

# **Annual Reports**

**For  
The Financial Year :**

===== **2021 - 2022** =====

===== **2020 - 2021** =====

===== **2019 - 2020** =====

===== **2018 - 2019** =====

===== **2017 - 2018** =====

===== **2016 - 2017** =====



**SAVAR REFRACTORIES LTD**



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### Corporate History

The development of refractory industry in Bangladesh is linked with one name Savar Refractories Limited (SRL) was established in 1982 at Nayarhat Savar 40 Km from Dhaka, with a promise to introduce Refractories. SRL is dedicated to total quality, committed to meet customer's requirements on quality.

Refractories, fundamental to all high temperature industries, are essential materials for kilns & furnaces of both heavy & light industries, such as Metallurgical, Chemical, Cement & Power Industries, Ceramic, Textile etc. The refractories we make are made from quality raw materials & with fine workmanship. All products features are in superior physical & chemical performance, correct size and long service life.

Thus continuous improvement, teamwork, commitment and credibility are the SRL's guiding values.

Year of Incorporation : 14<sup>th</sup> August, 1982.  
DSE Listing Date : May, 1988.  
Authorized Capital : Tk. 30,00,00,000.  
Paid-up Capital : Tk. 1,39,28,000.  
Number of Shares : 13,92,800 Shares of TK. 10/- each.

Registered Office : 108, Airport Road (3<sup>rd</sup> Floor), Tejgaon, Dhaka-1215.  
Phone : 02-58155615,  
Fax : 880-2-8115652,  
E-mail : savar.ref@gmail.com,  
Web Site : www.savar-ref.com,  
VAT Reg. No : 000474222-0403.  
Factory : Mirzanagar (Nayarhat) Ashulia, Savar, Dhaka-1344.

### Board of Directors

Mrs. Lutful Tahmina Khan : Chairperson  
Mr. Safi Muddaser Khan : Managing Director  
Mrs. Shafia Tasnim Khan : Director  
Mr. Md. Abu Taher : Independent Director (Retired from February 2023)  
Mrs. Nilufar Akhter : Independent Director (Retired from February 2023)  
Mr. Professor Md. Abdur Rashid : Independent Director (Newly Appointed)  
Mr. Dr. Md. Harun or Rashid Biswas: Independent Director (Newly Appointed)

Company Secretary : Mr. Syed Md. Zakaria (till March 09, 2020)  
Company Secretary : Mr. Md. Belayet Hossain Khan (Acting) (from March 10, 2020 to till now.)

### Bio data of Mrs. Lutful Tahmina Khan

1. Name : Lutful Tahmina Khan  
2. Father's Name : Late Abdul Latif Bhuiyan  
3. Mother's Name : Late Lutful Nahar Bhuiyan  
4. Present Address : 108, Airport Road, (1<sup>st</sup> Floor) Tejgaon, Dhaka.  
5. Permanent Address : House no: 136/1, Monipuri Para, Tejgaon, Dhaka.  
6. Educational Qualification : MA  
7. Date of Birth : 13 Oct 1968  
9. Nationality : Bangladeshi  
9. Religion : Islam  
10. Sex : Female  
11. Position : Chairman of Savar Refractories Ltd.



**Nature of expertise:** Mrs. Lutful Tahmina Khan has born in named Muslim family in Bangladesh and she has completed her Bachelor and Masters degree. She does able to maintain very good moral characteristic. She has been appointed as chairman of the company since 2007. Since then, she has been successfully managing the company's board meeting and operation of the company. Her leadership quality has able to maintain the company's operation; financial and non-financial reporting both internal and external. As a result, the company did able to publish PSI and other information when on timely basis.

Besides the above involvement, she is also director of Titas Banijjik Protisthan Ltd. and partner of Lotus Agro Industries & Titas Banijjik Protisthan.

**Bio data of Mr. Safi Mudasser Khan**

1. Name : Safi Muddaser Khan
2. Father's Name : Asaduzzaman Khan
3. Mother's Name : Late Lutful Sakina
4. Present Address : 108, Airport Road, (1<sup>st</sup> Floor) Tejgaon, Dhaka.
5. Permanent Address : House no: 136/1, Monipuri Para, Tejgaon, Dhaka.
6. Educational Qualification : MBA
7. Date of Birth : 24 May 1983
9. Nationality : Bangladeshi
9. Religion : Islam
10. Sex : Male
11. Position : Managing Director of Savar Refractories Ltd.

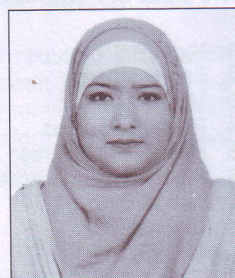


**Nature of expertise:** Mr. Safi Muddaser Khan has been included in the board of Savar Refractories Ltd. as a capacity of director. He always participates in board meeting and shares his views and knowledge towards the company. Based on his outstanding performance, the board has decided to promote Mr. Khan as Managing Director since his appointment.

Besides the above involvement, she is also director of Titas Banijjik Protisthan Ltd. and partner of Lotus Agro Industries & Titas Banijjik Protisthan.

**Bio data of ShafiaTasnim Khan**

1. Name : Shafia Tasnim Khan
2. Father's Name : Asaduzzaman Khan
3. Mother's Name : Lutful Tahmina Khan
4. Present Address : 108, Airport Road, (1<sup>st</sup> Floor) Tejgaon, Dhaka.
5. Permanent Address : House no: 136/1, Monipuri Para, Tejgaon, Dhaka.
6. Educational Qualification : Masters in Biotechnology
7. Date of Birth : 05 Nov 1989
9. Nationality : Bangladeshi
9. Religion : Islam
10. Sex : Female
11. Marital Status : Divorced.
12. Position : Director of Savar Refractories Ltd.



**Nature of Expertise:** Since 2013, she has been serving the company as a director capacity. She is playing vital role in the company since inception. In addition of her directorship with the company, she also has been nominated as a member of Audit Committee and NRC (Sub-committee of the board of director of the company. She is also working as lecturer of North South University.

Besides the above involvement, she is also director of Titas Banijjik Protisthan Ltd. and partner of Lotus Agro Industries & Titas Banijjik Protisthan.

**Bio data of Nilufar Akhter**

1. Name : Nilufar Akhter
2. Father's name : Younus Akanda
3. Mother's name : Rahima Khatun
4. Present Address : House: 19/A, Flat-5/A, Road: 3, Dhaka Cant., Dhaka-1216.
5. Permanent Address : House: 19/A, Flat-5/A, Road: 3, Dhaka Cant., Dhaka-1216.
6. Educational qualification : M.A
7. Date of Birth : 01 Jan 1952
8. Nationality : Bangladeshi
9. Religion : Islam
10. Sex : Female
11. Position : Independent Director of Savar Refractories Ltd. (2018-2021, 2021-2023).



**Nature of Expertise:** Mrs. Nilufar Akhter has completed her bachelor and master's degree. After completion her education, she was involved various social work with different organization. As a result of her multi diversified experience and knowledge, she has been selected by the board of directors of the company as independent director since 2013-2014. Since her appointment, she did able to contribute a lot in the company especially in the design and implementation of the system of internal control and financial reporting of the company.



## Bio data of Md. Abu Taher

1. Name : Md. Abu Taher
2. Father's name : Late. Samadul Haque
3. Mother's name : Late. Jamila Begum
4. Present Address : House: 59/2-DCC, Gedhu Matabbar Road, Ibrahimpur, Dhaka cant. 1206.
5. Permanent Address : House: 59/2-DCC, Gedhu Matabbar Road, Ibrahimpur, Dhaka cant.-1206.
6. Educational qualification : B.Com.
7. Date of Birth : 01 Jan 1952
9. Nationality : Bangladeshi
9. Religion : Islam
10. Sex : Male
11. Position : Independent Director of Savar Refractories Ltd. (2017-2020, 2020-2023).



**Nature of expertise:** After completion of his education, Mr. Taher has started his own venture. Later on, in 1982, he joined the Savar Refractories Ltd. and retired in the year 2003 from the position of Executive Director. During this tenor, he has looked after the various jobs in the company including to look after the company's operation, production process, financial reporting & monitoring and so on. The board of directors of the company has decided to assign Mr. Taher for the position of Independent director after empire of his retirement 5 years from the company. He is contributing lot as a capacity of Independent Director since the appointment of independent directors.

## Bio data of Professor Md. Abdur Rashid

1. Name : Professor Md. Abdur Rashid
2. Father's name : Late. Abdul Quddus Mondal
3. Mother's name : Jubeda Khatun
4. Present Address : 58, Monipuri Para, Tejgaon, 1215.
5. Permanent Address : Vill: Dhanata, Post: Sarishabari, Dist: Jamalpur.
6. Educational qualification : M.Sc in Chemistry (Dhaka University)
7. Date of Birth : 12 April 1957
9. Nationality : Bangladeshi
9. Religion : Islam
10. Sex : Male
11. Marital Status : Married
12. Position : Independent Director of Savar Refractories Ltd. (From February 2023).



**Nature of Expertise:** Mr. Rashid completed his bachelor and Master's degree in chemistry from Dhaka University, he choose the teaching profession at the end of his academic education. He was experience to pursue his carrier in teaching profession in various collages. During the tenor teaching profession, he did become professor, he retired from the position as principal of Tejgaon Collage, Dhaka. Mr. Rashid is very active in social work. He was senate member and syndicate member of national university committee; he is serving as chairman of governing body of Sher-E-Bangla national collage, Dhaka and president of B.C.U.T.A of Bangladesh. His multi diversified experience and knowledge will surely add value within the company.

## Bio data of Mr. Dr. Md. Harun-or-Rashid Biswas

1. Name : Dr. Md. Harun or Rashid Biswas
2. Father's name : Abdul Awal Biswas
3. Mother's name : Samsunnahar Begum
4. Present Address : House- BD/9, Building- IDS Chairman Park, Road- 2/4/2, South Kallanpur, Dhaka-1207.
5. Permanent Address : Village- Chair Commissioner, PO: Kazirchar, PS: Muladi, District: Barishal.
6. Educational qualification: PhD
7. Date of Birth : 11 July 1963
8. Nationality : Bangladeshi
9. Religio : Islam
10. Sex : Male
11. Marital Status : Married
12. Position : Independent Director of Savar Refractories Ltd. (From February 2023).



**Nature of Expertise:** Mr. Harun-or-Rashid was the Former Additional Secretary, Ministry of People's Republic of Bangladesh. After his retirement he involved in business. Appointing him in the board as Independent director, The Company believes his multi diversified experience and knowledge will surely add value within the company. Besides the above involvement, Mr. Harun-or-Rashid is also director of The Five Trading Limited.



### Message from Chairperson



Dear Shareholders,

Assalamu Alaikum.... blessing and mercy of almighty Allah be upon all of you.

I, Lutful Tahmina Khan, feel honoured, on behalf of the Board of the company, to welcome all of you in 35<sup>th</sup> to 40<sup>th</sup> AGM of the company. In the light of the notification of SEC/SRMIC/94-231/91, dated: March 31, 2021 of Bangladesh Securities and Exchange Commission we are conducting our AGM in digital platform.

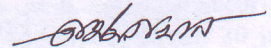
You are aware of that unfortunately the company could not conduct its AGMs since 2017 due to financial crisis and subsequent COVID effect. The board decided to hold pending annual general meetings and we have applied to the honourable high court of Bangladesh for getting permission of holding pending AGM. The honourable High Court Division of Supreme Court has accepted our application. As a result, we all are again sat together.

Dear Shareholders, I believe that you have received concerned Annual Report and other required information and for your kind information the Annual Report and other required information has also been published in the Company's Website and PDF version of Annual Report was sent to your designated email mentioned in your BO account. In the annual report you have noticed, detail discussion on previous year's performance, so I have decided not to discuss the performance in detail with you. But I believe current condition and future pan of the board about the company should discuss with you all, in short.

In brief, I would like to inform you that due to shortage of materials & skilled workforce, technology changes, frequent failure of power supply, e.g. gas, electricity we are not able to achieve target revenue. Moreover, our high production cost is unable to compete with supplier of India and china. As such, the company is unable to make profit during the year. In this current situation; the loss may also further be increased due to cost of regulatory compliance. By considering all the current situation of the company and declining market share board of director of the company decided to delist the company form the Dhaka Stock Exchange and operate as public limited company. On behalf of the board I would also like to inform you that the Directors of the company has submitted their exit plan as per Securities Laws. Under the exit plan, you may continue your existing shareholding relationship with the company or you may harvest your investment under exit plan of the company.

My sincere thanks to all the respectable Shareholders for extending their continuous support and confidence in the Board of Directors of your Company. I also like to put on record my sincere appreciation & thanks to the Bangladesh Securities And Exchange Commission, Banks, Auditors, Suppliers, Customers and Staff of the company for their support and appreciation.

Thanking you all  
With Best Regards

  
Lutful Tahmina Khan  
Chairperson

Dhaka  
February 18, 2023



# 36<sup>th</sup> AGM

## Annual Reports Financial Year : 2017-2018

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## SAVAR REFRACTORIES LTD

### Notice of the 36<sup>th</sup> Annual General Meeting

Notice is hereby given that pursuant to the Court Order of honourable High Court Division, Supreme Court, Bangladesh dated: 29.12.2022, the Company Matter No. 350/2022, the Board of Directors of Savar Refractories Limited decided that 36<sup>th</sup> Annual General Meeting (AGM) (pending AGM for the year 2019) of the Company will now be held on Saturday, February 18, 2023 at 11.30 AM by using Digital Platform (pursuant to BSEC Order no. SEC/SRMIC/94-231/91, dated: March 31, 2021) to transact the following business:

#### Agenda:

1. To receive, consider and adopt the audited financial statements of the company or the year ended June 30, 2018 together with directors' report and auditors' report to the shareholders;
2. To approve no dividend recommended by the Board of Directors for the year ended June 30, 2018;
3. To elect/re-elect Director(s) as per Articles of Association of the company;
4. To Re-appoint Mr. Safi Muddaser Khan as Managing Director for the next 5 years.
5. To confirm the appointment of Statuary Auditor for the year ended June 30, 2019 and their remuneration;
6. To transact any other business, if any, with the permission of the Chair.

By order of the Board of Directors

January 25, 2023

**Md. Belayet Hossain Khan**  
Company Secretary (Acting)

#### Notes:

- i. As notified earlier the "Record Date" fixed at November 27, 2018. The shareholders whose names would appear in the Register of Shareholders of the company and/or in the Depository on the 'Record Date' will be eligible to attend the 36<sup>th</sup> AGM.
- ii. A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The scanned copy of "Proxy Form", duly signed and affixed with BDT 20 revenue stamp must be sent through email to Company's Share Office at [savar.ref@gmail.com](mailto:savar.ref@gmail.com)/ deposited at the Registered Office of the Company no later than 72 hours before commencement of the AGM.
- iii. Annual Report for the financial year 2017-2018 sent to e-mail address of the Shareholders and also available in the Company's Website at: [www.savar-ref.com](http://www.savar-ref.com) as per Pursuant to the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, dated: 20 June 2018.
- iv. The Shareholders will join the Virtual AGM through the link: <https://savar-ref36.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 48 (Forty-eight) hour before commencement of the AGM and also during the AGM. For logging into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID or 5-digit Folio Number and other credential as proof by visiting the said link.
- v. We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email: [savar.ref@gmail.com](mailto:savar.ref@gmail.com).

**Directors Report (2017-2018)****Industry out look:**

Bangladesh has good economic prospect over the last few years and it shall be continued upcoming years. However, despite the fact of good economic condition of Bangladesh, the refractories business experiencing negative growth in last few years. The refractories market itself very small. Moreover, the cheap supply from overseas, e.g. China, India, was stiff the completion more.

The completion of refractories business in Bangladesh was further intensify due to shortage of materials, frequent failure of power supply, e.g. gas, electricity, and fallen demand in local market. Considering the fact, the company is suffering recurring loss year by year.

**Segment-wise or product-wise performance:**

The company is operating on single reportable segment. There has no operating segment within the company. As such, there is no scope for segment-wise or Product wise performance reporting.

**Risk and concerns:**

The Board of Directors recognises that Risk is an integrated part of our operating environment. No undertaking is free from risks and concerns that might arise both from internal as well as external factors. The matter was also true for SRL. The management always take initiative to train/inform about the internal and external risk factors, mitigation plan and responsibilities of employees. Detail of risk external and internal risk are given below:

**Industry Risk:**

The main risk and concern matter is that shortage of materials, frequent failure of power supply, e.g. gas, electricity, and fallen demand in local market. Over which, the company has no control or very limited control.

**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. The company has only allowed credit facility to customer who has good credit rating and good past track record and hence minimise the credit risk.

**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. Normally, the company does not hold any security that expose the market risk.

**Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances according to the treasury plan and availability of financing through banking arrangements like overdraft facility.

**Price risk:**

Price risk is the risk that the fair value or future cash flows of the company interrupted because of changes in market prices (other than those arising from interest rate risk or currency risk), market competition, shortage of raw materials also increase the risk. Normally, the company does not hold any security that expose the market risk.

**Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from short-term borrowings from financial institutions. The interest rate is capped at 9% by Bangladesh Bank. As such, the interest rate risk may not normally effect materially.



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### Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk only imported purchases, which are entered in a currency other than BDT. The company is closely monitor the currency rate and try to keep the currency risk low as much as possible.

### Political risk:

Political risk refers to the risk that an entity's returns could suffer as a result of political unrest, sudden change of government, changes in governance procedure. However, the political is extremely difficult to quantify or control.

### Risk management:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's 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 risk exposures.

### Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

SL	Particulars	Financial Year	
		2017-18	2016-17
1	Revenue	5,61,01,406	4,06,58,043
2	Cost of Goods Sold	4,55,19,211	3,32,56,221
3	Gross Profit (GP)	1,05,82,195	74,01,822
4	Net Profit/(Loss) after Tax	(13,13,408)	(2,43,182)
5	GP Margin	18.86%	18.21%
6	Net profit/(loss) margin	(2.34%)	(0.60%)

### Cost of Goods Sold:

This year's cost of goods sold was BDT 4, 55, 19,211 as compared to last year's cost of goods sold of BDT 3, 32, 56,221. This is due to increase in material and overhead cost, shortage of raw material and poor wastage management.

### Gross Profit:

The company has achieved turnover of Tk. 5,61,01,406 during the year ended 30th June 2018. Last year's turnover was Tk. 4,06,58,043. The increase turnover is 37.98% over the last year. Gross profit earned during the year was Tk. 1,05,82,195 as against last year's gross profit of Tk. 74,01,822.

### Net Profit/(Loss):

Net loss after tax during the year was increased to Tk. (13,13,408) as compared to last year's Net loss after tax of Tk (2,43,182) despite of increase of revenue current period net loss was suffered because of prior year tax under provision and increase in administrative & marketing cost.

### Extra-Ordinary gain or loss:

During the year, there was no realized extra-ordinary gain or loss made by the company.

### Related party transactions:

The related party transactions of the company are consisted of remuneration and loan of/from directors. During the year, company has carry out some related party transactions, mentioned in note no. 26 of audited financial statements, in normal course of business with the related parties under the same terms and conditions as applicable third party. Please see the details of related party transactions in note no. 26 of the audited financial statements.

### Utilization of proceeds from public issues and/ or rights issues:

There was no public issue and/ or right issue offered during the year.

### Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made in the year 1988. Since then the company is performing well and making profit and paying out dividend accordingly. However, due to shortage of raw material, frequent failure of power supply, e.g. gas, electricity, and fallen demand in local market, the company unable to make profit in recent past.

### Analysis of quarterly financial performance:

SL	Particulars	Amount in Bangladesh Taka			
		Q-1 (17-18)	Q-2 (17-18)	Q-3 (17-18)	Q-4/Year (17-18)
1	Revenue	1,03,57,405	1,19,67,138	1,01,08,647	2,36,68,216
2	Gross Profit	17,95,679	18,01,054	18,39,774	51,45,688
3	Net profit before tax	(2,28,378)	(3,14,810)	(3,57,128)	2,05,383
4	Net profit after tax	(2,96,775)	(3,96,681)	(4,59,064)	(1,60,888)



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### Remuneration to directors including independent directors:

The remunerations of Directors including Independent Director are given below:

SL	Name of the Directors	Position	Yearly Remuneration	Meeting fee
01	Lutful Tahmina Khan	Chairperson	180,000/-	0/-
02	Safi Muddaser Khan	Managing Director	350,000/-	0/-
03	ShafiaTasnim Khan	Director	0/-	6,000/-
04	Md. Abu Taher	Independent Director	0/-	6,000/-
05	Nilufar Akhter	Independent Director	0/-	6,000/-

### Preparation of the financial statements of the company:

These financial statements have been prepared in accordance with International Accounting Standard (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB), the Bangladesh Securities and Exchanges Rules 1987, the Companies Act 1994 and other applicable laws & regulation, assuming that the company is going concern.

The preparation of financial statements in conformity with IASs/IFRSs that requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

### Maintenance of Books and records:

The company is adequately maintaining the accounting records for all purchase, sales, income, expenses, cash receipt and payments in respect of ledger, vouchers, supporting evidence and maintenance of required register e.g. fixed asset, share register and others as required by law and regulations.

### Accounting policies adopted by the company in preparation financial statements and accounting records:

The company follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and compliance with the Bangladesh Securities and Exchanges Commission Rules 1987, the Companies Act, 1994 and other applicable rules and regulations. Detail description of accounting policies and estimation used for preparation of the financial statements of the company. The financial statements of the company are adequately described the accounting policy so that the reader of the financial statements is in good position to understand the accounting treatment and its presentation to the financial statements. Any changes of those accounting policies, if any, is adequately described in the concerned financial statements.

### IASs/IFRSs are being following in preparation of the financial statements:

The company is consistently following IASs/IFRSs in preparation of the financial statements and compliance with the Bangladesh Securities and Exchanges Commission Rules 1987, the Companies Act, 1994 and other applicable rules and regulations.

### Systems of internal control:

The company has robust system of internal control to manage risk to a reasonable level of failure to achieve expected results and strategic objectives of the company. The internal control system of the company is consisted of the policies and procedures established to provide reasonable assurance that specific entity objectives will be achieved. At least once a year, the board of directors review the system of internal control whether it is sufficient to achieve the company's objectives.

### Going concern:

These report including financial statements and other report are prepared assuming that the company is going concern and it has ability to continue its operation for foreseeable future. On the other hand, the management has no plan to discontinue its operation. The board of directors are assured you that there has no material uncertainty over going concern issues of the company.

### Appointment of Auditors:

Due to non-holding of AGM, the auditors' appointment was not confirmed by shareholders in their general meeting. To fill-up the casual vacancies of company's auditors, the Board of the Directors of the company has appointed existing Auditors, Malek Siddiqui Wali, Chartered Accountants, for the audit of the financial statements for the year 2017-18. Otherwise, the company will be failed to make statutory submission, e.g. the submission of annual financial statements to BSEC, DSE and making tax return to NBR, report. Subsequently, the honourable Supreme Court (High Court Division) has confirmed their appointment in response to the company's application regarding obtaining permission of holding AGM and auditors' appointment which is confirmed by the Board of Directors.



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### Discussion regarding past trend of financial result:

The company has achieved turnover of Tk. 5,61,01,406 during the year ended 30th June 2018. Last year's turnover was Tk. 4,06,58,043. The increase turnover is 37.98% over the last year. Gross profit earned during the year was Tk. 1,05,82,195 as against last year's gross profit of Tk. 74,01,822. On the other hand, the net loss after tax has been increased to Tk. (13,13,408) as compared to last year's Net loss after tax of Tk. (2,43,182).

### Key operating and financial data of at least preceding 5 (five) years:

SL	Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
1	Authorized Capital	30,00,00,000	30,00,00,000	30,00,00,000	30,00,00,000	30,00,00,000
2	Paid up Capital	1,39,28,000	1,39,28,000	1,39,28,000	1,39,28,000	1,39,28,000
3	Reserve & Surplus	20,94,434	20,94,434	20,94,434	20,94,434	20,94,434
4	Fixed Assets –Written Down	5,23,89,790	5,07,14,781	5,01,30,856	5,33,63,490	5,80,20,538
5	Turnover	5,61,01,406	4,06,58,043	3,48,72,286	3,36,46,845	4,46,74,425
6	COGS	4,55,19,211	3,32,56,221	2,83,30,468	2,75,40,413	3,47,65,638
7	Gross Profit	1,05,82,195	74,01,822	65,41,818	60,56,432	99,08,787
7	Net Profit/ (Loss) after Tax	(13,13,408)	(2,43,182)	(27,51,982)	(17,05,351)	(15,06,018)
8	EPS	(0.94)	(0.17)	(1.98)	(1.22)	(1.08)

### Non-declaration of dividend:

The company policy to declare and paid dividend based on availability of the profit. Since the company did not able make profit, as such, the company did not declare any dividend, e.g. cash or bonus, during the year. It is further notified that the company did not declare interim dividend either Cash or Bonus.

### Number Board meetings:

Name of Directors	Designation	Number of meeting held	Meeting attended
LutfulTahmina Khan	Chairperson	6	6
Safi Muddaser Khan	Managing Director	6	6
ShafiaTasnim Khan	Director	6	6
Md. Abu Taher	Independent Director	6	6
Nilufar Akhter	Independent Director	6	6

### The pattern of shareholding:

Particulars	Designation/ Status	Number of share		Percentage
		2017-18	2016-17	
Parent/subsidiary/Associated companies and other related parties				
Parent/subsidiary/Associated companies and other related parties	-	Nil	-	
Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit:				
Mrs. Lutful Tahmina Khan	Sponsor, Chairperson	131,970	131,970	9.48%
Asaduzzaman Khan	Sponsor	287,060	287,060	20.61%
Safi Muddaser Khan	Managing Director	139,130	139,130	9.99%
Shafia Tasnim Khan	Director	129,390	129,390	9.29%
Md.. Abu Taher	Independent Director	-	-	0.00%
Nilufar Akhter	Independent Director	-	-	0.00%
Syed Md. Zakaria	Company Secretary/CEO	4,050	4,050	0.29%
Syed Md. Jafar Iqbal	Sponsor	4,060	4,060	0.29%
Syed Md. Zobair	Sponsor	4,050	4,050	0.29%
SyedaMotiaNasrin	Sponsor	2,040	2,040	0.15%
SyedaNajninAker	Sponsor	2,040	2,040	0.15%
SyedaMahraz Sultana	Sponsor	2,040	2,040	0.15%
Md. Belayet Hossain Khan	Chief Financial Officer	-	-	0.00%
Others		686,970	686,970	49.32%
Total		1,392,800	1,392,800	100.00%

### Appointment/re-appointment of directors the company:

Mrs. Shafia Tasnim Khan are retiring from the Board in terms of the Articles of Association of the Company and being eligible, offer herself for re-election and elected by the board and are expected to be confirmed by shareholders in company's 36<sup>th</sup> AGM in February 18, 2023.



**Compliance with the Code of Corporate Governance issued by BSEC:**

The company is very keen to comply all the requirement. Based on our limited capability, we have complied with as much as possible the requirement of BSEC Code of Corporate Governance as applicable for the company. our compliance status and auditors' report on compliance status shown as Annexure C and Annexure B of these Annual Report.

**Directors Response on Modified Audit Report:**

**Modification Paragraph 01:**

The company did not call AGM in respect of the financial year 2016-2017. As such, neither the company's financial statements were approved by shareholders through ordinary resolution, nor auditor's appointment for the year June 30, 2018 confirmed by the company's shareholders, though the board of directors has given their consent to approve the financial statement for the year 30, 2017 in the company's 294<sup>th</sup> board meeting held on October 29, 2017. The Board of directors have filled up the casual vacancy of statutory auditors by appointing current auditors for the financial year 2017-2018 in the company's 298<sup>th</sup> board meeting held on April 22, 2018 even though the current auditor has completed his consecutive three years as statutory auditor.

**Management Response:** Due to financial crisis, the company, unable to held AGM for the financial year June 30, 2018. But the company has to complete the audited financial statements for regularity purpose eg. BSEC, DSE and NBR for tax assessment. As such, the board of director has appointed statutory auditor. Based on the director application, the honourable High Court Division of Supreme Court has accepted our application for holding AGM of concern year and directors has decided to hold AGM at February 18, 2023.

**Modification Paragraph 02:**

The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been suffering from recurring operating losses & subsequent net loss since 2013-14, poor current ratio (stood 0.46:1) and deficiency of production capacity by 42.28% that raise doubt about its ability to continue as going concern.

**Management Response:** Operation loss are incurring due to underutilization of production capacity of the company, fallen down of sales order as the demand of the company's product has been fallen down for various reason e.g. international competition, local demand fallen.

**Acknowledgements:**

The Board of Directors would take this opportunity to express its gratitude and extend appreciation to its valued shareholders, clients, and other stakeholders for their continued support and co-operation.

The Board offers thanks to Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Registrar of Joint Stock Companies and Firms, the National Board of Revenue, and other Government Agencies for their collaboration. I would also like to thank all of the respected Directors, of the Board, for their visionary role and guidance, who have extended their all sorts of cooperation to meet all the adverse internal and external conditions.

**For and on behalf of the Board of Directors**

**Lutful Tahmina Khan**  
Chairperson



**Managing Director & CFO's Declaration to the Board of Directors**

The Board of Directors  
Savar Refractories Ltd  
108, Airport Rd. Dhaka 1215,  
Bangladesh.

**Subject: Managing Director & CFO's Declaration to the Board of Directors.**

Dear Sir,

In compliance with the condition no. 6 imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued under Section 200 of the Securities and Exchange Ordinance, 1969, we do hereby certify to the Board of Directors that:  
We have reviewed that the financial statements for the year ended on 30th June 2016 and that to the best of our knowledge and belief:

- these financial statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- these financial statements give a true and fair view of the company's affairs and are in compliance with existing accounting standards (IASs/IFRSs) and applicable laws;
- There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,

Sak Muddaser Khan  
Managing Director

Md. Belayet Hossain Khan  
Chief Financial Officer (CFO)



## SAVAR REFRACTORIES LTD

### Report of Audit Committee to the shareholders

Dear Shareholders,

This report provides an overview of how the Committee operated an insight into the Committee's activities and its role in ensuring the integrity of the Company's published financial information and ensuring the effectiveness of its risk management, controls, and related processes.

The audit committee of **Savar Refractories Ltd** is a sub-committee of the Board of Directors and appointed and authorized by the Board of directors.

The committee normally meets in the next month of every quarter. During the year 2017- 2018, 04 Audit Committee meetings were held, the details of attendance of each member at the Audit Committee meetings are as follows:

SL	Name of the Members	Designation in the committee	Number of Meeting held	Attended
01	Md. Abu Taher	Chairman	04	04
02	ShafiaTasnim Khan	Member	04	04
03	Nilufar Akhter	Member	04	04

Major Responsibilities and Activates of the Audit Committee:

The activates of the Audit Committee during the year were as follows:

- ❖ Review and monitor the accounting policies and principles adopted by the management.
- ❖ Monitor the internal control and risk management process of the company.
- ❖ Oversee hiring process of external auditor and their performance as external auditor
- ❖ Review the annual Financial statements before submission to the board approval
- ❖ Review the quarterly and half yearly Financial statements before submission to the board approval
- ❖ Review the adequacy of internal control, internal audit function and management latter issued by statutory auditor.
- ❖ Review the settlement and transaction of all the related party transitions.

Other than this comet tee shall report to the board of director flowing issues

- ❖ If the committee found any conflict of interest in the company
- ❖ If the committee observed any fraud, irregularity or materials defect in the internal control system.
- ❖ Committee will report any suspected infringement of law, including securities related law, rules, regulation and other matter.

**Activities carried out by Audit Committee:**

The Committee in its meetings covers a variety of topics. These include both standing items that the Committee considers as a matter of course, typically in relation to the quarterly results announcements, control issues, accounting policies and judgments and reporting matters, as well as a range of specific topics relevant to the overall control framework of the Company. The audit committee carried out the following activities:

#### Internal Control

In 2017-18, the Committee reviewed and discussed regular reports on risks, controls and assurance, including the annual assessment of the system of risk management and internal control, in order to monitor the effectiveness of the procedures for internal control over financial reporting.

#### Financial Reporting

We reviewed the financial reporting made by the management both year ending and quarter ending. A meeting was held regarding the issue of financial reporting for the year ended June 30, 2018 and discussed the reasonableness and accuracy of the financial statement. We also assessed the appropriateness and reasonableness of the accounting policy and reporting standards used by the company while preparing the financial statements. The company's internal control procedures are adequate for a true and fair presentation of the financial statements in sate of the company affairs.

#### Appointment of auditors

We reviewed the appointment of the statutory auditors for the company. The level of remuneration for external auditors and independence of them were also reviewed by us.

#### Review the management report and internal audit report

The management report made by the external auditors for the year 2017-18 including management response to the report was reviewed by us during our audit committee meeting. We also reviewed the report made the internal audit report. Finally, the Audit Committee would like to convey their appreciation to the members of the Board and key management personnel for the cooperation and support received from them during the year, that help us discharge our responsibilities. The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company.

For and on behalf of the Board Audit Committee of Savar Refractories Ltd.

Md. Abu Taher  
Chairman of Audit Committee



## SAVAR REFRATORIES LTD



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A PARTNERSHIP FIRM  
.....since 1959

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Website: www.atakhanca.com

### REPORT TO THE SHAREHOLDERS OF SAVAR REFRATORIES LIMITED ON COMPLIANCE OF CORPORATE GOVERNANCE CODE

We have reviewed the compliance with the condition of corporate governance guideline by SAVAR REFRATORIES LIMITED for the year ended 30 June 2018. These conditions of Corporate Governance were issued by Bangladesh Securities & Exchange Commission (BSEC) Vide their notification no. SEC/CMRRCD/2006-158/134/Admin 44 dated 07 August 2012. The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Company. Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on my examination.

My examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Company.

To the best of my information and according to the explanations given to me by the Company, I hereby certify that SAVAR REFRATORIES LIMITED has complied with the conditions except the condition no. 1.2(v); 1.2(vi); 1.3(i); 1.3(ii); 3.3(iii); 3.3(iv); 3.3(iii); 3.3(vii) of Corporate Governance Code stipulated in the above mentioned BSEC's notification dated 07 August 2012.

During the period new corporate governance code issued by Bangladesh Securities and Exchange Commission vide notification no. SEC/CMRRCD/2006-158/207Admin/80 dated 03 June 2018 which the company has not followed.



Dated: Dhaka  
05 February 2023

  
**ATA KHAN & CO.**  
Chartered Accountants



## SAVAR REFRATORIES LTD

**AKC** ATA KHAN & CO.  
Chartered Accountants

Annexure

### Compliance Status on Corporate Governance Code

The Compliance with of notification of Bangladesh Securities and Exchange Commission

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/44 dated 07 June 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1	<b>Board of directors:-</b>			
	<b>Board Size</b>			
1(1)	The number of board members of the company shall not be less than 5 (five) and more than 20 (twenty).	✓	-	
1.2	<b>Independent directors</b>			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's Board shall be independent directors;	✓	-	
1.2(ii)(a)	Who either does not hold any share in the company or hold less than one percent (1%) shares of the total paid up shares of the company.	✓	-	
1.2(ii)(b)	who is not sponsor of the company or is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	✓	-	
1.2(ii)(c)	Who does not have any other relationship, Whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓	-	
1.2(ii)(d)	Who is not a member, director or officer of any stock exchange.	✓	-	
1.2(ii)(e)	Who is not shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓	-	
1.2(ii)(f)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm.	✓	-	
1.2(ii)(g)	Who shall not be an independent director in more than 3 (three) listed companies.	✓	-	
1.2(ii)(h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank financial institution (NBFI);	✓	-	
1.2(ii)(i)	Who has not been convicted for a criminal offence involving moral turpitude;	✓	-	





## SAVAR REFRATORIES LTD

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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1.2(iii)	The independent director(s) shall be appointed by BoD and approved by the shareholders in the Annual General Meeting (AGM).	✓	-	
1.2(iv)	the post of independent director(s) cannot remain vacant more than 90 (ninety) days	✓	-	There were no such casual vacancy.
1.2(v)	the Board shall lay down a code of conduct of all Board member and annual compliance of the Code to be recorded.	-	✓	
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for (1) one tenure only.	-	✓	
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>			
1.3 (i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	-	✓	
1.3 (ii)	The person should be a business leader/corporate leader/Bureaucrat/university teacher with economics or business studies or Law background/Professionals like Chartered Accountants, cost and management accountant, chartered secretaries . The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	-	✓	
1.3 (iii)	In special cases the above qualifications may be relaxed to prior approval of the commission.	-	-	Not applicable (No special case arose)
<b>1.4</b>	<b>Chairman of the Board and Chief Executive Officer (CEO)</b>			
	The position of the chairman of the board and the chief executive officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The board of directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	✓		
<b>1.5</b>	<b>The Directors Report to Shareholders</b>			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risk and concerns,	✓		
1.5 (iv)	A discussion on cost of good sold, Gross profit margin and net profit.	✓		
1.5 (v)	Discussion on continuity of any extra-ordinary gains or loss.	-	-	N/A





# SAVAR REFRATORIES LTD

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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1.5 (vi)	Basis for related party transaction- a statement of all related party transaction should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, right issues, and or through any others instruments.	-	-	N/A
1.5 (viii)	An explanation if the financial result deteriorate after the company goes for initial public offering (IPO), Repeat public offering (RPO), Rights offer, direct leasing etc;	-	-	N/A
1.5 (ix)	If significant variance occurs between Quarterly financial performance and annual financial statements the management shall explain about the variance on their annual report.		-	N/A
1.5 (x)	Remuneration to directors including independent director shall present separately	✓	-	
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, Cash flows and change in equity.	✓	-	
1.5 (xii)	Proper books of account have been maintained properly.	✓	-	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓	-	
1.5 (xiv)	International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards/ Bangladesh Financial Reporting Standards, as applicable in Bangladesh, have been followed In preparation of the financial statements and any departure there-from has been adequately disclosed.	✓	-	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓	-	
1.5 (xvi)	There are no significant doubts upon the company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reason thereof should be disclosed.	✓	-	
1.5 (xvii)	Significant deviations from the last years operating result of the company shall be highlighted and the reasons thereof should be explained	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓	-	
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓	-	
1.5 (xx)	The numbered of board meetings held during the year and attendance by each director .	✓	-	





## SAVAR REFRACTORIES LTD

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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1.5 (xxi)	The pattern of shareholding shall be reported to disclosed the aggregate number of shares (along with name wise details where stated below) held by :-			
1.5 (xxi) (a)	Parent/Subsidiary/Associated companies and other related parties (name wise detail).	N/A	-	
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise detail)	✓	-	
1.5 (xxi) (c)	Executives (Explanation: For the purpose of this clause, the expression "executives" means top 5 (five) salaried employees of the company, other than the Directors, Chief Financial Officer and Head of Internal Audit.)	✓	-	
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise detail)	-	-	N/A
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders.			
1.5 (xxii) (a)	A brief resume of the directors	✓		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	✓		
1.5 (xxii) (c)	Name of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2	Chief Financial Officer(CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment: the company shall appoint a chief financial officer, a head of internal audit (internal control and compliance) and a company secretary (CS). The board of director should clearly define respective roles and duties of the CFO, the head of internal audit and CS.	✓	-	
2.2	Requirement to attend the board meetings: The CFO and the company secretary of the companies shall attend the meeting of the board of directors provided that the CFO and/or the company secretary shall not attend such part of a meeting of the board of directors which involves consideration of an agenda item to their personal matters.	✓	-	
3	Audit Committee			
3 (i)	The company shall have an audit committee as a sub-committee of the board of directors.	✓	-	





## SAVAR REFRATORIES LTD

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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
3 (ii)	The audit committee shall assist the board of directors in ensuring that the financial statement reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓	-	
3 (iii)	The audit committee shall be responsible to the board of directors. The duties of the audit committee shall be clearly set forth in writing.	-	✓	
<b>3.1</b>	<b>Constitution of the audit committee</b>			
3.1 (i)	The audit committee shall be composed of at least 3 (three) members.	✓	-	
3.1 (ii)	The board of directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓	-	
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one ) member shall have accounting or related financial management experience.	✓	-	
3.1 (iv)	Expiration of the term of service of audit committee members making the number lower than 3(three) and fill up the vacancy(ies) by the board not later than one month from the date of vacancy(ies).	-	✓	
3.1 (v)	The company secretary shall act as the secretary of the committee.	✓	-	
3.1 (vi)	The quorum of the audit committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	The board of directors shall select 1 (one) member of the audit committee to be chairman of the audit committee, who shall be an independent director.	✓	-	
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓	-	
<b>3.3</b>	<b>Role of Audit Committee</b>			
3.3 (i)	Oversee the financial reporting process	✓	-	
3.3 (ii)	Monitor choice of accounting policies and principles.	✓	-	
3.3 (iii)	Monitor internal control risk management process	-	✓	
3.3 (iv)	Oversee hiring and performance of external auditors.	✓	-	
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓	-	
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓	-	





## SAVAR REFRACTORIES LTD

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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
3.3 (vii)	Review the adequacy of internal audit function	-	✓	
3.3 (viii)	Review statement of significant related party transaction submitted by the management.	✓	-	
3.3 (ix)	Review management letters/ Letter of internal control weakness issued by statutory auditors.	✓	-	
3.3 (x)	Disclosure regarding utilization of IPO/RPO, Right issue fund to the audit committee.	-	-	Not Applicable
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors</b>			
3.4.1 (i)	The audit committee shall report on its activities to the board of directors.	✓	-	
3.4.1 (ii)	<b>The Audit Committee shall immediately report to the Board of Directors on the following findings, if any</b>			
3.4.1 (ii) (a)	Report on conflict of interest to the board of directors	✓	-	According to the CS (who is also secretary to the Audit Committee) and head of ICC, there was no conflict of interest in the year 2016.
3.4.1 (ii) (b)	Suspected or presumes fraud or irregularity or material defect in the internal control system	N/A	-	
3.4.1 (ii) (c)	Suspected infringement of laws including securities related laws , rules and regulations.	N/A	-	
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the board of directors immediately.	N/A	-	
<b>3.4.2</b>	<b>Reporting to the authorities:</b> If the audit committee has reported to the board of directors about anything which has material impact on the financial condition and results of operation and has discussed with the board of directors and the management that any rectification is necessary and if the audit committee finds that such rectification has been unreasonably ignored, the audit committee shall report such finding to the commission, upon reporting of such matters to the board of directors for three times or completion of a period of 6 (six) months from the date of first reporting to the board of directors, whichever is earlier.			





3.5	<b>Reporting to the shareholders and General investor:</b>  Report on activities carried out by the audit committee, including any report made to the board of directors under condition 3.4.1 (ii) above during the year, shall be signed by the chairman of the audit committee and disclosed in the annual report of the issuer company.	N/A	-	
4	<b>EXTERNAL STATUTORY AUDITORS</b> <b>The issuer company should not engage its external/statutory auditors to perform the following services of the company; Namely;</b>			
4.0 (i)	Appraisal or valuation services or fairness opinions	✓	-	
4.0 (ii)	Financial information systems design and implementation	✓	-	
4.0 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓	-	
4.0 (iv)	Broker-dealer services	✓	-	
4.0 (v)	Actuarial services	✓	-	
4.0 (vi)	Internal audit service	✓	-	
4.0 (vii)	Any other services that audit committee determines.	✓	-	
4.0 (viii)	No partner or employees of the external audit firms shall possess any share of the company there audit at least during the tenure of their audit assignment of that company.	✓	-	
4.0 (ix)	Audit/certification service on compliance of corporate governance as required under clause (i) of condition No. 7	✓	-	
5	<b>SUBSIDIARY COMPANY</b>			
5 (i)	Provisions relating to the composition of the board of directors of the holding company shall be made applicable to the composition of the board of directors of the subsidiary company.	N/A	-	
5 (ii)	At least 1 (one) independent director on the board of directors of the subsidiary company.	N/A	-	
5 (iii)	The minutes of the board meeting of the subsidiary company shall be placed for review at the following board meeting of the holding company.	N/A	-	
5 (iv)	The minutes of the respective board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A	-	
5 (v)	The audit committee of the holding company review the financial statements, in particular the investments made by the subsidiary company.	N/A	-	





Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
6.0 (i)	The CEO and CFO shall certify to the board that;			
6.0 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	-	
6.0 (i) (b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓	-	
6.0 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓	-	
7	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a practicing professional accountant / secretary (Chartered accountant/cost and management accountant/Chartered secretary) regarding compliance of conditions of corporate governance guidelines of the commission and shall send the same to the shareholders along with the annual report on yearly basis.	✓	-	
7 (ii)	The directors of the company shall state, in accordance with the annexure attached, in the directors report whether the company has complied with these conditions.	✓	-	





## SAVAR REFRATORIES LTD



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস  
৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

**Malek Siddiqui Wali**

CHARTERED ACCOUNTANTS

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

Extension Office: Property Heights, 1<sup>st</sup> Floor

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

PHONE: 9513471

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Email: [wali@satcombd.com](mailto:wali@satcombd.com)

Web: [www.msw-bd.com](http://www.msw-bd.com)

### AUDITORS' REPORT to the shareholders of Savar Refractories Limited

We have audited the accompanying Statement of Financial Position of **Savar Refractories Limited** as at 30<sup>th</sup> June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Notes for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulation and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

#### Auditor's Responsibility:

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

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

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

#### Basis of qualification:

- 1) The company did not call AGM in respect of the financial year 2016-2017. As such, neither the company's financial statements were approved by shareholders through ordinary resolution, nor auditor's appointment for the year June 30, 2018 confirmed by the company's shareholders, though the board of directors has given their consent to approve the financial statement for the year 30, 2017 in the company's 294<sup>th</sup> board meeting held on October 29, 2017. The Board of directors have filled up the casual vacancy of statutory auditors by appointing current auditors for the financial year 2017-2018 in the company's 298<sup>th</sup> board meeting held on April 22, 2018 even though the current auditor has completed his consecutive three years as statutory auditor.
- 2) The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been suffering from recurring operating losses & subsequent net loss since 2013-14, poor current ratio (stood 0.46:1) and deficiency of production capacity by 42.28% that raise doubt about its ability to continue as going concern.

Associated firm of **Reddy Siddiqui & Kabani**, Park View, 183-189 The Vale, London, W3 7RW, UK  
E-mail : [mail@reddysiddiqui.com](mailto:mail@reddysiddiqui.com), Website: [www.reddysiddiqui.com](http://www.reddysiddiqui.com)



**Opinion:**

In our opinion, except for the effects described in basis of qualification paragraph, the financial statements prepared in accordance with Bangladesh Accounting Standard/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> June 2017 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, relevant schedule of Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

**We also report that:**

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof ;
- 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 those books ;
- c) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts.
- d) The expenditures incurred and payments made were for the purpose of the company's business.

Dhaka  
October 30, 2018

  
**Malek Siddiqui Wali**  
Chartered Accountants



# SAVAR REFRATORIES LTD

## SAVAR REFRATORIES LIMITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018



Particulars	Notes	As at 30 June 2018	As at 30 June 2017
		Taka	Taka
<b>Assets:</b>			
<b>Non-current asset</b>			
Property, Plant & Equipments	3	52,389,790	50,714,781
		<b>52,389,790</b>	<b>50,714,781</b>
<b>Current assets</b>			
Inventories	4	10,367,705	12,602,454
Trade Debtors	5	2,450,297	3,975,926
Advance, Deposits & Pre-payments	6	18,295,306	1,983,138
Cash & Cash equivalents	7	3,364,079	2,244,197
		<b>34,477,388</b>	<b>20,805,715</b>
<b>Total Assets</b>		<b>86,867,178</b>	<b>71,520,496</b>
<b>Equity &amp; Liabilities:</b>			
Equity			
Share Capital	16	13,928,000	13,928,000
Reserve Accounts	17	2,094,434	2,094,434
Retained Earning/(Loss)		(8,826,476)	(7,513,068)
		<b>7,195,958</b>	<b>8,509,366</b>
<b>Non-current liabilities</b>			
Deferred Tax	15	4,677,614	4,395,748
		<b>4,677,614</b>	<b>4,395,748</b>
<b>Current Liabilities</b>			
Working Capital Loan – Janata Bank	8	26,025,738	23,414,120
Loans & Advances	9	30,220,889	20,810,871
Accounts payable	10	13,583,404	10,621,922
Liability for expenses	11	2,431,620	1,391,124
Other liabilities	12	782,393	764,393
Workers Profit Participation Fund	13	729,503	729,503
Provision For Taxation	14	1,061,405	724,796
Unclaimed Dividend		158,654	158,654
		<b>74,993,606</b>	<b>58,615,383</b>
<b>Total Equity &amp; Liabilities</b>		<b>86,867,178</b>	<b>71,520,496</b>
Net Asset Value (NAV) per share	26	5.17	6.11

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

The financial statements were approved by the Board of directors on 30 October 2018 and were signed on its behalf by:

Company Secretary

Managing Director

Chairperson

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

Dated: Dhaka  
30-Oct-18

Malek Siddiqui Wali  
Chartered Accountants



# SAVAR REFRATORIES LTD

## SAVAR REFRATORIES LIMITED Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2018



Particulars	Notes	For the year ended June 30, 2018	For the year ended June 30, 2017
		Taka	Taka
Sales Revenue	18	56,101,406	40,658,043
Cost of goods sold	19	(45,519,211)	(33,256,221)
<b>Gross profit</b>		<b>10,582,195</b>	<b>7,401,822</b>
Administrative & Marketing Expenses	20	(8,043,773)	(5,233,399)
Financial Expenses	21	(3,233,355)	(3,373,935)
<b>Operating profit/Loss</b>		<b>(694,933)</b>	<b>(1,205,512)</b>
Provision for WPPF		-	-
<b>Profit/(Loss) before tax</b>		<b>(694,933)</b>	<b>(1,205,512)</b>
<b>Income tax expenses</b>			
Prior year Tax under provision		-	(105,277)
Provision for Income tax		(336,608)	(243,948)
Deferred Tax movement		(281,867)	1,311,555
<b>Profit/(Loss) after tax</b>		<b>(1,313,408)</b>	<b>(243,182)</b>
Earning Per Share (EPS)	27	(0.94)	(0.17)

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

The financial statements were approved by the Board of directors on 30 October 2018 and were signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Chairperson

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

Dated: Dhaka  
30-Oct-18

  
Malek Siddiqui Wali  
Chartered Accountants



# SAVAR REFRATORIES LTD

## SAVAR REFRATORIES 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	<u>13,928,000</u>	<u>2,094,434</u>	<u>(8,826,476)</u>	<u>7,195,958</u>

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

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

The financial statements were approved by the Board of directors on 30 October 2018 and were signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Chairperson

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

Dated: Dhaka  
30-Oct-18

  
Malek Siddiqui Wali  
Chartered Accountants



# SAVAR REFRACTORIES LTD

## SAVAR REFRACTORIES LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018



	Notes	For the year ended June 30, 2018	For the year ended June 30, 2017
		<u>Taka</u>	<u>Taka</u>
Cash Flows From Operating Activities:			
Collection from sale and other income		66,592,122	43,928,539
Payments against purchases, supplies, employees & others		(57,991,682)	(33,771,902)
Finance cost paid		(3,233,355)	(3,373,935)
Tax paid		(1,212,702)	(452,770)
<b>Net cash generated/(used) in operation</b>		<b>4,154,383</b>	<b>6,329,932</b>
Cash Flows From Investment Activities:			
Acquisition of Property, Plant & Equipment		(5,746,119)	(4,623,514)
Disposal of fixed asset			
<b>Net cash generated/(used) in investing activity</b>		<b>(5,746,119)</b>	<b>(4,623,514)</b>
Cash flows From Financing Activities:			
Working capital Received/(Repaid)		2,611,618	(1,376,270)
Directors' loan received		100,000	-
<b>Net cash generated/(used) financing activity</b>		<b>2,711,618</b>	<b>(1,376,270)</b>
Net Cash Inflow / (Outflow)/for the period		1,119,882	330,148
Cash & Bank balance at opening		2,244,197	1,914,049
<b>Cash &amp; Bank balance at closing</b>		<b>3,364,079</b>	<b>2,244,197</b>
Net operating cash flow per share (NOCFPS)		2.98	4.54

The financial statements were approved by the Board of directors on 30 October 2018 and were signed on its behalf by:


  
Company Secretary

  
Managing Director

  
Chairperson

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

Dated: Dhaka  
30-Oct-18

  
Malek Siddiqui Wali  
Chartered Accountants



## SAVAR REFRACTORIES LTD

### Savar Refractories Ltd. Notes to the Accounts For the year ended June 30, 2018



#### 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 BAS 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 BAS 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 BAS 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 BAS 21 *"The effects of changes in Foreign Currency Rates"*.

**2.09 Earnings Per Share (EPS)****Basic EPS**

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

**2.10 Taxation**

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

**2.11 Cash and Cash Equivalents**

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

**2.12 Reporting currency**

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

**2.13 Reporting Period**

Financial Statement of the company covers one calendar year from July 1, 2017 to June 30, 2018.

**2.14 Comparative Information**

Comparative information have been disclosed in respect of the year ended June 30, 2018 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

**2.15 Components of Financial Statements**

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

- a) Statement of Financial Position as at June 30, 2018.
- b) Statement of Comprehensive Income for the year ended June 30, 2018.
- c) Cash Flow Statement for the year ended June 30, 2018.
- d) Statement of Changes in Equity for the year ended June 30, 2018.
- e) Accounting Policies and Notes to the Financial Statements for the year ended June 30, 2018.



## SAVAR REFRATORIES LTD

Note: 03  
Property, Plant & Equipments  
For the year ended June 30, 2018

These details of assets are as follows:

Name of Assets	COST		Rate	DEPRECIATION				Written down Value as at 30-6-2017
	Balance as at July 01, 2017	Addition during the year		Balance as at July 01, 2017	Charged during the year	Adjust/Sold during the year	Balance as at June 30, 2018	
Land & Land Development	10,173,744	565,750	--	10,739,494	-	-	-	10,739,494
Factory Building	16,077,041	887,413	5%	16,964,454	359,080	-	9,597,903	7,366,551
Kiln Construction	45,172,365	2,215,847	10%-20%	47,388,212	2,441,036	-	24,320,108	23,068,104
Plant & Machinery	23,662,780	1,578,847	10%	25,241,627	678,263	-	17,734,754	7,506,873
Motor Vehicles	1,530,787	-	15%	1,530,787	44,835	-	1,276,721	254,066
Furniture & Fixtures	2,542,047	155,437	15%	2,697,484	114,212	-	1,894,847	802,637
Equipment	5,983,933	342,825	15%	6,326,758	377,383	-	3,993,738	2,333,020
Tundish Board	1,564,229	-	15%	1,564,229	56,302	-	1,245,185	319,044
<b>Total Tk.</b>	<b>106,706,926</b>	<b>5,746,119</b>		<b>112,453,045</b>	<b>4,071,110</b>	<b>-</b>	<b>60,063,255</b>	<b>52,389,790</b>

### Depreciation Charged to:

Administrative Expenses	268,215
Cost of Goods Sold	3,802,895
<b>Total</b>	<b>4,071,110</b>

### Depreciation on Kiln construction:

Depreciation on previous balance: Tk. (13697829-13134723) @ 20%	112,621
New construction: Tk. (31474536-8744350) @ 10%	2,273,019
Addition during the year: Tk. (2215847@10%*3/12)	55,396
<b>Total</b>	<b>2,441,036</b>



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



# SAVAR REFRACTORIES LTD



		For the year ended June 30, 2018	For the year ended June 30, 2017
		Taka	Taka
<b>4.00 Inventory</b>			
	<u>Qty. (M.Tons)</u>		
a) Spare Parts	0.00	204,275	218,680
b) Raw Materials (4.01)	778.07	2,065,745	3,221,497
c) Work-in-process (4.02)	105.34	785,138	864,923
d) Finished goods (4.03)	1,008.06	7,312,547	8,297,354
		<b>10,367,705</b>	<b>12,602,454</b>
<b>4.01 Raw Materials</b>			
	<u>Items</u>	<u>Qty. (M.Tons)</u>	
<b>a. Imported:</b>			
i) Bauxite	11.02	278,636	1,785,425
	<b>11.02</b>	<b>278,636</b>	<b>1,785,425</b>
<b>b. Local:</b>			
i. Mymensingh Clay Grade-1	214.36	650,250	334,590
ii. Mymensingh Clay Grade-2	198.62	395,212	313,223
iii. Grog	115.02	365,872	285,687
iv. White Clay (Sylhet)	165.15	220,000	220,000
v. Black Clays	63.42	78,213	165,324
vi. Feldspar	-	-	21,658
vii. Portland Cement	6.24	12,510	10,596
viii. Others	4.24	65,052	59,324
ix. Coyer	-	-	25,349
x. Sager	-	-	321
	<b>767.05</b>	<b>1,787,109</b>	<b>1,436,072</b>
Total	<b>778.07</b>	<b>2,065,745</b>	<b>3,221,497</b>
<b>4.02 Work-in-Process</b>			
<u>Name of items</u>	<u>Quality</u>	<u>Qty. (M.Tons)</u>	
A.R.B-3	SHA-2	13.35	158,450
STD	HA-2	17.14	152,482
RLN – 2A	LADDLE	11.25	85,222
71- 0525	MD-1	18.25	128,025
S/A	MD-2	13.73	85,108
STD	MD-2	9.24	63,214
Runner Bricks		7.27	44,125
Laddle		9.68	50,036
STD, (C.F) L.F.B		5.43	18,476
		<b>105.34</b>	<b>785,138</b>
<b>4.03 Finished Goods</b>			
<u>Items</u>	<u>Qty. (M.Tons)</u>		
Hydrometric Cone Equivalent SK-24	108.75	858,280	1,132,584
Hydrometric Cone Equivalent SK-26	116.83	1,089,834	1,354,682
Hydrometric Cone Equivalent SK-27	109.54	578,410	642,100
Hydrometric Cone Equivalent SK-28	82.75	796,424	932,548
Hydrometric Cone Equivalent SK-30	70.87	835,124	854,740
Hydrometric Cone Equivalent SK-32	49.93	268,562	256,821



# SAVAR REFRACTORIES LTD



For the year  
ended June  
30, 2018

For the year  
ended June  
30, 2017

		Taka	Taka
Hydrometric Cone Equivalent SK-33	61.51	286,550	304,294
Hydrometric Cone Equivalent SK-34	58.73	325,466	314,967
Hydrometric Cone Equivalent SK-36	34.98	409,785	521,690
Ladle	19.84	365,247	357,349
STD, I.B	65.72	215,460	198,340
Runner Bricks	79.47	325,468	358,627
Light Fire Bricks	93.56	614,255	598,241
Others	55.58	343,682	470,371
	<b>1,008.06</b>	<b>7,312,547</b>	<b>8,297,354</b>

## 5.00 Trade debtors

Anwar Ispath	332,558	522,969
Al-Abbas Enterprice	92,875	-
Bangla Millars Ltd (RFL)	183,600	183,600
Salam Steel Con-Cast Re-Rolling Mills Ltd.	16,950	144,182
Hamja Chemical Ind.	-	44,027
Salam Steel Re-Rolling Mills Ltd.	-	144,182
S.R Traders	45,794	-
Khurshed Metal Ind. Ltd.	7,693	62,145
Shakura Steel Mills Ltd.	-	235,609
Shahriar Steel Mills Ltd.	172,230	172,230
Modern Erection	84,885	-
Munnu Ceramic Ind. Ltd.	254,369	266,844
S.S. Steel Mills Ltd.	255,719	684,613
Square Drawing Formicate	-	-
Rahim Steel Mills Ltd	82,225	80,850
Rani Steel Mills (Pvt.) Ltd.	104,260	287,050
Bashundhra Steel Mills Ltd.	44,180	44,180
Chakda Re-Rolling Steel Mills Ltd.	-	-
Argus Metal (Pvt.) Ltd	173,000	575,339
Confidence Steel/Electric Ind. Ltd	319,247	228,394
Standard Ceramic Ind. Ltd.	-	-
Bandor Steel Mills Ltd	188,877	240,677
Nabila & Brothers	91,835	59,035
	<b>2,450,297</b>	<b>3,975,926</b>

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

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

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

5.04 No amount was due by the associate undertakings.

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

## 5.06 Receivable aging

Over 30 days due	2,135,874	3,275,334
Over but less than 90 days due	33,263	446,282
Over 90 days	281,160	254,310
	<b>2,450,297</b>	<b>3,975,926</b>



## SAVAR REFRACTORIES LTD



	For the year ended June 30, 2018	For the year ended June 30, 2017
	Taka	Taka
<b>6.00 Advance, Deposite &amp; Prepayments</b>		
Advance against Salary	48,524	53,214
Advance against goods supply	15,118,875	14,719
Earnest Money & Security Deposit	234,624	234,624
Advance Income Tax (AIT) 6.05	2,893,283	1,680,581
	<b>18,295,306</b>	<b>1,983,138</b>
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 realiseable when the service from them are discontinued.		
6.03 All advance, deposit & prepayment are considered good and recoverable within due course.		
<b>6.04 Maturity Analysis</b>		
Adjustable/Realisable within one year	234,624	234,624
Adjustable/Realisable after one year	18,060,682	1,748,514
	<b>18,295,306</b>	<b>1,983,138</b>
<b>6.05 Advance Income Tax (AIT)</b>		
Opening Balance	1,680,581	1,395,581
Addition During the year	1,212,702	452,770
Adjustment/settled during the year	-	(167,770)
Closing Balance	<b>2,893,283</b>	<b>1,680,581</b>
The tax assessment for the year 1995-1996 is pending with honorable high court.		
<b>7.00 Cash &amp; Cash equivalents</b>		
<b>7.01 Cash-in-hand</b>		
Head Office	906,798	290,495
Factory	205,771	347,325
Chittagong Branch	672	912
Petty Cash with Head Office	1,403	1,579
	<b>1,114,644</b>	<b>640,311</b>
<b>7.02 Cash at Banks</b>		
C.D A/c – 284 Janata Bank (Savar)	614,290	286,286
„ „ 4751/33001125, Janata Bank (Dhaka)	664,727	478,699
„ „ 3864, Janata Bank (Chittagong)	970,418	838,901
	<b>2,249,435</b>	<b>1,603,886</b>
<b>Total Cash &amp; cash equivalents</b>	<b>3,364,079</b>	<b>2,244,197</b>
The physical cash counting was taken place at the year end.		
All the Bank balances have been reconciled and found in order.		



## SAVAR REFRACTORIES LTD



For the year  
ended June  
30, 2018

For the year  
ended June  
30, 2017

Taka Taka

### 8.00 Working capital loan

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

CC (Hypo) A/c No. 35/37000511	26,025,738	23,414,120
	<u>26,025,738</u>	<u>23,414,120</u>

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

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

Approved facility	6 Crore
Tenor	1 year from sanction
Rate of Interest	13%
Security	Factory Land & Building and Stock.

### 9.00 Loan & Advance

Loan from Directors	675,000	575,000
Advance against Sales	26,775,525	17,810,438
Workers & Employees P. F.	2,770,364	2,425,433
	<u>30,220,889</u>	<u>20,810,871</u>

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

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

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

### 10.00 Accounts payable

Abdus Salam (Carrying)	318,354	112,725
Akbar Engineering Works	989,563	387,952
Amgasia Enterprise	213,012	177,374
Bashundhara Timber Mart	168,420	153,886
M/s. Hossain & Co.	435,247	116,257
Shimul Art Press	296,452	179,841
M/s. Tutul Traders	985,125	276,731
M/s. S.M Enterprise	136,584	154,225
M/s. Bonik Bitan	221,450	1,035
Anowar Hossain Enterprise	112,574	83,805
Kaligonj Traders	134,850	136,784
M/s. Ashok Agarwala	94,284	83,247
M/s. Rashid Enterprise	183,472	163,861
Shahin Enterprise	135,487	116,487
Meri Traders	198,740	186,376
M/s. Sonali Agency	745,720	583,263
M/s. Pioneer Refractories & Tiles	1,415,949	1,548,463
M/s. Master Traders	426,752	386,936
M/s. Mita Traders	314,500	31,208
M/s. Titas Banijjik Protisthan	2,598,251	3,475,246
Khaled Enterprise	458,276	187,542
Khan Business Consortium	267,843	224,841



## SAVAR REFRACTORIES LTD



	For the year ended June 30, 2018	For the year ended June 30, 2017
	<u>Taka</u>	<u>Taka</u>
Lucky Enterprise	1,233,214	875,687
Nazmul Enterprise	1,140,540	813,014
Others	358,745	165,136
	<u>13,583,404</u>	<u>10,621,922</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	484,548	440,499
Telephone & Trunk-call Charges	32,145	27,364
Gas Charges	727,197	649,043
Electric Charges	314,348	145,718
Office Rent	18,500	18,500
Audit Fees	115,000	100,000
Income Tax Consultant Fees	10,000	10,000
AIT & VAT deducted at source	729,882	-
	<u>2,431,620</u>	<u>1,391,124</u>

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

### 12.00 Other liabilities

Mrs. Lutful Tahmina Khan	217,062	211,062
Shafia Tasnim Khan	145,765	139,765
Mrs. Nilufa Akhter	12,000	6,000
Safi Modassar Khan	405,566	405,566
Labours Security	-	-
Share Application money (Un-claim 12.01	2,000	2,000
	<u>782,393</u>	<u>764,393</u>

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

### 13.00 Workers profit participation fund

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

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

### 14.00 Provision for income tax

Opening balance	724,796	543,340
Provision for the year	336,608	243,948
Prior year under provision	-	105,277
Adjustment during the year	-	(167,770)
Closing balance	<u>1,061,405</u>	<u>724,796</u>

Note: 14.01



## SAVAR REFRACTORIES LTD



	For the year ended June 30, 2018	For the year ended June 30, 2017
	Taka	Taka
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	243,948	243,948
Tax provision for 2017/18	336,608	-
	<b>1,061,405</b>	<b>724,796</b>

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

### 15.00 Deferred Tax

Deferred Tax has been calculated based on 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 Bangladesh Accounting Standard (BAS)-12 "Income Taxes"

Carrying value of asset of accounting base	41,650,296	40,541,037
Tax base	22,939,840	22,958,047
Temporary difference	18,710,456	17,582,990
Tax rate	25.00%	25.00%
Closing balance	<b>4,677,614</b>	<b>4,395,748</b>
Deferred tax expenses/(income) during the year	281,867	(1,311,555)

### 16.00 Share Capital

i) Authorized Capital :30,00,00,000		
30,000,000 Ordinary Shares of Tk.10/- each	<u>300,000,000</u>	<u>300,000,000</u>
ii) Issued, Subscribed & Paid-up Capital :		
Sponsors: 705830 Ordinary shares of Tk.10/- each	7,058,300	7,058,300
Public: 686970 Ordinary shares of Tk.10/- each	<u>6,869,700</u>	<u>6,869,700</u>
	<b>13,928,000</b>	<b>13,928,000</b>

#### Composition of shareholding:

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

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	%
1,368	Less than & 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 %
<b>1,372</b>		<b>1,392,800</b>	<b>100.00 %</b>



# SAVAR REFRACTORIES LTD



For the year ended June 30, 2018      For the year ended June 30, 2017

Taka      Taka

## 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>

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

## 18.00 Sales Revenue

Name of the product	Qty (M.Tons)		
Refractory Items (Own Product)	3,910.88	52,891,464	36,508,533
Sales of Imported Finished goods	50.00	3,209,942	4,149,510
	<u>3,960.88</u>	<u>56,101,406</u>	<u>40,658,043</u>

## 19.00 Cost of goods sold

	Qty (M.Tons)		
Opening Stock	1,224.60	8,297,354	7,814,637
Add: Cost of Production (19.01)	3,694.34	42,027,382	30,222,404
	<u>4,918.94</u>	<u>50,324,736</u>	<u>38,037,041</u>
Less: Closing Stock	(1,008.06)	(7,312,547)	(8,297,354)
	<u>3,910.88</u>	<u>43,012,189</u>	<u>29,739,687</u>
Add: Purchase of Finished product (19.04)	50.00	2,507,021	3,516,534
	<u>3,960.88</u>	<u>45,519,211</u>	<u>33,256,221</u>

## 19.01 Cost of production

	Qty (M.Tons)		
Raw Material Consumed (19.02)	3,690.47	16,298,178	12,079,477
Direct Labour	-	3,751,946	2,162,369
Factory Overhead (19.03)	-	21,715,313	16,244,052
Insurance Premium	-	182,160	91,080
	<u>3,690.47</u>	<u>41,947,597</u>	<u>30,576,978</u>
Add : Opening Work-in-process	109.21	864,923	510,349
	<u>3,799.68</u>	<u>42,812,520</u>	<u>31,087,327</u>
Less : Closing Work-in-process	(105.34)	(785,138)	(864,923)
Total Cost of production	<u>3,694.34</u>	<u>42,027,382</u>	<u>30,222,404</u>



# SAVAR REFRACTORIES LTD



For the year  
ended June  
30, 2018

For the year  
ended June  
30, 2017

## 19.02 Raw Material Consumed

	Taka	Taka
<b>Qty (M.Tons)</b>		
Opening Stock	405.24	3,221,497
Add : Purchase this year [19.02(I)]	4,063.30	15,142,426
	4,468.54	18,363,923
Less : Closing Stock	(778.07)	(2,065,745)
	<b>3,690.47</b>	<b>16,298,178</b>
		<b>12,079,477</b>

## 19.02 Statement of Raw Materials Purchased

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

#### Name of materials

i) Aluminium Ors Concentrates  
(Bauxite)

#### Qty (M.Tons)

	-	-	-
	75.00	1,737,765	5,148,131
	<b>75.00</b>	<b>1,737,765</b>	<b>5,148,131</b>

### (b) Local :

i) Mymensingh Clay Grade-1  
ii) Mymensingh Clay Grade-2  
iii) Grog  
iv) White Clay (Sylhet)  
v) Black Clay  
vi) Sager  
vii) Feldspar  
viii) Refractories Binder  
ix) White Cement  
x) Alumina Cement  
xi) Plastic Clay

#### Qty (M.Tons)

	918.07	2,578,789	1,880,858
	1,007.20	2,266,217	1,457,201
	949.72	4,748,620	2,235,710
	568.60	1,420,965	1,054,237
	492.31	984,620	862,360
	-	-	148,627
	-	-	168,464
	27.23	443,610	152,350
	19.50	536,410	427,689
	5.67	425,430	303,385
	-	-	157,364
	<b>3,988.30</b>	<b>13,404,661</b>	<b>8,848,245</b>

### Total purchased

<b>4,063.30</b>	<b>15,142,426</b>	<b>13,996,376</b>
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## 19.03 Factory Overhead

Factory Salary & Wages	2,916,546	2,205,237
Festival Bonus	532,500	-
Gas Charges	4,485,663	3,857,992
Electric Charges	2,176,966	2,179,843
Material Handling Cost	436,420	-
Lubricants	865,508	643,672
Quality Control Exp	426,975	-
Mould Expenses	285,813	123,875
Carriage Inward	230,673	153,782
Safety & Environmental Exp.	572,706	-
Repairs & Maintenance	1,052,178	1,034,785
Clearing, Forwarding & Others	916,045	877,363
Security Gard Expense	565,000	-
Other Factory Expenses	1,573,536	1,223,576
Laboratory Expenses	179,926	53,284
Research and Development Exp.	488,425	-
Medical Expenses	207,539	48,359
Depreciation	3,802,895	3,842,284
	<b>21,715,313</b>	<b>16,244,052</b>



# SAVAR REFRATORIES LTD



For the year  
ended June  
30, 2018

For the year  
ended June  
30, 2017

## 19.04 Purchase of finished product

	Quity (M.Tons)	Taka	Taka
Refractory & allied Materials (Imported)	50.00	2,507,021	2,132,233
Procurement of Finished goods (Local)		-	1,384,301
	<b>50.00</b>	<b>2,507,021</b>	<b>3,516,534</b>

## 20.00 Administrative & Marketing expense

Salary & Allowances		2,582,502	2,152,484
Directors remuneration	22.00	396,000	396,000
Board meeting fee	22.00	18,000	18,000
Festival Bonus		399,766	333,138
T. A. & Conveyance		357,045	253,756
Entertainment		198,878	88,484
Printing & Stationery		118,168	76,367
Postage & Telegram		45,264	16,342
Telephone, Mobile & Trunk-call Charges		255,538	169,230
Electric Charges		271,440	334,719
Overseas Travels		561,014	-
Office Rent		222,000	222,000
Repairs & Maintenance		195,410	118,836
Fuel		95,834	72,667
Packing Charges		196,670	79,238
Carriage outward		179,323	107,769
Advertisement		67,483	39,864
Donation & Subscription		3,491	2,885
A. G. M Expenses		-	89,327
Fees & Fines		11,588	14,850
Other benefit for directors	22.00	134,000	134,000
Miscellaneous Expenses		4,920	4,278
Paper & Periodicals		11,975	9,176
Tender Document Purchases		46,203	21,238
Medical Expenses		95,265	64,762
Business Development		965,681	-
Rates & Taxes		11,721	11,580
Income Tax Consultant Fees		50,000	10,000
Enlistment Fees (D.S.E)		59,850	50,000
Uniform & Costume		66,017	13,237
Water Charges		39,515	31,867
Audit fee	23.00	115,000	100,000
Depreciation		268,215	197,305
		<b>8,043,773</b>	<b>5,233,399</b>

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.	3,184,429	3,354,351
Bank Charges	48,926	19,584
	<b>3,233,355</b>	<b>3,373,935</b>



## SAVAR REFRACTORIES LTD



For the year  
ended June  
30, 2018

For the year  
ended June  
30, 2017

Taka Taka

### 22.00 Directors Remuneration

#### a) Mrs. Lutful Tahmina Khan, Chairperson:

i) Remuneration

180,000 180,000  
180,000 180,000

#### c) Mr. Safi Modassar Khan, Managing Director:

i) Remuneration

216,000 216,000

#### ii) Other Allowances:

House Rent

116,000 116,000

Entertainment

18,000 18,000

350,000 350,000

Total remuneration

530,000 530,000

#### d) Board meeting fees: Tk.18,000

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

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

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

### 23.00 AUDITORS' REMUNERATION

115,000 100,000

Auditor's Remuneration includes only audit fees as fixed by the shareholders in the 35 th Annual General Meeting of the Company.

### 24.00 Production Capacity

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

	2018		2017	
	In M. Tons	Percentage	In M. Ton	Percentage
Installed Capacity	6,400.00	100.00%	6,400.00	100.00%
Actual Production	3,694.34	57.72%	2,939.48	45.93%
Shortfall	2,705.66	42.28%	3,460.52	54.07%

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.



## SAVAR REFRACTORIES LTD



For the year ended June 30, 2018      For the year ended June 30, 2017

Taka      Taka

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

Name	Relationship	Nature of Tran.	Transaction		Closing outstanding	
			Dr. (-)	Cr. (+)	2018	2017
Mrs. Lutful Tahmina Khan	Chairman	Remuneration	180,000	180,000	217,062	217,062
Mr. Safi Modassar Khan	MD	Remuneration	350,000	350,000	405,566	405,566
Mrs. Shafia Tasnim Khan	Director	Loan & Meeting Fee	-	6,000	145,765	139,765
Mrs. Nilufa Akhter	Director	Meeting Fee	-	6,000	12,000	6,000
Mrs. Lutful Tahmina Khan	Chairman	Loan		25,000	350,000	325,000
Mr. Safi Modassar Khan	MD	Loan		75,000	325,000	250,000
Total			530,000	642,000	1,455,393	1,343,393

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

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

### 26.00 Basic Earning Per Share (EPS)

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

Earnings attributable to Ordinary Shareholder	(1,313,408)	(243,182)
Weighted average numbers of shares outstanding during the year 2017-2018	1,392,800	1,392,800
	(0.94)	(0.17)

### 27.00 Net Asset Value Per Share (NAV)

Net Asset Value Per Share (NAV) :

Total Asset - Total Laibilities	7,195,958	8,509,366
No. of ordinary share	1,392,800	1,392,800
	5.17	6.11

### 28.00 Net operating cash flow per share (NOCFPS)

Net operating cash flow per share :

Net cash generated/(used) in operation	4,154,383	6,329,932
No. of ordinary share	1,392,800	1,392,800
	2.98	4.54

### 29.00 Event after reporting period

The Board of Directors of Savar Refractories Ltd. has approved the financial statements as on October 30, 2018 and recommended ..0..% cash and ..0..% stock dividend for the financial year June 30, 2018. 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.



## SAVAR REFRATORIES LTD



	For the year ended June 30, 2018	For the year ended June 30, 2017
	Taka	Taka
<b>30.00 Reconciliation between Net profit to Net operating cash flow</b>		
Profit/(loss) before tax	(694,933)	
Finance cost	3,233,355	
Operating profit	<b>2,538,422</b>	
<b>Adjustment:</b>		
Depreciation	4,071,110	
<b>Changes in Working capital:</b>		
(Increase)/Decrease of inventory	2,234,749	
(Increase)/Decrease of Trade debt	1,525,629	
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	(15,099,466)	
Increase/(Decrease) of Accounts payable	2,961,482	
Increase/(Decrease) of Advance against sales	8,965,087	
Increase/(Decrease) of Liability for expenses	1,040,496	
Increase/(Decrease) of Other payable	18,000	
Increase/(Decrease) of PF balance	344,931	
	<b>8,600,440</b>	
Interest paid	(3,233,355)	
Tax paid	(1,212,702)	
	<b>4,154,383</b>	

### 31.00 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 30-06-2018.
- During the year, there was six Nos of Board Meeting.
- 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: -

	Value	%
a) Imported Raw-materials for production	1,737,765	9.85 %
b) Imported Raw-materials for trading	2,507,021	14.20 %
c) Local Raw-materials	13,404,661	75.95 %
d) Procurement of Finished goods (Local & Technical service)	0	0.00 %
	<b>17,649,448</b>	<b>100.00 %</b>

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

	BDT	USD
a) Imported Raw-materials for production	1,737,765	20,475.00
b) Imported Finished goods for trading	2,507,021	29,539.00
	<b>4,244,787</b>	<b>50,014.00</b>

- 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.
- There is a sum of Tk. 4,920/- as miscellaneous expenses in Accounts.
- Category of Employees:
  - Drawing salary up to Tk.8,000 per month = 28 Persons
  - Drawing salary above Tk.10,00 per month = 12 Persons



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Revenue  
Stamp  
Tk. 20.00

## PROXY FORM

Of.....being a shareholder of Savar Refractories Limited do hereby appoint

Mr./Ms. ....

as my/our proxy, to attend and vote for me/us on my/our behalf at the 36<sup>th</sup> Annual General Meeting (AGM) of the Company to be held virtually by using Digital Platform through the link <https://savar-ref36.bdvirtualagm.com> on **Saturday, 18 February, 2023 at 11:30 AM** any adjournment thereof.

In witness my hand this ..... day of ..... 2023.

(Signature of the Member)

No. of Share Held

Note:

Member's BO/ Folio No.

Signature of the Shareholder should agree with the Specimen Signature registered with the Company.

(Signature of the Proxy)

**Note:**

Proxy can be given only to the person who is a member (Shareholder) of the Company. The Proxy Form should reach the Company not later than 24 hours before the time fixed for the meeting.