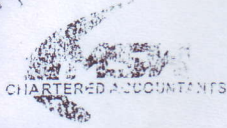


**AUDITORS' REPORT
AND
STATEMENT OF ACCOUNTS
OF**

**SAVAR REFRACTORIES LTD.
DHAKA
FOR THE YEAR ENDED JUNE 30, 2019**

মালেক সিদ্দিকী ওয়ালী
MALEK SIDDIQUI WALI
CHARTERED ACCOUNTANTS



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, 2019, 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, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Security and Exchange Rules 1987 and other applicable law and regulations.

Basis for Qualified Opinion

1. The company did not call AGM since financial year 2016-2017. As such, neither the company's financial statements were approved by shareholders through ordinary resolution, nor auditors' appointment for the year June 30, 2017 nor June 30, 2018 was confirmed by the company's shareholders. However, the board of directors has given their consent to approve the financial statements for the year 30, 2017 and June 30, 2018 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 2018-2019 in the company's 304th board meeting held on April 04, 2019 even though the current auditors has completed his consecutive three years statutory auditor. The Securities Law and DSE listing regulation, 2015 requires to changes the statutory auditor after exceeding consecutive three years.
2. The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been suffering from running operation losses & subsequent net loss since 2013-14 recurring losses from operations poor current ratio (stood 0.46:1) and deficiency of production capacity by 51.42% that raise doubt about its ability to continue as going concern.
3. According to labour act the company is supposed 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.

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.

Key Audit Matters

Risk	Our response
<p>Revenue recognition</p> <p>At the year ended, the company's reported total revenue of Tk. 55,870,026.</p> <p>Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. The revenue may overstated for the early recognition of revenue to achieve the desire result.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Policy of revenue recognition; • Issuance of VAT challan; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • VAT is correctly dealt with; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
<p>Please see the note 18 in this financial statements.</p>	
<p>Valuation of inventory</p> <p>The balance of inventory of the Company at the year-end was Tk. 9,923,194 held in the company's warehouse.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • to review the inventory costing procedures and methodology. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and

Risk	Our response
	<ul style="list-style-type: none"> Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
Please see the note 4 in this financial statements.	
Measurement and recognition of deferred tax	
<p>The balance of reported deferred tax liability of the company was Tk. 4,840,331 as on June 30, 2019.</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.

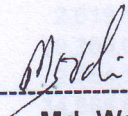
of such communication.

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, 2019



Md. Waliullah
Chartered Accountants

Total Assets			
Equity & Liabilities			
Equity			
Share Capital	16	13,825,000	13,825,000
Reserves & Surplus	17	2,094,824	1,784,574
Retained Earnings (Loss)		110,287,259	16,378,479
		126,207,083	121,988,053
Non-current liabilities			
Deferred Tax	18	1,040,511	1,377,614
		1,040,511	1,377,614
Current Liabilities			
Working Capital Loan - Trade Bank	19	36,545,713	29,821,739
Loans & Advances	20	24,348,261	27,450,525
Accounts payable	21	12,507,345	11,562,409
Liability for expenses	22	2,511,917	2,431,520
Other liabilities	23	3,297,521	3,502,759
Workers Profit Participation Fund	24	728,508	728,508
Provision for taxation	25	1,181,182	1,081,406
Undivided Dividend		155,004	188,054
		79,767,052	78,267,491
Total Equity & Liabilities		206,014,135	200,255,544
Net Asset Value (NAV) per share	26	104	127

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

The financial statements were approved by the Board of directors on 30 October 2019 and were signed on its behalf by:

Chief Financial Officer

Company Secretary

Managing Director

Chairman

Signed in terms of our separate report on the financial statements

Chartered Accountants

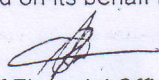
Chartered Accountants


SAVAR REFRACTORIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019


Particulars	Notes	As at 30 June	As at 30 June
		2019	2018
		Taka	Taka
Assets:			
Non-current asset			
Property, Plant & Equipments	3	51,424,038	52,389,790
		<u>51,424,038</u>	<u>52,389,790</u>
Current assets			
Inventories	4	9,923,194	10,367,705
Trade Debtors	5	2,619,155	2,450,297
Advance, Deposits & Pre-payments	* 6	19,360,089	18,295,306
Cash & Cash equivalents	7	2,764,139	3,364,079
		<u>34,666,577</u>	<u>34,477,388</u>
Total Assets		<u><u>86,090,616</u></u>	<u><u>86,867,178</u></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)		(10,397,836)	(8,826,476)
		<u>5,624,598</u>	<u>7,195,958</u>
Non-current liabilities			
Deferred Tax	15	4,840,331	4,677,614
		<u>4,840,331</u>	<u>4,677,614</u>
Current Liabilities			
Working Capital Loan – Janata Bank	* 8	30,645,673	26,025,738
Loans & Advances	* 9	24,046,861	27,450,525
Accounts payable	* 10	12,552,395	13,583,404
Liability for expenses	11	2,313,917	2,431,620
Other liabilities	12	3,997,521	3,552,757
Workers Profit Participation Fund	13	729,503	729,503
Provision For Taxation	14	1,181,163	1,061,405
Unclaimed Dividend		158,654	158,654
		<u>75,625,687</u>	<u>74,993,606</u>
Total Equity & Liabilities		<u><u>86,090,616</u></u>	<u><u>86,867,178</u></u>
Net Asset Value (NAV) per share	27	4.04	5.17

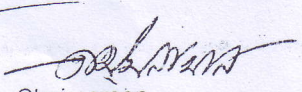
The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 30 October 2019 and were signed on its behalf by:


Chief Financial Officer

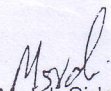

Company Secretary


Managing Director


Chairperson

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

Dated: Dhaka
30-Oct-19


Malek Siddiqui Wali
Chartered Accountants


SAVAR REFRACTORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	For the year	For the year
		ended June 30, 2019	ended June 30, 2018
		Taka	Taka
Sales Revenue	18	55,870,026	56,101,406
Cost of goods sold	19	(44,401,252)	(45,519,211)
Gross profit		11,468,774	10,582,195
Administrative & Marketing Expenses	20	(9,240,412)	(8,043,773)
Financial Expenses	21	(3,064,478)	(3,233,355)
Operating profit/Loss*		(836,116)	(694,933)
Provision for WPPF		-	-
Profit/(Loss) before tax		(836,116)	(694,933)
Income tax expenses			
Prior year Tax under provision		(237,307)	-
Provision for Income tax		(335,220)	(336,608)
Deferred Tax movement		(162,717)	(281,867)
Profit/(Loss) after tax		(1,571,360)	(1,313,408)
Earning Per Share (EPS)	26	(1.13)	(0.94)

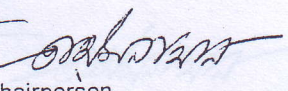
The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 30 October 2019 and were signed on its behalf by:


Chief Financial Officer

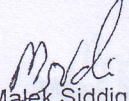

Company Secretary


Managing Director


Chairperson

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

Dated: Dhaka
30-Oct-19


Malek Siddiqui Wali
Chartered Accountants




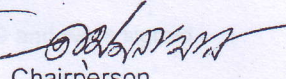
SAVAR REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Share Capital	Reserve	Retained earning	Total
Opening balance	13,928,000	2,094,434	(8,826,476)	7,195,958
Profit/(loss) for the year	-	-	(1,571,360)	(1,571,360)
Closing balance	13,928,000	2,094,434	(10,397,836)	5,624,598

SAVAR REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

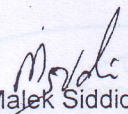
Particulars	Share Capital	Reserve	Retained earning	Total
Opening balance	13,928,000	2,094,434	(7,513,068)	8,509,366
Profit/(loss) for the year	-	-	(1,313,408)	(1,313,408)
Closing balance	13,928,000	2,094,434	(8,826,476)	7,195,958

The financial statements were approved by the Board of directors on 30 October 2019 and were signed on its behalf by:

 Chief Financial Officer
  Company Secretary
  Managing Director
  Chairperson

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


Dated: Dhaka
30-Oct-19



 Malek Siddiqui Wali
 Chartered Accountants

SAVAR REFRACTORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

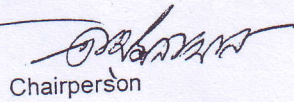
	Notes	For the year	For the year
		ended June	ended June
		30, 2019	30, 2018
		Taka	Taka
Cash Flows From Operating Activities:			
Collection from sale and other income		52,397,504	66,592,122
Payments against purchases, supplies, employees & others		(50,558,170)	(57,991,682)
Finance cost paid		(3,064,478)	(3,233,355)
Tax paid		(705,752)	(1,212,702)
Net cash generated/(used) in operation		(1,930,896)	4,154,383
Cash Flows From Investment Activities:			
Acquisition of Property, Plant & Equipment		(3,188,979)	(5,746,119)
Net cash generated/(used) in investing activity		(3,188,979)	(5,746,119)
Cash flows From Financing Activities:			
Working capital Received/(Repaid)		4,619,935	2,611,618
Directors' loan received		(100,000)	100,000
Net cash generated/(used) financing activity		4,519,935	2,711,618
Net Cash Inflow / (Outflow)/for the period		(599,940)	1,119,882
Cash & Bank balance at opening		3,364,079	2,244,197
Cash & Bank balance at closing		2,764,139	3,364,079
Net operating cash flow per share (NOCFPS)	28	(1.39)	2.98

The financial statements were approved by the Board of directors on 30 October 2019 and were signed on its behalf by:


Chief Financial Officer

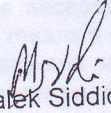

Company Secretary


Managing Director


Chairperson

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

Dated: Dhaka
30-Oct-19


Malek Siddiqui Wali
Chartered Accountants

Savar Refractories Ltd.
Notes to the Accounts
For the year ended June 30, 2019

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, 2018.

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 IAS 18 "Revenue" on accrual basis as and when meets the recognition criteria of related accounting standard.

2.07 Lease

The company's policy is to account for lease payment in accordance the requirement of IAS 17 Lease. The operating lease rental payment charged to the Statement of profit or loss when they arise. No asset is recognized in the financial statements asset acquired under operating lease.

Asset acquired under finance lease agreement is included in non current asset of the financial statement and depreciated over the economic life of asset. Present value of minimum lease payment is recognized as finance lease liability at the inception of the lease. Financial expense is charged to the statement of comprehensive income at the lesor's interest rate charged to this finance lease agreement. Lease rental payment is presented as current liability (that will be paid within twelve month period from the reporting date) and non-current liability (that will be paid after the twelve month period of the reporting date).

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 in 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, 2018 to June 30, 2019.

2.14 Comparative Information

Comparative information have been disclosed in respect of the year ended June 30, 2019 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, 2019.
- b) Statement of Comprehensive Income for the year ended June 30, 2019.
- c) Cash Flow Statement for the year ended June 30, 2019.
- d) Statement of Changes in Equity for the year ended June 30, 2019.
- e) Accounting Policies and Notes to the Financial Statements for the year ended June 30, 2019.

3.00 Property Plant & Equipment Assets (Annexure A)

	Taka	
	30-Jun-19	30-Jun-18
Cost Value of Assets :	112,453,045	106,706,926
Add : Addition during the year	3,188,979.00	5,746,119
Less: Adjustment during the year	-	-
Closing balance	<u>115,642,024</u>	<u>112,453,045</u>
Accumulated Depreciation :		
Opening balance	60,063,255	55,992,145
Add : Addition during the year	4,154,730.85	4,071,110
Less: Adjustment during the year	-	-
Closing balance	<u>64,217,986</u>	<u>60,063,255</u>
Written Down Value	<u>51,424,038</u>	<u>52,389,790</u>

3.01 Please see the annexure A for more details.

4.00 Inventory

	Qty. (M.Tons)		
a) Spare Parts	-	213,254	204,275
b) Raw Materials (4.01)	536.59	1,823,717	2,065,745
c) Work-in-process (4.02)	82.52	615,725	785,138
d) Finished goods (4.03)	1,167.13	7,270,498	7,312,547
		<u>9,923,194</u>	<u>10,367,705</u>

- a) Physical counting of the stock was carried out by inventory counting team, consisting of auditor & management staff.
- b) Inventory at June 30,2019 are valued at lower of average cost and net realizable value.
- c) The inventories are pledged as security for working capital loan form Janata Bank.

4.01 Raw Materials

Items	Qty. (M.Tons)		
a. Imported:			
i) Bauxite & Others	14.42	443,717	278,636
	<u>14.42</u>	<u>443,717</u>	<u>278,636</u>
b. Local:			
i. Mymensingh Clay Grade-1	83.83	251,485	650,250
ii. Mymensingh Clay Grade-2	88.64	210,542	395,212
iii. Grog	55.62	222,485	365,872
v. Grog, Grade-2	82.56	208,195	
vi. White Clay (Sylhet)	169.23	220,000	220,000
vii. Black Clays	37.51	75,023	78,213
viii. Portland Cement/refracory binder	1.25	20,020	12,510
ix. Alumina Cement	1.84	138,000	
vii. Others	1.69	34,250	65,052
	<u>522.17</u>	<u>1,380,000</u>	<u>1,787,109</u>
Total	<u>536.59</u>	<u>1,823,717</u>	<u>2,065,745</u>

Taka	
30-Jun-19	30-Jun-18

4.02 Work-in-Process

Name of items	Quality	Qty. (M.Tons)		
A.R.B-3	SHA-2	9.76	115,842	158,450
STD	HA-2	12.08	107,525	152,482
RLN - 2A	LADDLE	9.95	75,427	85,222
71- 0525	MD-1	14.89	104,520	128,025
S/A	MD-2	12.05	74,714	85,108
STD	MD-2	9.08	62,124	63,214
Runner Bricks		6.33	38,452	44,125
Laddle		4.85	25,105	50,036
STD, (C.F) L.F.B		3.53	12,016	18,476
		82.52	615,725	785,138

4.03 Finished Goods

Items	Qty. (M.Tons)		
Hydrometric Cone Equivalent SK-24	99.36	784,204	858,280
Hydrometric Cone Equivalent SK-26	109.93	1,025,478	1,089,834
Hydrometric Cone Equivalent SK-27	92.88	490,445	578,410
Hydrometric Cone Equivalent SK-28	95.59	775,640	796,424
Hydrometric Cone Equivalent SK-30	76.82	787,510	835,124
Hydrometric Cone Equivalent SK-32	71.49	384,562	268,562
Hydrometric Cone Equivalent SK-33	61.08	284,570	286,550
Hydrometric Cone Equivalent SK-34	59.26	328,430	325,466
Hydrometric Cone Equivalent SK-36	74.29	577,510	409,785
Ladle	17.70	327,108	365,247
STD, I.B	126.08	249,425	215,460
Runner Bricks	153.80	425,148	325,468
Light Fire Bricks	89.14	585,264	614,255
Others	39.65	245,204	343,682
	1,167.13	7,270,498	7,312,547

5.00 Trade debtors

Anwar Ispath	379,482	332,558
Al-Abbas Enterprice	164,580	92,875
Bangla Millars Ltd (RFL)	191,100	183,600
Salam Steel Con-Cast Re-Rolling Mills Ltd.	346,115	16,950
Diamond Steel Product (Pvt.) Ltd.	439,740	-
BSRM Steel Mills Ltd.	143,930	-
S.R Traders	46,320	45,794
Khurshed Metal Ind. Ltd.	-	7,693
Shahriar Steel Mills Ltd.	-	172,230
Modern Ereotion	-	84,885
Munnu Ceramic Ind. Ltd.	358,514	254,369
S.S. Steel Mills Ltd.	-	255,719
Rahim Steel Mills Ltd	-	82,225
Rani Steel Mills (Pvt.) Ltd.	124,885	104,260
Bashundhra Steel Mills Ltd.	-	44,180
Chakda Re-Rolling Steel Mills Ltd.	5,820	-
Argus Metal (Pvt.) Ltd	33,000	173,000
Confidence Steel/Electric Ind. Ltd	296,792	319,247
Bandor Steel Mills Ltd	88,877	188,877
Nabila & Brothers	-	91,835
	2,619,155	2,450,297

Taka	
30-Jun-19	30-Jun-18

- 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 debtor
- 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	924,540	2,135,874
Invoiced above 30 but less than 60 days	1,257,802	33,263
Invoiced above 60 but less than 90 days	436,813	281,160
Invoiced above 90 but less than 180 days	-	-
Invoiced above 180 but less than 365 days	-	-
Invoiced over 365 days	-	-
	<u>2,619,155</u>	<u>2,450,297</u>

6.00 Advance, Deposite & Prepayments

Advance against Salary	65,225	48,524
Advance against goods supply	15,441,254	15,118,875
Balance with VAT current account	472,720	-
Earnest Money & Security Deposit	234,624	234,624
Advance Income Tax (AIT)	6.05 3,146,266	2,893,283
	<u>19,360,089</u>	<u>18,295,306</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.

6.04 Maturity Analysis

Adjustable/Realisable within one year	234,624	234,624
Adjustable/Realisable after one year	19,125,465	18,060,682
	<u>19,360,089</u>	<u>18,295,306</u>

6.05 Advance Income Tax (AIT)

Opening Balance	2,893,283	1,680,581
Addition During the year	705,752	1,212,702
Adjustment/settled during the year	(452,769)	-
Closing Balance	<u>3,146,266</u>	<u>2,893,283</u>

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

Taka	
30-Jun-19	30-Jun-18

7.00 Cash & Cash equivalents

7.01 Cash-in-hand

Head Office	1,046,019	906,798
Factory	418,866	205,771
Chittagong Branch	4,025	672
Petty Cash with Head Office	1,766	1,403
	<u>1,470,676</u>	<u>1,114,644</u>

7.02 Cash at Banks

C.D A/c:	913,542	614,290
284 Janata Bank (Savar)	362,883	664,727
4751/33001125, Janata Bank (Dhaka)	17,038	970,418
3864, Janata Bank (Chittagong)	<u>1,293,463</u>	<u>2,249,435</u>

Total Cash & cash equivalents

<u>2,764,139</u>	<u>3,364,079</u>
------------------	------------------

7.02.01 Cash in hand was physically counted at the end of the year and found in order.

7.02.02 The Bank Balances were confirmed and reconciled with Bank statements and found in order.

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

8.00 Working capital loan

CC (Hypo) A/c No. 35/370:0511

30,645,673	26,025,738
<u>30,645,673</u>	<u>26,025,738</u>

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

8.02 The company is utilizing cash credit loan facility from Janata Bank Ltd. with following terms:

Lender	Janata Bank Ltd.
Approved facility	6 Crore
Tenor	1 year from sanction
Rate of Interest	13%
Security	Factory Land & Building, machinery and Stock.
Classification status:	Unclassified

9.00 Loan & Advance

Loan form directors	575,000	675,000
Advance against Sales	23,471,861	26,775,525
	<u>24,046,861</u>	<u>27,450,525</u>

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

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

10.00 Accounts payable

Abdus Salam (Carrying)	275,850	318,354
Akbar Engineering Works	875,146	989,563
Amgasia Enterprise	213,012	213,012
Bashundhara Timber Mart	228,205	168,420
M/s. Hossain & Co.	521,457	435,247

	Taka	
	30-Jun-19	30-Jun-18
Shimul Art Press	325,415	296,452
M/s. Tutul Traders	862,420	985,125
M/s. S.M Enterprise	325,154	136,584
M/s. Bonik Bitan	287,550	221,450
Anowar Hossain Enterprise	221,453	112,574
Kaligonj Traders	134,850	134,850
M/s. Ashok Agarwala	94,284	94,284
M/s. Rashid Enterprise	232,451	183,472
Shahin Enterprise	135,487	135,487
Meri Traders	198,740	198,740
M/s. Sonali Agency	402,545	745,720
M/s. Pioneer Refractories & Tiles	1,492,510	1,415,949
M/s. Master Traders	375,126	426,752
M/s. Mita Traders	312,050	314,500
M/s. Titas Banijjik Protisthan	1,825,746	2,598,251
Khaled Enterprise	375,412	458,276
Khan Business Consortium	267,843	267,843
Lucky Enterprise	1,234,447	1,233,214
Nazmul Enterprise	1,024,567	1,140,540
Others	310,675	358,745
	<u>12,552,395</u>	<u>13,583,404</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	625,145	484,548
Telephone & Trunk-call Charges	28,514	32,145
Gas Charges	669,667	727,197
Electric Charges	367,209	314,348
Office Rent	18,500	18,500
Audit Fees	115,000	115,000
Income Tax Consultant Fees	10,000	10,000
AIT & VAT deducted at source	479,882	729,882
	<u>2,313,917</u>	<u>2,431,620</u>

12.00 Other liabilities

Mrs. Lutful Tahmina Khan		217,062	217,062
Shafia Tasnim Khan		145,765	145,765
Mrs. Nilufa Akhter		12,000	12,000
Safi Modassar Khan		405,566	405,566
Share Application money (Un-claim)	12.01	2,000	2,000
Workers & Employees P. F.		3,215,128	2,770,364
		<u>3,997,521</u>	<u>3,552,757</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.

Taka	
30-Jun-19	30-Jun-18

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	1,061,405	724,796
Provision for the year	335,220	336,608
Prior year under provision (unpaid)	28,486	-
Adjustment during the year	(243,948)	-
Closing balance	<u>1,181,163</u>	<u>1,061,405</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	42,125
Tax provision for 2016/17	28,486	243,948
Tax provision for 2017/18	336,608	336,608
Tax provision for 2018/19	335,220	-
	<u>1,181,163</u>	<u>061,405</u>

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 of accounting base	40,684,544	41,650,296
Tax base	21,323,219	22,939,840
Temporary difference	19,361,325	18,710,456
Tax rate	25.00%	25.00%
Closing balance	<u>4,840,331</u>	<u>4,677,614</u>
Deferred tax expenses/(income) during the year	<u>162,717</u>	<u>281,867</u>

Taka	
30-Jun-19	30-Jun-18

16.00 Share Capital

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

30,00,00,000 Ordinary Shares of Tk.10/- each

300,000,000	300,000,000
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ii) Issued, Subscribed & Paid-up Capital :

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

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

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

Composition of shareholding:

Sponsors	50.68%	50.68%
Family & Friends	0.87%	0.87%
Public, ICB & Others Company	48.45%	48.45%
The Company has no Non – Resident Share holders	<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	Holdings	Total Holdings	Percentages (%)
1,741	Less then & equal 50,000 shares	705,400	50.65%
3	50,001 shares to 150,000 shares	400,340	28.74%
1	250,001 shares to 350,000 shares	287,060	20.61%
<u>1,745</u>		<u>1,392,800</u>	<u>100%</u>

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	"

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

17.00 Reserve

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

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

Taka	
30-Jun-19	30-Jun-18

18.00 Sales Revenue

Name of the product	Qty (M.Tons)		
Refractory Items (Own Product)	3,074.29	49,920,964	52,891,464
Sales of Imported Finished goods	92.58	5,949,062	3,209,942
	<u>3,166.87</u>	<u>55,870,026</u>	<u>56,101,406</u>

19.00 Cost of goods sold

	Qty (M.Tons)		
Opening finished Stock	1,224.60	7,312,547	8,297,354
Add: Cost of Production (19.01)	3,109.39	44,359,203	42,027,382
	<u>4,333.99</u>	<u>51,671,750</u>	<u>50,324,736</u>
Less: Closing finished Stock	(1,167.13)	(7,270,498)	(7,312,547)
	<u>3,166.87</u>	<u>44,401,252</u>	<u>43,012,189</u>

19.01 Cost of production

	Qty (M.Tons)		
Raw Material Consumed (19.02)	3,086.57	16,291,768	16,298,178
Direct Labour	-	4,823,547	3,751,946
Factory Overhead (19.03)	-	22,892,315	21,715,313
Insurance Premium	-	182,160	182,160
	<u>3,086.57</u>	<u>44,189,790</u>	<u>41,947,597</u>
Add : Opening Work-in-process	105.34	785,138	864,923
	<u>3,191.91</u>	<u>44,974,928</u>	<u>42,812,520</u>
Less : Closing Work-in-process	(82.52)	(615,725)	(785,138)
Total Cost of production	<u>3,109.39</u>	<u>44,359,203</u>	<u>42,027,382</u>

19.02 Raw Material Consumed

	Qty (M.Tons)		
Opening Stock	778.07	2,065,745	3,221,497
Add : Purchase this year [19.02(I)]	2,748.09	11,173,460	15,142,426
Add:Purchase of Finished product	97.00	4,876,280	2,507,021
	<u>3,623.16</u>	<u>18,115,485</u>	<u>20,870,945</u>
Less : Closing Stock	(536.59)	(1,823,717)	(2,065,745)
	<u>3,086.57</u>	<u>16,291,768</u>	<u>18,805,200</u>

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)	95.00	2,164,460	1,737,765
	<u>95.00</u>	<u>2,164,460</u>	<u>1,737,765</u>

	Qty (M.Tons)	Taka	
		30-Jun-19	30-Jun-18
(b) Local :			
i) Mymensingh Clay Grade-1	580.00	1,740,000	2,578,789
ii) Mymensingh Clay Grade-2	702.00	1,755,000	2,266,217
iii) Grog	494.00	1,976,000	4,748,620
iv) Grog-Grade 2	585.00	1,755,000	-
v) White Clay (Sylhet)	-	-	1,420,965
viii) Refractories Binder/Portland Cement	26.57	425,145	443,610
ix) White Cement	23.91	585,475	536,410
x) Alumina Cement	4.61	345,780	425,430
	2,653.09	9,009,000	13,404,661
Total purchased (a+b)	2,748.09	11,173,460	15,142,426
19.03 Factory Overhead			
Factory Salary & Wages		3,442,373	2,916,546
Festival Bonus		687,500	532,500
Gas Charges		3,757,793	4,485,663
Electric Charges		2,148,834	2,176,966
Material Handling Cost		721,708	436,420
Lubricants		905,144	865,508
Quality Control Exp		667,210	426,975
Mould Expenses		325,105	285,813
Carriage Inward		252,364	230,673
Safety & Environmental Exp.		727,512	572,706
Repairs & Maintenance		1,125,570	1,052,178
Clearing, Forwarding & Others		945,214	916,045
Security Gard Expense		944,000	565,000
Other Factory Expenses		1,124,570	1,573,536
Laboratory Expenses		184,265	179,926
Research and Development Exp:		701,240	488,425
Medical Expenses		345,370	207,539
Depreciation		3,886,543	3,802,895
		22,892,315	21,715,313
20.00 Administrative & Marketing expense			
Salary & Allowances		2,961,502	2,582,502
Directors remuneration	22.00	620,000	396,000
Board meeting fee	22.00	12,000	18,000
Festival Bonus		524,766	399,766
T. A. & Conveyance		418,475	357,045
Entertainment		211,542	198,878

		Taka	
		30-Jun-19	30-Jun-18
✓	Printing & Stationery	125,487	118,168
	Postage & Telegram	56,782	45,264
	Telephone, Mobile & Trunk-call Charges	311,354	255,538
	Electric Charges	282,450	271,440
	Overseas Travels	686,420	561,014
✓	Office Rent	222,000	222,000
✓	Repairs & Maintenance	255,140	195,410
	Fuel	97,514	95,834
	Packing Charges	193,240	196,670
✓	Carriage outward	177,652	179,323
✓	Advertisement	75,240	67,483
	Donation & Subscription	3,670	3,491
	Fees & Fines	12,120	11,588
	Other benefit for directors	420,000	134,000
	Miscellaneous Expenses	4,945	4,920
	Paper & Periodicals	12,015	11,975
	Tender Document Purchases	64,230	46,203
	Medical Expenses	148,240	95,265
	Business Development	729,178	965,681
	Rates & Taxes	12,752	11,721
	Income Tax Consultant Fees	50,000	50,000
	Enlistment Fees (D.S.E)	59,850	59,850
	Uniform & Costume	68,510	66,017
	Water Charges	40,150	39,515
✓	Audit fee	115,000	115,000
	Depreciation	268,188	268,215
		<u>9,240,412</u>	<u>8,043,773</u>

20.01 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.	3,005,153	3,184,429
Bank Charges	59,325	48,926
	<u>3,064,478</u>	<u>3,233,355</u>

22.00 Directors Remuneration

a) Mrs. Lutful Tahmina Khan, Chairperson:

i) Remuneration	140,000	180,000
ii) Other Allowances:		
House Rent	70,000	-
Medical Allowance	15,000	-
Entertainment	15,000	-
	<u>240,000</u>	<u>180,000</u>

b) Mr. Safi Modassar Khan, Managing Director:

i) Remuneration	300,000	216,000
ii) Other Allowances:		
House Rent	150,000	116,000
Medical Allowance	25,000	-
Entertainment	25,000	18,000
	<u>500,000</u>	<u>350,000</u>

Taka	
30-Jun-19	30-Jun-18

c) Mrs. Shafia Tasqim Khan, Director:

i) Remuneration	180,000	-
ii) Other Allowances:		-
House Rent	90,000	-
Medical Allowance	15,000	-
Entertainment	15,000	-
	<u>300,000</u>	-
Total remuneration	<u>1,040,000</u>	<u>530,000</u>

d) Board meeting fees: Tk.12,000

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

Name	Designation	Amount	Remarks
Mrs. Nilufa-Akhter	Ind. Director	6,000	-
Miss. Shafia Tasnim Khan	Director	-	-
Mr. Abu Taher	Ind. Director	6,000	-
		<u>12,000</u>	

- 22.01 Remuneration, Entertainment Allowances & Board Meeting fees paid to the Director have been charged to the Profit & Loss Account under head "Administrative Expenses"
- 22.02 Managing Director does not receive any Board Meeting fees.
- 22.03 House Rent paid to Managing Director has been charged as "House Rent"&Entertainment in the Administrative & Marketing Expenses.
- 22.04 The Chairperson now holding full time office
The directors of the company considered as key management employees.

23.00 **AUDITORS' REMUNERATION**

115,000	115,000
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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 304 th meeting held on 30/04/2019 ,due to nonholding of AGM. The shareholders approval were not confirmed in AGM.

24.00 **Production Capacity**

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

	2019		2018	
	In M. Tons	Percentage	In M. Ton	Percentage
Installed Capacity	6,400.00	100.00%	6,400.00	100.00%
Actual Production	3,109.39	48.58%	3,694.34	57.72%
Shortfall	<u>3,290.61</u>	<u>51.42%</u>	<u>2,705.66</u>	<u>42.28%</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.

Taka	
30-Jun-19	30-Jun-18

25.00 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	
			Dr. (-)	Cr. (+)	2019	2018
Mrs. Lutful Tahmina Khan	Chairman	Loan	100,000	-	250,000	350,000
Mr. Safi Modassar Khan	MD	Loan	-	-	325,000	325,000
M/s. Titas Banijjik Protisthan	Under common management	Rent	-	18,500	18,500	-
M/s. Titas Banijjik Protisthan		Purchase	872,505	100,000	1,825,746	2,598,251
Total			972,505	118,500	2,419,246	3,273,251

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

26.00 Basic Earning Per Share (EPS)

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

Earnings attributable to Ordinary Shareholder	(1,571,360)	(1,313,408)
Weighted average numbers of shares outstanding	1,392,800	1,392,800
Earning Per Share (EPS)	(1.13)	(0.94)

26.01 Due to fallen of production capacity utilization and sales for the year ,on other hand overhead cost is subject to inflationary adjustments. As such performance for the year and EPS has been detrioted during the year.

27.00 Net Asset Value Per Share (NAV)

Net Asset Value Per Share (NAV) :

Total Asset - Total Laibilities	5,624,598	7,195,958
No. of ordinary share	1,392,800	1,392,800
Net Asset Value Per Share (NAV)	4.04	5.17

27.01 Due to the adjustment of loss for the year.

28.00 Net operating cash flow per share (NOCFPS)

Net operating cash flow per share :

Net cash generated/(used) in operation	(1,930,896)	4,154,383
No. of ordinary share	1,392,800	1,392,800
Net operating cash flow per share (NOCFPS)	(1.39)	2.98

29.00 Key management benefits:

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

	2018		2019	
	Directors	Executives	Directors	Executives
Remuneration	396,000	-	620,000	-
House rent	116,000	-	310,000	-
Medical Allowance	-	-	55,000	-
Entertainment	18,000	-	55,000	-
	530,000	-	1,040,000	-

Taka	
30-Jun-19	30-Jun-18

30.00 Event after reporting period

The Board of Directors of Savar Refractories Ltd. has approved the financial statements as on 30/10/2019 and recommended ..0..% cash and ..0..% stock dividend for the financial year June 30, 2019. 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.

31.00 Reconciliation between Net profit to Net operating cash flow

Profit/(loss) before tax	(836,116)	(694,933)
Finance cost	3,064,478	3,233,355
Operating profit	2,228,362	2,538,422
Adjustment:-		
Depreciation	4,154,731	4,071,110
Changes in Working capital:		
(Increase)/Decrease of inventory	444,511	2,234,749
(Increase)/Decrease of Trade debt	(168,858)	1,525,629
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	(811,800)	(15,099,466)
Increase/(Decrease) of Accounts payable	(1,031,009)	2,961,482
Increase/(Decrease) of Advance against sales	(3,303,664)	8,965,087
Increase/(Decrease) of Liability for expenses	(117,703)	1,040,496
Increase/(Decrease) of Other payable	-	18,000
Increase/(Decrease) of PF balance	444,764	344,931
	1,839,334	8,600,440
Interest paid	(3,064,478)	(3,233,355)
Tax paid	(705,752)	(1,212,702)
Net operating cash flow	(1,930,896)	4,154,383

32.00 Bord Meeting fee

During the year 06 board meeting was held

33.00 Employees minimum pay:

- Drawing salary below Tk.8,000 per month = 00 Persons
- Drawing salary up to Tk.8,000 per month = 24 Persons
- Drawing salary above Tk.10,00 per month = 16 Persons

34.00 Rearrangement Statements

Last year (June 30, 2019) Workers & Employees P.F wrongly present in the head of Loan and Advance, which is not a loan or advance. So this year (June 30,2019) management decide to present this Workers & Employees P.F under the head Other liabilities.

35.00 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

Taka	
30-Jun-19	30-Jun-18

36.00 Financial Instrument and related disclosure

36.01 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:

36.02 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.

36.03 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.

37.00 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 30-06-2019.
 - 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: -

Taka	
30-Jun-19	30-Jun-18

	Value	%
a) Imported Raw-materials for production	2,164,460	13.49 %
b) Imported Raw-materials for trading	4,876,280	30.38 %
c) Local Raw-materials	9,009,000	56.13 %
d) Procurement of Finished goods (Local & Technical service)	-	- %
	16,049,740	100.00 %

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

	BDT	USD
a) Imported Raw-materials for production	2,164,460	24,080.00
b) Imported Finished goods for trading	4,876,280	53,294.00
	7,040,740	77,374.00

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, 2019

Annexure A

These details of assets are as follows:

Name of Assets	COST			Rate	DEPRECIATION					Written down Value as at 30-6-2018
	Balance as at July 01, 2018	Addition during the year	Adjust/Sold during the year		Balance as at June 30, 2019	Charged during the year	Adjust/Sold during the year	Balance as at June 30, 2019	Written down Value as at 6-2019	
Land & Land Development	10,739,494	-	-	10,739,494	-	-	-	10,739,494	10,739,494	
Factory Building	16,964,454	1,036,638	-	18,001,092	398,911	-	9,996,814	8,004,277	7,366,551	
Kiln Construction	47,388,212	233,000	-	47,621,212	2,375,159	-	26,695,267	20,925,945	23,068,104	
Plant & Machinery	25,241,627	1,579,660	-	26,821,287	796,429	-	18,531,183	8,290,104	7,506,872	
Motor Vehicles	1,530,787	-	-	1,530,787	38,110	-	1,314,831	215,956	254,060	
Furniture & Fixtures	2,697,484	111,800	-	2,809,284	130,213	-	2,025,060	784,224	802,637	
Equipment	6,326,758	227,881	-	6,554,639	368,052	-	4,361,790	2,192,849	2,333,020	
Tundish Board	1,564,229	-	-	1,564,229	47,857	-	1,293,041	271,188	319,044	
Total Tk.	112,453,045	3,188,979	-	115,642,024	4,154,731	-	64,217,986	51,424,038	52,389,797	

Depreciation Charged to:

Administrative Expenses
Cost of Goods Sold

268,188
3,886,543
Total
4,154,731

Depreciation on Kiln construction:

Depreciation on previous balance: Tk.(13697829-13247344) @ 20%
New construction: Tk. (33,690,383-11,072,765) @ 10%
Depreciation on addition during the year: @ 10% Tk.

90,097
2,261,762
23,300
2,375,159

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