

**AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
OF
Savar Refractories PLC
FOR THE YEAR ENDED 30 JUNE 2023**



**Independent Auditors' Report
To The Shareholders
Of Savar Refractories PLC
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the financial statements of Savar Refractories PLC, which comprise the statement of financial position as at 30 June 2023, 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.

In our opinion, except for effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly in all material respects of the statement of financial position of Savar Refractories PLC as at 30 June 2023, and of 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 Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company is incurring operational and subsequent net losses since 2012 recurring from lower current ratio (stood .37) and deficiency of production capacity by 44.17% that cast doubt about its ability to continue as going concern.
2. As per the Labor Law 2006, Sec 234 any company shall adjust its liability for WPPF within 09 months from the financial period ended. Whereas, Savar Refractories PLC has been carrying forward BDT 729,503 as liability for WPPF for several years.
3. The entity charges depreciation on assets acquired during the financial year for whole year irrespective of date of acquisition which indicates non-compliance of IAS 16 Para 55 where it is indicated that, "Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management".

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

Emphasis of matter

- 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. The company has initiated process of its exit plan listed securities and has deposited 50% of the total estimated amount for buying outstanding securities under the exit plan.



- According to the labor Law 2006, a recognized Provident Fund shall be maintained by a company as per willingness of the employees and a separate board of trustee shall be formed for its recognized Provident Fund. Whereas, Savar Refractories PLC does not have any recognized PF for its employees.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our Response to the risk
<p>Appropriateness of Revenue Recognition and Disclosures on the Impact of the Initial Application of IFRS 15:</p> <p>Revenue of BDT 38,642,899 is recognized in the statement of profit or loss and other comprehensive income for the year ended 30 June 2023 by the company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and substantive audit procedures, including: recording, considering the complexity of the standard on revenue recognition, International Financial Reporting Standard 15 "Revenue from Contracts with Customers". Therefore, there is a risk of revenue being misstated as a result of faulty recognitions.</p> <p>See Note No. 18.00 to the Statement of Financial Statement.</p>	<p>In light of the fact that the high degree of complexity, estimates and assumptions give rise to increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue. Assessing controls for systems and procedures supporting revenue recognition. Assessing the invoicing and measurement system up to entries in the general ledger. <p>Examining customer invoices and receipts of payment on a test basis in accordance with contract.</p> <p>Testing the revenue recognition in line with contract and reporting standard.</p> <p>Furthermore, we assessed the accounting effects new business and price models. We assured ourselves of the appropriateness of the systems, Processes, a Controls in place and that the estimates assumptions made by management are sufficient documented and substantiated to ensure that revenue is properly recognized.</p>



<p>Property, Plant and Equipment:</p> <p>The company has represented total Property Plant and Equipment (WDV) BDT 184,488,189 during the financial year 30 June 2023, which recovers 2.38% of total assets. The company represents addition for property, plant and equipment BDT 818,926 This was an area of focus for our audit and significant audit effort.</p> <p>See Note No. 03 to the Statement of Financial Statement.</p>	<p>We tested the design and operating effectiveness of key control focusing on the following:</p> <ul style="list-style-type: none">• We verified the existence and legal ownership of Property, Plant and Equipment.• Calculate and verify the depreciation of property, plant and equipment.• Evaluating the adequacy of disclosure to financial statements. <p>Finally assessed the appropriateness and presentation of disclosures against property, plant and equipment.</p>
<p>Recoverability assessment of Trade receivables</p> <p>The company has a net trade receivable of Tk. 5,104,279 as at 30 June 2023.</p> <p>Trade receivables of the company comprise mainly receivables in relation to the trading business regarding the Sales of finished goods.</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer.</p> <p>See Note No. 05.00 to the Statement of Financial Statement.</p>	<ul style="list-style-type: none">• Tested the accuracy of aging of trade receivables at year end on a sample basis;• Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management;• Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any.
<p>Advance, Deposit and Prepayments:</p> <p>Advance, deposit and prepayments Tk. 7,043,545 for advance income Tax, Advance against rent, Advance paid to suppliers, salary, purchase, security deposit and Advance for expenses.</p> <p>See Note No. 06.00 to the Statement of Financial Statement.</p>	<p>We have tested the maintaining effectiveness of the advance, deposit and assets position held by the Company. Additionally, we performed the following:</p> <ul style="list-style-type: none">• Obtain AIT related documents.• Obtain salary statements and pay slips.• Obtain vendor list to ascertain the advance against purchase.



Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements.

The company is incurring operational and subsequent net losses since 2012 recurring from lower current ratio (stood .37) and deficiency of production capacity by 44.17% that cast doubt about its ability to continue as going concern.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Companies Act 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express 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 the 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 Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;



- c) the 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 account;
- d) the expenditure incurred and payments made were for the purpose of the Company Business;
- e) the information and explanation required by us have been received and found satisfactory.

Dated, Dhaka

November 02, 2023


Tarek Rashid

Partner, Enrolment No. 1363 (ICAB)

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

DVC: 2311051363AS989472



SAVAR REFRACTORIES PLC
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

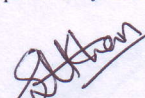
Particulars	Notes	Amount in Taka	Amount in Taka
		30-Jun-23	30-Jun-22
Assets:			
Non-current asset			
Property, Plant & Equipment	3.00	184,488,189	186,605,126
		184,488,189	186,605,126
Current assets			
Inventories	4.00	15,890,009	18,473,775
Trade Debtors	5.00	5,104,279	9,938,583
Advance, Deposits & Pre-payments	6.00	7,043,545	7,387,059
Cash & Cash equivalents	7.00	1,663,207	1,547,434
		29,701,040	37,346,851
Total Assets		214,189,229	223,951,977
Equity & Liabilities:			
Equity			
Share Capital	16.00	13,928,000	13,928,000
Reserve and Surplus	17.00	146,874,940	146,874,940
Retained Earning/(Loss)		(34,536,718)	(27,766,688)
		126,266,222	133,036,252
Non-current liabilities			
Deferred Tax	15.00	8,432,821	8,407,078
		8,432,821	8,407,078
Current Liabilities			
Working Capital Loan – Janata Bank	8.00	56,179,188	48,051,824
Loans & Advances	9.00	12,322,057	17,069,729
Accounts payable	10.00	4,502,311	8,787,974
Liability for expenses	11.00	1,715,759	1,523,130
Other liabilities	12.00	3,727,654	5,738,005
Workers Profit Participation Fund	13.00	729,503	729,503
Provision For Taxation	14.00	313,714	608,483
		79,490,186	82,508,648
Total Equity & Liabilities		214,189,229	223,951,977
Net Asset Value (NAV) per share	29.00	90.66	95.52

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

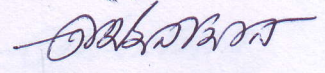
The financial statements were approved by the Board of directors on 28 October 2023 and were signed on its

behalf by:

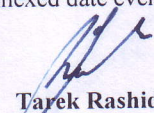

Chief Financial Officer


Director


Managing Director


Chairperson

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


Tarek Rashid
Partner, Enrolment No. 1363 (ICAB)
Zoha Zaman Kabir Rashid & Co.
DVC: 2311051363AS989472

Place: Dhaka
Date: November 02, 2023



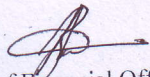
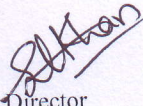

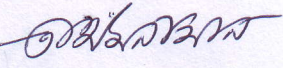


SAVAR REFRACTORIES PLC
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2023

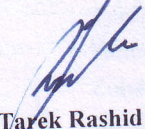
Particulars	Notes	Amount in Taka	Amount in Taka
		30-Jun-23	30-Jun-22
Sales Revenue	18	38,642,899	39,987,964
Cost of goods sold	20	(32,056,973)	(33,743,111)
Gross profit		6,585,926	6,244,853
Other income	19	86,493	97,201
Administrative & Marketing Expenses	21	(7,693,725)	(6,954,975)
Impairment loss	38	-	(10,033,251)
Financial Expenses	22	(4,668,713)	(2,893,212)
Operating profit/Loss		(5,690,020)	(13,539,384)
Profit/(Loss) before tax		(5,690,020)	(13,539,384)
Income tax expenses		(740,553)	(1,161,588)
Prior year Tax Adjustment	23	(313,714)	(608,483)
Provision for Income tax	15	(25,743)	2,259,116
Deferred Tax movement			
Profit/(Loss) after tax		(6,770,030)	(13,050,339)
Other Comprehensive Income		-	151,260,506
Revaluation Surplus		-	(6,480,000)
Less: Deferred tax		-	144,780,506
Total Comprehensive Income		(6,770,030)	131,730,167
Earning Per Share (EPS)	28	(4.86)	(9.37)

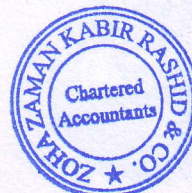
The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 28 October 2023 and were signed on its behalf by:

 Chief Financial Officer
 Director
 Managing Director
 Chairperson
 Signed in terms of our separate report the annexed date even.

Place: Dhaka
Date: November 02, 2023


Tarek Rashid
 Partner, Enrolment No. 1363 (ICAB)
Zoha Zaman Kabir Rashid & Co.
 Chartered Accountants





SAVAR REFRACTORIES PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

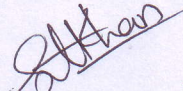
Particulars	Share Capital	Reserve & Surplus	Retained earning	Total
Opening balance	13,928,000	146,874,940	(27,766,688)	133,036,252
Revaluation Reserve	-	-	-	-
Profit/(loss) for the year	-	-	(6,770,030)	(6,770,030)
Closing balance	13,928,000	146,874,940	(34,536,718)	126,266,222

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

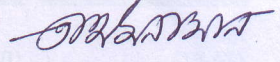
Particulars	Share Capital	Reserve & Surplus	Retained earning	Total
Opening balance	13,928,000	2,094,434	(14,716,349)	1,306,085
Revaluation Reserve	-	144,780,506	-	144,780,506
Profit/(loss) for the year	-	-	(13,050,339)	(13,050,339)
Closing balance	13,928,000	146,874,940	(27,766,688)	133,036,252

The financial statements were approved by the Board of directors on 28 October 2023 and were signed on its behalf by:


Chief Financial Officer

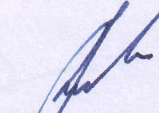

Director

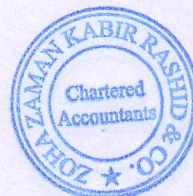

Managing Director


Chairperson

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

Place: Dhaka
Date: November 02, 2023


Tarek Rashid
Partner, Enrolment No. 1363 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants



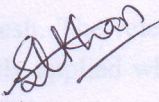


SAVAR REFRACTORIES PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

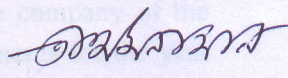
Particulars	Amount in Taka	Amount in Taka
	30-Jun-23	30-Jun-22
Cash Flows From Operating Activities:		
Collection from sale and other income	38,729,531	29,156,175
Payments against purchases, supplies, employees & others	(40,426,262)	(50,867,786)
Finance Cost paid	(4,668,713)	(2,893,212)
Tax paid	(313,714)	(1,349,036)
Net cash generated/(used) in operation	(6,679,158)	(25,953,859)
Cash Flows From Investment Activities:		
Acquisition of Property, Plant & Equipment	(818,926)	(947,530)
Interest on FDR	86,493	97,201
Net cash generated/(used) in investing activity	(732,433)	(850,329)
Cash flows From Financing Activities:		
Working capital Received/(Repaid)	8,127,364	21,446,343
Directors' loan received/(Repaid)	(600,000)	-
Transfer of Dividend to Capital Market Stabilization Fund (CMSF)	-	(158,654)
Transfer of Non-refundable share money to CMSF	-	(2,000)
Net cash generated/(used) financing activity	7,527,364	21,285,689
Net Cash Inflow / (Outflow)/for the period	115,773	(5,518,499)
Cash & Bank balance at opening	1,547,434	7,065,933
Cash & Bank balance at closing	1,663,207	1,547,434
Net operating cash flow per share (NOCFPS)	(4.80)	(18.63)

The financial statements were approved by the Board of directors on 28 October 2023 and were signed on its behalf by:


Chief Financial Officer


Director

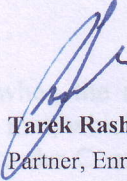

Managing Director

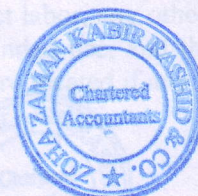

Chairperson

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

Place: Dhaka

Date: November 02, 2023


Tarek Rashid
Partner, Enrolment No. 1363 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants





Savar Refractories PLC
Notes to the Accounts
For the year ended June 30, 2023

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 on 14 August 1982 and listed with Dhaka Stock Exchange Ltd. in 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 in producing very high-quality Fire Bricks, Fire Clay, Castable, and insulation Bricks for 100% local consumption. The company can carry out legitimate business activity in line with the business object statement in the 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 standards.

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 an accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. 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, 2023.

2.02 Recognition of Property, Plant and Equipment

2.02.01 Property, Plant, and Equipment are recognized, when and only when the necessary recognition criteria set out in applicable accounting standards in Bangladesh are met, which 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 labor, 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 the face of the 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 the reducing balance method. The following rate was used while calculating the depreciation.

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

2.03 Intangible Asset

Intangible assets are recognized following IAS 38 Intangible assets and depreciated using the 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 trading.
- It expects to realize assets within twelve months after the reporting period.

All other assets are classified as non-current assets.

2.05 Inventory Valuation

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

2.06 Turnover and Sales Revenue

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

2.07 Lease

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



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

The company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2020. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease on 1 January 2020. Instead, the company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

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

2.08 Foreign Currencies Transactions

The functional and presentation currency is the Bangladeshi Taka. Foreign currency transactions are converted into Bangladeshi TAKA at the exchange rate ruling on the date of transaction and the yearend balance is 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*”.

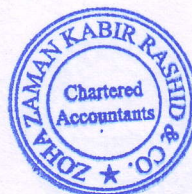
2.09 Earnings Per Share (EPS)

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 differ 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 years or are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted on the balance sheet date.





2.11 Cash and Cash Equivalents

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

2.12 Reporting currency

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

2.13 Reporting Period

The Financial Statement of the company covers one calendar year from July 1, 2022, to June 30, 2023.

2.14 Comparative Information

Comparative information has been disclosed in respect of the year ended June 30, 2023, for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding the current year’s financial statements.

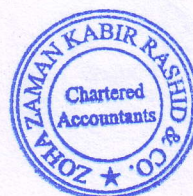
2.15 Components of Financial Statements

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 of June 30, 2023.
- b) Statement of Comprehensive Income for the year ended June 30, 2023.
- c) Cash Flow Statement for the year ended June 30, 2023.
- d) Statement of Changes in Equity for the year ended June 30, 2023.
- e) Accounting Policies and Notes to the Financial Statements for the year ended June 30, 2023.

2.16 Exit Plan of Listed Securities

The Savar Refractories Ltd. is incorporated in Bangladesh as a Public Limited Company on 14 August 1982 and listed with Dhaka Stock Exchange Ltd. in May 1988. The company has initiated the process of its exit plan listed securities and has deposited 50% of the total estimated amount for buying outstanding securities under the exit plan.





Savar Refractories PLC
Notes to the Financial Statement
For the year ended 30 June 2023

Particulars	Amount in	Amount in
	Taka	Taka
	30-Jun-23	30-Jun-22
3.00 Property Plant & Equipment Assets (Annexure A)		
Cost Value of Assets :		
Add : Addition during the year	261,517,394	119,342,609
Add : Revaluation during the year	818,926	947,530
Less: Impairment during the year	-	151,260,506
Closing balance	-	(10,033,251)
	262,336,320	261,517,394
Accumulated Depreciation :		
Opening balance	74,912,268	71,334,018
Add : Addition during the year	2,935,863	3,578,250
Less: Adjustment during the year	-	-
Closing balance	77,848,131	74,912,268
Written Down Value	184,488,189	186,605,126

3.01 Please see the annexure A for more details.

4.00 Inventory

	Qty. (M.Tons)	Qty. (M.Tons)		
a) Spare Parts	-	-	54,528	49,258
b) Raw Materials (4.01)	325.99	282.81	1,867,060	4,804,434
c) Work-in-process (4.02)	358.47	342.71	2,204,413	1,976,173
d) Finished goods (4.03)	682.78	555.71	11,764,008	11,643,910
			15,890,009	18,473,775

- a) Physical counting of the stock was carried out by inventory counting team.
b) Inventory at June 30,2023 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

a. Imported:

- i) Aluminium Ors & Concentrates (Bauxite)
ii) Indian Clay

	Qty. (M.Tons)	Qty. (M.Tons)		
	22.43	107.15	842,254	4,205,273
	-	-	-	-
	22.43	107.15	842,254	4,205,273

b. Local:

- i. Mymensingh Clay Grade-1
ii. Mymensingh Clay Grade-2
iii. Grog, Grade-1
iv. Grog, Grade-2
v. White Clays
vi. Black Clays
vii. Portland Cement
viii. Alumina Cement
ix. White Cement
x. Others

	Qty. (M.Tons)	Qty. (M.Tons)		
	43.72	37.67	118,394	94,189
	24.69	55.46	48,318	99,828
	58.88	68.82	221,632	241,376
	157.36	6.28	467,007	17,270
	-	-	-	-
	15.93	5.28	14,337	4,330
	0.95	-	15,215	-
	1.81	1.81	135,750	135,750
	0.22	0.34	4,153	6,418
	-	-	-	-
	303.56	175.66	1,024,806	599,161
	325.99	282.81	1,867,060	4,804,434

Total

4.02 Work-in-Process

Name of items

- STD
A.R.B-3
STD
71- 0525 (E/A)
S/A
STD
Runner/Pipe/Centre/Funnel Bricks
STD
RLN - 2A

Quality	Qty. (M.Tons)	Qty. (M.Tons)		
SHA-1	6.74	6.35	84,753	79,378
SHA	23.26	14.59	210,533	131,325
HA	65.05	48.60	491,154	364,527
MD	-	-	-	-
RD	86.43	98.49	479,650	541,689
SD	164.01	167.71	742,921	754,702
-	-	-	-	-
S-65	12.98	6.97	195,402	104,552
LADDLE	-	-	-	-
	358.47	342.71	2,204,413	1,976,173





4.03 Finished Goods

Items	Qty. (M.Tons)	Qty. (M.Tons)		
Hydrometric Cone Equivalent SK-24 (SRL/RD)	143.57	1.11	672,294	3,647
Hydrometric Cone Equivalent SK-26 (SRL/MD)	59.96	-	377,748	-
Hydrometric Cone Equivalent SK-29 (SRL/SD)	33.88	14.92	243,936	64,248
Hydrometric Cone Equivalent SK-30 (SRL/SHD)	-	0.04	-	546
Hydrometric Cone Equivalent SK-32 (SRL/HA)	108.78	23.31	967,941	161,023
Hydrometric Cone Equivalent SK-33 (SRL/SHA)	101.13	97.38	1,137,668	761,589
Hydrometric Cone Equivalent SK-36 (SRL/SHA-1)	63.13	67.31	921,535	693,717
Hydrometric Cone Equivalent SK-37 (SRL/Super-65)	69.52	39.22	1,313,985	578,937
Laddle & STD, I.B	60.61	37.72	5,412,139	4,626,451
Runner/Pipe/Centre/Funnel Bricks	26.19	217.74	411,718	3,239,299
Light Fire Bricks (Tali)	13.50	33.27	85,140	228,005
Others (Fire Cement, Castable (S-65, AH-90), Ram Mas)	2.51	23.69	219,905	1,286,448
	682.78	555.71	11,764,008	11,643,910

5.00 Trade debtors

Al-Abbas Enterprice	-	124,695
Bangla Millars Ltd (RFL)	191,100	-
Bhaiya Engineering Works	28,900	28,900
Orient Eco Woods Ltd.	-	27,655
Mir Chemical	283,500	-
Al-Falah Steel Re-Rolling Mills Ltd.	115,900	41,200
BSRM Steel Mills Ltd.	180,145	150,893
Mojhar Metal Ind.	-	64,318
S.R Traders	581,094	128,222
Anwar Ispat/Galvanizing Ltd.	842,832	-
Talukdar Chemicals Ind. Ltd.	9,250	88,000
M.R Traders	100,000	-
Modern Erection	111,535	89,681
Munnu Ceramic Ind. Ltd.	258,469	-
Nasir Quality Glass Industries Ltd.	-	6,930,379
Khadem Steel Re-Rolling Mills Ltd.	40,900	-
Sonargaon Steel Re-Rolling Mills Ltd.	80,493	-
Rani Steel Mills (Pvt.) Ltd.	26,619	25,619
BCL Board Mills Ltd.	40,450	-
Quarts Chemicals	20,900	136,000
Bashundhra Steel Mills Ltd.	90,808	89,120
Khorshed Metal Industries (Hamko Group)	590,113	-
Shahriar Steel Re-Rolling Mills Ltd.	152,158	-
Rahim Group (Steel Mills/ Super Extrem/ Furnace Project)	486,236	550,160
Meghnum Steel Industries Ltd.	194,110	85,910
S. Sams Glass Industries	238,200	338,200
Confidence Steel/Electric Ind. Ltd	276,176	-
Union Steel Tubes Ltd.	10,800	310,800
Diamond Steel Products (Pvt) Ltd	24,230	728,831
Shifa Battery Pvt. Ltd.	44,775	-
Kollol Chemical Industries	25,384	-
Hamid & Sons	30,794	-
Mahub Traders	28,408	-
	5,104,279	9,938,583

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

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

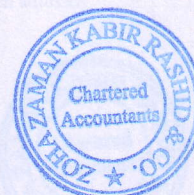
5.03 No amount was due by the Director, (including Managing Director) Managers and other Officers of the company jointly or severally with any other person or related party define in IAS 24 Related Party Disclosure.

5.04 No amount was due by the associate undertakings.

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

5.06 Receivable aging

Invoiced at 30 days	3,407,897	7,939,765
Invoiced above 30 but less than 60 days	602,136	966,478
Invoiced above 60 but less than 90 days	470,286	515,220
Invoiced above 90 but less than 180 days	291,680	-
Invoiced above 180 but less than 365 days	238,200	388,898
Invoiced over 365 days	94,080	128,222
	5,104,279	9,938,583





Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

6.00 Advance, Deposite & Prepayments

Advance against Salary		65,712	53,140
Advance against goods supply		2,258,088	826,250
Balance with VAT current account		43,501	2,771,257
Earnest Money, Security Deposit, FDR & L/C Margin		4,362,530	2,387,376
Advance Income Tax (AIT)	Note 6.06	313,714	1,349,036
		7,043,545	7,387,059

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.

6.05 Maturity Analysis

Adjustable/Realisable within one year	4,362,530	2,387,376
Adjustable/Realisable after one year	2,681,015	4,999,683
	7,043,545	7,387,059

6.06 Advance Income Tax (AIT)

Opening Balance	1,349,036	1,623,770
Prior year adjustment:	-	-
Restated Balance	1,349,036	1,623,770
Tax paid relating to prior year	-	-
Addition During the year	313,714	1,349,036
Adjustment/settled during the year	(1,349,036)	(418,190)
AIT write off	-	(1,205,580)
Closing Balance	313,714	1,349,036

7.00 Cash & Cash equivalents

7.01 Cash-in-hand

Head Office	190,315	564,173
Factory	374,024	757
Chittagong Branch	2,468	2,918
Petty Cash with Head Office	2,624	1,655
	569,431	569,503

7.02 Cash at Banks

C.D A/c - 2840 Janata Bank (Savar)	413,887	250,192
" " 4751/33001125, Janata Bank (Dhaka)	678,748	725,678
" " 38645, Janata Bank (Chittagong)	1,141	2,061
	1,093,776	977,931
	1,663,207	1,547,434

Total Cash & cash equivalents

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

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

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

8.00 Working capital loan

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

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

56,179,188	48,051,824
56,179,188	48,051,824

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

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

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

9.00 Loans & Advances

Loan from Directors	325,000	325,000
Advance against Sales	11,997,057	16,744,729
	12,322,057	17,069,729

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





10.00 Accounts payable

Abdus Salam (Carrying)	41,128	87,150
Akbar Engineering Works	25,154	64,224
M/s. Anik Timber Traders	24,541	72,620
M/s. Hossain & Co.	-	85,461
Shimul Art Press	26,140	74,578
M/s. Tutul Traders	31,065	128,542
M/s. Rashid Enterprise	-	72,632
Shahin Enterprise	-	25,626
M/s. Rony Enterprise	-	144,868
M/s. Sonali Agency	142,564	212,242
M/s. Pioneer Refractories & Tiles	1,106,357	1,922,399
M/s. Master Traders	-	65,129
M/s. Titas Banijjik Protisthan	1,601,360	2,212,793
Lucky Enterprise	642,387	1,580,546
Nazmul Enterprise	805,241	1,821,767
Others	56,374	217,397
	4,502,311	8,787,974

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	554,212	545,214
Telephone & Trunk-call Charges	24,387	27,450
Gas Charges	822,480	494,749
Electric Charges	171,180	262,217
Office Rent	18,500	18,500
Audit Fees	115,000	115,000
Income Tax Consultant Fees	10,000	10,000
AIT deducted at source	-	50,000
	1,715,759	1,523,130

12.00 Other liabilities

Mrs. Lutful Tahmina Khan	101,062	401,062
Shafia Tasnim Khan	145,765	245,765
Safi Modassar Khan	-	200,000
Workers & Employees P. F.	3,480,827	4,891,178
	3,727,654	5,738,005

12.01 The company is operating an unfunded post-employment benefit fund name Provident Fund.

13.00 Workers profit participation fund

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

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

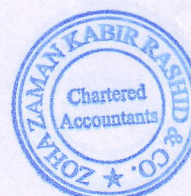
14.00 Provision for income tax

Opening balance	608,483	462,182
Prior year adjustment:	-	-
	608,483	462,182
Provision for the year	313,714	608,483
Prior year under provision (unpaid)	740,553	(43,992)
Adjustment during the year	(1,349,036)	(418,190)
Closing balance	313,714	608,483

14.01 Year wise breakup of "Provision for Income Tax"

Tax provision for 2021/22	-	608,483
Tax provision for 2022/23	313,714	-
	313,714	608,483

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

Carrying value of asset except land at accounting base	22,488,189	24,605,126
Tax base	13,808,982	16,040,335
Temporary difference	8,679,207	8,564,791
Tax rate	22.50%	22.50%
Closing balance (A)	1,952,821	1,927,078
Deferred tax expenses/ income (Profit and loss)	(25,743)	2,259,116
Revalued assets carrying amount - Land	162,000,000	162,000,000
Carrying value of land at accounting base (Revalued Land)	-	-
Tax base	162,000,000	162,000,000
Temporary difference	4.00%	4.00%
Tax rate	6,480,000	6,480,000
Closing balance (B)	8,432,821	8,407,078
Grand Total Tk. (A+B)		
	-	6,480,000

Deferred tax expenses/(income) in OCI during the year

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

16.00 Share Capital

i) Authorized Capital :30,00,00,000	300,000,000	300,000,000
30,000,000 Ordinary Shares of Tk.10/- each		
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
	13,928,000	13,928,000

Composition of shareholding:

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

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

Number	Holdings	Total	Total	Percentages (%)
1,654	Less than & equal 50,000 shares	705,400	705,400	50.65 %
3	50,001 shares to 150,000 shares	400,340	400,340	28.74 %
1	150,001 shares to 350,000 shares	287,060	287,060	20.61 %
1,658		1,392,800	1,392,800	100.00 %

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	Cash issue	33,500	100	3,350,000	Banking Channel
During Incorporation					
2nd on 11/09/1987	Cash issue	11,500	100	1,150,000	"
3rd on 05/12/1988	Cash issue	45,000	100	4,500,000	"
4th on 18/05/1991	Right issue	24,640	100	2,464,000	"
5th on 30/09/1992	Right issue	24,640	100	2,464,000	"
Total		139,280		13,928,000	

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

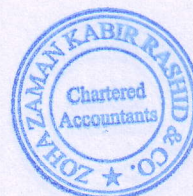
17.00 Reserve and Surplus

Opening Balance	146,874,940	2,094,434
Revaluation Reserve	-	144,780,506
Closing balance	146,874,940	146,874,940

17.01 Revaluation Reserve

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

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





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

18.00 Sales Revenue

Name of the product
Refractory Items (Own Product)
Sales of Imported Finished goods

Qty. (M.Tons)	Qty. (M.Tons)		
3,431.76	3,883.17	35,025,666	36,415,363
13.98	55.58	3,617,233	3,572,601
3,445.74	3,938.75	38,642,899	39,987,964

19.00 Other Income

Gain on disposal
Interest on FDR

-	-
86,493	97,201
86,493	97,201

20.00 Cost of goods sold

Opening finished Stock
Add: Cost of Production (20.01)

Less: Closing finished Stock

Qty. (M.Tons)	Qty. (M.Tons)		
555.71	662.56	11,643,910	8,313,778
3,572.81	3,831.90	32,177,071	37,073,243
4,128.52	4,494.46	43,820,981	45,387,021
(682.78)	(555.71)	(11,764,008)	(11,643,910)
3,445.74	3,938.75	32,056,973	33,743,111

20.01 Cost of production

Raw Material Consumed (20.02)
Direct Labour
Factory Overhead (20.03)
Insurance Premium

Qty. (M.Tons)	Qty. (M.Tons)		
3,588.57	4,120.76	13,155,125	20,013,035
-	-	2,245,017	2,510,895
-	-	16,921,927	15,906,921
-	-	83,242	87,536
3,588.57	4,120.76	32,405,311	38,518,388
342.71	53.85	1,976,173	531,028
3,931.28	4,174.61	34,381,484	39,049,416
(358.47)	(342.71)	(2,204,413)	(1,976,173)
3,572.81	3,831.90	32,177,071	37,073,243

Add : Opening Work-in-process

Less : Closing Work-in-process
Total Cost of production

20.02 Raw Material Consumed

Opening Stock
Add : Purchase this year [20.02.1]
Add:Purchase of Finished product

Qty. (M.Tons)	Qty. (M.Tons)		
282.81	629.38	4,804,434	2,575,919
3,631.75	3,703.00	10,217,751	15,895,039
-	71.19	-	6,346,511
3,914.56	4,403.57	15,022,185	24,817,469
(325.99)	(282.81)	(1,867,060)	(4,804,434)
3,588.57	4,120.76	13,155,125	20,013,035

Less : Closing Stock

20.02.1 Statement of Raw Materials Purchased

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

Name of materials
i) Aluminium Ors Concentrates (Bauxite)
ii) Indian Clay

Qty. (M.Tons)	Qty. (M.Tons)		
50.00	237.50	1,700,700	9,028,431
-	-	-	-
50.00	237.50	1,700,700	9,028,431

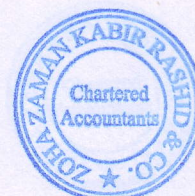
(b) Local :

i) Mymensingh Clay, Grade-1
ii) Mymensingh Clay, Grade-2
iii) Grog, Grade-1
iv) Grog, Grade-2
v) Black Clay
vi) Portland Cement
vii) Others

Qty. (M.Tons)	Qty. (M.Tons)		
620.00	195.00	1,605,000	487,500
1,511.63	1,660.00	2,767,260	2,988,000
368.81	100.00	1,344,478	350,000
900.34	930.00	2,563,520	2,557,500
170.72	580.00	148,048	475,600
4.67	0.50	74,795	8,008
5.58	-	13,950	-
3,581.75	3,465.50	8,517,051	6,866,608

Total purchased

3,631.75	3,703.00	10,217,751	15,895,039
-----------------	-----------------	-------------------	-------------------





20.03 Factory Overhead

Factory Salary & Wages	2,224,524	2,714,524
Festival Bonus & Allowances	462,357	504,267
Gas Charges	6,992,948	4,572,687
Electric Charges	2,400,060	2,691,390
Material Handling Cost	151,325	131,748
Lubricants	164,124	157,819
Quality Control Exp	99,467	92,102
Mould Expenses	64,254	80,865
Carriage Inward	66,840	78,857
Safety & Environmental Exp.	41,146	48,724
Repairs & Maintenance	162,538	205,883
Clearing, Forwarding & Others	128,542	150,442
Security Gard Expense	744,000	744,000
Other Factory Expenses	195,450	210,084
Laboratory Expenses	45,682	38,534
Research and Development Exp.	50,040	49,586
Medical Expenses	48,781	60,225
Depreciation (Annexure A)	2,879,849	3,375,184
	16,921,927	15,906,921

21.00 Administrative & Marketing expense

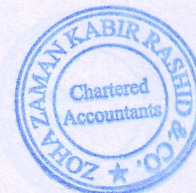
Salary & Allowances	2,854,560	2,768,514
Directors remuneration	620,000	620,000
Board meeting fee	16,000	12,000
Other benefit for directors	420,000	420,000
Festival Bonus	196,877	187,502
T. A. & Conveyance	132,451	124,006
Entertainment	76,296	67,428
Printing & Stationery	42,315	38,119
Postage & Telegram	38,462	33,668
Telephone, Mobile & Trunk-call Charges	132,652	144,235
Electric Charges	244,744	262,217
Overseas Travels	-	-
Office Rent	222,000	222,000
Repairs & Maintenance	184,327	192,844
Fuel	76,426	62,214
Packing Charges	78,451	80,472
Carriage outward	94,530	88,489
Advertisement	65,421	61,854
Donation & Subscription	8,600	2,565
Fees & Fines	117,275	25,394
Property, Plant & Equipment Revaluation Cost	-	500,000
AGM Expenses (6 Years)	1,150,000	-
Miscellaneous Expenses	4,528	3,995
Paper & Periodicals	18,845	14,578
Tender Document Purchases	45,412	53,875
Medical Expenses	144,510	137,693
Business Development	280,547	278,259
Rates & Taxes	18,457	16,705
Income Tax Consultant Fees	50,000	50,000
Enlistment (D.S.E) & Membership Renewal Subscription (DCCI) Fees	60,350	50,000
Uniform & Costume	43,254	62,255
Water Charges	85,421	56,028
Audit fee	115,000	115,000
Depreciation (Annexure A)	56,014	203,066
	7,693,725	6,954,975

21.01 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.
Bank Charges

4,601,170	2,831,958
67,543	61,254
4,668,713	2,893,212





23.00 Provision for Income tax Calculation

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

Tax on sales on which TDS applicable
Other sales @ 0.6%
On other income @ 22.5%
Total (A)

-	-
231,857	239,928
19,461	21,870
251,318	261,798
313,714	608,483
313,714	608,483

Tax Deducted at Source TDS (B)

Tax Liability (Higher off, A and B)

24.00 Directors Remuneration

a) Mrs. Lutful Tahmina Khan, Chairperson:

i) Remuneration
ii) Other Allowances:
House Rent
Medical Allowance
Entertainment

140,000	140,000
-	-
70,000	70,000
15,000	15,000
15,000	15,000
240,000	240,000

b) Mr. Safi Modassar Khan, Managing Director:

i) Remuneration
ii) Other Allowances:
House Rent
Medical Allowance
Entertainment

300,000	300,000
-	-
150,000	150,000
25,000	25,000
25,000	25,000
500,000	500,000

c) Mrs. Shafia Tasnim Khan, Director:

i) Remuneration
ii) Other Allowances:
House Rent
Medical Allowance
Entertainment

180,000	180,000
-	-
90,000	90,000
15,000	15,000
15,000	15,000
300,000	300,000
1,040,000	1,040,000

Total remuneration

d) Board meeting fees: Tk.16,000

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

Name	Designation	No of Board meeting held	Attended by concerned directors	Attended by concerned directors	Amount	Remarks
Mrs. Lutful Tahmina Khan	Chairman	8	8	8	-	
Mr. Safi Mudassar Khan	MD	8	8	8	-	
Shafia Tasnim Khan	Director	8	8	8	-	
Nilufar Akhter	Ind.Director	8	4	4	4,000	
Md. Abu Taher	Ind.Director	8	4	4	4,000	
Dr. Md. Harun-Or-Rashid Biswas	Ind.Director	8	4	4	4,000	
Mr. Professor Md. Abdur Rashid	Ind.Director	8	4	4	4,000	
			8	8	16,000	

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

24.02 Managing Director does not receive any Board Meeting fees.

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

24.04 The Chairperson now holding full time office

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

115,000 115,000

25.00 AUDITORS' REMUNERATION

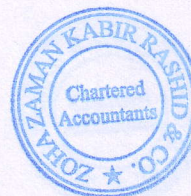
Auditor's Remuneration includes only audit fees as fixed by the shareholders. Both the appointment and fixation of remuneration of auditor was made by the general shareholders in their 40th annual general meeting (AGM) held on February 18, 2023.

26.00 Production Capacity

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

Installed Capacity
Actual Production
Shortfall

2023		2022	
In M. Tons	Percentage	In M.Ton	Percentage
6400.00	100.00%	6,400.00	100.00%
3572.81	55.83%	3,831.90	59.87%
2827.19	44.17%	2,568.10	40.13%





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

27.00 Related Party Disclosure

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

Name	Relationship	Nature of Tran.	Transaction		Closing outstanding liability	
			Dr. (-)	Cr. (+)	2023	2022
Mrs. Lutful Tahmina Khan	Chairman	Loan and others	300,000	-	351,062	651,062
Mr. Safi Mudasser Khan	MD	Loan	200,000	-	125,000	325,000
Shafia Tasnim Khan	Director	Loan	100,000	-	145,765	245,765
Mrs. Lutful Tahmina Khan	Chairman	Remuneration	240,000	(240,000)	-	-
Dr. Md. Harun-Or-Rashid Biswas	Ind. Director	Meting Free	8,000	(8,000)	-	-
Mr. Safi Mudasser Khan	MD	Remuneration	500,000	(500,000)	-	-
Shafia Tasnim Khan	Director		300,000	(300,000)	-	-
Mr. Professor Md. Abdur Rashid	Ind. Director	Meting Free	8,000	(8,000)	-	-
M/s. Titas Banijjik Protisthan	Under common management	Rent	222,000	(222,000)	18,500	18,500
M/s. Titas Banijjik Protisthan		Purchase	-	611,433	1,601,360	2,212,793
Total			1,878,000	(666,567)	2,241,687	3,453,120

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

28.00 Basic Earning Per Share (EPS) :

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

Earnings attributable to Ordinary Shareholder
Weighted average numbers of shares outstanding

(6,770,030)	(13,050,339)
1,392,800	1,392,800
(4.86)	(9.37)

Earning Per Share (EPS) -

28.01 The company is unable to achieve sufficient gross profit to absorb the non-production overhead cost as a result of poor sales order due to intensity of completion from import, fallen of local demand and sourcing of raw material is costly, As such, the company is making loss in both period. Moreover, the comparative period had material impairment cost in comparative period. Hence, the EPS of comparative period is worse than current period.

29.00 Net Asset Value Per Share (NAV) :

Net Asset Value Per Share (NAV) :

Total Asset - Total Laibilities
No. of ordinary share

126,266,222	133,036,252
1,392,800	1,392,800
90.66	95.52

Net Asset Value Per Share (NAV) -

29.01 The NAV has been decreased in compare with 2022 in effect of loss incurred during the year.

30.00 Net operating cash flow per share (NOCFPS) :

Net operating cash flow per share :

Net cash generated/(used) in operation
No. of ordinary share

(6,679,158)	(25,953,859)
1,392,800	1,392,800
(4.80)	(18.63)

Net operating cash flow per share (NOCFPS) -

30.01 The NOCF per-share was negative in the both (current and comparative) periods despite the fact of material reduction of such negative NOCFPS during the current period. This is because of the material reduction in working capital investment in respect of inventory and trade debtors.





31.00 Key management benefits:

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

	2023		2022	
	Directors	Executives	Directors	Executives
Remuneration	620,000	-	620,000	-
House rent	310,000	-	310,000	-
Medical Allowance	55,000	-	55,000	-
Entertainment	55,000	-	55,000	-
	1,040,000		1,040,000	
Total Number of Directors	5	0	5	0

32.00 Event after reporting period

The Board of Directors of Savar Refractories Ltd. has approved the financial statements as on October 28, 2023 and no dividend is recommended for the financial year June 30, 2023. Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statement or notes thereto.

33.00 Reconciliation between Net profit to Net operating cash flow

Profit/(loss) before tax	(5,690,020)	(13,539,384)
Gain on Disposal of Fixed Asset	-	-
Impairment loss	(86,493)	(97,201)
Interest on FDR	4,668,713	2,893,212
Finance cost	(1,107,800)	(710,122)
Operating profit	2,935,863	3,578,250
Adjustment:		
Depreciation	2,583,766	(7,000,385)
Changes in Working capital:		
(Increase)/Decrease of inventory	4,834,304	(7,617,744)
(Increase)/Decrease of Trade debt	(691,808)	(3,023,567)
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	(4,285,663)	(3,464,913)
Increase/(Decrease) of Accounts payable	(4,747,672)	(3,214,045)
Increase/(Decrease) of Advance against sales	192,629	(620,124)
Increase/(Decrease) of Liability for expenses	(1,410,351)	361,038
Increase/(Decrease) of Other payable	(1,696,731)	(21,711,611)
Interest paid	(4,668,713)	(2,893,212)
Tax paid	(313,714)	(1,349,036)
Net operating cash flow	(6,679,158)	(25,953,859)

34.00 Bord Meeting fee

During the year 08 board meeting was held

35.00 Employees minimum pay:

- Drawing salary below Tk.8,000 per month = 00 Persons
- Drawing salary up to Tk.10,000 per month = 22 Persons
- Drawing salary above Tk.10,00 per month = 17 Persons

36.00 Contingent Liabilities :

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

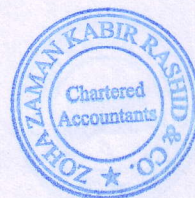
37.00 Financial Instrument and related disclosure

37.01 Financial risk management

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

37.02 Credit risk

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





37.03 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

38.00 Impairment loss

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

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

39.00 General for compliance with Securities Exchange Rule 1987.

- All Shares have been fully called and paid up.
- There were no preference shares issued by the Company.
- There was no Bank Guarantee issued by the Company on behalf of their Directors or the Company itself except Bank loans.
- No commission was paid to sales Agent.
- No expenses were paid as Royalty and Salary to Technical Experts etc. [As Para - 8 (KHA) of Part II in foreign currencies.
- No brokerage was paid against sales during the year under Audit.
- There was no sum for which the Company was contingently liable as on 30-06-2023.
- Auditors are paid only statutory audit fee approved by the Shareholders in the last Annual General Meeting.
- The Company earns no foreign currency.
- There is no non-resident shareholder of the company.
- There was no foreign exchange remitted to the relevant shareholders during the year under audit.
- The value and percentage of consumption of imported local Raw Materials & stores are given below: -

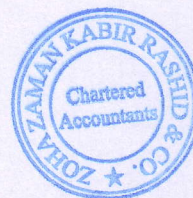
- Imported Raw-materials for production
- Imported Finished Goods for trading
- Local Raw-materials

Value	%
1,700,700	16.64%
-	0.00%
8,517,051	83.36%
10,217,751	100.00%

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

	BDT	USD
1) Imported Raw-materials for production	1,700,700	18,485.87
2) Imported Finished goods for trading	-	-
	1,700,700	18,485.87

- There is no claim against the Company not acknowledge as debt except claim which may be Arisen on insurance claim.
- No amount of Money was expended by the Company for compensating any member of the Board for special service rendered.





SAVAR REFRACTORIES PLC
Property, Plant & Equipments
as at June 30, 2023

Annexure A

These details of assets are as follows:

Name of Assets	COST			Rate	DEPRECIATION			Written down Value as at June 30, 2023	Written down Value as at June 30, 2022
	Balance as at July 01, 2022	Addition during the year	Adjust / Impairment during the year		Balance as at July 01, 2022	Charged during the year	Adjust / Impairment during the year		
Land & Land Development	162,000,000	-	-	-	-	-	-	162,000,000	162,000,000
Factory Building	16,878,038	487,476	-	5%	11,158,050	310,373	11,468,423	5,897,091	5,719,988
Kiln Construction	42,377,653	-	-	10%-20%	32,679,426	1,638,557	34,317,983	8,059,670	9,698,227
Plant & Machinery	29,096,604	277,200	-	10%	20,607,555	874,905	21,482,460	7,891,344	8,489,049
Motor Vehicles	1,530,787	-	-	15%	1,398,162	19,893	1,418,056	112,731	132,625
Furniture & Fixtures	2,485,006	7,000	-	15%	2,357,695	19,096	2,376,791	115,215	127,311
Equipment	5,758,967	47,250	-	15%	5,321,041	73,039	5,394,080	412,137	437,926
Tundish Board	1,390,339	-	-	15%	1,390,339	-	1,390,339	-	-
Total Tk. (A)	261,517,394	818,926	-		74,912,268	2,935,863	77,848,131	184,488,189	186,605,126

Depreciation Charged to:
Administrative Expenses
Cost of Goods Sold

56,014
2,879,849
Total 2,935,863

Depreciation on Kiln construction:

36,904
1,601,653
1,638,557

Depreciation on previous balance: Tk. (13,697,829-13,513,311) @ 20%
New construction: Tk. (35,182,649-19,166,116) @ 10%
Depreciation on addition during the year: @ 10% Tk.

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



