



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

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Independent Auditor's Report To the Shareholders of Savar Refractories Ltd.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Savar Refractories Ltd.** which comprise the financial position as at June 30, 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, except the effect described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, of the financial position of the Company as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Security and Exchange Rules 1987 and other applicable law and regulations.

Basis for Qualified Opinion

1. The company did not call AGM since financial year 2016-2017. As such, both the company's financial statements were approved by shareholders through ordinary resolution, and auditors appointment for the year June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020 nor June 30, 2021 was confirmed by the company's shareholders. However, the board of directors has given their consent to approve the financial statements for the year June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2021 in the company's board meeting. The board of directors have filled up the casual vacancy of statutory auditors by appointing current auditors for the financial year 2020-2021 in the company's 316th board meeting held on May 24, 2021 even though the current auditors has completed his consecutive three years statutory auditor. The Securities Law and DSE listing regulation, 2015 requires to changes the statutory auditor after exceeding consecutive three years.
2. The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been suffering from running operation losses & subsequent net loss since 2013-14 recurring losses from operations poor current ratio (stood 0.37) and deficiency of production capacity by 50.11 % that raise significant doubt about its ability to continue as going concern.
3. As per labor act 2006, sec-234, the company must have to pay WPPF liability within 09 months form the accounting year end. The company is carrying forward WPPF liability of taka 729,503 at the year.
4. The advance income taxes of the company included of TK. 1,262,327 which has previously been adjusted with prior year(s) tax liability, but still it is being carried as advance income tax asset. If such AIT is written off, then NAV of the company will be reduced by that amount and disclosed NAV per share would be Tk.0.68 instead of current disclosed NAV per share of Tk. 0.94

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

Other Matter Paragraphs

During our audit we did not obtain third party confirmation in all respect.

Key Audit Matters

Risk	Our response
Revenue recognition	
<p>At the year ended, the company's reported total revenue of Tk. 39,728,395.</p> <p>Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. The revenue may overstated for the early recognition of revenue to achieve the desire result.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Policy of revenue recognition; • Issuance of VAT challan; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • 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; • VAT is correctly dealt with; • 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.
Please see the note 18 in this financial statements.	
Valuation of inventory	
<p>The balance of inventory of the Company at the year-end was Tk. 11,473,390 held in the company's warehouse.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data;

Risk	Our response
	<ul style="list-style-type: none"> • to review the inventory costing procedures and methodology. • 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.
Please see the note 4 in this financial statements.	
Measurement and recognition of deferred tax	
<p>The balance of reported deferred tax liability of the company was Tk. 4,186,193 as on June 30, 2021.</p> <p>The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAs 12: Income Tax.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax.</p> <p>We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.</p> <p>We have also assessed the rate of deferred for each temporary difference.</p> <p>Also, we examined the accounting treatment of deferred tax.</p>
Please see the note 15 in this financial statements.	

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

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.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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 the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company 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 communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
October 28, 2021

Malek Siddiqui Wali, Chartered Accountants



Md. Waliullah, FCA
Enrolment No: 0247
DVC No: 2111010247AS450057

SAVAR REFRACTORIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021




Particulars	Notes	As at 30 June	Restated	Restated
		2021	As at 30 June	As at 30 June
		Taka	2020	2019
		Taka	Taka	Taka
Assets:				
Non-current asset				
Property, Plant & Equipments	3.00	48,008,591	50,038,688	51,424,038
		48,008,591	50,038,688	51,424,038
Current assets				
Inventories	4.00	11,473,390	11,063,210	8,323,685
Trade Debtors	5.00	2,320,839	3,134,219	2,619,155
Advance, Deposits & Pre-payments	6.00	4,638,226	5,034,762	19,852,840
Cash & Cash equivalents	7.00	7,065,933	4,725,646	2,764,139
		25,498,389	23,957,838	33,559,819
Total Assets		73,506,980	73,996,526	84,983,857
Equity & Liabilities:				
Equity				
Share Capital	16.00	13,928,000	13,928,000	13,928,000
Reserve Accounts	17.00	2,094,434	2,094,434	2,094,434
Retained Earning/(Loss)		(14,716,349)	(13,431,902)	(11,627,782)
		1,306,085	2,590,532	4,394,652
Non-current liabilities				
Deferred Tax	15.00	4,186,193	4,571,541	4,840,331
		4,186,193	4,571,541	4,840,331
Current Liabilities				
Working Capital Loan – Janata Bank	8.00	26,605,481	28,430,077	30,645,673
Loans & Advances	9.00	20,283,774	19,756,583	24,046,861
Accounts payable	10.00	12,252,887	10,050,498	12,552,395
Liability for expenses	11.00	2,143,254	1,930,575	2,313,917
Other liabilities	12.00	5,378,967	4,691,404	3,997,521
Workers Profit Participation Fund	13.00	729,503	729,503	729,503
Provision For Taxation	14.00	462,182	1,087,158	1,304,351
Unclaimed Dividend	32.01	158,654	158,654	158,654
		68,014,703	66,834,453	75,748,875
Total Equity & Liabilities		73,506,980	73,996,526	84,983,857
Net Asset Value (NAV) per share	29.00	0.94	1.86	3.16

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

The financial statements were approved by the Board of directors on 27 October 2021 and were signed on its behalf by:


Chief Financial Officer

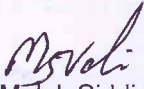

Director


Managing Director


Chairperson

Signed in terms of our separate report the annexed date even.

Dated: Dhaka
28/Oct/2021


Malek Siddiqui Wali
Chartered Accountants

SAVAR REFRACTORIES LIMITED


Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

Particulars	Notes	Restated	
		For the year ended June 30, 2021	For the year ended June 30, 2020
		Taka	Taka
Sales Revenue	18	39,728,395	37,978,689
Cost of goods sold	20	(31,708,493)	(29,892,951)
Gross profit		8,019,902	8,085,738
Other income	19	78,957	221,666
Administrative & Marketing Expenses	21	(6,464,254)	(6,337,484)
Financial Expenses	22	(2,550,016)	(2,583,075)
Operating profit/Loss		(915,411)	(613,155)
WPPF Expenses		-	-
Profit/(Loss) before tax		(915,411)	(613,155)
Income tax expenses			
Prior year Tax under provision		(433,306)	(1,027,073)
Provision for Income tax	23	(321,078)	(432,682)
Deferred Tax movement		385,347	268,791
Profit/(Loss) after tax		(1,284,447)	(1,804,120)
Earning Per Share (EPS)	28	(0.92)	(1.30)


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

The financial statements were approved by the Board of directors on 27 October 2021 and were signed on its behalf by:


Chief Financial Officer



Director


Managing Director


Chairperson

Signed in terms of our separate report the annexed date even.

Dated: Dhaka
28/Oct/2021


Malek Siddiqui Wali
Chartered Accountants


SAVAR REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Share Capital	Reserve	Retained earning	Total
Opening balance	13,928,000	2,094,434	(13,431,902)	2,590,532
Profit/(loss) for the year	-	-	(1,284,447)	(1,284,447)
Closing balance	13,928,000	2,094,434	(14,716,349)	1,306,085

SAVAR REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Share Capital	Reserve	Retained earning	Total
Opening balance	13,928,000	2,094,434	(10,397,836)	5,624,598
Prior year adjustment (Note: 38)			(1,229,946)	(1,229,946)
Restated Opening balance	13,928,000	2,094,434	(11,627,782)	4,394,652
Profit/(loss) for the year	-	-	(1,804,120)	(1,804,120)
Closing balance	13,928,000	2,094,434	(13,431,902)	2,590,532

The financial statements were approved by the Board of directors on 27 October 2021 and were signed on its behalf by:


Chief Financial Officer

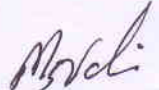

Director


Managing Director


Chairperson

Signed in terms of our separate report the annexed date even.

Dated: Dhaka
28/Oct/21


Malek Siddiqui Wali
Chartered Accountants

SAVAR REFRACTORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021



	Notes	For the year ended June 30, 2021 Taka	For the year ended June 30, 2020 Taka
Cash Flows From Operating Activities:			
Collection from sale and other income		41,068,966	33,903,408
Payments against purchases, supplies, employees & others		(32,647,728)	(23,383,488)
Finance Cost paid		(2,550,016)	(2,583,075)
Tax paid		(441,615)	(1,007,837)
Net cash generated/(used) in operation	33.00	5,429,606	6,929,008
Cash Flows From Investment Activities:			
Acquisition of Property, Plant & Equipment		(1,843,680)	(2,651,905)
Disposal of Property, plant & Equipment		78,957	150,000
Net cash generated/(used) in investing activity		(1,764,723)	(2,501,905)
Cash flows From Financing Activities:			
Working capital Received/(Repaid)		(1,824,596)	(2,215,596)
Directors' loan received		500,000	(250,000)
Net cash generated/(used) financing activity		(1,324,596)	(2,465,596)
Net Cash Inflow / (Outflow)/for the period		2,340,287	1,961,507
Cash & Bank balance at opening		4,725,646	2,764,139
Cash & Bank balance at closing	7.00	7,065,933	4,725,646
Net operating cash flow per share (NOCFPS)	30.00	3.90	4.97

The financial statements were approved by the Board of directors on 27 October 2021 and were signed on its behalf by:


Chief Financial Officer



Director


Managing Director


Chairperson

Signed in terms of our separate report the annexed date even.

Dated: Dhaka
28/Oct/21


Malek Siddiqui Wali
Chartered Accountants

Savar Refractories Ltd.
Notes to the Accounts
For the year ended June 30, 2021

1. The Company and its Operation

1.01 Legal form of the Enterprise

The Savar Refractories Ltd. is incorporated in Bangladesh as a Public Limited Company as on 14 August 1982 and listed with Dhaka Stock Exchange Ltd. at May 1988 with an Authorized Capital of Tk. 25,000,000/- divided into 250,000 ordinary shares of Tk. 100/= each under the Companies Act 1994. Subsequently the company increased its share capital to Tk. 300,000,000/- divided into 30,000,000 ordinary shares of Tk. 10/=

1.02 Nature of Business activities

Savar Refractories Ltd. is primarily engaged to produce very high quality of Fire Bricks, Fire Clay, Castable & Insulation Bricks for 100% local consumption. The company can carry out legitimate business activity in line with business object statement in company's Article of Association.

1.03 Registered Address

The Registered Office of the Company is situated at 108 Airport Road, Tejgaon, Dhaka-1215 while the factory of the company is located at Mirzanagar (Nayarhat), Savar, Dhaka-1344.

2. Summary of significant accounting policies

The accounts have been prepared according to integrated accounting principles adopted on a going concern basis under historical cost convention and are based on generally accepted accounting standard.

2.01 Basis of Financial Statements preparation

The financial statements of the company have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. And the relevant Schedules applicable to the company of the Companies Act 1994 are consistently applied while preparing the financial statements for the year June 30, 2021.

2.02 Recognition of Property, Plant and Equipment

2.02.01 Property, Plant and Equipment are recognized, when and only when the necessary recognitions criteria set out in applicable accounting standards in Bangladesh are met, means it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located if any.

Gains and losses on disposal of an item of property, plant and equipment are taken into account in face of Income Statement by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. When revalued assets are sold, the relevant amount included in the revaluation reserve is transferred to retained earnings.

Depreciation is charged using reducing balance method. The following rate was used while calculating the depreciation.

<u>Item</u>	<u>Rate</u>
Land & Land Development	0%
Factory Building	5%
Plant & Machinery	10%
Klin Construction	10% to 20%
Motor Vehicles	15%
Furniture & Fixture	15%
Equipments	15%

2.03 Intangible Asset

Intangible assets are recognized in accordance with IAS 38 Intangible asset and depreciated using straight line method.

2.04 Current Assets

The company has recognized current assets when:

- It expects to realize the assets or intends to sell or consume it, in its normal operating cycle.
- It holds the asset primarily for the purpose of trading.
- It expects to realize asset within twelve months after the reporting period.

All other assets are classified as non-current asset.

2.05 Inventory Valuation

Inventory is valued lower of cost and net selling price in accordance with IAS 2 Inventory. Cost of inventory is used to compute the value of inventory this year as cost value is lower than current market value.

2.06 Turnover and Sales Revenue

Turnover is shown net off return in ward, discount and VAT. Sales revenue is recognized as per IFRS 15 "**Revenue from contracts with customers**" on accrual basis as and when meets the recognition criteria of related accounting standard.

2.07 Lease

Changes to the company's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS 16 Lease.

IFRS 16 supersedes IAS 17 *Leases*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2020. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or

contains a lease at 1 January 2020. Instead, the company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The IFRS 16 requires to recognise the present value of minimum lease payment under the lease agreement as asset and Liability namely "Right to Use of Asset" and "Lease Liability" respectively. The Right to Use of Asset is added by the balance of advance payment at initial application of IFRS 16, which was July 01, 2020. However, IFRS 16 also allows the company to recognise the lease payment as expenses in respect of short term lease agreement. The company has just one lease arrangement which has fallen in second category. As such, lease (rental) payment was recognised as expenses in the Profit or Loss statement, when they incurred, for short term (temporary) lease and low value lease agreement.

2.08 Foreign Currencies Transactions

The functional and presentation currency is Bangladeshi Taka. And foreign currency transactions are converted into Bangladeshi TAKA at the exchange rate ruling on the date of transaction and the yearend balance are converted into Bangladeshi TAKA at the exchange rate ruling on the date of Balance Sheet as per IAS 21 "*The effects of changes in Foreign Currency Rates*".

2.09 Earnings Per Share (EPS)

Basic EPS

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2.10 Taxation

The Company makes provision of current tax based on the taxable income as per the Income Tax Ordinance 1984. Taxable profits differs from profits as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other year or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the balance sheet date.

2.11 Cash and Cash Equivalents

According to IAS 7 "*Cash Flow statements*", cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. IAS 1 "*Presentation of Financial Statements*" provides those cash and cash equivalents is not restricted in use. Considering the provisions of IAS 7 and IAS 1, cash in hand and at bank balances have been considered as cash and bank balance.

2.12 Reporting currency

The figures in the financial statement represent Bangladeshi TAKA Currency, which have been rounded off to the nearest TAKA except where indicates otherwise.

2.13 Reporting Period

Financial Statement of the company covers one calendar year from July 1, 2020 to June 30, 2021.

2.14 Comparative Information

Comparative information have been disclosed in respect of the year ended June 30, 2021 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

2.15 Components of Financial Statements

According to the International Accounting Standards (IAS) 1 "Preparation of Financial Statements" a complete set of Financial Statements includes the following components.

- a) Statement of Financial Position as at June 30, 2021.
- b) Statement of Comprehensive Income for the year ended June 30, 2021.
- c) Cash Flow Statement for the year ended June 30, 2021.
- d) Statement of Changes in Equity for the year ended June 30, 2021.
- e) Accounting Policies and Notes to the Financial Statements for the year ended June 30, 2021.

For the year ended June 30, 2021	For the year ended June 30, 2020
Taka	Taka

3.00 Property Plant & Equipment Assets (Annexure A)

Cost Value of Assets :

Add : Addition during the year
Less: Adjustment during the year
Closing balance

117,498,929	115,642,024
1,843,680	2,651,905
-	(795,000)
119,342,609	117,498,929

Accumulated Depreciation :

Opening balance
Add : Addition during the year
Less: Adjustment during the year
Closing balance

67,460,240	64,217,986
3,873,778	4,037,253
-	(794,999)
71,334,018	67,460,240

Written Down Value

48,008,591	50,038,688
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3.01 Please see the annexure A for more details.

4.00 Inventory

	Qty. (M.Tons)	Qty. (M.Tons)		
a) Spare Parts	-	-	52,665	69,341
b) Raw Materials (4.01)	629.38	594.57	2,575,919	3,766,553
c) Work-in-process (4.02)	53.85	71.74	531,028	704,354
d) Finished goods (4.03)	662.56	868.69	8,313,778	6,522,962
			11,473,390	11,063,210

- a) Physical counting of the stock was carried out by inventory counting team.
b) Inventory at June 30, 2021 are valued at lower of average cost and net realizable value.
c) The inventories are pledged as security for working capital loan from Janata Bank.

4.01 Raw Materials

Items	Qty. (M.Tons)	Qty. (M.Tons)		
a. Imported:				
i) Aluminium Ors & Concentrates (Bauxite)	41.68	71.42	1,210,099	1,768,418
ii) Indian Clay	23.91	120.00	152,023	762,974
	65.59	191.42	1,362,122	2,531,392
b. Local:				
i. Mymensingh Clay Grade-1	72.17	19.30	188,206	90,160
ii. Mymensingh Clay Grade-2	105.51	19.32	189,944	85,766
iii. Grog, Grade-1	56.43	115.16	206,401	430,875
iv. Grog, Grade-2	59.55	65.83	163,763	162,188
v. White Clays	169.23	169.23	220,000	220,000
vi. Black Clays	97.57	9.41	80,086	51,981
vii. Portland Cement	0.41	1.37	6,567	21,942
viii. Alumina Cement	1.84	1.84	138,000	138,000
ix. White Cement	0.76	-	14,345	-
x. Others	0.32	1.69	6,485	34,250
	563.79	403.15	1,213,797	1,235,161
Total	629.38	594.57	2,575,919	3,766,553

4.02 Work-in-Process

Name of items	Quality	Qty. (M.Tons)	Qty. (M.Tons)		
A.R.B-3	SHA	9.95	11.42	85,015	110,250
STD	HA	13.07	24.02	118,358	225,429
RLN - 2A	LADDLE	-	-	-	-
71-0525	MD	5.31	6.25	72,512	85,285
S/A	RD	4.26	-	56,764	-
STD	SD	5.78	3.02	67,236	35,125
Runner/Pipe/Centre/Funnel Bricks		15.48	27.03	131,143	248,265
Ladle		-	-	-	-
STD, (C.F) L.F.B		-	-	-	-
		53.85	71.74	531,028	704,354

For the year ended June 30, 2021

For the year ended June 30, 2020

4.03 Finished Goods

Items	Qty. (M.Tons)	Qty. (M.Tons)		
Hydrometric Cone Equivalent SK-24 (SRL/RD)	1.96	-	6,109	-
Hydrometric Cone Equivalent SK-26 (SRL/MD)	-	131.24	-	307,111
Hydrometric Cone Equivalent SK-27 (SRL/MHD)	-	-	-	-
Hydrometric Cone Equivalent SK-28	-	-	-	-
Hydrometric Cone Equivalent SK-29 (SRL/SD)	14.52	49.88	59,476	196,193
Hydrometric Cone Equivalent SK-30 (SRL/SHD)	0.04	-	519	-
Hydrometric Cone Equivalent SK-32 (SRL/HA)	101.59	150.72	673,548	964,152
Hydrometric Cone Equivalent SK-33 (SRL/SHA)	108.60	143.84	804,726	1,026,477
Hydrometric Cone Equivalent SK-34 (SRL/SHA-2)	-	-	-	-
Hydrometric Cone Equivalent SK-36 (SRL/SHA-1)	74.76	64.76	735,393	633,993
Hydrometric Cone Equivalent SK-37 (SRL/Super-65)	43.64	33.90	612,706	459,710
Laddle & STD, I.B	25.81	25.48	461,603	496,860
Runner/Pipe/Centre/Funnel Bricks	217.74	102.00	3,081,285	1,440,540
Light Fire Bricks (Tali)	46.11	158.10	294,173	766,869
Others (Fire Cement, Castable (S-65, AH-90), Ram Mas)	27.79	8.77	1,584,240	231,056
	662.56	868.69	8,313,778	6,522,962

5.00 Trade debtors

Anwar Ispath	-	550,807
Al-Abbas Enterprice	236,719	171,720
Bangla Millars Ltd (RFL)	191,100	191,100
Salam Steel Con-Cast Re-Rolling Mills Ltd.	92,880	383,220
Baridhara Auto Bricks Ltd.	50,000	-
BSRM Steel Mills Ltd.	145,632	145,632
S.R Traders	149,842	146,320
Arman Chemical Industries Ltd.	64,000	64,000
Modern Ereotion	114,206	120,435
Munnu Ceramic Ind. Ltd.	258,469	458,469
Aman Cement Industries Ltd.	14,401	14,400
Sonargaon Steel Re-Rolling Mills Ltd.	78,400	400
Rani Steel Mills (Pvt.) Ltd.	194,319	97,285
Bashundhra Steel Mills Ltd.	82,128	44,180
Chakda Re-Rolling Steel Mills Ltd.	5,820	5,820
Argus Metal (Pvt.) Ltd	33,000	33,000
Confidence Steel/Electric Ind. Ltd	280,546	378,054
Bandor Steel Mills Ltd	329,377	329,377
	2,320,839	3,134,219

5.01 This represents the amount receivable from various parties against credit sale of goods.

5.02 No other securities except personal securities were taken from any debtors.

5.03 No amount was due by the Director, (including Managing Director) Managers and other Officers of the company jointly or severally with any other person or related party define in IAS 24 Related Party Disclosure.

5.04 No amount was due by the associate undertakings.

5.05 The directors felt that the above balances are considered good and collectable in due course of business.

5.06 Receivable aging

Invoiced at 30 days	419,327	927,545
Invoiced above 30 but less than 60 days	622,995	1,682,988
Invoiced above 60 but less than 90 days	495,188	523,686
Invoiced above 180 but less than 365 days	356,542	-
Invoiced over 365 days	426,787	-
	2,320,839	3,134,219

6.00 Advance, Deposit & Prepayments

Advance against Salary		49,500	53,250
Advance against goods supply		203,125	524,554
Balance with VAT current account		1,394,787	595,463
Earnest Money & Security Deposit	Note 6.02	1,367,044	1,299,980
Advance Income Tax (AIT)	Note 6.06	1,623,770	2,561,515
		4,638,226	5,034,762

6.01 Advance against Salary are realizing regularly through the monthly salary bill. All advances to staff are Secured against the personal security of the respective staff.

6.02 Security Deposit are made to statutory Authorities, Titas Gas Transmission & Distribution Co Ltd and are realisable when the service from them are discontinued. The security deposits are made in FDR form. The detail of FDR is as follows:

6.03 All advance, deposit & prepayment are considered good and recoverable within due course.

6.04 No amount due by directors or associated undertakings.

For the year ended June 30, 2021 For the year ended June 30, 2020

6.05 Maturity Analysis

Adjustable/Realisable within one year
Adjustable/Realisable after one year

1,367,044	1,299,980
3,271,182	3,734,782
4,638,226	5,034,762

6.06 Advance Income Tax (AIT)

Opening Balance
Prior year adjustment:
Restated Balance
Tax paid relating to prior year
Addition During the year
Adjustment/settled during the year
Closing Balance

2,561,515	3,146,266
-	73,619
2,561,515	3,219,885
164,529	-
277,086	1,018,575
(1,379,360)	(1,676,945)
1,623,770	2,561,515

6.02.01 Non-Financial Disclosure on FDR

SL No.	FDR Number	Bank Name	Interest Rate	Closing Balance	Lien Status
1.00	8055007802	Janata Bank Ltd	6 %	411,422	Yes
2.00	8055009071	Janata Bank Ltd	6 %	768,984	Yes
3.00	8055007793	Janata Bank Ltd	6 %	186,639	Yes

7.00 Cash & Cash equivalents

7.01 Cash-in-hand

Head Office
Factory
Chittagong Branch
Petty Cash with Head Office

1,367,094	557,169
149,944	218,538
3,868	3,825
1,428	2,009
1,522,334	781,541

7.02 Cash at Banks

C.D A/c – 2840 Janata Bank (Savar)
" " 4751/33001125, Janata Bank (Dhaka)
" " 38645, Janata Bank (Chittagong)

336,533	205,125
5,204,085	3,735,079
2,981	3,901
5,543,599	3,944,105
7,065,933	4,725,646

Total Cash & cash equivalents

7.02.01 The physical cash counting was taken place at the year end.

7.02.02 All the Bank balances have been reconciled and found in order.

7.02.03 The cash and cash equivalent does not include any bank balance that maintain in foreign currency.

8.00 Working capital loan

Janata Bank, Farmgate Branch, under credit agreement financing the working capital of the Company.

CC (Hypo) A/c No. 35/37000511

26,605,481	28,430,077
26,605,481	28,430,077

Apart from the above cash credit, the Company has availed no other credit facilities.

The company is utilizing Cash Credit loan facility from Janata Bank Ltd. with following terms:

Approved facility 8 Crore
Tenor 1 year from sanction
Rate of Interest 9%
Security Factory Land & Building, machinery and Stock.
Classification Status: Unclassified

9.00 Loans & Advances

Loan from Directors
Advance against Sales

325,000	325,000
19,958,774	19,431,583
20,283,774	19,756,583

9.01 Interest free temporary loan received from Mrs. Lutful Tahmina Khan, Chairperson amounting to Tk.2,50,000/- & Mr. Safi Modassir Khan, Managing Director amounting to Tk. 1,25,000/-.

9.02 Money received from buyers/dealer against sale that has regularly been adjusted.

For the year ended June 30, 2021 For the year ended June 30, 2020

10.00 Accounts payable

Abdus Salam (Carrying)	314,562	305,275
Akbar Engineering Works	864,750	625,410
Amgasia Enterprise	98,512	225,015
Bashundhara Timber Mart	-	198,524
M/s. Anik Timber Traders	285,426	-
M/s. Hossain & Co.	385,461	325,470
Shimul Art Press	427,568	287,256
M/s. Tutul Traders	665,160	528,420
M/s. S.M Enterprise	181,452	342,510
M/s. Bonik Bitan	-	213,254
Anowar Hossain Enterprise	203,879	168,425
Kaligonj Traders	40,693	112,050
M/s. Ashok Agarwala	77,520	85,240
M/s. Rashid Enterprise	172,632	210,247
Shahin Enterprise	152,354	125,472
M/s. Rony Enterprise	324,585	-
Meri Traders	-	185,625
M/s. Sonali Agency	585,254	297,254
M/s. Pioneer Refractories & Tiles	1,823,782	1,350,893
M/s. Master Traders	51,532	305,327
M/s. Mita Traders	-	286,204
M/s. Titas Banijjik Protisthan	2,125,462	2,038,466
Khaled Enterprise	160,445	345,281
Khan Business Consortium	56,546	245,284
Lucky Enterprise	1,280,478	434,228
Nazmul Enterprise	1,339,315	524,218
Others	635,519	285,150
	<u>12,252,887</u>	<u>10,050,498</u>

10.01 This represents the amount payable to various parties against supply of Raw Materials and other supplies. Most of the suppliers have subsequently been settled and no securities were given against the above creditors.

11.00 Liability for expenses

Salary & Allowances	724,520	685,290
Telephone & Trunk-call Charges	35,145	28,514
Gas Charges	405,616	258,642
Electric Charges	212,276	243,313
Office Rent	18,500	18,500
Audit Fees	115,000	115,000
Income Tax Consultant Fees	10,000	10,000
AIT & VAT deducted at source	622,197	571,316
	<u>2,143,254</u>	<u>1,930,575</u>

12.00 Other liabilities

Mrs. Lutful Tahmina Khan	401,062	201,062
Shafia Tasnim Khan	245,765	145,765
Mrs. Nilufa Akhter	-	-
Safi Modassar Khan	200,000	-
Share Application money (Un-claim)	2,000	2,000
Workers & Employees P. F.	4,530,140	4,342,577
	<u>5,378,967</u>	<u>4,691,404</u>

12.01 Share application money represents rest balance of the un-allotted share application money payable to the applicants but lied in the accounts due to non-claimant.

12.02 The company is under an unfunded post-employment benefit fund name Provident Fund.

13.00 Workers profit participation fund

Balance as per last account	729,503	729,503
Add : Provision for this year	-	-
	<u>729,503</u>	<u>729,503</u>
Less: This year Paid	-	-
Balance for this year	<u>729,503</u>	<u>729,503</u>

13.01 Based on the profitability the company made provision at a 5% on the basis of company's. profit.

For the year ended June 30, 2021 For the year ended June 30, 2020

14.00 Provision for income tax

Opening balance	1,087,158	1,181,163
Prior year adjustment: (39.00)	-	123,188
	<u>1,087,158</u>	<u>1,304,351</u>
Provision for the year	321,078	432,682
Prior year under provision (unpaid)	-	196,069
Adjustment during the year	(946,054)	(845,943)
Closing balance	<u>462,182</u>	<u>1,087,158</u>

Note: 14.01

14.01 Year wise breakup of "Provision for Income Tax"

Prior year tax provision on FDR interest income	-	123,188
Tax provision for 2017/18	-	196,069
Tax provision for 2018/19	-	335,220
Tax provision for 2019/20	-	432,682
Tax provision for 2020/21	321,078	-
	<u>321,078</u>	<u>1,087,158</u>

As per Income Tax ordinance provision for taxation has been provided @ 0.60% on gross received during this year as taxable profit for this year is negative, which is minimum tax as per para 82(c) of ITO 1984.

15.00 Deferred Tax

Deferred Tax has been calculated based on deductable / taxable temporary difference arising due to difference in the carrying amount of net Assets on Accounting base and its tax based in accordance with the provision of International Accounting Standard (IAS)-12 "Income Taxes"

Carrying value of asset except land at accounting base	37,269,097	39,299,194
Tax base	18,663,794	21,013,033
Temporary difference	18,605,303	18,286,161
Tax rate	22.50%	25.00%
Closing balance	<u>4,186,193</u>	<u>4,571,541</u>
Deferred tax expenses/(income) during the year	(385,347)	(268,791)

For the prudency purposes, the company did not recognise deferred tax arising on unused tax losses.

16.00 Share Capital

i) Authorized Capital :30,00,00,000

30,000,000 Ordinary Shares of Tk.10/- each

300,000,000	300,000,000
-------------	-------------

ii) Issued, Subscribed & Paid-up Capital :

Sponsors: 705830 Ordinary shares of Tk.10/- each

Public: 686970 Ordinary shares of Tk.10/- each

7,058,300	7,058,300
6,869,700	6,869,700
<u>13,928,000</u>	<u>13,928,000</u>

Composition of shareholding:

Sponsors	50.68%	50.68%
Family & Friends	0.87%	0.87%
Public, ICB & Others Company	48.45%	48.45%
The Company has no Non – Resident Share holders	100.00%	100.00%

Distribution Schedule of each class of equity setting out the member of holders and percentage in the following categories:

Number of share holders	Holdings	Total Holdings	Total Holdings	Percentages (%)
1,746	Less than & equal 50,000 shares	705,400	705,400	50.65 %
3	50,001 shares to 150,000 shares	400,340	400,340	28.74 %
1	250,001 shares to 350,000 shares	287,060	287,060	20.61 %
<u>1,750</u>		<u>1,392,800</u>	<u>1,392,800</u>	<u>100.00 %</u>

For the year ended June 30, 2021
 For the year ended June 30, 2020

16.01 Detailed year wise break-up of share issue

Date of Allotment	Description	No. of Shares	Face Value	Amount	Basis of Allotment
1st on 29/10/1984 During Incorporation	Cash issue	33,500	100	3,350,000	Banking Channel
2nd on 11/09/1987	Cash issue	11,500	100	1,150,000	"
3rd on 05/12/1988	Cash issue	45,000	100	4,500,000	"
4th on 18/05/1991	Right issue	24,640	100	2,464,000	"
5th on 30/09/1992	Right issue	24,640	100	2,464,000	"
Total		139,280		13,928,000	

As of September 24, 2014, the company's share face value split into Tk. 10 each from Tk. 100 to comply with the BSEC notification.

17.00 Reserve

Opening Balance	2,094,434	2,094,434
Addition during the year	-	-
Closing balance	2,094,434	2,094,434

17.01 Reserve for Re-Investment and purchases of Govt. Bond are as per last account and were created as per requirements of Income Tax Ordinance, 1984

18.00 Sales Revenue

Name of the product	Qty. (M.Tons)	Qty. (M.Tons)		
Refractory Items (Own Product)	3,322.43	3,154.97	33,097,295	33,590,764
Sales of Imported Finished goods	76.98	61.87	6,631,100	4,387,925
	3,399.41	3,216.84	39,728,395	37,978,689

During the year, the company has sold low value items more and sales value per ton has also been decreased. As such average sale value per metric ton was decreased during the year in compare with last year

19.00 Other Income

Gain on disposal	-	149,999
Interest on FDR	78,957	71,667
	78,957	221,666
Cost of Asset (Generator)	-	795,000
Less: Accumulated depreciation at disposal date	-	(794,999)
WDV	-	1
Value of Part exchange	-	150,000
Gain on Disposal	-	149,999

20.00 Cost of goods sold

	Qty. (M.Tons)	Qty. (M.Tons)		
Opening finished Stock	868.69	1,167.13	6,522,962	5,670,988
Add: Cost of Production (20.01)	3,193.28	2,918.40	33,499,309	30,744,925
	4,061.97	4,085.53	40,022,271	36,415,913
Less: Closing finished Stock	(662.56)	(868.69)	(8,313,778)	(6,522,962)
	3,399.41	3,216.84	31,708,493	29,892,951

20.01 Cost of production

	Qty. (M.Tons)	Qty. (M.Tons)		
Raw Material Consumed (20.02)	3,175.39	2,907.62	11,844,871	10,444,540
Direct Labour	-	-	3,747,484	3,825,484
Factory Overhead (20.03)	-	-	17,551,468	16,381,370
Insurance Premium	-	-	182,160	182,160
	3,175.39	2,907.62	33,325,983	30,833,554
Add : Opening Work-in-process	71.74	82.52	704,354	615,725
	3,247.13	2,990.14	34,030,337	31,449,279
Less : Closing Work-in-process	(53.85)	(71.74)	(531,028)	(704,354)
Total Cost of production	3,193.28	2,918.40	33,499,309	30,744,925

For the year ended June 30, 2021 For the year ended June 30, 2020

20.02 Raw Material Consumed

	<u>Qty.</u> <u>(M.Tons)</u>	<u>Qty.</u> <u>(M.Tons)</u>		
Opening Stock	594.57	536.59	3,766,553	1,823,717
Add : Purchase this year [20.02.1]	3,120.20	2,925.60	6,770,895	11,077,160
Add:Purchase of Finished product	90.00	40.00	3,883,342	1,310,216
	3,804.77	3,502.19	14,420,790	14,211,093
	(629.38)	(594.57)	(2,575,919)	(3,766,553)
Less : Closing Stock	3,175.39	2,907.62	11,844,871	10,444,540

20.02.1 Statement of Raw Materials Purchased

(a) Imported (on C & F basis):

<u>Name of materials</u>	<u>Qty.</u> <u>(M.Tons)</u>	<u>Qty.</u> <u>(M.Tons)</u>		
i) Aluminium Ors Concentrates (Bauxite)	37.50	163.00	1,160,045	4,485,504
ii) Indian Clay	-	120.00	-	762,974
	37.50	283.00	1,160,045	5,248,478

(b) Local :

	<u>Qty.</u> <u>(M.Tons)</u>	<u>Qty.</u> <u>(M.Tons)</u>		
i) Mymensingh Clay, Grade-1	125.00	120.00	312,500	300,000
ii) Mymensingh Clay, Grade-2	1,190.00	640.00	2,142,000	1,152,000
iii) Grog, Grade-1	50.00	570.00	175,000	1,995,000
iv) Grog, Grade-2	790.00	660.60	2,172,500	1,816,650
v) Black Clay	925.00	650.00	758,500	533,000
vi) Portland Cement	-	2.00	-	32,032
vii) White Cement	2.70	-	50,350.00	-
viii) Alumina Cement	-	-	-	-
	3,082.70	2,642.60	5,610,850	5,828,682

Total purchased

	3,120.20	2,925.60	6,770,895	11,077,160
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20.03 Factory Overhead

Factory Salary & Wages	2,837,507	2,702,388
Festival Bonus	695,625	662,500
Gas Charges	4,563,392	3,950,357
Electric Charges	2,642,357	2,415,305
Material Handling Cost	204,540	165,441
Lubricants	286,515	212,822
Quality Control Exp	124,602	121,722
Mould Expenses	123,280	89,296
Carriage Inward	106,347	86,004
Safety & Environmental Exp.	156,257	125,400
Repairs & Maintenance	516,348	475,221
Clearing, Forwarding & Others	293,894	265,220
Security Gard Expense	744,000	744,000
Other Factory Expenses	282,468	248,525
Laboratory Expenses	75,214	50,104
Research and Development Exp.	107,450	85,363
Medical Expenses	145,645	201,240
Depreciation (Annexure A)	3,646,027	3,780,462
	17,551,468	16,381,370

21.00 Administrative & Marketing expense

	<u>Notes</u>		
Salary & Allowances		2,921,056	2,829,577
Directors remuneration	24.00	620,000	620,000
Board meeting fee	24.00	12,000	12,000
Other benefit for directors	24.00	420,000	420,000
Festival Bonus		194,004	184,766
T. A. & Conveyance		91,458	105,275
Entertainment		63,216	80,584
Printing & Stationery		33,697	32,842
Postage & Telegram		27,924	21,452
Telephone, Mobile & Trunk-call Charges		196,483	173,540
Electric Charges		242,257	225,244
Office Rent		222,000	222,000
Repairs & Maintenance		118,274	115,254
Fuel		56,789	64,250
Packing Charges		73,682	68,520

	For the year ended June 30, 2021	For the year ended June 30, 2020
Carriage outward	85,243	82,140
Advertisement	49,654	55,240
Donation & Subscription	2,345	2,050
Fees & Fines	22,244	8,950
Miscellaneous Expenses	3,675	2,675
Paper & Periodicals	11,378	8,225
Tender Document Purchases	57,850	42,570
Medical Expenses	147,247	130,172
Business Development	231,523	245,205
Rates & Taxes	16,471	12,752
Income Tax Consultant Fees	50,000	50,000
Enlistment Fees (D.S.E)	50,000	59,850
Uniform & Costume	68,455	55,284
Water Charges	32,578	35,275
Audit fee	25.00	115,000
Depreciation (Annexure A)	227,751	256,792
	6,464,254	6,337,484

21.01 Miscellaneous Expenses includes cost of Gunny bags, Basket, Ropes and other petty expenses.

22.00 Financial Expenses

Interest on C.C. Loan from Janata Bank Farmgate Corp. Br.	2,484,589	2,512,094
Bank Charges	65,427	70,981
	2,550,016	2,583,075

23.00 Provision for Income tax Calculation

The company attracts minimum tax due to incurred loss during the year. The calculation of minimum tax is as following:

Tax on sales on which TDS applicable	-	194,393
Other sales @ 0.6%	277,086	167,872
Interest on FDR @22% and 25%	16,357	17,917
On other income @ 35%	27,635	52,500
Total	321,078	432,682

23.01 Calculation of effective tax rate calculation

Particulars	Based Amount	Based Amount	Effective Tax Rate	Effective Tax Rate	30.06.2021	30.06.2020
Business Income	(915,411)	(834,821)	25%	25%	(228,852.73)	(148,630)
Other income	78,957	221,666	35%	35%	27,635	52,500
	(836,454)	(613,155)	24%	16%	(201,218)	(96,130)
Deductible temporary difference			32%	44%	(268,790)	(268,790)
Prior Year adjustment			52%	168%	(433,306)	(1,027,073)
Effect of Minimum Tax			-58%	-79%	485,895	485,895
			50%	148%	(417,419)	(906,098)

24.00 Directors Remuneration

a) Mrs. Lutful Tahmina Khan, Chairperson:

i) Remuneration	140,000	140,000
ii) Other Allowances:		
House Rent	70,000	70,000
Medical Allowance	15,000	15,000
Entertainment	15,000	15,000
	240,000	240,000

b) Mr. Safi Modassar Khan, Managing Director:

i) Remuneration	300,000	300,000
ii) Other Allowances:		
House Rent	150,000	150,000
Medical Allowance	25,000	25,000
Entertainment	25,000	25,000
	500,000	500,000

c) Mrs. Shafia Tasnim Khan, Director:

i) Remuneration	180,000	180,000
ii) Other Allowances:		
House Rent	90,000	90,000
Medical Allowance	15,000	15,000
Entertainment	15,000	15,000
	300,000	300,000

Total remuneration	1,040,000	1,040,000
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For the year
ended June 30,
2021

For the year
ended June 30,
2020

d) Board meeting fees: Tk.12,000

During the period, Board Meetings were held and the following fees were paid:

Name	Designation	No of Board meeting held	Attended by concerned directors	Attended by concerned directors	Amount	Remarks
Mrs.Nilufa Akhter	Ind.Director	6	6	6	6,000	
Miss.Shafia Tasnim Khan	Director	6	0	0		
Mr.Abu Taher	Ind.Director	6	6	6	6,000	
			12	12	12,000	

24.01 Remuneration, Entertainment Allowances & Board Meeting fees paid to the Director have been charged to the Profit & Loss Account under head "Administrative Expenses"

24.02 Managing Director does not receive any Board Meeting fees.

24.03 House Rent paid to Managing Director has been charged as "House Rent" & Entertainment in the Administrative & Marketing Expenses.

24.04 The Chairperson now holding full time office

24.05 The directors of the company considered as key management employees.

25.00 AUDITORS' REMUNERATION

115,000 115,000

Auditor's Remuneration includes only audit fees as fixed by the shareholders. Both the appointment and fixation of remuneration of auditor was made by the board of directors in 316th meeting held on June 10, 2021, due to no holding of AGM. The shareholders approval were not confirmed in AGM.

26.00 Production Capacity

Capacity of the Industrial Unit, actual production, Shortfall and achievement are as follows:

	2021		2020	
	In M. Tons	Percentage	In M.Ton	Percentage
Installed Capacity	6400.00	100.00%	6,400.00	100.00%
Actual Production	3193.28	49.90%	2,918.40	45.60%
Shortfall	3206.72	50.11%	3,481.60	54.40%

Reason of Shortfall: The above shortfall is mainly due to insufficient selling orders, load shedding on electric supply, shortfall of gas supply as well as fall down sale of real-estate business and other connected business in Bangladesh chipper supply from overseas. As a result of shortfall of capacity utilisation the company is made net loss during the year.

27.00 Related Party Disclosure

During the year, the company, in normal course of business, has carried out following transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: "Related Party Disclosures".

Name	Relationship	Nature of Tran.	Transaction		Closing outstanding liability	
			Dr. (-)	Cr. (+)	2021	2020
Mrs. Lutful Tahmina Khan	Chairman	Loan	-	(200,000)	450,000	250,000
Mr. Safi Modassar Khan	MD	Loan	-	(200,000)	325,000	125,000
Shafia Tasnim Khan	Director			(100,000)	100,000	-
Mrs. Lutful Tahmina Khan	Chairman	Remuneration	240,000	(240,000)	-	-
Mrs. Nilufa Akhter	Ind. Director	Meting Free	6,000	(6,000)	-	-
Mr. Safi Modassar Khan	MD	Remuneration	500,000	(500,000)	-	-
Shafia Tasnim Khan	Director	Remuneration	300,000	(300,000)	-	-
Mr. Abu Taher	Ind. Director	Meting Free	6,000	(6,000)	-	-
M/s. Titas Banijjik Protisthan	Under common management	Rent	222,000	(222,000)	18,500	18,500
M/s. Titas Banijjik Protisthan		Purchase	-	(86,996)	2,125,462	2,038,466
Total			1,274,000	(1,860,996)	3,218,962	2,431,966

27.01 Please note that no interest is charged or paid against the directors loan.

28.00 Basic Earning Per Share (EPS) :

Basic Earning Per Share (EPS)-Disclosure under IAS 33 :

Earnings attributable to Ordinary Shareholder	<u>(1,284,447)</u>	<u>(1,804,120)</u>
Weighted average numbers of shares outstanding	1,392,800	1,392,800
Earning Per Share (EPS) -	<u>(0.92)</u>	<u>(1.30)</u>

(Restated EPS per share for the comparative year)

The details of restatement shown in note: 38

28.01 Due to fallen of production capacity utilization, sales for the year and adverse effect of prior year tax under provision performance for the year and EPS has been detracted during the year.

For the year
ended June 30,
2021

For the year
ended June 30,
2020

29.00 Net Asset Value Per Share (NAV) :

Net Asset Value Per Share (NAV) :

Total Asset - Total Liabilities	1,306,085	2,590,532
No. of ordinary share	1,392,800	1,392,800

Net Asset Value Per Share (NAV) -

(Restated NAV per share for the comparative year)

The details of restatement shown in note: 38

	0.94	1.86
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29.01 Due to the adjustment of loss for the year.

30.00 Net operating cash flow per share (NOCFPS) :

Net operating cash flow per share :

Net cash generated/(used) in operation	5,429,606	6,929,008
No. of ordinary share	1,392,800	1,392,800

Net operating cash flow per share (NOCFPS) -

Due to significant decrease of advance against purchase the NOCF per share during the year has been increased.

	3.90	4.97
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31.00 Key management benefits:

The directors of the company considered as key management employees and details of benefit given to them is provided below:

	2021		2020	
	Directors	Executives	Directors	Executives
Remuneration	620,000	-	620,000	-
House rent	310,000	-	310,000	-
Medical Allowance	55,000	-	55,000	-
Entertainment	55,000	-	55,000	-
	1,040,000	-	1,040,000	-
Total Number of Directors	5	0	5	0

32.00 Event after reporting period

32.01 The post balance sheet dated, the balance of unclaimed dividend of Tk. 1,58,654 and non-refunded share application money of Tk. 2,000 are transferred dated 23/09/2021 to the Capital Market Stabilization Fund (CMSF) as directed by the BSEC Notification no. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021.

32.02 The Board of Directors of Savar Refractories Ltd. has approved the financial statements as on October 27, 2021 and no dividend is recommended for the financial year June 30, 2021.

Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statement or notes thereto.

33.00 Reconciliation between Net profit to Net operating cash flow

Profit/(loss) before tax	(915,411)	(444,522)
Gain on Disposal of Fixed Asset	(78,957)	(150,000)
Finance cost	2,550,016	2,583,075
Operating profit	1,555,648	1,988,553
Adjustment:		
Depreciation	3,873,778	4,037,254
Changes in Working capital:		
(Increase)/Decrease of inventory	(410,180)	(2,979,826)
(Increase)/Decrease of Trade debt	813,380	(515,064)
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	(541,210)	13,740,576
Increase/(Decrease) of Accounts payable	2,202,389	(2,501,897)
Increase/(Decrease) of Advance against sales	527,191	(3,560,217)
Increase/(Decrease) of Liability for expenses	212,679	(383,342)
Increase/(Decrease) of Other payable	187,563	693,883
	8,421,238	10,519,920
Interest paid	(2,550,016)	-2,583,075
Tax paid	(441,615)	-1,007,837
Net operating cash flow	5,429,606	6,929,008

34.00 Board Meeting fee

During the year 06 board meeting was held

35.00 Employees minimum pay:

- a) Drawing salary below Tk.8,000 per month = 00 Persons
- b) Drawing salary up to Tk.8,000 per month = 20 Persons
- c) Drawing salary above Tk.10,00 per month = 19 Persons

36.00 Contingent Liabilities :

The company don't have any liability which fall in the definition of contingent liability according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

37.00 Financial Instrument and related disclosure

37.01 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

37.02 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

37.03 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income 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 returns.

38.00 Prior year adjustment (restated statement)

The company shown the inventory value overstated, due to non performing lower of study between cost and NRV, in the financial statements and did not recognise the interest income on investment in FDR. For more compliance with International Accounting Standard, the financial statements of the company are corrected in this respect by restating the prior period financial statement in accordance with IAS-8, "Accounting Policies, Changes in Accounting Estimates and errors" Section-42. The details of restatement of prior periods financial statements is as follows:

38.01 Inventory

	As of June 30, 2020	As of June 30, 2019
Inventory value overstated by	(1,839,810)	(1,599,509)

The above adjustment is made by reduction of Inventory balance and profit or loss statement & retained earnings for the adjustment as of June 30, 2019.

38.02 Interest on FDR

	For the year June 30, 2020	As of June 30, 2019
Unrecognised interest income (net off bank charge) (Dr. FDR & Advance Income; Cr. R/E or P/L)	78,957	492,751
Unrecognised AIT (Dr. Advance Income Tax; Cr. FDR)	10,738	73,619
Tax provision on Income (Dr. P/L; Cr. Provision fro Tax)	19,739	123,188

39.00 General for compliance with Securities Exchange Rule 1987.

- a) All Shares have been fully called and paid up.
- b) There were no preference shares issued by the Company.
- c) There was no Bank Guarantee issued by the Company on behalf of their Directors or the Company itself except Bank loans.
- d) No commission was paid to sales Agent.
- e) No expenses were paid as Royalty and Salary to Technical Experts etc. [As Para – 8 (KHA) of Part II in foreign currencies.
- f) No brokerage was paid against sales during the year under Audit.
- g) There was no sum for which the Company was contingently liable as on 30-06-2021.
- h) Auditors are paid only statutory audit fee approved by the Shareholders in the last Annual General Meeting.
- i) The Company earns no foreign currency.
- j) There is no non-resident shareholder of the company.
- k) There was no foreign exchange remitted to the relevant shareholders during the year under audit.
- l) The value and percentage of consumption of imported local Raw Materials & stores are given below: -

For the year ended June 30, 2021

For the year ended June 30, 2020

- a) Imported Raw-materials for production
- b) Imported Finished Goods for trading
- c) Local Raw-materials
- d) Procurement of Finished goods (Local & Technical service)

Value	%
1,160,045	10.89%
3,883,342	36.45%
5,610,850	52.66%
10,654,237	100.00%

n) Goods imported on C & F basis the details are given below:

	<u>BDT</u>	<u>USD</u>
1) Imported Raw-materials for production	1,160,045	13,976.45
2) Imported Finished goods for trading	3,883,342	46,787.25
	5,043,387	60,763.70

o) There is no claim against the Company not acknowledge as debt except claim which may be Arisen on insurance claim.

p) No amount of Money was expended by the Company for compensating any member of the Board for special service rendered.

SAVAR REFRACTORIES LIMITED
Property, Plant & Equipments
as at June 30, 2021

Annexure A

These details of assets are as follows:

Name of Assets	COST				Rate	DEPRECIATION				Written down Value as at June 30, 2021	Written down Value as at June 30, 2020
	Balance as at July 01, 2020	Addition during the year	Adjust / Sold during	Balance as at June 30, 2021		Balance as at July 01, 2020	Charged during the year	Adjust / Sold during	Balance as at June 30, 2021		
Land & Land Development	10,739,494	-	-	10,739,494	-	-	-	-	-	10,739,494	10,739,494
Factory Building	18,155,017	-	-	18,155,017	5%	387,702	-	-	10,788,689	7,366,328	7,754,030
Kiln Construction	48,095,412	785,066	-	48,880,478	10%-20%	2,013,205	-	-	30,853,681	18,026,797	19,254,936
Plant & Machinery	27,812,197	891,784	-	28,703,981	10%	982,792	-	-	19,652,585	9,051,396	9,142,404
Motor Vehicles	1,530,787	-	-	1,530,787	15%	27,534	-	-	1,374,758	156,029	183,563
Furniture & Fixtures	2,871,284	30,000	-	2,901,284	15%	110,517	-	-	2,261,768	639,516	720,033
Equipment	6,730,509	136,830	-	6,867,339	15%	317,451	-	-	5,034,241	1,833,098	2,013,719
Tundish Board	1,564,229	-	-	1,564,229	15%	34,577	-	-	1,368,296	195,933	230,510
Total Tk.	117,498,929	1,843,680	-	119,342,609		3,873,778	-	-	71,334,018	48,008,591	50,038,688

Depreciation Charged to:

Administrative Expenses	227,751
Cost of Goods Sold	3,646,027
Total	3,873,778

Depreciation on Kiln construction:

Depreciation on previous balance: Tk. (13,697,829-13,409,519) @ 20%
New construction: Tk. (34,397,583-15,430,958) @ 10%
Depreciation on addition during the year: Tk. (785066 @10%/12*9) tk.

	57,662
	1,896,663
	58,880
Total	2,013,205

** The land has been placed as security for working capital loan from Janata Bank Ltd.