



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, 2022, 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, 2022, 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 calendar year 2018. As such, both the company's financial statements were not approved by shareholders through ordinary resolution, and auditor's appointment for the year June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021 and June 30, 2022 was not also 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, June 30, 2021 and June 30, 2022 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 2018-2022 in the board meeting even though the current auditors has completed his period as a statutory auditor as of June 30, 2017. 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 0.45) and deficiency of production capacity by 40.13 % 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. According to the labor act 2006, company should maintain separate recognized provident fund under the trustee board, but no such fund was created by the management. This is non comply with the guidelines of labor act 2006.



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 any third party confirmation in all respect.

### Key Audit Matters

Risk	Our response
<b>Revenue recognition</b>	
<p>At the year ended, the company's reported total revenue of Tk. 39,987,964.</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"> <li>• Policy of revenue recognition;</li> <li>• Issuance of VAT challan;</li> <li>• Segregation of duties in invoice creation and modification; and</li> <li>• Timing of revenue recognition.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• VAT is correctly dealt with;</li> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.</li> </ul>
Please see the note 18 in this financial statements.	
<b>Valuation of inventory</b>	
<p>The balance of inventory of the Company at the year-end was Tk. 18,473,775 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"> <li>• evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management;</li> <li>• to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>• to review the inventory costing procedures and methodology.</li> </ul>



Risk	Our response
	<ul style="list-style-type: none"> <li>• 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;</li> <li>• reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and</li> <li>• 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.</li> </ul>
Please see the note 4 in this financial statements.	
<b>Measurement and recognition of deferred tax</b>	
<p>The balance of reported deferred tax liability of the company was Tk. 8,407,078 as on June 30, 2022.</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.

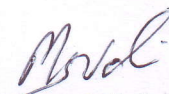
#### Report on other Legal and Regulatory Requirements

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 30, 2022

Malek Siddiqui Wali, Chartered Accountants



Md. Waliullah, FCA  
Enrolment No: 0247  
DVC No: 2211030247AS180481




**SAVAR REFRACTORIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

Particulars	Notes	As at 30 June 2022 Taka	As at 30 June 2021 Taka
<b>Assets:</b>			
<b>Non-current asset</b>			
Property, Plant & Equipments	3.00	186,605,126	48,008,591
		<b>186,605,126</b>	<b>48,008,591</b>
<b>Current assets</b>			
Inventories	4.00	18,473,775	11,473,390
Trade Debtors	5.00	9,938,583	2,320,839
Advance, Deposits & Pre-payments	6.00	7,387,059	4,638,226
Cash & Cash equivalents	7.00	1,547,434	7,065,933
		<b>37,346,851</b>	<b>25,498,389</b>
<b>Total Assets</b>		<b>223,951,977</b>	<b>73,506,980</b>
<b>Equity &amp; Liabilities:</b>			
<b>Equity</b>			
Share Capital	16.00	13,928,000	13,928,000
Reserve and Surplus	17.00	146,874,940	2,094,434
Retained Earning/(Loss)		(27,766,688)	(14,716,349)
		<b>133,036,252</b>	<b>1,306,085</b>
<b>Non-current liabilities</b>			
Deferred Tax	15.00	8,407,078	4,186,193
		<b>8,407,078</b>	<b>4,186,193</b>
<b>Current Liabilities</b>			
Working Capital Loan – Janata Bank	8.00	48,051,824	26,605,481
Loans & Advances	9.00	17,069,729	20,283,774
Accounts payable	10.00	8,787,974	12,252,887
Liability for expenses	11.00	1,523,130	2,143,254
Other liabilities	12.00	5,738,005	5,378,967
Workers Profit Participation Fund	13.00	729,503	729,503
Provision For Taxation	14.00	608,483	462,182
Unclaimed Dividend		-	158,654
		<b>82,508,648</b>	<b>68,014,703</b>
<b>Total Equity &amp; Liabilities</b>		<b>223,951,977</b>	<b>73,506,980</b>
Net Asset Value (NAV) per share	29.00	95.52	0.94

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

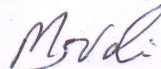
The financial statements were approved by the Board of directors on 29 October 2022 and were signed on its behalf by:

			
Chief Financial Officer	Director	Managing Director	Chairperson

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

Dated: Dhaka  
30/Oct/2022

Malek Siddiqui Wali, Chartered Accountants

  
Md. Waliullah, FCA  
Enrolment No: 0247

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**SAVAR REFRACTORIES LIMITED**  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended June 30, 2022

Particulars	Notes	For the year	For the year
		ended June 30, 2022	ended June 30, 2021
		Taka	Taka
Sales Revenue	18	39,987,964	39,728,395
Cost of goods sold	20	(33,743,111)	(31,708,493)
<b>Gross profit</b>		<b>6,244,853</b>	<b>8,019,902</b>
<b>Other income</b>	19	97,201	78,957
Administrative & Marketing Expenses	21	(6,954,975)	(6,464,254)
Impairment loss	38	(10,033,251)	-
Financial Expenses	22	(2,893,212)	(2,550,016)
<b>Operating profit/Loss</b>		<b>(13,539,384)</b>	<b>(915,411)</b>
WPPF Expenses		-	-
<b>Profit/(Loss) before tax</b>		<b>(13,539,384)</b>	<b>(915,411)</b>
<b>Income tax expenses</b>			
Prior year Tax Adjustment		(1,161,588)	(433,306)
Provision for Income tax	23	(608,483)	(321,078)
Deferred Tax movement	15	2,259,116	385,347
<b>Profit/(Loss) after tax</b>		<b>(13,050,339)</b>	<b>(1,284,447)</b>
Other Comprehensive Income			
Revaluation Surplus		151,260,506	-
Less: Deferred tax		(6,480,000)	-
		144,780,506	-
<b>Total Comprehensive Income</b>		<b>131,730,167</b>	<b>(1,284,447)</b>
Earning Per Share (EPS)	28	(9.37)	(0.92)

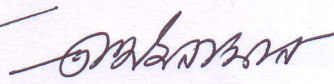
The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 29 October 2022 and were signed on its behalf by:

  
Chief Financial Officer

  
Director

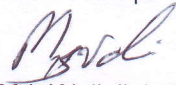
  
Managing Director

  
Chairperson

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

Dated: Dhaka  
30/Oct/2022

Malek Siddiqui Wali, Chartered Accountants

  
Md. Waliullah, FCA  
Enrolment No: 0247




**SAVAR REFRACTORIES LIMITED**  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022


Particulars	Share Capital	Reserve & Surplus	Retained earning	Total
Opening balance	13,928,000	2,094,434	(14,716,349)	1,306,085
Revaluation Reserve	-	144,780,506	-	144,780,506
Profit/(loss) for the year	-	-	(13,050,339)	(13,050,339)
Closing balance	<b>13,928,000</b>	<b>146,874,940</b>	<b>(27,766,688)</b>	<b>133,036,252</b>

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

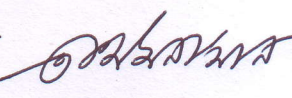
Particulars	Share Capital	Reserve & Surplus	Retained earning	Total
Opening balance	13,928,000	2,094,434	(13,431,902)	2,590,532
Profit/(loss) for the year	-	-	(1,284,447)	(1,284,447)
Closing balance	<b>13,928,000</b>	<b>2,094,434</b>	<b>(14,716,349)</b>	<b>1,306,085</b>

The financial statements were approved by the Board of directors on 29 October 2022 and were signed on its behalf by:

  
Chief Financial Officer

  
Director

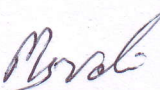
  
Managing Director

  
Chairperson

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

Dated: Dhaka  
30/Oct/22

Malek Siddiqui Wali, Chartered Accountants

  
Md. Waliullah, FCA  
Enrolment No: 0247

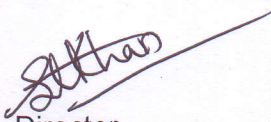


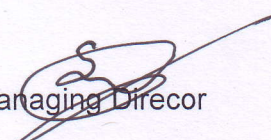
**SAVAR REFRACTORIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Notes	For the year ended June 30, 2022 Taka	For the year ended June 30, 2021 Taka
<b>Cash Flows From Operating Activities:</b>			
Collection from sale and other income		29,156,175	41,068,966
Payments against purchases, supplies, employees & others		(50,867,786)	(32,647,728)
Finance Cost paid		(2,893,212)	(2,550,016)
Tax paid		(1,349,036)	(441,615)
<b>Net cash generated/(used) in operation</b>	33.00	<b>(25,953,859)</b>	<b>5,429,606</b>
<b>Cash Flows From Investment Activities:</b>			
Acquisition of Property, Plant & Equipment		(947,530)	(1,843,680)
Interest on FDR		97,201	78,957
<b>Net cash generated/(used) in investing activity</b>		<b>(850,329)</b>	<b>(1,764,723)</b>
<b>Cash flows From Financing Activities:</b>			
Working capital Received/(Repaid)		21,446,343	(1,824,596)
Directors' loan received		-	500,000
Transfer of Dividend to Capital Market Stabilization Fund (CMSF)		(158,654)	-
Transfer of Non-refundable share money to CMSF		(2,000)	-
<b>Net cash generated/(used) financing activity</b>		<b>21,285,689</b>	<b>(1,324,596)</b>
<b>Net Cash Inflow / (Outflow)/for the period</b>		<b>(5,518,499)</b>	<b>2,340,287</b>
Cash & Bank balance at opening		7,065,933	4,725,646
<b>Cash &amp; Bank balance at closing</b>	7.00	<b>1,547,434</b>	<b>7,065,933</b>
<b>Net operating cash flow per share (NOCFPS)</b>	30.00	<b>(18.63)</b>	<b>3.90</b>

The financial statements were approved by the Board of directors on 29 October 2022 and were signed on its behalf by:

  
Chief Financial Officer

  
Director

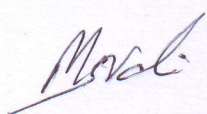
  
Managing Director

  
Chairperson

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

Dated: Dhaka  
30/Oct/22

Malek Siddiqui Wali, Chartered Accountants

  
Md. Waliullah, FCA  
Enrolment No: 0247



**Savar Refractories Ltd.**  
Notes to the Accounts  
For the year ended June 30, 2022

**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, 2022.

**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.

Item	Rate
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, 2022.

## 2.14 Comparative Information

Comparative information have been disclosed in respect of the year ended June 30, 2022 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, 2022.
- b) Statement of Comprehensive Income for the year ended June 30, 2022.
- c) Cash Flow Statement for the year ended June 30, 2022.
- d) Statement of Changes in Equity for the year ended June 30, 2022.
- e) Accounting Policies and Notes to the Financial Statements for the year ended June 30, 2022.



### 3.00 Property Plant & Equipment Assets (Annexure A)

#### Cost Value of Assets :

Add : Addition during the year  
Add : Revaluation during the year  
Less: Impairment during the year  
Closing balance

#### Accumulated Depreciation :

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

Written Down Value

	For the year ended June 30, 2022 Taka	For the year ended June 30, 2021 Taka
	119,342,609	117,498,929
	947,530	1,843,680
	151,260,506	-
	(10,033,251)	-
	<b>261,517,394</b>	<b>119,342,609</b>
	71,334,018	67,460,240
	3,578,250	3,873,778
	-	-
	<b>74,912,268</b>	<b>71,334,018</b>
	<b>186,605,126</b>	<b>48,008,591</b>

3.01 Please see the annexure A for more details.

### 4.00 Inventory

	Qty. (M.Tons)	Qty. (M.Tons)		
a) Spare Parts	-	-	49,258	52,665
b) Raw Materials (4.01)	282.81	629.38	4,804,434	2,575,919
c) Work-in-process (4.02)	342.71	53.85	1,976,173	531,028
d) Finished goods (4.03)	555.71	662.56	11,643,910	8,313,778
			<b>18,473,775</b>	<b>11,473,390</b>

- 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)		
<b>a. Imported:</b>				
i) Aluminium Ors & Concentrates (Bauxite)	107.15	41.68	4,205,273	1,210,099
ii) Indian Clay	-	23.91	-	152,023
	<b>107.15</b>	<b>65.59</b>	<b>4,205,273</b>	<b>1,362,122</b>
<b>b. Local:</b>				
i. Mymensingh Clay Grade-1	37.67	72.17	94,189	188,206
ii. Mymensingh Clay Grade-2	55.46	105.51	99,828	189,944
iii. Grog, Grade-1	68.82	56.43	241,376	206,401
iv. Grog, Grade-2	6.28	59.55	17,270	163,763
v. White Clays	-	169.23	-	220,000
vi. Black Clays	5.28	97.57	4,330	80,086
vii. Portland Cement	-	0.41	-	6,567
viii. Alumina Cement	1.81	1.84	135,750	138,000
ix. White Cement	0.34	0.76	6,418	14,345
x. Others	-	0.32	-	6,485
	<b>175.66</b>	<b>563.79</b>	<b>599,161</b>	<b>1,213,797</b>
Total	<b>282.81</b>	<b>629.38</b>	<b>4,804,434</b>	<b>2,575,919</b>

### 4.02 Work-in-Process

Name of items	Quality	Qty. (M.Tons)	Qty. (M.Tons)		
STD	SHA-1	6.35	-	79,378	-
A.R.B-3	SHA	14.59	9.95	131,325	85,015
STD	HA	48.60	13.07	364,527	118,358
71- 0525 (E/A)	MD	-	5.31	-	72,512
S/A	RD	98.49	4.26	541,689	56,764
STD	SD	167.71	5.78	754,702	67,236
Runner/Pipe/Centre/Funnel Bricks	-	-	15.48	-	131,143
STD	S-65	6.97	-	104,552	-
RLN - 2A	LADDLE	-	-	-	-
		<b>342.71</b>	<b>53.85</b>	<b>1,976,173</b>	<b>531,028</b>



For the year ended June 30, 2022      For the year ended June 30, 2021

#### 4.03 Finished Goods

Items	Qty. (M.Tons)	Qty. (M.Tons)		
Hydrometric Cone Equivalent SK-24 (SRL/RD)	1.11	1.96	3,647	6,109
Hydrometric Cone Equivalent SK-26 (SRL/MD)	-	-	-	-
Hydrometric Cone Equivalent SK-29 (SRL/SD)	14.92	14.52	64,248	59,476
Hydrometric Cone Equivalent SK-30 (SRL/SHD)	0.04	0.04	546	519
Hydrometric Cone Equivalent SK-32 (SRL/HA)	23.31	101.59	161,023	673,548
Hydrometric Cone Equivalent SK-33 (SRL/SHA)	97.38	108.60	761,589	804,726
Hydrometric Cone Equivalent SK-36 (SRL/SHA-1)	67.31	74.76	693,717	735,393
Hydrometric Cone Equivalent SK-37 (SRL/Super-65)	39.22	43.64	578,937	612,706
Laddlle & STD, I.B	37.72	25.81	4,626,451	461,603
Runner/Pipe/Centre/Funnel Bricks	217.74	217.74	3,239,299	3,081,285
Light Fire Bricks (Tali)	33.27	46.11	228,005	294,173
Others (Fire Cement, Castable (S-65, AH-90), Ram Mas)	23.69	27.79	1,286,448	1,584,240
	<b>555.71</b>	<b>662.56</b>	<b>11,643,910</b>	<b>8,313,778</b>

#### 5.00 Trade debtors

Al-Abbas Enterprice	124,695	236,719
Bangla Millars Ltd (RFL)	-	191,100
Bhaiya Engineering Works	28,900	-
Orient Eco Woods Ltd.	27,655	-
Salam Steel Con-Cast Re-Rolling Mills Ltd.	-	92,880
Al-Falah Steel Re-Rolling Mills Ltd.	41,200	-
Baridhara Auto Bricks Ltd.	-	50,000
BSRM Steel Mills Ltd.	150,893	145,632
Mojhar Metal Ind.	64,318	-
S.R Traders	128,222	149,842
Arman Chemical Industries Ltd.	-	64,000
Talukdar Chemicals Ind. Ltd.	88,000	-
Modern Ereotion	89,681	114,206
Munnu Ceramic Ind. Ltd.	-	258,469
Nasir Quality Glass Industries Ltd.	6,930,379	-
Khadem Steel Re-Rolling Mills Ltd.	-	-
Aman Cement Industries Ltd.	-	14,401
Sonargaon Steel Re-Rolling Mills Ltd.	-	78,400
Rani Steel Mills (Pvt.) Ltd.	25,619	194,319
Quarts Chemicals	136,000	-
Bashundhra Steel Mills Ltd.	89,120	82,128
Rahim Group (Steel Mills/ Super Extrem/ Furnace Project)	550,160	-
Chakda Re-Rolling Steel Mills Ltd.	-	5,820
Meghnum Steel Industries Ltd.	85,910	-
Argus Metal (Pvt.) Ltd	-	33,000
S. Sams Glass Industries	338,200	-
Confidence Steel/Electric Ind. Ltd	-	280,546
Union Steel Tubes Ltd.	310,800	-
Diamond Steel Products (Pvt) Ltd	728,831	-
Bandor Steel Mills Ltd	-	329,377
	<b>9,938,583</b>	<b>2,320,839</b>

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 fell that the above balances are considered good and collectable in due course of business.

#### 5.06 Receivable aging

Invoiced at 30 days	7,939,765	419,327
Invoiced above 30 but less than 60 days	966,478	622,995
Invoiced above 60 but less than 90 days	515,220	495,188
Invoiced above 180 but less than 365 days	388,898	356,542
Invoiced over 365 days	128,222	426,787
	<b>9,938,583</b>	<b>2,320,839</b>



	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>6.00 Advance, Deposite &amp; Prepayments</b>		
Advance against Salary	53,140	49,500
Advance against goods supply	826,250	2,03,125
Balance with VAT current account	2,771,257	1,394,787
Earnest Money & Security Deposit	2,387,376	1,367,044
Advance Income Tax (AIT) <span style="float: right;">Note 6.06</span>	1,349,036	1,623,770
	<u>7,387,059</u>	<u>4,638,226</u>
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.		
6.03 All advance, deposit & prepayment are considered good and recoverable within due course.		
6.04 No amount due by directors or associated undertakings.		
<b>6.05 Maturity Analysis</b>		
Adjustable/Realisable within one year	2,387,376	1,367,044
Adjustable/Realisable after one year	4,999,683	3,271,182
	<u>7,387,059</u>	<u>4,638,226</u>
<b>6.06 Advance Income Tax (AIT)</b>		
Opening Balance	1,623,770	2,561,515
Prior year adjustment:	-	-
<b>Restated Balance</b>	<u>1,623,770</u>	<u>2,561,515</u>
Tax paid relating to prior year	-	164,529
Addition During the year	1,349,036	277,086
Adjustment/settled during the year	(418,190)	(1,379,360)
AIT write off	(1,205,580)	
Closing Balance	<u>1,349,036</u>	<u>1,623,770</u>
<b>7.00 Cash &amp; Cash equivalents</b>		
<b>7.01 Cash-in-hand</b>		
Head Office	564,173	1,367,094
Factory	757	149,944
Chittagong Branch	2,918	3,868
Petty Cash with Head Office	1,655	1,428
	<u>569,503</u>	<u>1,522,334</u>
<b>7.02 Cash at Banks</b>		
C.D A/c – 2840 Janata Bank (Savar)	250,192	336,533
„ „ 4751/33001125, Janata Bank (Dhaka)	725,678	5,204,085
„ „ 38645, Janata Bank (Chittagong)	2,061	2,981
	<u>977,931</u>	<u>5,543,599</u>
<b>Total Cash &amp; cash equivalents</b>	<u>1,547,434</u>	<u>7,065,933</u>
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.		
<b>8.00 Working capital loan</b>		
Janata Bank, Farmgate Branch, under credit agreement financing the working capital of the Company.		
CC (Hypo) A/c No. 35/37000511	48,051,824	26,605,481
	<u>48,051,824</u>	<u>26,605,481</u>
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	
<b>9.00 Loans &amp; Advances</b>		
Loan from Directors	325,000	325,000
Advance against Sales	16,744,729	19,958,774
	<u>17,069,729</u>	<u>20,283,774</u>
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,  
2022

For the year  
ended June 30,  
2021

**10.00 Accounts payable**

Abdus Salam (Carrying)	87,150	314,562
Akbar Engineering Works	64,224	864,750
Amgasia Enterprise	-	98,512
M/s. Anik Timber Traders	72,620	285,426
M/s. Hossain & Co.	85,461	385,461
Shimul Art Press	74,578	427,568
M/s. Tutul Traders	128,542	665,160
M/s. S.M Enterprise	-	181,452
Anowar Hossain Enterprise	-	203,879
Kaligonj Traders	-	40,693
M/s. Ashok Agarwala	-	77,520
M/s. Rashid Enterprise	72,632	172,632
Shahin Enterprise	25,626	152,354
M/s. Rony Enterprise	144,868	324,585
M/s. Sonali Agency	212,242	585,254
M/s. Pioneer Refractories & Tiles	1,922,399	1,823,782
M/s. Master Traders	65,129	51,532
M/s. Titas Banijjik Protisthan	2,212,793	2,125,462
Khaled Enterprise	-	160,445
Khan Business Consortium	-	56,546
Lucky Enterprise	1,580,546	1,280,478
Nazmul Enterprise	1,821,767	1,339,315
Others	217,397	635,519
	<u>8,787,974</u>	<u>12,252,887</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	545,214	724,520
Telephone & Trunk-call Charges	27,450	35,145
Gas Charges	494,749	405,616
Electric Charges	262,217	212,276
Office Rent	18,500	18,500
Audit Fees	115,000	115,000
Income Tax Consultant Fees	10,000	10,000
AIT deducted at source	50,000	622,197
	<u>1,523,130</u>	<u>2,143,254</u>

**12.00 Other liabilities**

Mrs. Lutful Tahmina Khan	401,062	401,062
Shafia Tasnim Khan	245,765	245,765
Safi Modassar Khan	200,000	200,000
Share Application money (Un-claim)	-	2,000
Workers & Employees P. F.	4,891,178	4,530,140
	<u>5,738,005</u>	<u>5,378,967</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.

**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.

**14.00 Provision for income tax**

Opening balance	462,182	1,087,158
Prior year adjustment:	-	-
	<u>462,182</u>	<u>1,087,158</u>
Provision for the year	608,483	321,078
Prior year under provision (unpaid)	(43,992)	-
Adjustment during the year	(418,190)	(946,054)
Closing balance	<u>608,483</u>	<u>462,182</u>

Note: 14.01



	For the year ended June 30, 2022	For the year ended June 30, 2021
14.01 Year wise breakup of "Provision for Income Tax"		
Prior year tax provision on FDR interest income	-	-
Tax provision for 2018/19	-	-
Tax provision for 2019/20	-	-
Tax provision for 2020/21		321,078
Tax provision for 2021/22	608,483	-
	<b>608,483</b>	<b>321,078</b>

14.02 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	24,605,126	37,269,097
Tax base	16,040,335	18,663,794
Temporary difference	8,564,791	18,605,303
Tax rate	22.50%	22.50%
Closing balance (A)	<b>1,927,078</b>	<b>4,186,193</b>
Deferred tax expenses/ income (Profit and loss)	2,259,116	-
Revalued assets carrying amount - Land		
Carrying value of land at accounting base (Revalued Land)	162,000,000	-
Tax base	-	-
Temporary difference	162,000,000	-
Tax rate	4.00%	-
Closing balance (A)	<b>6,480,000</b>	-
Grand Total Tk. (A+B)	<b>8,407,078</b>	<b>4,186,193</b>
Deferred tax expenses/(income) in OCI during the year	6,480,000	-

For the prudence 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
<b>13,928,000</b>	<b>13,928,000</b>

#### 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 (%)
1,711	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	150,001 shares to 350,000 shares	287,060	287,060	20.61 %
<b>1,715</b>		<b>1,392,800</b>	<b>1,392,800</b>	<b>100.00 %</b>



For the year ended June 30, 2022      For the year ended June 30, 2021

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	"
<b>Total</b>		<b>139,280</b>		<b>13,928,000</b>	

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 and Surplus

Opening Balance		2,094,434	2,094,434
Revaluation Reserve	17.01	144,780,506	-
<b>Closing balance</b>		<b>146,874,940</b>	<b>2,094,434</b>

17.01 Revaluation Reserve

During the year, the company assigned Rahman Mostafa Alam & Co for the purpose of fair value study of the company's assets. Based on this revaluation report the carrying value of Land was increase by TK. 151,260,506. Out of which Tk. 6,480,000 has been recognised deferred tax liability. The net off deferred tax balance of revaluation surplus of land was recognised under the head of Reserve and Surplus. All these adjustment was made through OCI.

Revaluation Gain on land	151,260,506	-
Deferred tax	(6,480,000)	-
<b>Net off surplus</b>	<b>144,780,506</b>	<b>-</b>

17.02 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)	3,883.17	3,322.43	36,415,363	33,097,295
Sales of Imported Finished goods	55.58	76.98	3,572,601	6,631,100
	<b>3,938.75</b>	<b>3,399.41</b>	<b>39,987,964</b>	<b>39,728,395</b>

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	-	-
Interest on FDR	97,201	78,957
	<b>97,201</b>	<b>78,957</b>
Cost of Asset (Generator)	-	-
Less: Accumulated depreciation at disposal date	-	-
WDV	-	-
Value of Part exchange	-	-
Gain on Disposal	-	-

20.00 Cost of goods sold

	Qty. (M.Tons)	Qty. (M.Tons)		
Opening finished Stock	662.56	868.69	8,313,778	6,522,962
Add: Cost of Production (20.01)	3,831.90	3,193.28	37,073,243	33,499,309
	<b>4,494.46</b>	<b>4,061.97</b>	<b>45,387,021</b>	<b>40,022,271</b>
Less: Closing finished Stock	(555.71)	(662.56)	(11,643,910)	(8,313,778)
	<b>3,938.75</b>	<b>3,399.41</b>	<b>33,743,111</b>	<b>31,708,493</b>



For the year ended June 30, 2022 For the year ended June 30, 2021

20.01 Cost of production

	<u>Qty.</u> <u>(M.Tons)</u>	<u>Qty.</u> <u>(M.Tons)</u>		
Raw Material Consumed (20.02)	4,120.76	3,175.39	20,013,035	11,844,871
Direct Labour	-	-	2,510,895	3,747,484
Factory Overhead (20.03)	-	-	15,906,921	17,551,468
Insurance Premium	-	-	87,536	182,160
	<b>4,120.76</b>	<b>3,175.39</b>	<b>38,518,388</b>	<b>33,325,983</b>
Add : Opening Work-in-process	53.85	71.74	531,028	704,354
	<b>4,174.61</b>	<b>3,247.13</b>	<b>39,049,416</b>	<b>34,030,337</b>
Less : Closing Work-in-process	(342.71)	(53.85)	(1,976,173)	(531,028)
Total Cost of production	<b>3,831.90</b>	<b>3,193.28</b>	<b>37,073,243</b>	<b>33,499,309</b>

20.02 Raw Material Consumed

	<u>Qty.</u> <u>(M.Tons)</u>	<u>Qty.</u> <u>(M.Tons)</u>		
Opening Stock	629.38	594.57	2,575,919	3,766,553
Add : Purchase this year [20.02.1]	3,703.00	3,120.20	15,895,039	6,770,895
Add:Purchase of Finished product	71.19	90.00	6,346,511	3,883,342
	<b>4,403.57</b>	<b>3,804.77</b>	<b>24,817,469</b>	<b>14,420,790</b>
Less : Closing Stock	(282.81)	(629.38)	(4,804,434)	(2,575,919)
	<b>4,120.76</b>	<b>3,175.39</b>	<b>20,013,035</b>	<b>11,844,871</b>

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)	237.50	37.50	9,028,431	1,160,045
ii) Indian Clay	-	-	-	-
	<b>237.50</b>	<b>37.50</b>	<b>9,028,431</b>	<b>1,160,045</b>

(b) Local :

	<u>Qty.</u> <u>(M.Tons)</u>	<u>Qty.</u> <u>(M.Tons)</u>		
i) Mymensingh Clay, Grade-1	195.00	125.00	487,500	312,500
ii) Mymensingh Clay, Grade-2	1,660.00	1,190.00	2,988,000	2,142,000
iii) Grog, Grade-1	100.00	50.00	350,000	175,000
iv) Grog, Grade-2	930.00	790.00	2,557,500	2,172,500
v) Black Clay	580.00	925.00	475,600	758,500
vi) Portland Cement	0.50	-	8,008	-
vii) White Cement	-	2.70	-	50,350
viii) Alumina Cement	-	-	-	-
	<b>3,465.50</b>	<b>3,082.70</b>	<b>6,866,608</b>	<b>5,610,850</b>

Total purchased

	<b>3,703.00</b>	<b>3,120.20</b>	<b>15,895,039</b>	<b>6,770,895</b>
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20.03 Factory Overhead

Factory Salary & Wages	2,714,524	2,837,507
Festival Bonus & Allowances	504,267	695,625
Gas Charges	4,572,687	4,563,392
Electric Charges	2,691,390	2,642,357
Material Handling Cost	131,748	204,540
Lubricants	157,819	286,515
Quality Control Exp	92,102	124,602
Mould Expenses	80,865	123,280
Carriage Inward	78,857	106,347
Safety & Environmental Exp.	48,724	156,257
Repairs & Maintenance	205,883	516,348
Clearing, Forwarding & Others	150,442	293,894
Security Gard Expense	744,000	744,000
Other Factory Expenses	210,084	282,468
Laboratory Expenses	38,534	75,214
Research and Development Exp.	49,586	107,450
Medical Expenses	60,225	145,645
Depreciation (AnnexureA)	3,375,184	3,646,027
	<b>15,906,921</b>	<b>17,551,468</b>



			For the year ended June 30, 2022	For the year ended June 30, 2021
<b>21.00 Administrative &amp; Marketing expense</b>	<b>Notes</b>	<b>Notes</b>		
Salary & Allowances			2,768,514	2,921,056
Directors remuneration	24.00	24.00	620,000	620,000
Board meeting fee	24.00	24.00	12,000	12,000
Other benefit for directors	24.00	24.00	420,000	420,000
Festival Bonus			187,502	194,004
T. A. & Conveyance			124,006	91,458
Entertainment			67,428	63,216
Printing & Stationery			38,119	33,697
Postage & Telegram			33,668	27,924
Telephone, Mobile & Trunk-call Charges			144,235	196,483
Electric Charges			262,217	242,257
Office Rent			222,000	222,000
Repairs & Maintenance			192,844	118,274
Fuel			62,214	56,789
Packing Charges			80,472	73,682
Carriage outward			88,489	85,243
Advertisement			61,854	49,654
Donation & Subscription			2,565	2,345
Fees & Fines			25,394	22,244
Property, Plant & Equipment Revaluation Cost			500,000	-
Miscellaneous Expenses			3,995	3,675
Paper & Periodicals			14,578	11,378
Tender Document Purchases			53,875	57,850
Medical Expenses			137,693	147,247
Business Development			278,259	231,523
Rates & Taxes			16,705	16,471
Income Tax Consultant Fees			50,000	50,000
Enlistment Fees (D.S.E)			50,000	50,000
Uniform & Costume			62,255	68,455
Water Charges			56,028	32,578
Audit fee	25.00		115,000	115,000
Depreciation (Annexure A)			203,066	227,751
			<b>6,954,975</b>	<b>6,464,254</b>
21.01	Miscellaneous Expenses includes cost of Gunny bags, Basket, Ropes and other petty expenses.			
<b>22.00 Financial Expenses</b>				
Interest on C.C. Loan from Janata Bank Farmgate Corp. Br.			2,831,958	2,484,589
Bank Charges			61,254	65,427
			<b>2,893,212</b>	<b>2,550,016</b>
<b>23.00 Provision for Income tax Calculation</b>				
The company attracts minimum tax due to incurred loss during the year. The calculation of minimum tax is as following:				
Other sales @ 0.6%			239,928	277,086
Interest on FDR @22%			-	16,357
On other income @ 22.5%			21,870	27,635
<b>Total (A)</b>			<b>261,798</b>	<b>321,078</b>
Tax Deducted at Source TDS (B)			608,483	-
<b>Tax Liability (Higher off, A and B)</b>			<b>608,483</b>	<b>-</b>
<b>24.00 Directors Remuneration</b>				
<b>a) Mrs. Lutful Tahmina Khan, Chairperson:</b>				
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
			<b>240,000</b>	<b>240,000</b>
<b>b) Mr. Safi Modassar Khan, Managing Director:</b>				
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
			<b>500,000</b>	<b>500,000</b>



For the year ended June 30, 2022      For the year ended June 30, 2021

**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
	<b>300,000</b>	<b>300,000</b>
<b>Total remuneration</b>	<b>1,040,000</b>	<b>1,040,000</b>

**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. Lutful Tahmina Khan	Chairman	6	6	6	-	
Mr. Safi Modassar Khan	MD	6	6	6	-	
Shafia Tasnim Khan	Director	6	6	6	-	
Mrs. Nilufa Akhter	Ind. Director	6	6	6	6,000	
Mr. Abu Taher	Ind. Director	6	6	6	6,000	
		<b>12</b>	<b>12</b>	<b>12</b>	<b>12,000</b>	

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 323 th meeting held on April 26, 2022 ,due to nonholding 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:

	2022		2021	
	In M. Tons	Percentage	In M.Ton	Percentage
Installed Capacity	6400.00	100.00%	6,400.00	100.00%
Actual Production	3831.90	59.87%	3,193.28	49.90%
Shortfall	<b>2568.10</b>	<b>40.13%</b>	<b>3,206.72</b>	<b>50.11%</b>

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. As such 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. (+)	2022	2021
Mrs. Lutful Tahmina Khan	Chairman	Loan and others	-	-	651,062	651,062
Mr. Safi Modassar Khan	MD	Loan	-	-	370,765	370,765
Shafia Tasnim Khan	Director			-	200,000	200,000
Mrs. Lutful Tahmina Khan	Chairman	Remuneration	240,000	(240,000)	-	-
#REF!	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	-	(87,331)	2,212,793	2,125,462
<b>Total</b>			<b>1,274,000</b>	<b>(1,361,331)</b>	<b>3,453,120</b>	<b>3,365,789</b>

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



For the year ended June 30, 2022      For the year ended June 30, 2021

**28.00 Basic Earning Per Share (EPS) :**

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

Earnings attributable to Ordinary Shareholder	(13,050,339)	(1,284,447)
Weighted average numbers of shares outstanding	1,392,800	1,392,800
<b>Earning Per Share (EPS) -</b>	<b>(9.37)</b>	<b>(0.92)</b>

28.01 Due to the one off impairment loss on building and machinery and erosion of GP margin, EPS has been detracted during the year.

**29.00 Net Asset Value Per Share (NAV) :**

Net Asset Value Per Share (NAV) :

Total Asset - Total Laibilities	133,036,252	1,306,085
No. of ordinary share	1,392,800	1,392,800
<b>Net Asset Value Per Share (NAV) -</b>	<b>95.52</b>	<b>0.94</b>

29.01 Due to increase in revaluation surplus net asset per share is increased.

**30.00 Net operating cash flow per share (NOCFPS) :**

Net operating cash flow per share :

Net cash generated/(used) in operation	(25,953,859)	5,429,606
No. of ordinary share	1,392,800	1,392,800
<b>Net operating cash flow per share (NOCFPS) -</b>	<b>(18.63)</b>	<b>3.90</b>

Due to significant decrease in current liability, increase in trade debtors and inventory and loss from operation the NOCF per share during the year has been decreased.

**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:

	2022		2021	
	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	-
	<b>1,040,000</b>	<b>-</b>	<b>1,040,000</b>	<b>-</b>
Total Number of Directors	5	0	5	0

**32.00 Event after reporting period**

The Board of Directors of Savar Refractories Ltd. has approved the financial statements as on October 29, 2022 and no dividend is recommended for the financial year June 30, 2022. 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	(13,539,384)	(915,411)
Gain on Disposal of Fixed Asset	-	(78,957)
Impairment loss	10,033,251	
Interest on FDR	(97,201)	
Finance cost	2,893,212	2,550,016
Operating profit	<b>(710,121)</b>	<b>1,555,648</b>
<b>Adjustment:</b>		
Depreciation	3,578,250	3,873,778
<b>Changes in Working capital:</b>		
(Increase)/Decrease of inventory	(7,000,385)	(410,180)
(Increase)/Decrease of Trade debt	(7,617,744)	813,380
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	(3,023,567)	(541,210)
Increase/(Decrease) of Accounts payable	(3,464,913)	2,202,389
Increase/(Decrease) of Advance against sales	(3,214,045)	527,191
Increase/(Decrease) of Liability for expenses	(620,124)	212,679
Increase/(Decrease) of Other payable	361,038	187,563
	<b>(21,711,611)</b>	<b>8,421,238</b>
Interest paid	(2,893,212)	-2,550,016
Tax paid	(1,349,036)	-441,615
<b>Net operating cash flow</b>	<b>(25,953,859)</b>	<b>5,429,606</b>

**34.00 Bord Meeting fee**

During the year 06 board meeting was held



For the year      For the year  
ended June 30,    ended June 30,  
2022                      2021

**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 = 22 Persons
- c) Drawing salary above Tk.10,00 per month = 17 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 Impairment loss**

During the year, the company assigned Rahman Mostafa Alam & Co for the purpose of fair value study of the company's assets Based on this revaluation report the carrying value of flowing class of assets were impaired. As such, the Board has decided to write off the impairment of asset by charging the impairment loss in the profit or loss statement

Class of assets	WDV at revaluation date	Fair value os per valuation report	Impairment loss
Factory Building	7,090,091	5,729,512	(1,360,579)
Kiln Construction	16,657,489	10,154,664	(6,502,825)
Plant & Machinery	8,880,036	8,515,659	(364,377)
Motor Vehicles	138,476	138,476	-
Furniture & Fixtures	567,570	151,292	(416,278)
Equipment	1,703,979	488,677	(1,215,302)
Tundish Board	173,890	-	(173,890)
<b>Total</b>	<b>35,211,531</b>	<b>25,178,280</b>	<b>(10,033,251)</b>



For the year ended June 30, 2022      For the year ended June 30, 2021

**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 30-06-2022.
- 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: -

	Value	%
a) Imported Raw-materials for production	9,028,431	40.59%
b) Imported Finished Goods for trading	6,346,511	28.53%
c) Local Raw-materials	6,866,608	30.87%
d) Procurement of Finished goods (Local & Technical service)		
	<b>22,241,550</b>	<b>100.00%</b>

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

	BDT	USD
1) Imported Raw-materials for production	9,028,431	98,135.12
2) Imported Finished goods for trading	6,346,511	68,983.82
	<b>15,374,942</b>	<b>167,118.93</b>

- 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, 2022

Annexure A

These details of assets are as follows:

Name of Assets	COST			Rate	DEPRECIATION				Written down Value as at June 30, 2021
	Balance as at July 01, 2021	Addition during the year	Adjust / Impairment during the year		Balance as at June 30, 2022	Charged during the year	Adjust / Impairment during the year	Balance as at June 30, 2022	
Land & Land Development	10,739,494	-	-	10,739,494	-	-	-	-	10,739,494
Factory Building	18,155,017	83,600	(1,360,579)	16,878,038	5%	369,361	11,158,050	5,719,988	7,366,328
Kiln Construction	48,880,478	-	(6,502,825)	42,377,653	10%-20%	1,825,745	32,679,426	9,698,227	18,026,797
Plant & Machinery	28,703,981	757,000	(364,377)	29,096,604	10%	954,970	20,607,555	8,489,049	9,051,396
Motor Vehicles	1,530,787	-	-	1,530,787	15%	23,404	1,398,162	132,625	156,029
Furniture & Fixtures	2,901,284	-	(416,278)	2,485,006	15%	95,927	2,357,695	127,311	639,516
Equipment	6,867,339	106,930	(1,215,302)	5,758,967	15%	286,800	5,321,041	437,926	1,833,098
Tundish Board	1,564,229	-	(173,890)	1,390,339	15%	22,043	1,390,339	-	195,933
<b>Total Tk. (A)</b>	<b>119,342,609</b>	<b>947,530</b>	<b>(10,033,251)</b>	<b>110,256,888</b>		<b>3,578,250</b>	<b>74,912,268</b>	<b>35,344,620</b>	<b>48,008,591</b>

Name of Assets	COST			Rate	DEPRECIATION				Written down Value as at June 30, 2021
	Balance as at July 01, 2021	Addition during the year	Adjust / Impairment during the year		Balance as at June 30, 2022	Charged during the year	Adjust / Impairment during the year	Balance as at June 30, 2022	
Land & Land Development	-	151,260,506	-	151,260,506	-	-	-	151,260,506	-
<b>Total Tk. (B)</b>	<b>-</b>	<b>151,260,506</b>	<b>-</b>	<b>151,260,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151,260,506</b>	<b>-</b>
<b>Grand Total Tk. (A+B)</b>	<b>119,342,609</b>	<b>152,208,036</b>	<b>(10,033,251)</b>	<b>261,517,394</b>	<b>-</b>	<b>3,578,250</b>	<b>74,912,268</b>	<b>186,605,126</b>	<b>48,008,591</b>

**Depreciation Charged to:**

Administrative Expenses  
Cost of Goods Sold

203,066  
3,375,184  
**Total 3,578,250**

**Depreciation on Kiln construction:**

Depreciation on previous balance: Tk. (13,697,829-13,467,181) @ 20%  
New construction: Tk. (35,182,649-17,386,501) @ 10%  
Depreciation on addition during the year: @10% Tk.

46,130  
1,779,615  
**1,825,745**

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