Opening Balance		10,52,08,342	9,75,15,834
Add: Charged During the year	**Note: 14.01**	51,79,442	76,92,509
		11,03,87,783	10,52,08,342
Less: Adjustment During the year		-	-
Closing Balance		11,03,87,783	10,52,08,342

Note	Particulars		Amount in Taka	
			June 30,2023	June 30,2022
14.01	**Deferred Tax Liability : Tk. 51,79,442**			
	Taxable Temporary Difference on PPE		50,28,66,882	47,83,94,672
	Closing Provision for Gratuity as per F/S		1,22,54,511	1,08,02,045
	Taxable Temporary Difference		**49,06,12,371**	**46,75,92,627**
	Applicable Tax Rate		22.50%	22.50%
	Closing Deferred Tax liability on Temporary		**11,03,87,783**	**10,52,08,342**
	Opening Deferred Tax liability on Temporary		10,52,08,342	9,75,15,833
	Deferred Tax Expense/ (Income) for the year		**51,79,442**	**76,92,509**
15.00	**Short Term Bank Loans and Others : Tk. 6,77,01,29,336**			
	Current Portion of Long Term Loan		23,50,01,955	12,74,64,512
	Southeast Bank Ltd. (OD #73300001693)		23,57,39,017	23,95,91,124
	Premier Bank Ltd. (OD #0168781000000022)		20,46,19,504	20,85,78,144
	Commercial Bank of Ceylon (OD # 4818)		71,10,967	49,63,194
	National Bank Ltd. (OD # 1106004837699)		2,04,55,52,740	1,02,31,50,657
	Southeast Bank Ltd. (STL)		18,47,25,061	17,10,73,750
	Commercial Bank of Ceylon (STL)		5,59,46,878	5,56,37,448
	AB Bank Ltd. (STL)		3,75,08,04,964	-
	Southeast Bank Ltd. (Covid-Stimulous)		-	99,74,141
	Premier Bank Ltd. (Covid-Stimulous)		-	1,09,92,332
	Premier Bank Ltd. (LTR)		68,03,531	18,29,877
	Southeast Bank Ltd. (LTR)		4,38,24,719	72,67,514
			6,77,01,29,336	**1,86,05,22,693**

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.

16.00	**Trade and Other Payables : Tk. 5,39,92,078**			
	Trade Creditors		34,51,286	53,07,390
	Security deposit received		1,01,90,950	3,30,35,973
	Workers' Profit Participation and Welfare Fund	Note: 16.01	3,91,73,478	3,44,39,135
	Advance Received from Sun Power Ceramic Ind.		11,76,364	11,76,364
			5,39,92,078	**7,39,58,862**

*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.

16.01	**Workers' Profit Participation and Welfare Fund: Tk. 3,91,73,478**		
	Opening Balance	3,44,39,135	3,04,33,945
	Add: Addition During the Year	23,37,146	22,13,789
		3,67,76,281	**3,26,47,735**
	Less: Adjustment During the Year	(14,02,066)	(15,32,290)
		3,53,74,215	**3,11,15,445**
	Add: Interest charged during the year	37,99,263	33,23,690
	Closing Balance	**3,91,73,478**	**3,44,39,135**

Note	Particulars		Amount in Taka	
			June 30,2023	June 30,2022
17.00	**Unclaimed Dividend Account : Tk. 62,85,600**			
	Opening Balance		77,25,995	74,87,938
	Add: Addition during the year		8,40,615	10,57,885
			85,66,610	**85,45,823**
	Less: Dividend paid during the year		(22,81,010)	**(8,19,828)**
	Closing Balance		**62,85,600**	**77,25,995**
	Ageing of Unpaid Dividend			
	Below 3 Years		62,85,600	77,25,995
	Above 3 years		-	-
			62,85,600	**77,25,995**
18.00	**Liabilities for Expenses : Tk. 6,08,21,614**			
	Electricity & Gas		3,96,63,997	2,97,17,231
	Audit Fees		4,02,500	4,02,500
	Provision for Gratuity	Note: 18.01	1,22,54,511	1,08,02,045
	Tax and VAT Payable		25,61,541	4,75,63,201
	Salary & Wages		29,48,050	31,52,500
	Board Meeting Fees		4,48,500	4,31,250
	Regulatory Fees (DSE,CSE,CDBL, BSEC)		11,45,076	11,45,076
	Telephone, Telex and Fax		1,784	1,922
	Legal and Other Professional Fees		62,500	93,750
	Provision for Bad Debts		13,33,155	-
			6,08,21,614	**9,33,09,475**
18.01	**Provision for Gratuity : Tk. 1,22,54,511**			
	Opening Balance		1,08,02,045	1,10,37,651
	Add: Addition During the Year		35,00,000	35,00,000
			1,43,02,045	**1,45,37,651**
	Less: Paid During the Year		(20,47,534)	(37,35,606)
	Closing Balance		**1,22,54,511**	**1,08,02,045**
19.00	**Provision for Income Tax : Tk. 4,52,56,083**			
	Opening Balance		3,96,93,344	3,45,76,318
	Add: Addition During the Year	Note: 27.01	55,62,739	51,17,026
			4,52,56,083	**3,96,93,344**
	Less: Adjustment During the Year		-	-
	Closing Balance		**4,52,56,083**	**3,96,93,344**
20.00	**Net Asset Value (NAV) Per Share: Tk. 11.91**			
	Total Assets		9,29,04,40,071	4,11,83,70,676
	Total Outside Liabilities		(7,66,77,07,383)	(2,51,25,60,213)
	Net Assets		**1,62,27,32,687**	**1,60,58,10,463**
	Number of ordinary Share		13,62,69,093	13,62,69,093
	Net Asset Value (NAV) Per Share		**11.91**	**11.78**

Note	Particulars	Amount in Taka	
		2022-2023	2021-2022
21.00	**Turnover : Tk. 91,13,68,737**		
	Local Sales	1,20,49,22,148	1,11,42,90,988
	Less: Total SD & VAT	29,35,53,411	27,17,26,915
	Total Turnover (Net off SD and VAT)	**91,13,68,737**	**84,25,64,073**

Note	Particulars		Amount in Taka 2022-2023	Amount in Taka 2021-2022
22.00	**Cost of Goods Sold: Tk. 65,03,63,111**			
	Opening Raw Materials		98,95,26,762	58,53,78,586
	Raw Material Purchased During the Year		72,11,39,778	77,93,84,748
	Raw Materials Available for Use		1,71,06,66,540	1,36,47,63,334
	Closing Raw Materials	Note: 5.01	(1,48,23,15,083)	(98,95,26,762)
	Raw Materials Consumed		22,83,51,457	37,52,36,572
	Direct Expenses	Note: 22.01	29,45,42,342	19,99,36,083
	Prime Cost		52,28,93,799	57,51,72,655
	Factory Overheads	Note: 22.02	11,82,64,958	11,80,16,101
	Total Manufactured Cost		64,11,58,757	69,31,88,756
	Movement of work-in-process		(6,50,46,614)	(15,26,72,596)
	Opening Finished Goods		20,27,43,143	27,64,05,098
	Cost of Goods Available for Sales		77,88,55,286	81,69,21,258
	Closing Finished Goods	Note: 5.02	(12,80,37,997)	(20,27,43,143)
	Sample		(4,54,178)	(4,94,660)
	Cost of Goods Sold		65,03,63,111	61,36,83,455
22.01	**Direct Expenses: Tk. 29,45,42,342**			
	Wages		3,30,72,080	3,26,57,393
	Electricity and Gas		25,72,69,749	15,97,24,884
	Spare Parts	Note: 22.01.01	42,00,513	75,53,806
	Total		29,45,42,342	19,99,36,083
22.01.01	**Spare Parts : Tk. 42,00,513**			
	Opening Balance		18,46,74,098	14,70,27,391
	Add: Purchase During the Year		3,52,00,513	4,52,00,513
			21,98,74,611	19,22,27,904
	Less: Closing Balance	Note: 5.00	(21,56,74,098)	(18,46,74,098)
	Consumption During the Year		42,00,513	75,53,806
22.02	**Factory Overheads: Tk. 11,82,64,958**			
	Supplies for factory repair and maintenance		11,59,341	10,58,759
	Bonus to staff and workers		33,43,583	30,28,608
	Medical treatment expenses		89,707	78,261
	Maternity benefits		1,33,840	1,76,064
	Packing materials	Note: 22.02.01	4,14,60,791	4,15,99,558
	Oil and lubricants		37,91,373	35,38,678
	Uniform allowance		37,200	30,000
	Conveyance on public transport		1,44,575	1,48,635
	Printing and stationary		1,47,833	1,41,340
	Telephone, telex and fax		-	3,806
	Fooding expenses (biscuit, tea, etc.)		1,77,628	1,78,792
	Daily labor wages		6,34,591	5,94,439
	Carriage inward		6,59,973	6,32,280
	Insurance premium (fire)		15,46,755	12,01,959
	Other direct expenses		-	38,185
	Group life insurance		13,25,642	9,90,271
	Depreciation		6,36,12,127	6,45,76,466
			11,82,64,958	11,80,16,101
22.02.01	**Packing Materials: Tk. 4,14,60,791**			
	Opening Balance		1,82,59,044	1,99,58,806
	Add: Purchase During the Year		4,60,69,345	3,98,99,796
			6,43,28,389	5,98,58,602
	Less: Closing Balance	Note: 5.03	(2,28,67,598)	(1,82,59,044)
	Packaging Materials Used		4,14,60,791	4,15,99,558

Note	Particulars		Amount in Taka 2022-2023	Amount in Taka 2021-2022
23.00	**Administrative Expenses: Tk. 3,34,24,174**			
	Salary and Allowances		1,23,36,584	1,19,19,405
	Bonus to Staff		11,94,367	11,45,676
	Conveyance on public transport		3,23,967	3,81,246
	Printing and Stationery		3,80,360	3,78,822
	Postage and Telegram		87,518	97,091
	Telephone, Telex and Fax		76,250	1,32,000
	Office Rent		25,21,260	33,61,680
	Electricity, Gas and WASA		1,31,214	2,77,306
	Audit Fee		4,02,500	4,02,500
	Meeting Fees (Board meeting honorarium)		4,48,500	4,31,250
	Maintenance of Vehicles		1,33,556	95,750
	Rent, Rates and Taxes		5,20,542	11,57,990
	Legal and Other Professional Fees		22,50,451	19,91,413
	Fooding expenses (biscuit, tea, etc.)		86,003	69,021
	Books and Periodicals		1,320	13,560
	Travelling Expenses on public transport		5,50,133	5,90,733
	Insurance Premium		24,421	33,609
	Fuel for Transport		3,60,397	4,58,690
	Maintenance of Office		78,824	72,904
	AGM Expenses		1,59,500	1,57,500
	Group life insurance		1,63,960	1,72,420
	Interest charged on WPPF		37,99,263	33,23,690
	Bad Debt		13,33,155	-
	Depreciation		60,60,129	47,62,812
			3,34,24,174	**3,14,27,069**
	During the period company did not pay any rent, service charge, utility bills, etc. against using of corporate office situated at North Badda, Dhaka.			
24.00	**Selling and Distribution Expenses: Tk. 3,69,03,740**			
	Advertisements		1,25,654	1,44,578
	Carriage Outward		67,57,004	62,17,911
	Sample		4,54,178	5,34,875
	Business Promotion and Development Expenses		1,32,000	1,06,820
	Commission to Dealers		2,53,44,980	2,33,67,470
	Electricity Expenses of Sales Centre (Hatirpol)		4,47,773	6,13,721
	Office Maintenance of Sales Centre (Hatirpol)		67,951	64,715
	Rent for Sales Center (Hatirpol)		35,74,200	11,91,400
			3,69,03,740	**3,22,41,490**
25.00	**Financial Expenses: Tk. 15,38,52,131**			
	Bank Charges and Commission		13,01,652	17,76,896
	Bank Interest		15,25,50,478	12,37,19,206
			15,38,52,131	**12,54,96,103**
26.00	**Non Operating Income : Tk. 1,57,54,479**			
	Income from lease rental		10,61,616	11,29,543
	Interest on FDR		1,40,32,218	85,23,414
	Scrap Sales		6,60,645	6,20,645
			1,57,54,479	**1,02,73,602**
27.00	**Income Tax Expenses : Tk. 1,07,42,180**			
	Current Tax	Note: 27.01	55,62,739	51,17,026
	Deferred Tax	Note: 14.01	51,79,442	76,92,509
	Total Tax Expenses		**1,07,42,180**	**1,28,09,534**

Note	Particulars	Amount in Taka 2022-2023	2021-2022
27.01	**Current Tax Expenses: Tk. 55,62,739**		
	A) Income Tax on Regular rate		
	Profit Before Tax	**4,67,42,913**	**4,42,75,770**
	Accounting Depreciation	6,96,72,256	6,93,39,279
	Provision for Gratuity	35,00,000	35,00,000
		7,31,72,256	**7,28,39,279**
	Tax Depreciation as per Third Schedule	(9,41,44,465)	(10,27,83,772)
	Gratuity Paid	(20,47,534)	(37,35,606)
		(9,61,91,999)	**(10,65,19,378)**
	Taxable Income	2,37,23,170	1,05,95,671
	Income Tax on profit before Tax @ 22.50%	**53,37,713**	**23,84,025**
	B) Income tax deducted at source		
	AIT on Vehicle	1,54,000	1,75,000
	AIT on Bank Interest	17,27,320	8,52,341
		18,81,320	**10,27,341**
	C) Minimum tax on gross receipt		
	Gross receipt from business income	91,13,68,737	84,25,64,073
	Minimum tax rate @ 0.6%	0.60%	0.60%
		54,68,212	**50,55,384**
	Gross receipt from others source	1,57,54,479	1,02,73,602
	Minimum tax rate @ 0.6%	0.60%	0.60%
		94,527	**61,642**
	Total minimum tax on gross receipt	**55,62,739**	**51,17,026**
	Income tax expense (Higher of A, B, C)	**55,62,739**	**51,17,026**
28.00	**Earning Per Share (EPS) : Tk. 0.26**		
	Earnings attributable to the ordinary shareholders	3,60,00,733	3,14,66,235
	Number of ordinary shares used to compute EPS	13,62,69,093	13,62,69,093
	Earnings per Share (EPS)	**0.26**	**0.23**
29.00	**Reconciliation of Net Income With Cash Flows from Operating Activities: Tk.-70,48,56,414**		
	Profit before income tax	4,80,12,585	4,42,75,770
	Income Tax Expenses	-	(51,17,026)
	Financial Expenses	15,38,52,131	12,54,96,103
	Non Operating Income	(1,50,93,834)	(96,52,956)
	Depreciation charged	6,96,72,256	6,93,39,279
	Interest on lease liability	-	1,24,281
	Payment of lease liability	-	(11,04,000)
	(Increase)/Decrease in Account Receivables	(1,96,19,446)	13,87,666
	(Increase)/Decrease in inventories	(76,77,53,081)	(51,81,11,727)
	(Increase)/Decrease in Advances, Deposits and Pre-payments	(6,73,31,282)	(6,03,20,045)
	Increase/(Decrease) in Accounts Payable	(2,35,56,051)	(71,68,569)
	Increase/(Decrease) Liabilities for Expenses	(8,30,39,693)	(8,51,19,185)
	Cash Generated from Operations	**(70,48,56,414)**	**(44,59,70,413)**
	Net cash generated from operating activities	**(70,48,56,414)**	**(44,59,70,413)**
30.00	**Net Operating Cash Flows Per Share (NOCFPS): Tk. -5.17**		
	Net cash generated from operating activities	(70,48,56,414)	(44,59,70,413)
	No. of Share outstanding	13,62,69,093	13,62,69,093
	Net Operating Cash Flows Per Share (NOCFPS)	**(5.17)**	**(3.27)**

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

Note	Particulars	Amount in Taka	
		2022-2023	2021-2022

31.00 Related party disclosures

The party is related to the company if the party cast significant influence over the subject matters and also holding the controlling power of the management affairs of the company and any transaction made during the year with the party related therewith each term as related party transaction as per IAS: 24 "Related Party Disclosure". During the year under audit related party transactions were made that which has influenced the company's business. The details of related party transactions during the year along with the relationship is illustrated below in accordance of IAS 24:

Name of the Directors	Relationship with the Company	Nature of Transaction	June 30,2023	June 30,2022
Mrs. Hasna Opgen Haffen	Chairman	Board Meeting Fees	63,250	74,750
Mr. Javed Opgenhaffen	Managing Director	Board Meeting Fees	57,500	74,750
Mr. Sadad Rahman	Nominee Director	Board Meeting Fees	69,000	74,750
Mr. Md. Shaheed Hossain Tanjil	Nominee Director	Board Meeting Fees	63,250	46,000
Mr. Sayeed Rezaraj Ahmmad	Nominee Director	Board Meeting Fees	57,500	74,750
Mr. Omar Sharif	Nominee Director	Board Meeting Fees	57,500	-
Mr. Aqmar Areeb Chaudhury	Nominee Director	Board Meeting Fees	-	11,500
Mr. Md. Abu Zafer	Independent Director	Board Meeting Fees	40,250	74,750
Mr. Mohammad Hamidur Rashid, FCA	Independent Director	Board Meeting Fees	17,250	-
Mr. Narayan Roy, FCA	Independent Director	Board Meeting Fees	23,000	-

Credit Facility

No credit facility availed by the company under any contract other than bank/financial institution credit facility and trade credit which are in the ordinary course of the business.

Capital Expenditure Commitment

- No capital expenditure contracted or incurred provided for as at 30 June, 2023
- There was no material capital expenditure authorized by the Board or contracted for as at 30 June, 2023.

Claim acknowledgement

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

32.00 Disclosure of Managerial Remuneration

32.01 Total amount of remuneration paid to directors during the year is as follows:

Particulars			June 30,2023	June 30,2022
Name	Designation	Nature of Transaction		
			-	-
Total			-	-
No directors entitled/get/received any payment other than Board meeting Attendance fees.				

Note	Particulars	Amount in Taka	
		2022-2023	2021-2022

32.02 Total amount of remuneration paid to the top five salaried officers of the company in the

Name	Designation	June 30,2023	June 30,2022
Mr. Rafiquzzaman Buiyan	Chief Executive Officer	60,63,260	54,51,000
Mr. Ahmed Monabbi	Chief Financial Officer	32,93,319	29,72,106
Mr. Md. Abdul Halim Thakur	Company Secretary	10,02,532	9,54,330
Mr. Md. Hamidur Rahman	General Manager (Admin)	15,03,797	14,36,775
Mr. Md. Kamal Sarker	Deputy General Manager	13,79,062	12,96,288

32.03 Aggregate amount of remuneration paid to all directors and officers during the financial year is as follows:

Particulars	Nature of payment	June 30,2023	June 30,2022
Directors	Board Meeting Fees	4,48,500	4,31,250
Directors	Remuneration	-	-
Officer's & Executives	Salary, Bonus & Others Allowances	2,43,61,384	2,43,14,140

33

33.00 Events After the Reporting Period:

According to IAS-10, Events after the reporting period are those events, favourable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issues. The Board of directors recommended 2% cash Dividend to all of the shareholders for the financial year 2022-2023 at the board meeting held on 16 November 2023. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

34.00 Disclosure as per requirement of Schedule XI, Part II para 8 of the Companies Act, 1994:

Disclosure as per requirement of Schedule XI, Part II, para 8 of company Act 1994:

Particulars	Local purchase	Import	Total	Consumed	% of Consumed
Raw Materials	75,66,270	71,35,73,508	72,11,39,778	22,83,51,457	32%
Packing Materials	4,60,69,345	-	4,60,69,345	4,14,60,791	90%
Spare Parts	-	3,52,00,513	3,52,00,513	42,00,513	12%
Capital Machinery	-	3,82,89,070	3,82,89,070	3,82,89,070	100%

35.00 Employee position of the company as at 30 June, 2023:

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 8,000	422			422
Above BDT 8,000	12	9	8	29

36.00 Production Capacity and Utilization

Major Products	Production Capacity	Actual Production	Capacity Utilization (%)
Raw Materials & Chemical (In SFT)	4,00,00,000	2,47,76,025	62%

Note	Particulars	Amount in Taka	
		2022-2023	2021-2022

37.00 Disclosure as per requirement of Schedule XI, Part II, Para 3 of the Companies Act 1994

Requirements under condition No.	Compliance status of Disclosure Schedule XI, Part II, Para 3 Part II, Para 3
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Complied
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	Complied
3(i) (d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e)In the case of trading companies, the purchase made and the opening and	Not Applicable
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Complied

38.00 Disclosers under para 6 of Schedule XI, Part II of the Companies Act. 1994

- During the period amount paid to Auditor by the Company as;

Name of the Firm	Purpose	2022-2023	2021-2022
Islam Quazi Shafique & Co. Chartered Accountants	Audit Fees	4,02,500	-
MABS & J Partners, Chartered Accountants	Audit Fees	-	4,02,500

39.00 Financial risk management

39.01 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.

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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.

39.02 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, 2023:

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Loans and receivables:					
Cash and Cash Equivalents	3,36,32,936	-	-	-	3,36,32,936
Trade and Other Receivables	5,71,26,554	42,66,353	25,47,120	2,26,10,214	8,65,50,241
Advances, Deposits and Prepayments	34,32,77,832	2,63,62,145	4,67,66,221	20,69,90,642	62,33,96,840
Balance at June 30, 2023	**43,40,37,322**	**3,06,28,498**	**4,93,13,341**	**22,96,00,856**	**74,35,80,017**
Financial liabilities measured at amortized cost:					
Short Term Bank Loans and Others					
Long Term Loan Net off Current Maturity	1,95,83,496	5,87,50,489	15,66,67,970	57,86,39,639	81,36,41,594
Short Term Bank Loans and Others	98,02,69,107	1,63,37,81,845	3,92,10,76,429	-	6,53,51,27,381
Trade Payables	42,07,224	1,01,22,025	3,84,86,465	11,76,364	5,39,92,078
Liabilities for Expenses	53,00,549	4,32,66,554	-	1,22,54,511	6,08,21,614
Balance at June 30, 2023	**1,00,93,60,376**	**1,74,59,20,913**	**4,11,62,30,863**	**59,20,70,514**	**7,46,35,82,667**

39.03 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.

39.04 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.

39.05 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.

39.06 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 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities					
Long Term Loan Net off Current Maturity	81,36,41,594	5,87,50,489	17,62,51,466	23,50,01,955	34,36,37,684
Short Term Bank Loans and Others	6,53,51,27,381	1,63,37,81,845	4,90,13,45,536	-	-
Trade Payables	5,39,92,078	1,43,29,249	3,84,86,465	-	11,76,364
Liabilities for Expenses	6,08,21,614	4,85,67,103	-	1,22,54,511	-
Balance at June 30, 2023	**7,46,35,82,667**	**1,75,54,28,686**	**5,11,60,83,467**	**24,72,56,466**	**34,48,14,048**

40.00 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.

Fu- Wang Ceramic Industry Ltd.
Schedule of Property, Plant and Equipment
For the year ended June 30, 2023

Annexure-A

Particulars	Cost				Dep. Rate	Depreciation				Written down value as on June 30, 2023
	Balance as at July 01, 2022	Addition during the year	Adjustment during the year	Total as at June 30, 2023		Balance as at July 01, 2022	Charged during the year	Adjustment during the year	Total as at June 30, 2023	
Freehold Land and Land Development	8,51,18,267	6,00,000	-	8,57,18,267	-	-	-	-	-	8,57,18,267
Factory Building and Other Construction	26,22,23,068	20,54,967	-	26,42,78,035	2.5%	6,13,15,690	50,57,631	-	6,63,73,321	19,79,04,714
Plant and Machinery	1,42,23,07,771	3,82,89,070	-	1,46,05,96,841	5%	56,36,73,023	4,37,17,261	-	60,73,90,284	85,32,06,557
Gas Generator and Gas Line	14,02,43,771	72,21,380	-	14,74,65,151	10%	7,51,68,751	71,86,277	-	8,23,55,028	6,51,10,123
Electrical Installation	1,25,18,942		-	1,25,18,942	10%	49,34,141	7,58,480	-	56,92,621	68,26,321
Deep Tube Well and Pump	40,34,854	48,71,948	-	89,06,802	10%	24,38,029	4,16,659	-	28,54,688	60,52,114
Sign Board	26,40,301		-	26,40,301	20%	22,57,547	76,551	-	23,34,098	3,06,203
Telephone and PABX Installation	10,57,947		-	10,57,947	10%	9,37,166	12,078	-	9,49,244	1,08,703
Furniture and Fixture	3,56,55,141	4,86,005	-	3,61,41,146	10%	1,42,78,570	21,56,926	-	1,64,35,496	1,97,05,650
Motor Vehicle	10,35,08,886		-	10,35,08,886	10%	3,08,31,883	72,67,700	-	3,80,99,583	6,54,09,303
Electric Equipment	2,20,07,353	25,000	-	2,20,32,353	10%	1,29,38,726	9,07,603	-	1,38,46,329	81,86,024
Office Equipment	1,80,29,771	42,83,915	-	2,23,13,686	10%	95,74,013	10,23,006	-	1,05,97,019	1,17,16,667
Soft Furniture and Fixture	2,27,438	-	-	2,27,438	25%	2,27,275	41	-	2,27,316	122
Factory Building (No. 2)	1,44,69,813	-	-	1,44,69,813	2.5%	67,92,047	1,91,944	-	69,83,991	74,85,822
Labor Shed (Fac)	75,403	-	-	75,403	20%	75,165	48	-	75,213	190
Bicycle	15,220	-	-	15,220	10%	12,584	264	-	12,848	2,372
Crockery and Cutleries	1,15,683	-	-	1,15,683	10%	1,04,595	1,109	-	1,05,704	9,979
Gas Cylinder	2,20,000	-	-	2,20,000	10%	1,92,510	2,749	-	1,95,259	24,741
Oxygen Cylinder	46,531	-	-	46,531	2.5%	21,764	619	-	22,383	24,148
Effluent Testament Plant (ETP) Constriction	19,62,268	-	-	19,62,268	10%	13,79,668	58,260	-	14,37,928	5,24,340
Office Building	1,28,01,686	-	-	1,28,01,686	2.5%	56,54,046	1,78,691	-	58,32,737	69,68,949
Electric Substation Construction	33,46,969	-	-	33,46,969	10%	21,90,210	1,15,676	-	23,05,886	10,41,083
Sub-Total	**2,14,26,27,083**	**5,78,32,285**	**-**	**2,20,04,59,368**		**79,49,97,403**	**6,91,29,573**	**-**	**86,41,26,976**	**1,33,63,32,393**
Raw Material Processing Plant										
Factory Building	95,53,900	-	-	95,53,900	2.5%	43,64,070	1,29,746	-	44,93,816	50,60,084
Plant and Machinery	2,77,50,685	-	-	2,77,50,685	5%	1,94,91,935	4,12,937	-	1,99,04,872	78,45,813
Sub-Total	**3,73,04,585**	**-**	**-**	**3,73,04,585**		**2,38,56,006**	**5,42,683**	**-**	**2,43,98,689**	**1,29,05,896**
Land (Rent to Hua Thai Industry Ltd.)	**1,25,87,778**		**-**	**1,25,87,778**	**-**	**-**	**-**	**-**	**-**	**1,25,87,778**
Grand Total	**2,19,25,19,446**	**5,78,32,285**	**-**	**2,25,03,51,731**		**81,88,53,408**	**6,96,72,256**	**-**	**88,85,25,664**	**1,36,18,26,067**

Depreciation has been charged to:	Taka
Production	6,36,12,127
Administration	60,60,129
	6,96,72,256

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**	**-**	**818,853,408**	**1,373,666,038**

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

Fu-Wang Ceramic Industry Limited

Schedule of Accounts Receivable

As at June 30, 2023

Annexure-B

SL	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
01	A Rahman Enterprise	3,92,497	2,71,141
02	Al Madina Tiles Corner	26,404	24,206
03	Al Siam Traders	24,218	29,464
04	Alam Trading	36,84,937	36,84,937
05	ALIF TILES & SANITARY (JAMALPUR)	16,540	22,456
06	Akash Tiles Gallary	45,948	26,224
07	Akkas Tiles Gallery	9,485	9,485
08	AKOTA TRADERS	13,284	13,284
09	ANANDA TILES & SANITARY	2,98,447	1,07,521
10	ANSAR ENTERPRISE	2,168	2,168
11	Azad Tiles Agency	35,97,807	17,34,834
12	AZMOL ENTERPRIZE	34,526	48,653
13	Babul Traders	2,80,565	2,80,565
14	Bakerganj Builders	1,69,728	99,329
15	Barguna Builders	31,142	28,225
16	Bhuiya Tiles & Sanitary	3,32,017	3,68,159
17	Bismillah Traders	13,25,436	15,04,344
18	BISWAS & ROY TRADERS	1,844	1,844
19	Buildtech Corporation	50,95,746	59,92,239
20	City Marble (Chuadanga)	-	7,21,882
	City Marble (Rajshahi)	8,09,768	75,573
21	Dhaka Tiles & Sanitary	8,98,214	34,494
22	F M Tiles & Sanitary	44,197	77,197
23	Fashion Mosaic	8,045	43,031
24	Fahima Enterprise	39,96,035	17,13,031
25	Faiza Enterprise	9,38,604	6,17,724
26	Famous Tiles & Sanitary	31,570	-
27	Forhad Enterprise	3,08,998	2,67,862
28	Gausheyz Ventures	67,594	20,263
29	Gazi Sanitary	4,483	65,223
30	Greho Sajja	13,35,681	8,00,768
31	HASIB BUILDERS	11,880	11,880
32	Helal & Brothers	3,60,824	3,52,246
33	Holy Makka Tiles & Sanitary	12,82,093	13,33,739
34	HOME TILES	29,912	-
35	I.T.M ENTERPRISE	73,229	4,015
36	Jahid Enterprise	12,389	2,88,549
37	Jamal Enterprise	11,00,066	2,08,504
38	JUBAYER ENTERPRISE	2,552	-

SL	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
39	K B SANITARY & TILES	1,29,121	31,349
40	Kakoli Tiles	2,71,898	1,01,955
41	Kaligonj Builders	5,55,582	6,31,649
42	Kazi Enterprise	1,05,000	-
43	Khadiza Enterprise	6,80,596	1,22,553
44	KOROTOA PAPER DEPO	77,267	55,280
45	Kurigram Tiles Corner	6,25,355	3,86,294
46	Ma Sanitary & Tiles Center	1,53,269	86,224
47	MAA HARDWARE & TILES	3,35,494	2,23,053
48	Mahfuza Agency / Nilufar Trade International	13,92,327	9,08,109
49	Marble Center	7,32,495	3,74,118
50	Maruf Tiles & Sanitary	75,393	74,078
51	MASTER TILES & CERAMICS	29,219	41,295
52	M.M. Corporation	3,59,280	5,81,515
53	Model Business Center	1,95,648	2,76,621
54	MOHAMMADIA TILES	69,633	21,39,937
55	Moinia Tiles Galary	94,201	93,361
56	Molla Tiles Zone	5,05,649	2,52,712
57	Mostofa Tiles & Sanitary Store	3,260	3,260
58	Motin Hardware	23,192	24,223
59	MRIDHA TILES & SANITARY	1,39,309	6,03,527
60	M R S Tiles & Sanitary	3,25,198	2,81,211
61	NATIONAL TILES TRADE	4,102	-
62	New Fashion Agency	20,12,177	2,19,465
63	NEW MAKKA TILES AGENCY	5,17,890	15,976
64	NEW MODINA ENTERPRISE	4,49,207	16,214
65	New Prince Tiles House	46,68,042	52,46,059
66	NIRMAN TILES & SANITARY	56,060	-
67	Noor Corporation	1,16,410	1,00,824
68	Nur Tiles	8,75,226	7,77,787
69	Oni Enterprise	78,81,421	25,51,526
70	PATHOR BITAN	34,94,718	34,94,718
71	Partho Tiles & Sanitary	25,827	-
72	Prince Marble & Tiles	22,89,767	17,92,019
73	Remu Iron Store	18,07,842	18,25,642
74	R R Trading	10,12,788	4,93,937
75	S.S Enterprise (Manikgonj)	1,15,287	1,15,287
76	S.M. Ceramic & Mosaic Center	39,327	-
77	Sanitary Paradise	17,11,776	2,80,220
78	Sanjida Tiles	15,15,829	14,97,800
79	Sawban Ceramic & Sanitary	5,19,673	2,271
80	Shilpi Traders	9,461	-
81	Siam Traders (Patuakhali)	33,129	62,702
82	Sinthya Enterprise & Tiles Center	2,16,370	4,21,997

SL	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
83	Sharif Enterprise	1,02,024	2,91,170
84	Sherpur Tiles & Sanitary Center	6,705	-
85	Simi Tiles Gallery	24,74,970	25,36,874
86	Satata Tiles	2,43,857	10,92,792
87	Sneha Enterprise	3,62,740	2,87,535
88	Sufi Enterprise	18,584	1,74,502
89	Tiles Corner & Hardware	94,085	48,469
90	Tiles Mela	13,902	17,741
91	Tiles Museum	16,14,446	15,78,020
92	Taranga Tiles & Sanitary	7,92,574	2,32,230
93	Unique Ceramic Agency	2,10,043	2,01,531
94	ZAKIR AGENCY	73,529	46,553
95	Hua Thai Ceramic Industry Limited	1,43,93,167	1,33,31,551
	Total	**8,33,50,216**	**6,69,30,795**

Note: Receivable shown amount except interest receivable on FDR.

FU-WANG CERAMIC INDUSTRY LIMITED

Registered Office: Pearl Trade Centre (2nd Floor)
Cha 90/3, Pragati Sarani, North Badda, Dhaka-1212

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 28th Annual General Meeting of the Company to be held on 31 December 2023 at 12.00 pm at Digital Platform through link **https://fuwangcer.bdvirtualagm.com** and any adjournment thereof. As witness my hand this ..... day of .....2023.

Signature of Shareholder(s)

Signature of Proxy

Folio #

Or

BO #																

Folio #

Or

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: Pearl Trade Centre (2nd Floor)
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ATTENDANCE SLIP

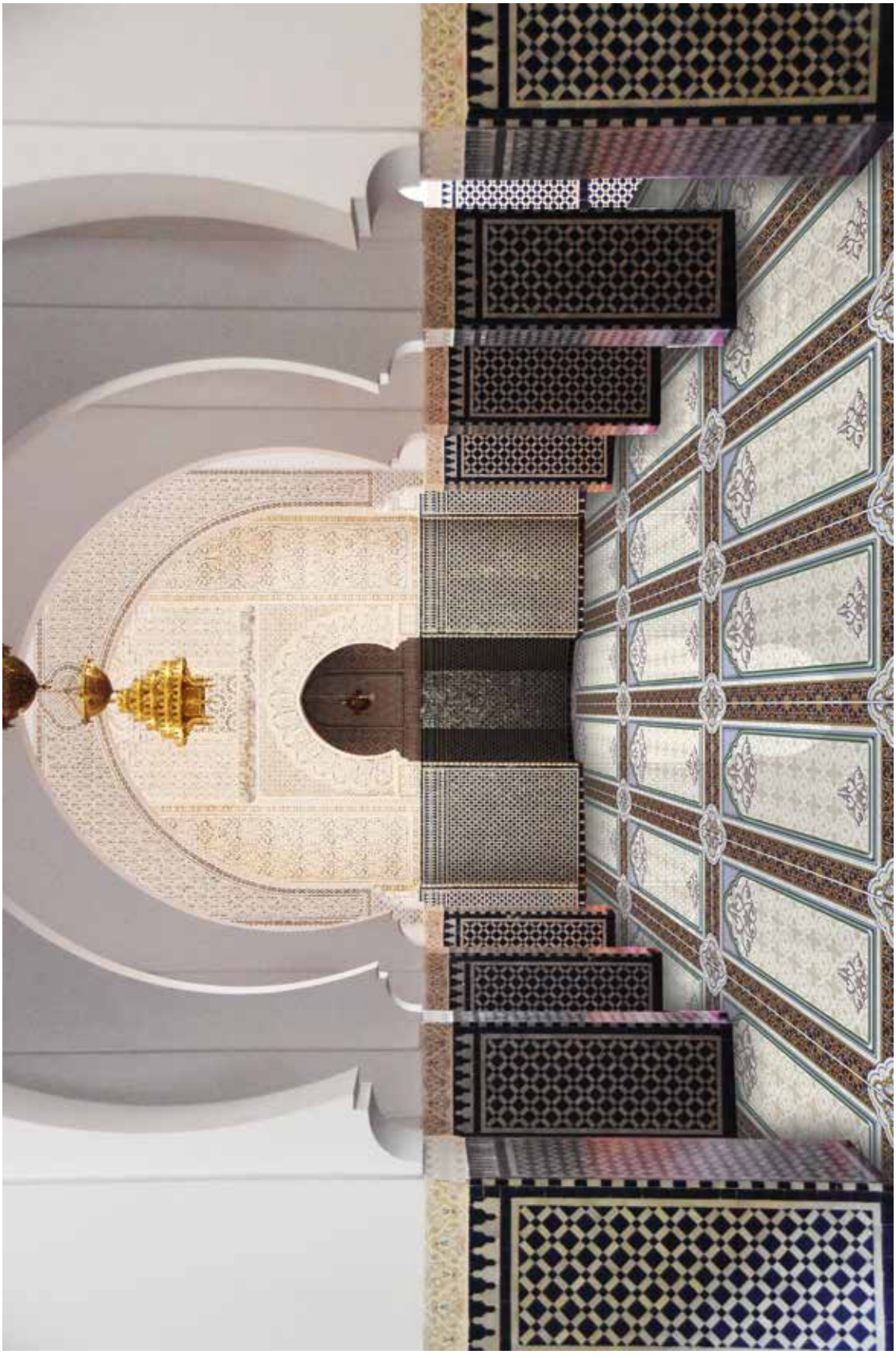
I hereby record my attendance at the 28th Annual General Meeting of the Company to be held on 31 December 2023 at 12.00 pm at Digital Platform through link **https://fuwangcer.bdvirtualagm.com**.

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

ANNUAL REPORT 2022-2023

FU-WANG CERAMIC INDUSTRY LTD.

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