



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

9-G, Motijheel C/A, 2nd Floor, Dhaka-1000, Bangladesh.

Extension Office: Property Heights, 1st Floor

12, R.K. Mission Road, Dhaka - 1000.

PHONE: 9513471

PABX: 9576118-9

FAX: +88029516236

Email: wali@satcombd.com

Web: www.msw-bd.com

AUDITORS' REPORT

To the shareholders of
Savar Refractories Limited

We have audited the accompanying Financial Statements of **Savar Refractories Limited**, "the company" which comprise Statement of Financial Position as at 30th June 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Change in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

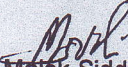
Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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 those books;
- The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has suffered recurring losses from operations, poor current ratio and deficiency of production capacity by 54.07% that raise doubt about its ability to continue as going concern.
- The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts;
- The expenditures incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
October 29, 2017


Malek Siddiqui Wali
Chartered Accountants

SAVAR REFRACTORIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

Particulars	Notes	As at 30 June	As at 30 June
		2017	2016
		Taka	Taka
Assets:			
Non-current asset			
Property, Plant & Equipments	3	50,714,781	50,130,856
		<u>50,714,781</u>	<u>50,130,856</u>
Current assets			
Inventories	4	12,602,454	9,827,934
Trade Debtors	5	3,975,926	3,703,297
Advance, Deposits & Pre-payments	6	1,983,138	1,698,138
Cash & Cash equivalents	7	2,244,197	1,914,049
		<u>20,805,715</u>	<u>17,143,418</u>
Total Assets		<u>71,520,496</u>	<u>67,274,274</u>
Equity & Liabilities:			
Equity			
Share Capital	16	13,928,000	13,928,000
Reserve Accounts	17	2,094,434	2,094,434
Retained Earning/(Loss)		(7,513,068)	(7,269,886)
		<u>8,509,366</u>	<u>8,752,548</u>
Non-current liabilities			
Deferred Tax	15	4,395,748	5,707,303
		<u>4,395,748</u>	<u>5,707,303</u>
Current Liabilities			
Working Capital Loan – Janata Bank	8	23,414,120	24,790,390
Loans & Advances	9	20,810,871	16,998,746
Accounts payable	10	10,621,922	7,643,294
Liability for expenses	11	1,391,124	1,198,103
Other liabilities	12	764,393	752,393
Workers Profit Participation Fund	13	729,503	729,503
Provision For Taxation	14	724,796	543,340
Unclaimed Dividend		158,654	158,654
		<u>58,615,383</u>	<u>52,814,423</u>
Total Equity & Liabilities		<u>71,520,496</u>	<u>67,274,274</u>
Net Asset Value (NAV) per share		6.11	6.28

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

The financial statements were approved by the Board of directors on 29 October 2017 and were signed on its behalf by:

Company Secretary

Managing Director

Chairperson

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

Dated: Dhaka
29-Oct-17

Malek Siddiqui Wali
Chartered Accountants

SAVAR REFRACTORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2017

Particulars	Notes	For the year	For the year
		ended June 30, 2017	ended June 30, 2016
		Taka	Taka
Sales Revenue	18	40,658,043	34,872,286
Cost of goods sold	19	(33,256,221)	(28,330,468)
Gross profit		<u>7,401,822</u>	<u>6,541,818</u>
Administrative & Marketing Expenses	20	(5,233,399)	(4,441,410)
Financial Expenses	21	(3,373,935)	(3,279,055)
Operating profit/Loss		<u>(1,205,512)</u>	<u>(1,178,647)</u>
Others Income	24	-	-
Provision for WPPF		-	-
Profit/(Loss) before tax		<u>(1,205,512)</u>	<u>(1,178,647)</u>
Income tax expenses			
Prior year Tax under provision		(105,277)	(1,022,228)
Provision for Income tax		(243,948)	(104,618)
Deferred Tax movement		1,311,555	(446,489)
Profit/(Loss) after tax		<u>(243,182)</u>	<u>(2,751,982)</u>
Earning Per Share (EPS)		(0.17)	(1.98)

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

The financial statements were approved by the Board of directors on 29 October 2017 and were signed on its behalf by:

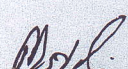

Company Secretary


Managing Director


Chairperson

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

Dated: Dhaka
29-Oct-17


Malek Siddiqui Wali
Chartered Accountants

SAVAR REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Share Capital	Reserve	Retained earning	Total
Opening balance	13,928,000	2,094,434	(7,269,886)	8,752,548
Profit/(loss) for the year	-	-	(243,182)	(243,182)
Closing balance	<u>13,928,000</u>	<u>2,094,434</u>	<u>(7,513,068)</u>	<u>8,509,366</u>

SAVAR REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Share Capital	Reserve	Retained earning	Total
Opening balance	13,928,000	2,094,434	(4,517,904)	11,504,530
Profit/(loss) for the year	-	-	(2,751,982)	(2,751,982)
Closing balance	<u>13,928,000</u>	<u>2,094,434</u>	<u>(7,269,886)</u>	<u>8,752,548</u>

The financial statements were approved by the Board of directors on 29 October 2017 and were signed on its behalf by:

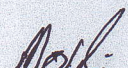

Company Secretary


Managing Director


Chairperson

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

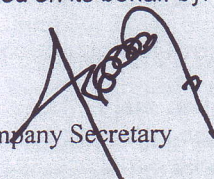
Dated: Dhaka
29-Oct-17

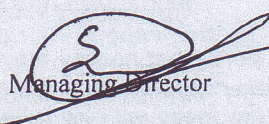

Malek Siddiqui Wali
Chartered Accountants

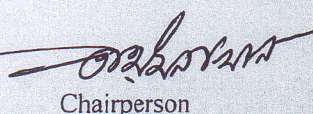
SAVAR REFRACTORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	For the year ended June 30, 2017	For the year ended June 30, 2016
	<u>Taka</u>	<u>Taka</u>
Cash Flows From Operating Activities:		
Collection from sale and other income	43,928,539	31,395,633
Payments against purchases, supplies, employees & others	(33,771,902)	(33,758,610)
Finance cost paid	(3,373,935)	(3,279,055)
Tax paid	(452,770)	(419,067)
Net cash generated/(used) in operation	<u>6,329,932</u>	<u>(6,061,099)</u>
Cash Flows From Investment Activities:		
Acquisition of Property, Plant & Equipment	(4,623,514)	(1,127,917)
Disposal of fixed asset	-	-
Net cash generated/(used) in investing activity	<u>(4,623,514)</u>	<u>(1,127,917)</u>
Cash flows From Financing Activities:		
Working capital Received/(Repaid)	(1,376,270)	7,396,128
Loans & advance received/(Repaid)	-	150,000
Net cash generated/(used) financing activity	<u>(1,376,270)</u>	<u>7,546,128</u>
Net Cash Inflow / (Outflow)/for the period	330,148	357,112
Cash & Bank balance at opening	1,914,049	1,556,937
Cash & Bank balance at closing	<u>2,244,197</u>	<u>1,914,049</u>
Net operating cash flow per share (NOCFPS)	4.54	(4.35)

The financial statements were approved by the Board of directors on 29 October 2017 and were signed on its behalf by:

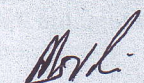

Company Secretary


Managing Director


Chairperson

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

Dated: Dhaka
29-Oct-17


Malek Siddiqui Wali
Chartered Accountants

Savar Refractories Ltd.
Notes to the Accounts
For the year ended June 30, 2017

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, 2017.

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.

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 BAS 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 BAS 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. BAS 1 "*Presentation of Financial Statements*" provides those cash and cash equivalents is not restricted in use. Considering the provisions of BAS 7 and BAS 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, 2016 to June 30, 2017.

2.14 Comparative Information

Comparative information have been disclosed in respect of the year ended June 30, 2017 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 Bangladesh Accounting Standards (BAS) 1 "Preparation of Financial Statements" a complete set of Financial Statements includes the following components.

- a) Statement of Financial Position as at June 30, 2017.
- b) Statement of Comprehensive Income for the year ended June 30, 2017.
- c) Cash Flow Statement for the year ended June 30, 2017.
- d) Statement of Changes in Equity for the year ended June 30, 2017.
- e) Accounting Policies and Notes to the Financial Statements for the year ended June 30, 2017.

Note: 03
Property, Plant & Equipments
For the year ended June 30, 2017

These details of assets are as follows:

Name of Assets	COST			Rate	DEPRECIATION			Written down Value as at 30-6-2017	Written down Value as at 30-6-2016
	Balance as at July 01, 2016	Charged during the year	Adjusted during the year		Balance as at June 30, 2017	Charged during the year	Adjusted during the year		
Land & Land Development	9,689,044	484,700	-	-	-	-	-	10,173,744	9,689,044
Factory Building	15,320,926	756,115	-	5%	8,910,357	328,466	-	6,838,218	6,410,569
Kiln Construction	43,814,155	1,358,210	-	10%-20%	19,325,904	2,553,168	-	21,879,072	24,488,251
Plant & Machinery	22,989,741	673,039	-	10%	16,359,384	697,107	-	17,056,491	6,630,357
Motor Vehicles	1,530,787	-	-	15%	1,179,139	52,747	-	1,231,886	351,648
Furniture & Fixtures	2,462,747	79,300	-	15%	1,656,190	124,445	-	1,780,635	806,557
Equipments	4,711,783	1,272,150	-	15%	3,398,937	217,418	-	3,616,355	1,312,846
Tundish Board	1,564,229	-	-	15%	1,122,645	66,238	-	1,188,883	441,584
Total Tk.	102,083,412	4,623,514	-		51,952,556	4,039,589	-	55,992,145	50,130,855

Depreciation Charged to:

Administrative Expenses

Cost of Goods Sold

197,305
3,842,284
4,039,589

Depreciation on Kiln construction:

Depreciation on previous balance: Tk (13,697,829-12,993,947) @ 20%
New construction: Tk. (30,116,326-6,331,958) @ 10%

Depreciation on addition during the year

140,776
2,378,437
33,955
2,553,168

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

4.00 Inventory

	<u>For the year ended June 30, 2017</u>	<u>For the year ended June 30, 2016</u>
	<u>Taka</u>	<u>Taka</u>
	<u>Qty. (M.Tons)</u>	
a) Spare Parts	0.00	218,680
b) Raw Materials (4.01)	405.24	3,221,497
c) Work-in-process (4.02)	109.21	864,923
d) Finished goods (4.03)	1,224.60	8,297,354
	<u>12,602,454</u>	<u>9,827,934</u>

4.01 Raw Materials

	<u>Qty. (M.Tons)</u>	
<u>Items</u>		
a. Imported:		
i) Bauxite	78.75	1,785,425
	<u>78.75</u>	<u>1,785,425</u>
b. Local:		
i. Mymensingh Clay Grade-1	103.39	334,590
ii. Mymensingh Clay Grade-2	92.68	313,223
iii. Grog	43.35	285,687
iv. White Clay (Sylhet)	48.69	220,000
v. Black Clays	24.48	165,324
vi. Feldspar	4.34	21,658
vii. Portland Cement	5.54	10,596
viii. Others	2.70	59,324
ix. Coyer	1.07	25,349
x. Sager	0.25	321
	<u>326.49</u>	<u>1,436,072</u>
Total	<u>405.24</u>	<u>3,221,497</u>

4.02 Work-in-Process

<u>Name of items</u>	<u>Quality</u>		<u>Qty. (M.Tons)</u>	
A.R.B-3	SHA-2		29.37	175,627
STD	HA-2		20.26	169,247
RLN - 2A	LADDLE		13.57	93,251
71-0525	MD-1		12.2	122,798
S/A	MD-2		5.86	105,321
STD	MD-2		5.38	58,647
Runner Bricks			6.81	36,240
Laddle			8.42	64,217
STD, (C.F) L.F.B			7.34	39,575
			<u>109.21</u>	<u>864,923</u>
				<u>510,349</u>

4.03 Finished Goods

<u>Items</u>		<u>Qty. (M.Tons)</u>
Hydrometric Cone Equivalent SK-24	171.62	1,132,584
Hydrometric Cone Equivalent SK-26	203.43	1,354,682
Hydrometric Cone Equivalent SK-27	127.27	642,100
Hydrometric Cone Equivalent SK-28	84.75	932,548
Hydrometric Cone Equivalent SK-30	72.76	854,740
		1,032,658
		1,236,587
		856,257
		765,872
		324,689

	For the year ended June 30, 2017	For the year ended June 30, 2016
	Taka	Taka
Hydrometric Cone Equivalent SK-32	47.25	256,821
Hydrometric Cone Equivalent SK-33	73.41	304,294
Hydrometric Cone Equivalent SK-34	66.77	314,967
Hydrometric Cone Equivalent SK-36	36.93	521,690
Ladle	19.84	357,349
STD, I.B	62.72	198,340
Runner Bricks	101.37	358,627
Light Fire Bricks	40.60	598,241
Others	115.88	470,371
	<u>1,224.60</u>	<u>8,297,354</u>
		<u>7,814,637</u>

5.00 Trade debtors

Anwar Ispath	522,969	634,672
Modern Erection	-	16,097
Al-Abbas Enterprice	-	68,490
Bangla Millars Ltd (RFL)	183,600	183,600
Salam Steel Con-Cast Re-Rolling Mills Ltd.	144,182	-
Hamja Chemical Ind.	44,027	-
Salam Steel Re-Rolling Mills Ltd.	144,182	447,399
S.R Traders	-	9,494
Khurshed Metal Ind. Ltd.	62,145	189,432
Shakura Steel Mills Ltd.	235,609	-
Shahriar Steel Mills Ltd.	172,230	-
Munnu Ceramic Ind. Ltd.	266,844	257,656
S.S. Steel Mills Ltd.	684,613	-
Square Drawing Formicate	-	6,350
Rahim Steel Mills Ltd	80,850	154,000
Rani Steel Mills (Pvt.) Ltd.	287,050	-
Bashundhra Steel Mills Ltd.	44,180	-
Chakda Re-Rolling Steel Mills	-	141,900
Argus Metal (Pvt.) Ltd	575,339	651,700
Confidence Steel/Electric Ind. Ltd	228,394	-
Standard Ceramic Ind. Ltd	-	52,383
Bandor Steel Mills Ltd	240,677	831,089
Nabila & Brothers	59,035	59,035
	<u>3,975,926</u>	<u>3,703,297</u>

- 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 BAS 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		
Over 30 days due	3,275,334	2,966,083
Over but less than 90 days due	446,282	568,243
Over 90 days	254,310	168,971
	<u>3,975,926</u>	<u>3,703,297</u>

	For the year ended June 30, 2017	For the year ended June 30, 2016
	Taka	Taka
6.00 Advance, Deposite & Prepayments		
Advance against Salary	53,214	22,597
Advance against goods supply	14,719	35,336
Earnest Money & Security Deposit	234,624	244,624
Advance Income Tax (AIT) Note 6.01	1,680,581	1,395,581
	<u>1,983,138</u>	<u>1,698,138</u>

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.

Security Deposit are made to statutory Authorities, Titas Gas Transmission & Distribution Co Ltd and are realisable when the service from them are discontinued.

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

6.01 Advance Income Tax (AIT)

Opening Balance	1,395,581	2,359,362
Addition During the year	452,770	419,067
Adjustment/settled during the year	(167,770)	(1,382,848)
Closing Balance	<u>1,680,581</u>	<u>1,395,581</u>

The tax assessment for the year 1995-1996 is pending with honorable high court.

7.00 Cash & Cash equivalents

Cash-in-hand

Head Office	290,495	915,030
Factory	347,325	232,847
Chittagong Branch	912	-
Petty Cash with Head Office	1,579	1,621
	<u>640,311</u>	<u>1,149,498</u>

Cash at Banks

C.D A/c – 2840 Janata Bank (Savar)	286,286	427,763
„ „ 4751/33001125, Janata Bank (Dhaka)	478,699	127,977
„ „ 38645, Janata Bank (Chittagong)	838,901	208,811
	<u>1,603,886</u>	<u>764,551</u>

Total Cash & cash equivalents

	<u>2,244,197</u>	<u>1,914,049</u>
--	------------------	------------------

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

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

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	23,414,120	24,790,390
	<u>23,414,120</u>	<u>24,790,390</u>

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

For the year ended June 30, 2017	For the year ended June 30, 2016
Taka	Taka

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

Approved facility	6 Crore
Rate of Interest	13%
Security	Factory Land & Building and Stock.

9.00 Loan & Advance

Loan from Directors	575,000	575,000
Advance against Sales	17,810,438	14,267,313
Workers & Employees P. F.	2,425,433	2,156,433
	<u>20,810,871</u>	<u>16,998,746</u>

Interest free temporary loan received from Mrs. Lutful Tahmina Khan, Chairperson amounting to Tk.3,25,000/- & Mr. Safi Modassir Khan, Director amounting to Tk.2,50,000/-.

Security deposit & Advance money received from buyers against sale has subsequently been adjusted.

Workers & Employees Provident Fund has not yet been recognized by the National Board of Revenue (NBR) Government of the people's republic of Bangladesh.

10.00 Accounts payable

Abdus Salam (Carrying)	112,725	109,691
Akbar Engineering Works	387,952	414,760
Amgasia Enterprise	177,374	-
Bashundhara Timber Mart	153,886	-
M/s. Hossain & Co.	116,257	-
Shimul Art Press	179,841	-
M/s. Tutul Traders	276,731	201,964
M/s. S.M Enterprise	154,225	127,191
M/s. Bonik Bitan	1,035	2,730
Anowar Hossain Enterprise	83,805	-
Kaligonj Traders	136,784	-
M/s. Ashok Agarwala	83,247	53,257
M/s. Rashid Enterprise	163,861	124,355
Shahin Enterprise	116,487	-
Meri Traders	186,376	-
M/s. Sonali Agency	583,263	398,524
M/s. Pioneer Refractories & Tiles	1,548,463	1,305,635
M/s. Master Traders	386,936	254,791
M/s. Mita Traders	31,208	20,672
M/s. Titas Banijjik Protisthan	3,475,246	2,735,891
Khaled Enterprise	187,542	123,654
Khan Business Consortium	224,841	186,957
Lucky Enterprise	875,687	668,427
Nazmul Enterprise	813,014	648,971
Others	165,136	265,824
	<u>10,621,922</u>	<u>7,643,294</u>

For the year ended June 30, 2017	For the year ended June 30, 2016
<u>Taka</u>	<u>Taka</u>

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	440,499	232,089
Telephone & Trunk-call Charges	27,364	24,365
Gas Charges	649,043	676,163
Electric Charges	145,718	186,986
Office Rent	18,500	18,500
Audit Fees	100,000	50,000
Income Tax Consultant Fees	10,000	10,000
Law Consultant Fees	-	-
	<u>1,391,124</u>	<u>1,198,103</u>

We note that except security most of the above creditors for expenses have subsequently been paid.

12.00 Other liabilities

Mrs. Lutful Tahmina Khan	211,062	211,062
Shafia Tasnim Khan	139,765	133,765
Mrs. Nilufa Akhter	6,000	-
Safi Modassar Khan	405,566	405,566
Share Application money (Un-claim)	2,000	2,000
	<u>764,393</u>	<u>752,393</u>

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>

We observed that the above fund has not been paid to the beneficiaries/employees or invested out side the business for earning profit as specified in the companies WPPF & WF Act. 1968.

14.00 Provision for income tax

Opening balance	543,340	789,692
Provision for the year	243,948	104,618
Prior year under provision	105,277	-
Adjustment during the year	(167,770)	(350,970)
Closing balance	<u>724,796</u>	<u>543,340</u>

Note: 14.01

14.01 Tax for 2011/12	341,973	341,973
Tax for 2012/13	49,714	49,714
Tax provision for 2014/15	47,035	47,035
Tax provision for 2015/16	42,125	104,618
Tax provision for 2016/17	243,948	-

For the year ended June 30, 2017	For the year ended June 30, 2016
Taka	Taka
<u>724,796</u>	<u>543,340</u>

As per Income Tax ordinance provision for taxation has been provided @ 0.60% on sales during this year as taxable profit for this year is negative.

15.00 Deferred Tax

Deferred Tax has been calculated based on deduct able / 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 Bangladesh Accounting Slandered (BAS)-12 "Income Taxes"

Carrying value of asset of accounting base	40,541,037	40,441,812
Tax base	22,958,047	24,135,232
Temporary difference	17,582,990	16,306,580
Tax rate	25.00%	35.00%
Colsing balance	<u>4,395,748</u>	<u>5,707,303</u>
Deferred tax movement during the year	(1,311,555)	446,489

16.00 Share Capital

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

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

<u>300,000,000</u>	<u>300,000,000</u>
--------------------	--------------------

ii) Issued, Subscribed & Paid-up Capital :

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

7,058,300	7,058,300
-----------	-----------

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

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	<u>100.00%</u>	<u>100.00%</u>

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

Number of share holders	Range	Total Holdings	%
1,325	Less then & equal 50,000 shares	572,749	41.12 %
5	50,001 shares to 150,000 shares	532,991	38.27 %
1	150,001 shares to 350,000 shares	287,060	20.61 %
<u>1,331</u>		<u>1,392,800</u>	<u>100.00 %</u>

17.00 Reserve

Opening Balance	2,094,434	2,094,434
Addition during the year	-	-
Closing balance	<u>2,094,434</u>	<u>2,094,434</u>

Reserve for Re-Investment and purchases of Govt. Bond are as per last account and

	For the year ended June 30, 2017	For the year ended June 30, 2016
	Taka	Taka

were created as per requirements of Income Tax Ordinance, 1984

18.00 Sales Revenue

Name of the product	Qty (M.Tons)		
Refractory Items (Own Product)	2,907.48	36,508,533	23,762,861
Sales of Imported & Local Finished goods (Trading product & Technical Service)	46.74	4,149,510	11,109,425
	-	40,658,043	34,872,286

19.00 Cost of goods sold

	Qty (M.Tons)		
Opening Stock	1,192.60	7,814,637	7,304,341
Add: Cost of Production (19.01)	2,939.48	30,222,404	19,832,921
	4,132.08	38,037,041	27,137,262
Less: Closing Stock	(1,224.60)	(8,297,354)	(7,814,637)
	2,907.48	29,739,687	19,322,625
Add: Purchase of Finished product (19.04)	46.74	3,516,534	9,007,843
	2,954.22	33,256,221	28,330,468

19.01 Cost of production

	Qty (M.Tons)		
Raw Material Consumed (19.02)	2,980.06	12,079,477	5,717,982
Direct Labour	-	2,162,369	1,488,957
Factory Overhead (19.03)	-	16,244,052	12,362,393
Insurance Premium	-	91,080	91,080
	2,980.06	30,576,978	19,660,412
Add : Opening Work-in-process	68.63	510,349	682,858
	3,048.69	31,087,327	20,343,270
Less : Closing Work-in-process	(109.21)	(864,923)	(510,349)
Total Cost of production	2,939.48	30,222,404	19,832,921

19.02 Raw Material Consumed

	Qty (M.Tons)		
Opening Stock	213.12	1,304,598	1,158,327
Add : Purchase this year [19.02(i)]	3,172.18	13,996,376	5,864,253
	3,385.30	15,300,974	7,022,580
Less : Closing Stock	(405.24)	(3,221,497)	(1,304,598)
	2,980.06	12,079,477	5,717,982

19.02 (i) Statement of Raw Materials Purchased

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

Name of materials	Qty (M.Tons)		
i) Aluminium Ors Concentrates	-	-	-
(Bauxite)& Refractory & allied Materials	225.00	5,148,131	2,218,850
	225.00	5,148,131	2,218,850

(b) Local :

	Qty (M.Tons)		
i) Mymensingh Clay Grade-1	671.74	1,880,858	654,230

		For the year ended June 30, 2017	For the year ended June 30, 2016
		Taka	Taka
ii) Mymensingh Clay Grade-2	657.74	1,457,201	569,357
iii) Grog	453.75	2,235,710	995,643
iv) White Clay (Sylhet)	524.73	1,054,237	458,641
v) Black Clay	453.27	862,360	268,324
vi) Sager	21.38	148,627	45,682
vii) Feldspar	17.94	168,464	65,238
viii) Refractories Binder	58.37	152,350	158,657
ix) White Cement	35.94	427,689	176,854
x) Alumina Cement	28.14	303,385	198,450
xi) Plastic Clay	24.18	157,364	54,327
	2,947.18	8,848,245	3,645,403
Total purchased		3,172.18	13,996,376

19.03 Factory Overhead

Factory Salary & Wages		2,205,237	1,344,692
Gas Charges		3,857,992	3,717,056
Electric Charges		2,179,843	1,764,232
Lubricants		643,672	148,657
Mould Expenses		123,875	29,657
Carriage Inward		153,782	88,651
Repairs & Maintenance		1,034,785	158,354
Clearing, Forwarding & Others		877,363	532,687
Other Factory Expenses		1,223,576	378,075
Laboratory Expenses		53,284	30,248
Medical Expenses		48,359	19,684
Depreciation		3,842,284	4,150,400
		16,244,052	12,362,393

19.04 Purchase of finished product

	Qty (M. Tons)		
Refractory & allied Materials (Imported)	46.74	2,132,233	6,962,471
Procurement of Finished goods		1,384,301	2,045,372
	46.74	3,516,534	9,007,843

20.00 Administrative & Marketing expense

Salary & Allowances		2,152,484	1,865,895
Directors remuneration 22.00		396,000	396,000
Board meeting fee 22.00		18,000	18,000
Festival Bonus		333,138	196,327
T. A. & Conveyance		253,756	189,645
Entertainment		88,484	68,327
Printing & Stationery		72,367	56,824
Postage & Telegram		16,342	18,657
Telephone & Trunk-call Charges		169,230	187,659
Electric Charges		334,719	329,257
Office Rent		222,000	222,000
Repairs & Maintenance		118,836	68,321
Fuel		72,667	56,324

	For the year ended June 30, 2017	For the year ended June 30, 2016
	Taka	Taka
Packing Charges	79,238	64,832
Carriage outward	107,769	67,851
Advertisement	39,864	34,658
Donation & Subscription	2,885	2,358
A. G. M Expenses	89,327	34,687
Fees & Fines	14,850	9,957
Other benefit for direct 22.00	134,000	134,000
Miscellaneous Expenses	4,278	4,685
Paper & Periodicals	9,176	8,649
Tender Document Purchases	21,238	7,624
Medical Expenses	64,762	28,654
Rates & Taxes	11,580	9,687
Income Tax Consultant Fees	10,000	10,000
Enlistment Fees (D.S.E)	50,000	50,000
Uniform & Costume	17,237	12,684
Water Charges	31,867	27,698
Audit fee 23.00	100,000	50,000
Depreciation	197,305	210,150
	<u>5,233,399</u>	<u>4,441,410</u>

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

21.00 Financial Expenses

Interest on C.C. Loan from Janata Bank Farmgate Corp. Br.	3,354,351	3,260,506
Bank Charges	19,584	18,549
	<u>3,373,935</u>	<u>3,279,055</u>

22.00 Directors Remuneration

a) Mrs. Lutful Tahmina Khan, Chairperson:

i) Remuneration	180,000	180,000
	<u>180,000</u>	<u>180,000</u>

c) Mr. Safi Modassar Khan, Managing Director:

i) Remuneration	216,000	216,000
-----------------	---------	---------

ii) Other Allowances:

House Rent	116,000	116,000
Entertainment	18,000	18,000
	<u>350,000</u>	<u>350,000</u>

Total remuneration

	<u>530,000</u>	<u>530,000</u>
--	----------------	----------------

d) Board meeting fees: Tk.18,000

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

Name	Designation	Amount	Remarks
2. Mrs. Nilufa Akhter	Ind. Director	6,000	-
3. Miss. Shafia Tasnim Khan	Director	6,000	-
4. Mr. Abu Taher	Ind. Director	6,000	-
		<u>18,000</u>	

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

For the year ended June 30, 2017	For the year ended June 30, 2016
Taka	Taka

- Managing Director does not receive any Board Meeting fees.
- House Rent paid to Managing Director has been charged as "House Rent" & Entertainment in the Administrative & Marketing Expenses.
- The Chairperson now holding full time office
- The directors of the company considered as key management employees.

23.00 AUDITORS' REMUNERATION

100,000	50,000
---------	--------

Auditor's Remuneration includes only audit fees as fixed by the shareholders in the 34th Annual General Meeting of the Company.

24.00 Others Income:

Gain/(loss) on disposal of fixed asset:

- Disposal proceeds
- Acquisition cost of car
- Accumulated Depreciation
- Gain/(loss) on disposal

-	-
-	-
-	-
-	-
-	-

25.00 Production Capacity

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

	In M. Tons	Percentage
Installed Capacity	6,400.00	100.00 %
Actual Production	2,939.48	45.93 %
	<u>3,460.52</u>	<u>54.07 %</u>

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.

26.00 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 Bangladesh Accounting Standard 24: "Related Party Disclosures".

Name	Relation ship	Nature of Tran.	Transaction		Closing outstanding	
			Dr. (-)	Cr. (+)	2017	2016
Mrs. Lutful Tahmina Khan	Chairman	Remuneration	174,000	180,000	217,062	211,062
Mr. Safi Modassar Khan	MD	Remuneration	516,500	350,000	239,066	405,566
Mrs. Shafia Tasnim Khan	Director	Loan	-	-	133,765	133,765
Mrs. Nilufa Akhter	Director	Meeting Fee	-	6,000	-	-
Miss. Shafia Tasnim Khan	Director	Meeting Fee	-	6,000	-	-
Mr. Abu Taher	Director	Meeting Fee	6,000	6,000	6,000	-
Mrs. Lutful Tahmina Khan	Chairman	Loan	-	-	325,000	325,000
Mr. Safi Modassar Khan	MD	Loan	-	-	250,000	250,000
Total			696,500	548,000	1,170,893	1,325,393

For the year ended June 30, 2017	For the year ended June 30, 2016
Taka	Taka

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

The directors of the company considered as key management employees and details of benefit given to them is provided in Note 22.

27.00 Event after reporting period

The Board of Directors of Savar Refractories Ltd. has approved the financial statements as on October 29, 2017 and recommended ..0..% cash and ..0..% stock dividend for the financial year June 30, 2017. 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.

28.00 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 30-06-2017.
- h) During the year, there was six Nos of Board Meeting.
- i) Auditors are paid only statutory audit fee approved by the Shareholders in the last Annual General Meeting.
- j) The Company earns no foreign currency.
- k) There is no non-resident shareholder of the company.
- l) There was no foreign exchange remitted to the relevant shareholders during the year under audit.
- m) The value and percentage of consumption of imported local Raw Materials & stores are given below: -

	Value	%
a) Imported Raw-materials for production	5,148,131	29.40 %
b) Imported Raw-materials for trading	2,132,233	12.18 %
c) Local Raw-materials	8,848,245	50.52 %
d) Procurement of Finished goods (Local & Technical se	1,384,301	7.90 %
	<u>17,512,910</u>	<u>100.00 %</u>

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

Name of the items

Total Value

a) Imported Raw-materials for production	5,148,131
b) Imported Finished goods for trading	2,132,233
	<u>7,280,364</u>

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

Earnings attributable to Ordinary Shareholder
Basic Earning Per Share (EPS) = $\frac{\text{Earnings attributable to Ordinary Shareholder}}{\text{Weighted average numbers of shares outstanding during the year 2016-2017}}$

Basic Earning Per Share (EPS) = $\frac{(243,182)}{1,392,800}$

For the year ended June 30, 2017	For the year ended June 30, 2016
<u>Taka</u>	<u>Taka</u>

Basic Earning Per Share (EPS) = Tk. (0.17)

- p) There is no claim against the Company not acknowledge as debt except claim which may be Arisen on insurance claim.
- q) No amount of Money was expended by the Company for compensating any member of the Board for special service rendered.
- r) There is a sum of Tk. 4,278/- as miscellaneous expenses in Accounts.
- s) Category of Employees:
 - a) Drawing salary up to Tk. 8,000 per month = 28 Persons
 - b) Drawing salary above Tk. 10,000 per month = 12 Persons