

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 : 14th 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 (3rd 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, (1st 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, (1st 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.

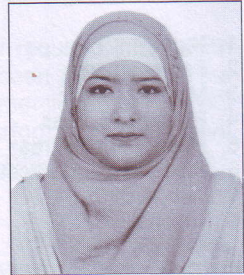


Nature of expertise: Mr. Safi Muddaser Khan has been included in the board of Savar Refractories Ltd. as a capacity of director. He always participates in board meeting and shares his views and knowledge towards the company. Based on his outstanding performance, the board has decided to promote Mr. Khan 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, (1st 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 the expiry of his retirement 5 years from the company. He is contributing a 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 chose the teaching profession at the end of his academic education. He has experience to pursue his career in teaching profession in various colleges. During the tenor of teaching profession, he did become professor, he retired from the position as principal of Tejgaon College, Dhaka. Mr. Rashid is very active in social work. He was a senate member and syndicate member of national university committee; he is serving as chairman of governing body of Sher-E-Bangla national college, 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. Religion : 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 35th to 40th 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



38th AGM

Annual Reports Financial Year : 2019-2020

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SAVAR REFRACTORIES LTD

Notice of the 38th 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 38th Annual General Meeting (AGM) (pending AGM for the year 2021) of the Company will now be held on Saturday, February 18, 2023 at 1.30 PM 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, 2020 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, 2020;
3. To elect/re-elect Director(s) as per Articles of Association of the company;
4. To confirm the appointment of Statuary Auditor for the year ended June 30, 2021 and their remuneration;
5. To appoint the Corporate Governance compliance auditor for the year ended June 30, 2021 and to fix 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 19, 2020. 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 38th 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/ 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 2019-2020 sent to e-mail address of the Shareholders and also available in the Company's Website at: 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-ref38.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.



Directors' Report (2019-20)

Industry outlook:

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. Details 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.

**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	
		2019-20	2018-19
1	Revenue	3,79,78,689	5,58,70,026
2	Cost of Goods Sold	2,96,52,651	4,44,01,252
3	Gross Profit (GP)	83,26,038	1,14,68,774
4	Net Profit/(Loss) after Tax	(16,17,570)	(15,71,360)
5	GP Margin	21.93%	20.53%
6	Net profit/(loss) margin	(4.26%)	(2.81%)

Cost of Goods Sold:

This year's cost of goods sold was BDT 2,96,52,651 as compared to last year's cost of goods sold of BDT 4,44,01,252. This is due to decrease in gross turnover, and the shortage of raw materials cost of goods sold has been reduced by 33.22%.

Gross Profit:

The company has achieved turnover of Tk. 3,79,78,689 during the year ended 30th June 2020. Last year's turnover was Tk. 5,58,70,026. The turnover is decrease by 32.02% over the last year. Gross profit earned during the year was Tk. 83,26,038 as against last year's gross profit of Tk. 1,14,68,774 This is due to decrease in gross turnover.

Net Profit/(Loss):

Net loss after tax during the year was increased to Tk. (16,17,570) as compared to last year's Net loss after tax of Tk. (15,71,360) due to decrease of revenue.

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 off/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	Particulary	Amount in Bangladesh Taka			
		Q-1 (19-20)	Q-2(19-20)	Q-3(19-20)	Q-4/Year(19-20)
1	Revenue	1,05,61,590	88,55,920	1,02,06,416	83,54,763
2	Gross Profit	22,08,744	18,50,002	20,41,303	22,25,989
3	Net profit before tax	(2,30,631)	(3,08,574)	(1,49,558)	2,44,241
4	Net profit after tax	(2,94,174)	(3,76,729)	(2,29,355)	(7,17,312)

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	Mrs. LutfulTahmina Khan	Chairperson	240,000/-	0/-
02	Safi Mudasser Khan	Managing Director	500,000/-	0/-
03	Miss ShafiaTasnim Khan	Director	300,000/-	0/-
04	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, are 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.

**Protection of minority shareholder's interest:**

The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders. The Board of Directors shall always act in a manner that will be in the best interest of the Company and shareholders. In all respect, we make inform all the stakeholders, including minority shareholders, through publishing PSI in company's website or inform DSE, BSEC and paper advertising on timely basis.

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 boards 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 2019-20. 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.

Discussion regarding past trend of financial result:

The company has achieved turnover of Tk. 3,79,78,689 during the year ended 30th June 2020. Last year's turnover was Tk. 5,58,70,026. The decrease turnover by 32.02% over the last year. Gross profit earned during the year was Tk. 83,26,038 as against last year's gross profit of Tk. 1,14,68,774.

On the other hand, The net loss after tax slightly has been increased to Tk. (16,17,570) as compared to last year's Net loss after tax of Tk. (15,71,360). The company's results were not materially deviated from previous year.

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

SL	Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
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	5,00,38,688	5,14,24,038	5,23,89,790	5,07,14,781	5,01,30,856
5	Turnover	3,79,78,689	5,58,70,026	5,61,01,406	4,06,58,043	3,48,72,286
6	COGS	2,96,52,651	4,44,01,252	4,55,19,211	3,32,56,221	2,83,30,468
7	Gross Profit	83,26,038	1,14,68,774	1,05,82,195	74,01,822	65,41,818
7	Net Profit/(Loss) after Tax	(16,17,570)	(15,71,360)	(13,13,408)	(2,43,182)	(27,51,982)
8	EPS	(1.16)	(1.13)	(0.94)	(0.17)	(1.98)

Non-declaration of dividend (bonus/stock/cash) either annual or interim:

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
Mrs. LutfulTahmina Khan	Chairperson	6	6
Safi Mudasser Khan	Managing Director	6	6
Miss ShafiaTasnim Khan	Director	6	6
Abu Taher	Independent Director	6	6
Nilufar Akhter	Independent Director	6	6

**The pattern of shareholding:**

Particulars	Designation/ Status	Number of share		Percentage
		2019-20	2018-19	
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. LutfulTahmina Khan	Sponsor, Chairperson	131,970	131,970	9.48%
Asaduzzaman Khan	Sponsor	287,060	287,060	20.61%
Safi Modassir Khan	Managing Director	139,130	139,130	9.99%
ShafiaTasnim 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%
SyedaNajninAkter	Sponsor	2,040	2,040	0.15%
SyedaMahraz Sultana	Sponsor	2,040	2,040	0.15%
Md. Belayet Hossain Khan	CFO	-	-	0.00%
	Executives	Nil	Nil	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:

Mr. Safi Muddaser Khan and Mrs. Nilufar Akhter (Independent Director) are retiring from the Board in terms of the Articles of Association of the Company and being eligible offer themselves for re-election and elected by the board and are expected to confirm by shareholders in company's 38th AGM in February 18, 2023.

Management Response on Statutory Auditors' Report to the Shareholders of Savar Refractories Ltd:**Statutory Auditors' Qualified Opinion 1:**

The company did not call AGM since financial year 2016-2017. AS Such, neither the company's financial statements were approved by shareholders through ordinary resolution, nor auditors' appointment for the year June 30, 2017, June 30, 2018, June 30, 2019 nor June 30, 2020 was confirmed by the company's shareholders. However, the board of directors has given their consent to approve the financial statements for the year June 30, 2017, June 30, 2018, June 30, 2019 and June 30, 2020 in the company's board meeting. The board of directors have filled up the casual vacancy of statutory auditors by appointing current auditors for the financial year 2019-2020 in the company's 310th board meeting held on June 11, 2020 even though the current auditors has completed his consecutive three years statutory auditor. The Securities Law and DSE listing regulation, 2015 requires to changes the statutory auditor after exceeding consecutive three years.

Management Response: Due to financial crisis and subsequent covid effect, the company, unable to held AGM for the financial year June 30, 2020. 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.

Statutory Auditors' Qualified Opinion 2:

The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been suffering from running operation losses & subsequent net loss since 2013-14 recurring losses from operations poor current ratio (stood 0.38:1) and deficiency of production capacity by 54.40% 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.



Statutory Auditors' Qualified Opinion 3:

As per labor act 2006, sec-234, the company must have to pay WPPF liability within 09 months form the accounting year end. The company is carrying forward WPPF liability of taka 729,503 at the year.

Management Response: Due to financial difficulty, the company unable to pay the WPPF. However, the management is considering for paying out these liabilities.

Statutory Auditors' Qualified Opinion 4:

The advance income taxes of the company included of Tk. 2,477,158 which has previously been adjusted with prior year(s) tax liability, but still it is being carried as advance income tax asset. If such AIT is written off, then NAV of the company will be reduced by that amount and disclosed NAV per share would be Tk. 1.10 instead of current disclosed NAV per share of Tk.2.88.

Management Response: Management has written off the advance tax in the accounting year June 30, 2022.

Compliance with the Code of Corporate Governance issued by BSEC:

The company is very keen to comply the entire 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.

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



MANAGEMENT'S DISCUSSION & ANALYSIS

Pursuant to the Corporate Governance Code 2018 [Condition # 1 (5) (xxvi)] of the Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June, 2020 has been depicted hereunder:

1. Accounting Policies and Estimation for preparation of Financial Statements:

Savar Refractories Ltd 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, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable rules and regulations. Detail of the accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the policy notes of the financial statements.

2. Changes in Accounting Policies and Estimation:

The accounting policies and estimations are applied consistently basis with the previous financial years and the financial statements are adequately described the nature of changes, reference IASs/IFRSs, impact in prior period, nature accounting treatment and so on, if there have any changes in the accounting policies or estimation in a particular financial year.

3. Comparative analysis of the company's performance over the years:

Key operating and financial data over last five years:

SL	Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
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 – WDV	5,00,38,688	5,14,24,038	5,23,89,790	5,07,14,781	5,01,30,856
5	Turnover	3,79,78,689	5,58,70,028	5,61,01,406	4,06,58,043	3,48,72,286
6	Cost of Goods Sold	2,96,52,651	4,44,01,252	4,55,19,211	3,32,56,221	2,83,30,488
7	Gross Profit	83,26,038	1,14,68,774	1,05,82,195	74,01,822	65,41,818
8	Net Profit/(Loss) after Tax	(16,17,570)	(15,71,350)	(13,13,408)	(2,43,182)	(27,51,982)
10	Gross profit margin	21.93%	20.53%	18.86%	18.21%	18.76%
11	Net profit margin	-4.26%	-2.81%	-2.34%	-0.60%	-7.89%
15	EPS	(1.16)	(1.13)	(0.94)	(0.17)	(1.98)
16	Production Capacity Utilization	45.60%	48.58%	57.72%	45.93%	32.07%

In all the years described above, the company is made net loss. This is mostly due to non-achieving sufficient sales revenue. The company had just able to utilize the production capacity from 32% to 60%. As a result, the company unable to achieve sufficient gross profit to absorb the non-production overhead and financial expenses for the concerned year. The underutilization of production capacity was vary from 40% to 68%. This is mainly due to frequent power failure, shortage of skilled labour, other input and other various reason.

4. Comparative analysis with peer industry scenario

Due to shortage published information management was not able to perform Comparative analysis with peer industry.

5. Financial and Economic Scenario of Bangladesh and the Globe (in brief):

Bangladesh continues to be a country with strong macroeconomic fundamentals reflected in GDP growth in excess of 3.45% in 2019-20, a 4.46% decrease from 2018-19. The per capita national income reached USD 2,340 in FY2019-20 from USD 1,891 a year earlier. The average inflation rate stood at 5.58 percent with moderate food inflation.

The economic slowdown is likely to intensify in 2020 with the Covid-19 pandemic now having a significant economic impact too, with initial signs being highly concerning.

6. Risks and Concerns Issues related to the financial statements:

The company design and implement a robust system of internal control to ensure that truthiness and financial reporting on timely basis. The board of directors is ultimate responsible for such internal control and truthiness and fairness of the financial reporting so that the reader can get message form the company in all respect including financial and non-financial on timely basis.

7. Future plan or projection or forecast

The refractories industry in Bangladesh is reached mature and it is very niche market. The competition of refractories business in Bangladesh was further intensify due to shortage of materials, frequent failure of power supply, e.g. gas, electricity, and cheap supply from abroad especially India and china. Due to technology changes, the company lost competitiveness. To cope with technology changes, the company needs to huge investment in terms machine, land, manpower and others, which may not be, in our study, worthwhile due to cheap sources supply from India and China. As such, the industry may not able to return into profitability in near future.

Best wishes


Saifuddin Khan
Managing Director



MD & CFO's Declaration to the Board of Directors

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2020.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) Imposed vide the Commission's Notification No.: BSEC/CMRRCD/2008-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1989, we do hereby declare that:

1. The Financial Statements of Savar Refractories Ltd for the year ended on June 30, 2022 have been prepared in compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), and any departure there from has been adequately disclosed;
2. The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

7.
In this regard, we also certify that -

- i) We have reviewed the financial statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- 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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Safi Muddaser Khan
Managing Director

Md. Beayet Hossain Khan
Chief Financial Officer (CFO)



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 2019- 2020, 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	Nature of directorship	Designation in the committee	Number of Meeting held	Attended
01	Nilufar Akhter	Independent Director	Chairman	04	04
02	ShafiaTasnim Khan	Director	Member	04	04
03	Md. Abu Taher	Independent Director	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, financial reporting process and principles adopted by the management.
- ❖ Monitor the internal control, compliance process 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.
- ❖ Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption
- ❖ Review the Management's Discussion and Analysis before disclosing in the Annual Report
- ❖ Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors

Other than this committee 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:

1.1 Internal Control

In 2019-20, 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.

1.2 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, 2020 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.

1.3 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.

1.4 Review the management report and internal audit report

The management report made by the external auditors for the year 2019-20 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.

Nilufar Akhter

Nilufar Akhter
Chairman, Audit Committee



Report of Nomination and Remuneration Committee to the shareholders:

Dear Shareholders,

The Nomination and Remuneration Committee of **Savar Refractories Ltd** is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives.

During the year 2019- 2020, one meeting was held; the details of attendance of each member at the NRC meetings are as follows:

SL	Name of the Members	Designation	No. of Meeting held	Attended
01	Nilufar Akhter	Chairman	01	01
02	Abu Taher	Member	01	01
03	Shafia Tasnim Khan	Member	01	01

Major Responsibilities and Activates of the NRC Committee:

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

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- Formulating the criteria for evaluation of performance of independent directors and the Board;
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- Developing, recommending and reviewing annually the company's human resources and training policies;

Appointment Criteria and qualifications:

The Committee shall identify and determine the qualification, expertise, integrity and experience of the person for appointment as Director, senior management level, employees and recommend to the board and human resource department.

The NRC is responsible to ensure that the procedures for appointing of new Directors, senior managements level, and employees are transparent considering the age, gender, experience, ethnicity, educational background, nationality and other relevant person and so on.

Evaluation Process:

The committee shall carry out evaluation of performance of Independent Directors and the board. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports and information produced for consideration and relationship with Management. For evaluation criteria of top level executives and executives are formulated and monitored by the NRC committee and this evaluation is conducted by the company.

Remuneration Policy

A remuneration policy, also called compensation policy, is simply a payment plan that any type of organization will have and that mainly outlines how employees will get paid for working for the organization. However, due to poor financial condition, the company is unable to afford attractive remuneration package for key executives.

The Nomination and Remuneration Committee expressed of sincere thanks to the Chairman and Members of the Board and Management for their support in carrying out its duties and responsibilities.

Dated: Dhaka
18 October, 2020

On behalf of the Nomination and
Remuneration Committee

Nilufar Akhter
Nilufar Akhter
Chairman



ATA KHAN & CO.
Chartered Accountants
A PARTNERSHIP FIRM
.....since 1959

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

We have examined the compliance status to the Corporate Governance Code by **SAVAR REFRATORIES LIMITED** for the year ended on 30 June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except condition no. 1(2)(e); 1(3)(a); 1(3)(b)(i); 1(3)(b)(ii); 1(3)(b)(iii); 1(3)(b)(iv); 1(3)(b)(v); 1(3)(c); 1(4)(c); 1(7)(a); (7)(b); 5(2)(c); 5(2)(d); 5(5)(c); 5(5)(h); 6(1)(b); 6(1)(c); 6(5); 8(3); 9(2);
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Date: Dhaka,
05 February 2023




Maqbul Ahmed, FCA
Partner

For ATA KHAN & CO.
Chartered Accountants



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/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969). (Report-under Condition no. 9.00) is presented below:

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1	Board of directors:-			
	Size of the Board of Directors			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as Board) shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	✓		
1(2)(b)(i)	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)(b)(ii)	who is not sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family members also should not hold above mentioned shares in the company.	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Who does not have any other relationship, Whether pecuniary or otherwise, with the company or its subsidiary associated companies.	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		



**SAVAR REFRATORIES LTD****AKC** **ATA KHAN & CO.**
Chartered Accountants

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code.	✓		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies.	✓		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank financial institution (NBF1);	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1(2)(d)	the post of independent director(s) cannot remain vacant more than 90 (ninety) days	✓		There were no such casual vacancy.
1(2)(e)	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.		✓	
1(3)	Qualification of independent director :-			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business.		✓	
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of TK 100 million or any listed company or a member of any national or international chamber of commerce or business association, or		✓	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company, or		✓	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in Economics or Commerce or Business or Law, or		✓	





SAVAR REFRATORIES LTD

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Chartered Accountants

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law, or		✓	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification,		✓	
1(3)(c)	The independent director shall have at least 10 (ten) years of experience in any field mentioned in clause (b).		✓	
1(3)(d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		No such special case arose
1(4)	Duality of Chairman of the Board of Directors and Managing Director Chief Executive Officer (CEO)			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and or chief executive officer (CEO) of the company shall be filled by different individuals.	✓		
1(4)(b)	The Managing Director and or Chief Executive Officer of a listed company shall not hold the same position in another listed company.	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.		✓	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non executive directors as Chairperson for that particular Boards meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	N/A		
1(5)	The Directors Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry.	✓		
1(5)(ii)	The Segment-wise or product-wise performance.	✓		
1(5)(iii)	Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		
1(5)(iv)	A discussion on Cost of Good Sold, Gross Profit Margin and Net Profit Margin, where applicable.	✓		
1(5)(v)	A discussion on continuity of any extra ordinary activities and their implication (gains or loss).	N/A		





SAVAR REFRATORIES LTD

AKC ATA KHAN & CO.
Chartered Accountants

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(vi)	A detailed discussion on related party transaction along with a statement showing amount , nature of related party, nature of transactions and basis of transactions of all related party transactions.	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, right issues, and/or any other instruments.	N/A		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for initial public offering (IPO), Repeat public offering (RPO), Rights Share Offer, Direct Listing etc;	N/A		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements ;	N/A		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that 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)	A statement that Proper books of account of the issuer have been maintained ;	✓		
1(5)(xiii)	A statement that 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)	A statement that International accounting standards (IAS) or International Financial Reporting Standards (IFRS), 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)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer 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 reasons there of shall be disclosed.	✓		



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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(xviii)	An explanation that Significant deviations from that last years operating result of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Boards statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of board meetings held during the year and attendance by each director .	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or subsidiary or Associated companies and other related parties (name wise details).	N/A		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouse and minor children (name-wise detail)	✓		
1(5)(xxiii)(c)	Executives and;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise detail)	N/A		
1(5)(xxiv)	In case of the appointment/re-appointment of a director, a disclosure on the following information to the shareholders.			
1(5)(xxiv)(a)	A brief resume of the director	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		



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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explain such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meeting of the Board of Directors:- The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh(ICSB) in so far as those standards are not inconsistent with any condition of this code.	✓		
1(7)	Code of Conduct for the Chairperson , other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of the interest; compliance with Laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		✓	



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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
2	Governance of Board of Directors of Subsidiary company:-			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.	N/A		
2(b)	At least 1(one) independent director on the Board of the holding company shall be a director on the Board of the Subsidiary company;	N/A		
2(c)	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		
2(d)	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		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer(CFO), Head of internal Audit and Compliance(HIAC) and company Secretary(CS);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer(CFO), Head of internal Audit and Compliance(HIAC) and company Secretary(CS) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	Thr Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the commission and stock exchange(s)	N/A		During the year no such removal occurred in the company.
3(2)	Requirement to attend Board of Directors Meeting The MD or CEO,CS,CFO and HIAC shall attend the meeting of the board	✓		





Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall clearly certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	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	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	✓		
4	Board of Directors' Committee.-			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5	Audit Committee.			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience		✓	





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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee		✓	
5(2)(e)	The company secretary shall act as the secretary of the Committee	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	N/A		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	✓		
5(5)(b)	monitor choice of accounting policies and principles	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report		✓	
5(5)(d)	oversee hiring and performance of external auditors;	✓		



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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
5(5)(h)	review the adequacy of internal audit function		✓	
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(ii)	The audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests	N/A		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	N/A		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	N/A		No such situation arose during the year





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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(6)(b)	<p>Reporting to the Authorities</p> <p>If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.</p>	N/A		
5(7)	<p>Reporting to the shareholders and General Investors</p> <p>Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.</p>	N/A		
6	Nomination and Remuneration Committee (NRC):			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive		✓	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		✓	
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		



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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	N/A		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	N/A		
6(2)(g)	The company secretary shall act as the secretary of the Committee	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		It is expected that it will be comply in next AGM
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		





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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		✓	
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		✓	
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		✓	
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		✓	
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality		✓	
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		✓	
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board		✓	
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		✓	
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies		✓	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	
7	External or Statutory Auditors.			
7(1)	Issuer Company shall not engage its external auditors to perform the following			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		



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Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).		✓	
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.		✓	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		





SAVAR REFRACTORIES LTD



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

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

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Independent Auditor's Report To the Shareholders of Savar Refractories Ltd. Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Savar Refractories Ltd.** which comprise the financial position as at June 30, 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, except the effect described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, of the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Security and Exchange Rules 1987 and other applicable law and regulations.

Basis for Qualified Opinion

1. The company did not call AGM since financial year 2016-2017. AS Such, neither the company's financial statements were approved by shareholders through ordinary resolution, nor auditors' appointment for the year June 30, 2017, June 30, 2018, June 30, 2019 nor June 30, 2020 was confirmed by the company's shareholders. However, the board of directors has given their consent to approve the financial statements for the year June 30, 2017, June 30, 2018, June 30, 2019 and June 30, 2020 in the company's board meeting. The board of directors have filled up the casual vacancy of statutory auditors by appointing current auditors for the financial year 2019-2020 in the company's 310th board meeting held on June 11, 2020 even though the current auditors has completed his consecutive three years statutory auditor. The Securities Law and DSE listing regulation, 2015 requires to changes the statutory auditor after exceeding consecutive three years.
2. The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been suffering from running operation losses & subsequent net loss since 2013-14 recurring losses from operations poor current ratio (stood 0.38:1) and deficiency of production capacity by 54.40% that raise doubt about its ability to continue as going concern.
3. As per labor act 2006, sec-234, the company must have to pay WPPF liability within 09 months form the accounting year end. The company is carrying forward WPPF liability of taka 729,503 at the year.
4. The advance income taxes of the company included of Tk. 2,477,158 which has previously been adjusted with prior year(s) tax liability, but still it is being carried as advance income tax asset. If such AIT is written off, then NAV of the company will be reduced by that amount and disclosed NAV per share would be Tk. 1.10 instead of current disclosed NAV per share of Tk. 2.88.

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



We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Key Audit Matters

Risk	Our response
Revenue recognition	
<p>At the year ended, the company's reported total revenue of Tk. 37,978,689.</p> <p>Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. The revenue may overstated for the early recognition of revenue to achieve the desired result.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Policy of revenue recognition; • Issuance of VAT challan; • Segregation of duties in invoice creation and modification;and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • VAT is correctly dealt with; • Critically assessing manual journals posted to revenue to identify unusual or irregular items;and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
Please see the note 18 in this financial statements.	
Valuation of inventory	
<p>The balance of inventory of the Company at the year-end was Tk. 12,903,020 held in the company's warehouse.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisionsby:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results tothe inventory listings to test the completeness of data; • toreview the inventory costing procedures and methodology. • comparing the net realizable value, obtained through a detailed review of sales



Risk	Our response
	subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; <ul style="list-style-type: none"> • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year;and • Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.
Please see the note 4 in this financial statements.	
Measurement and recognition of deferred tax	
The balance of reported deferred tax liability of the company was Tk. 4,571,541 as on June 30, 2020.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax.
The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAs 12: Income Tax.	We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.
	We have also assessed the rate of deferred for each temporary difference.
	Also, we examined the accounting treatment of deferred tax.
Please see the note 15 in this financial statements.	

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
October 28, 2020


Malek Siddiqui Wali
Chartered Accountants



SAVAR REFRACTORIES LTD

SAVAR REFRACTORIES LIMITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020



Particulars	Notes	As at 30 June	As at 30 June
		2020	2019
		Taka	Taka
Assets:			
Non-current asset			
Property, Plant & Equipments	3.00	50,038,688	51,424,038
		<u>50,038,688</u>	<u>51,424,038</u>
Current assets			
Inventories	4.00	12,903,020	9,923,194
Trade Debtors	5.00	3,134,219	2,619,155
Advance, Deposits & Pre-payments	6.00	4,950,405	19,360,089
Cash & Cash equivalents	7.00	4,725,646	2,764,139
		<u>25,713,290</u>	<u>34,666,577</u>
Total Assets		<u>75,751,978</u>	<u>86,090,616</u>
Equity & Liabilities:			
Equity			
Share Capital	16.00	13,928,000	13,928,000
Reserve Accounts	17.00	2,094,434	2,094,434
Retained Earning/(Loss)		(12,015,406)	(10,397,836)
		<u>4,007,028</u>	<u>5,624,598</u>
Non-current liabilities			
Deferred Tax	15.00	4,571,541	4,840,331
		<u>4,571,541</u>	<u>4,840,331</u>
Current Liabilities			
Working Capital Loan – Janata Bank	8.00	28,430,077	30,645,673
Loans & Advances	9.00	20,236,644	24,046,861
Accounts payable	10.00	10,050,498	12,552,395
Liability for expenses	11.00	1,930,575	2,313,917
Other liabilities	12.00	4,691,404	3,997,521
Workers Profit Participation Fund	13.00	729,503	729,503
Provision For Taxation	14.00	946,054	1,181,163
Unclaimed Dividend		158,654	158,654
		<u>67,173,409</u>	<u>75,625,687</u>
Total Equity & Liabilities		<u>75,751,978</u>	<u>86,090,616</u>
Net Asset Value (NAV) per share	29.00	2.88	4.04

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

The financial statements were approved by the Board of directors on 28 October 2020 and were signed on its behalf by:

 Chief Financial Officer
  Director
  Managing Director
  Chairperson

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

Dated: Dhaka
28 October 2020


 Marek Siddiqui Wali
 Chartered Accountants



SAVAR REFRACTORIES LTD

SAVAR REFRACTORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020



Particulars	Notes	For the year	For the year
		ended June 30, 2020	ended June 30, 2019
		Taka	Taka
Sales Revenue	18	37,978,689	55,870,026
Cost of goods sold	20	(29,652,651)	(44,401,252)
Gross profit		8,326,038	11,468,774
Other income	19	149,999	
Administrative & Marketing Expenses	21	(6,337,484)	(9,240,412)
Financial Expenses	22	(2,583,075)	(3,064,478)
Operating profit/Loss		(444,522)	(836,116)
Provision for WPPF		-	-
Profit/(Loss) before tax		(444,522)	(836,116)
Income tax expenses			
Prior year Tax under provision		(1,027,073)	(237,307)
Provision for Income tax	23	(414,765)	(335,220)
Deferred Tax movement		268,791	(162,717)
Profit/(Loss) after tax		(1,617,570)	(1,571,360)
Earning Per Share (EPS)	28	(1.16)	(1.13)

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

The financial statements were approved by the Board of directors on 28 October 2020 and were signed on its behalf by:


Chief Financial Officer


Director


Managing Director


Chairperson

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

Dated: Dhaka
28 October 2020


Mahek Siddiqui Wali
Chartered Accountants

**SAVAR REFRACTORIES LTD****SAVAR REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020**

Particulars	Share Capital	Reserve	Retained earning	Total
Opening balance	13,928,000	2,094,434	(10,397,836)	5,624,598
Profit/(loss) for the year	-	-	(1,617,570)	(1,617,570)
Closing balance	13,928,000	2,094,434	(12,015,406)	4,007,028

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

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

The financial statements were approved by the Board of directors on 28 October 2020 and were signed on its behalf by:


Chief Financial Officer


Director


Managing Director


Chairperson

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

Dated: Dhaka
28 October 2020


Matek Siddiqui Wali
Chartered Accountants



SAVAR REFRATORIES LTD

**SAVAR REFRATORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**



Notes	For the year	For the year
	ended June 30, 2020	ended June 30, 2019
	Taka	Taka
Cash Flows From Operating Activities:		
Collection from sale and other income	33,903,408	52,397,504
Payments against purchases, supplies, employees & others	(23,383,488)	(50,558,170)
Finance Cost paid	(2,583,075)	(3,064,478)
Tax paid	(1,007,837)	(705,752)
Net cash generated/(used) in operation	6,929,008	(1,930,896)
Cash Flows From Investment Activities:		
Acquisition of Property, Plant & Equipment	(2,651,905)	(3,188,979)
Disposal of Property, plant & Equipment	150,000	-
Net cash generated/(used) in investing activity	(2,501,905)	(3,188,979)
Cash flows From Financing Activities:		
Working capital Received/(Repaid)	(2,215,596)	4,619,935
Directors' loan received	(250,000)	(100,000)
Net cash generated/(used) financing activity	(2,465,596)	4,519,935
Net Cash Inflow / (Outflow)/for the period	1,961,507	(599,940)
Cash & Bank balance at opening	2,764,139	3,364,079
Cash & Bank balance at closing	4,725,646	2,764,139
Net operating cash flow per share (NOCFPS)	30	4.97
		(1.39)

The financial statements were approved by the Board of directors on 28 October 2020 and were signed on its behalf by:

 Chief Financial Officer
  Director
  Managing Director
  Chairperson

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

Dated: Dhaka
28 October 2020


 Malek Siddiqui Wali
 Chartered Accountants



SAVAR REFRACTORIES LTD

Savar Refractories Ltd.
Notes to the Accounts
For the year ended June 30, 2020



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, 2020.

2.02 Recognition of Property, Plant and Equipment

2.02.01 Property, Plant and Equipment are recognized, when and only when the necessary recognitions criteria set out in applicable accounting standards in Bangladesh are met, means it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located if any.

Gains and losses on disposal of an item of property, plant and equipment are taken into account in face of Income Statement by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. When revalued assets are sold, the relevant amount included in the revaluation reserve is transferred to retained earnings.



Depreciation is charged using reducing balance method. The following rate was used while calculating the depreciation.

Item	Rate
Land & Land Development	0%
Factory Building	5%
Plant & Machinery	10%
Klin Construction	10% to 20%
Motor Vehicles	15%
Furniture & Fixture	15%
Equipments	15%

2.03 Intangible Asset

Intangible assets are recognized in accordance with IAS 38 Intangible asset and depreciated using straight line method.

2.04 Current Assets

The company has recognized current assets when:

- It expects to realize the assets or intends to sell or consume it, in its normal operating cycle.
- It holds the asset primarily for the purpose of trading.
- It expects to realize asset within twelve months after the reporting period.

All other assets are classified as non-current asset.

2.05 Inventory Valuation

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

2.06 Turnover and Sales Revenue

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

2.07 Lease

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

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

The company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or



contains a lease at 1 January 2019. Instead, the company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The IFRS 16 requires to recognise the present value of minimum lease payment under the lease agreement as asset and Liability namely "Right to Use of Asset" and "Lease Liability" respectively. The Right to Use of Asset is added by the balance of advance payment at initial application of IFRS 16, which was July 01, 2019. However, IFRS 16 also allows the company to recognise the lease payment as expenses in respect of short term lease agreement. The company has just one lease arrangement which has fallen in second category. As such, lease (rental) payment was recognised as expenses in the Profit or Loss statement, when they incurred, for short term (temporary) lease and low value lease agreement.

2.08 Foreign Currencies Transactions

The functional and presentation currency is Bangladeshi Taka. And foreign currency transactions are converted into Bangladeshi TAKA at the exchange rate ruling on the date of transaction and the yearend balance are converted into Bangladeshi TAKA at the exchange rate ruling on the date of Balance Sheet as per IAS 21 "*The effects of changes in Foreign Currency Rates*".

2.09 Earnings Per Share (EPS)

Basic EPS

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

2.10 Taxation

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

2.11 Cash and Cash Equivalents

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

2.12 Reporting currency

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

2.13 Reporting Period

Financial Statement of the company covers one calendar year from July 1, 2019 to June 30, 2020.

2.14 Comparative Information

Comparative information have been disclosed in respect of the year ended June 30, 2020 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.



2.15 Components of Financial Statements

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

- a) Statement of Financial Position as at June 30, 2020.
- b) Statement of Comprehensive Income for the year ended June 30, 2020.
- c) Cash Flow Statement for the year ended June 30, 2020.
- d) Statement of Changes in Equity for the year ended June 30, 2020.
- e) Accounting Policies and Notes to the Financial Statements for the year ended June 30, 2020.



SAVAR REFRATORIES LTD



	For the year ended June 30, 2020	For the year ended June 30, 2019
	Taka	Taka
3.00 Property Plant & Equipment Assets (Annexure A)		
Cost Value of Assets :	115,642,024	112,453,045
Add : Addition during the year	2,651,905	3,188,979
Less: Adjustment during the year	(795,000)	-
Closing balance	117,498,929	115,642,024
Accumulated Depreciation :		
Opening balance	64,217,986	60,063,255
Add : Addition during the year	4,037,254	4,154,731
Less: Adjustment during the year	(794,999)	-
Closing balance	67,460,241	64,217,986
Written Down Value	50,038,688	51,424,038

3.01 Please see the annexure A for more details.

4.00 Inventory

	Qty. (M.Tons)	Qty. (M.Tons)		
a) Spare Parts	-	-	69,341	213,254
b) Raw Materials (4.01)	594.57	536.59	3,766,553	1,823,717
c) Work-in-process (4.02)	71.74	82.52	704,354	615,725
d) Finished goods (4.03)	868.69	1,167.13	8,362,772	7,270,498
			12,903,020	9,923,194

- a) Physical counting of the stock was carried out by inventory counting team.
b) Inventory at June 30, 2020 are valued at lower of average cost and net realizable value.
c) The inventories are pledged as security for working capital loan from Janata Bank.

4.01 Raw Materials

Items	Qty. (M.Tons)	Qty. (M.Tons)		
a. Imported:				
i) Aluminium Ors & Concentrates (Bauxite)	71.42	14.42	1,768,418	443,717
ii) Indian Clay	120.00	0.00	762,974	-
	191.42	14.42	2,531,392	443,717
b. Local:				
i. Mymensingh Clay Grade-1	19.30	83.83	90,160	251,485
ii. Mymensingh Clay Grade-2	19.32	88.64	85,766	210,542
iii. Grog, Grade-1	115.16	55.62	430,875	222,485
v. Grog, Grade-2	65.83	82.56	162,188	208,195
vi. White Clay (Sylhet)	169.23	169.23	220,000	220,000
vii. Black Clays	9.41	37.51	51,981	75,023
viii. Portland Cement	1.37	1.25	21,942	20,020
ix. Alumina Cement	1.84	1.84	138,000	138,000
vii. Others	1.69	1.69	34,250	34,250
	403.15	522.17	1,235,181	1,380,000
Total	594.57	536.59	3,766,553	1,823,717

4.02 Work-in-Process

Name of items	Quality	Qty. (M.Tons)	Qty. (M.Tons)		
A.R.B-3	SHA	11.42	9.76	110,250	115,842
STD	HA	24.02	12.08	225,429	107,525
RLN - 2A	LADDLE	-	10	-	75,427
71-0525	MD	6.25	14.89	85,285	104,520
S/A	RD	-	12	-	74,714
STD	SD	3.02	9.08	35,125	62,124
Runner/Pipe/Centre/Funnel Bricks		27.03	6.33	248,265	38,452
Laddle		-	5	-	25,105
STD, (C.F) L.F.B		-	4	-	12,016
		71.74	82.52	704,354	615,725



SAVAR REFRATORIES LTD



For the year ended June 30, 2020 For the year ended June 30, 2019

4.03 Finished Goods

Items	Qty. (M.Tons)	Qty. (M.Tons)		
Hydrometric Cone Equivalent SK-24 (SRL/RD)	-	99	-	784,204
Hydrometric Cone Equivalent SK-26 (SRL/MD)	131.24	109.93	393,732	1,025,478
Hydrometric Cone Equivalent SK-27 (SRL/MHD)	-	93	-	490,445
Hydrometric Cone Equivalent SK-28	-	96	-	775,640
Hydrometric Cone Equivalent SK-29 (SRL/SD)	49.88	0.00	251,530	-
Hydrometric Cone Equivalent SK-30 (SRL/SHD)	-	77	-	787,510
Hydrometric Cone Equivalent SK-32 (SRL/HA)	150.72	71.49	1,236,092	384,562
Hydrometric Cone Equivalent SK-33 (SRL/SHA)	143.84	61.08	1,315,996	284,570
Hydrometric Cone Equivalent SK-34 (SRL/SHA-2)	-	59	-	328,430
Hydrometric Cone Equivalent SK-36 (SRL/SHA-1)	64.76	74.29	812,812	577,510
Hydrometric Cone Equivalent SK-37 (SRL/Super-65)	33.90	0.00	589,372	-
Laddle & STD, I.B	25.48	143.84	637,000	576,533
Runner/Pipe/Centre/Funnel Bricks	102.00	153.80	1,846,846	425,148
Light Fire Bricks (Tali)	158.10	89.14	983,166	585,264
Others (Fire Cement, Castable (S-65, AH-90), Ram Mas)	8.77	39.65	296,226	245,204
	868.69	1,167.13	8,362,772	7,270,498

5.00 Trade debtors

Anwar Ispath		550,807	379,482
Al-Abbas Enterprice		171,720	164,580
Bangla Millars Ltd (RFL)		191,100	191,100
Salam Steel Con-Cast Re-Rolling Mills Ltd.		383,220	346,115
Diamond Steel Product (Pvt.) Ltd.		-	439,740
BSRM Steel Mills Ltd.		145,632	143,930
S.R Traders		146,320	46,320
Arman Chemical Industries Ltd.		64,000	-
Modern Erection		120,435	-
Munnu Ceramic Ind. Ltd.		458,469	358,514
Aman Cement Industries Ltd.		14,400	-
Sonargaon Steel Re-Rolling Mills Ltd		400	-
Rani Steel Mills (Pvt.) Ltd.		97,285	124,885
Bashundhra Steel Mills Ltd.		44,180	-
Chakda Re-Rolling Steel Mills Ltd.		5,820	5,820
Argus Metal (Pvt.) Ltd		33,000	33,000
Confidence Steel/Electric Ind. Ltd		378,054	296,792
Bandor Steel Mills Ltd		329,377	88,877
		3,134,219	2,619,155

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

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

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

5.04 No amount was due by the associate undertakings.

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

5.06 Receivable aging

Invoiced at 30 days	927,545	924,540
Invoiced above 30 but less than 60 days	1,682,988	1,257,802
Invoiced above 60 but less than 90 days	523,686	436,813
Invoiced above 180 but less than 365 days	-	-
Invoiced over 365 days	-	-
	3,134,219	2,619,155

6.00 Advance, Deposite & Prepayments

Advance against Salary		53,250	65,225
Advance against goods supply		524,554	15,441,254
Balance with VAT current account		595,463	472,720
Earnest Money & Security Deposit		1,299,980	234,624
Advance Income Tax (AIT)	Note	6.06	3,146,266
		4,950,405	19,360,089



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- 6.01 Advance against Salary are realizing regularly through the monthly salary bill. All advances to staff are Secured against the personal security of the respective staff.
- 6.02 Security Deposit are made to statutory Authorities, Titas Gas Transmission & Distribution Co Ltd and are realisable when the service from them are discontinued.
- 6.03 All advance, deposit & prepayment are considered good and recoverable within due course.
- 6.04 No amount due by directors or associated undertakings.

6.05 Maturity Analysis

Adjustable/Realisable within one year	1,299,980	234,624
Adjustable/Realisable after one year	<u>3,650,425</u>	<u>19,125,465</u>
	<u>4,950,405</u>	<u>19,360,089</u>

6.06 Advance Income Tax (AIT)

Opening Balance	3,146,266	2,893,283
Addition During the year	1,007,837	705,752
Adjustment/settled during the year	<u>(1,676,945)</u>	<u>(452,769)</u>
Closing Balance	<u>2,477,158</u>	<u>3,146,266</u>

7.00 Cash & Cash equivalents

7.01 Cash-in-hand

Head Office	557,169	1,046,019
Factory	218,538	418,866
Chittagong Branch	3,825	4,025
Petty Cash with Head Office	<u>2,009</u>	<u>1,766</u>
	<u>781,541</u>	<u>1,470,676</u>

7.02 Cash at Banks

C.D A/c – 2840 Janata Bank (Savar)	205,125	913,542
.. .. 4751/33001125, Janata Bank (Dhaka)	3,735,079	362,883
.. .. 38645, Janata Bank (Chittagong)	<u>3,901</u>	<u>17,038</u>
	<u>3,944,105</u>	<u>1,293,463</u>

Total Cash & cash equivalents

<u>4,725,646</u>	<u>2,764,139</u>
-------------------------	-------------------------

- 7.02.01 The physical cash counting was taken place at the year end.
- 7.02.02 All the Bank balances have been reconciled and found in order.
- 7.02.03 The cash and cash equivalent does not include any bank balance that maintain in foreign currency.

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	<u>28,430,077</u>	<u>30,645,673</u>
	<u>28,430,077</u>	<u>30,645,673</u>

Apart from the above cash credit, the Company has availed no other credit facilities.
The company is utilizing Cash Credit loan facility from Janata Bank Ltd. with following terms:

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

9.00 Loans & Advances

Loan from Directors	325,000	575,000
Advance against Sales	<u>19,911,644</u>	<u>23,471,861</u>
	<u>20,236,644</u>	<u>24,046,861</u>

- 9.01 Interest free temporary loan received from Mrs. Lutful Tahmina Khan, Chairperson amounting to Tk.2,00,000/- & Mr. Safi Modassir Khan, Director amounting to Tk. 1.25,000/-.
- 9.02 Money received from buyers/dealer against sale that has regularly been adjusted.



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	For the year ended June 30, 2020	For the year ended June 30, 2019
10.00 Accounts payable		
Abdus Salam (Carrying)	305,275	275,850
Akbar Engineering Works	625,410	875,146
Amgasia Enterprise	225,015	213,012
Bashundhara Timber Mart	198,524	228,205
M/s. Hossain & Co.	325,470	521,457
Shimul Art Press	287,256	325,415
M/s. Tutul Traders	528,420	862,420
M/s. S.M Enterprise	342,510	325,154
M/s. Bonik Bitan	213,254	287,550
Anowar Hossain Enterprise	168,425	221,453
Kaligonj Traders	112,050	134,850
M/s. Ashok Agarwala	85,240	94,284
M/s. Rashid Enterprise	210,247	232,451
Shahin Enterprise	125,472	135,487
Meri Traders	185,625	198,740
M/s. Sonali Agency	297,254	402,545
M/s. Pioneer Refractories & Tiles	1,350,893	1,492,510
M/s. Master Traders	305,327	375,126
M/s. Mita Traders	286,204	312,050
M/s. Titas Banijik Protisthan	2,038,466	1,825,746
Khaled Enterprise	345,281	375,412
Khan Business Consortium	245,284	267,843
Lucky Enterprise	434,228	1,234,447
Nazmul Enterprise	524,218	1,024,567
Others	285,150	310,675
	10,050,498	12,552,395
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	685,290	625,145
Telephone & Trunk-call Charges	28,514	28,514
Gas Charges	258,642	669,667
Electric Charges	243,313	367,209
Office Rent	18,500	18,500
Audit Fees	115,000	115,000
Income Tax Consultant Fees	10,000	10,000
AIT & VAT deducted at source	571,316	479,882
	1,930,575	2,313,917
12.00 Other liabilities		
Mrs. Lutful Tahmina Khan	201,062	217,062
Shafia Tasnim Khan	145,765	145,765
Mrs. Nilufa Akhter	-	12,000
Safi Modassar Khan	-	405,566
Share Application money (Un-claim) 12.01	2,000	2,000
Workers & Employees P. F.	4,342,577	3,215,128
	4,691,404	3,997,521
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	-	-
	729,503	729,503
Less: This year Paid	-	-
Balance for this year	729,503	729,503
13.01 Based on the profitability the company made provision at a 5% on the basis of company's. profit.		



	For the year ended June 30, 2020	For the year ended June 30, 2019
14.00 Provision for income tax		
Opening balance	1,181,163	1,061,405
Provision for the year	414,765	335,220
Prior year under provision (unpaid)	196,069	28,486
Adjustment during the year	(845,943)	(243,948)
Closing balance	<u>946,054</u>	<u>1,181,163</u>
Note: 14.01		
14.01 Year wise breakup of "Provision for Income Tax"		
Tax for 2011/12	-	341,973
Tax for 2012/13	-	49,714
Tax provision for 2014/15	-	47,035
Tax provision for 2015/16	-	42,125
Tax provision for 2016/17	-	28,486
Tax provision for 2017/18	196,069	336,608
Tax provision for 2018/19	335,220	335,220
Tax provision for 2019/20	414,765	-
	<u>946,054</u>	<u>1,181,161</u>

0.01 As per Income Tax ordinance provision for taxation has been provided @ 0.60% on gross received during this year as taxable profit for this year is negative which is minimum tax as per para 82(c) of ITO 1984.

15.00 Deferred Tax

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

Carrying value of asset except land at accounting base	39,299,194	40,684,544
Tax base	<u>21,013,033</u>	<u>21,323,219</u>
Temporary difference	18,286,161	19,361,325
Tax rate	25.00%	25.00%
Closing balance	<u>4,571,541</u>	<u>4,840,331</u>

Deferred tax expenses/(income) during the year (268,791) 162,717
For the prudency purposes, the company did not recognise deferred tax arising on unused tax losses.

16.00 Share Capital

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

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>
	<u>13,928,000</u>	<u>13,928,000</u>

Composition of shareholding:

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

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

Number of share holders	Holdings	Total Holdings	Total Holdings	Percentages (%)
1,628	Less than & equal 50,000 shares	705,400	705,400	50.65 %
3	50,001 shares to 150,000 shares	400,340	400,340	28.74 %
1	250,001 shares to 350,000 shares	287,060	287,060	20.61 %
<u>1,632</u>		<u>1,392,800</u>	<u>1,392,800</u>	<u>100.00 %</u>



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16.01 Detailed year wise break-up of share issue

Date of Allotment	Description	No. of Shares	Face Value	Amount	Basis of Allotment
1st on 29/10/1984	Cash issue	33,500	100	3,350,000	Banking Channel
During Incorporation					
2nd on 11/09/1987	Cash issue	11,500	100	1,150,000	"
3rd on 05/12/1988	Cash issue	45,000	100	4,500,000	"
4th on 18/05/1991	Right issue	24,640	100	2,464,000	"
5th on 30/09/1992	Right issue	24,640	100	2,464,000	"
Total		139,280		13,928,000	

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

17.00 Reserve

Opening Balance	2,094,434	2,094,434
Addition during the year	-	-
Closing balance	2,094,434	2,094,434

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)	(M.Tons)		
Refractory Items (Own Product)	3,154.97	3,074.29	33,590,764	49,920,964
Sales of Imported Finished goods	61.87	92.58	4,387,925	5,949,062
	3,216.84	3,166.87	37,978,689	55,870,026

During the year, the company has sold low value items more and sales value per ton has also been decreased. As such average sale value per metric ton was decreased during the year in compare with last year

19.00 Other Income

Cost of Asset (Generator)	795,000	-
Less: Accumulated depreciation at disposal date	(794,999)	-
WDV	1	-
Value of Part exchange	150,000	-
Gain on Disposal	149,999	-

20.00 Cost of goods sold

	Qty			
	(M.Tons)	(M.Tons)		
Opening finished Stock	1,167.13	1,224.60	7,270,498	7,312,547
Add: Cost of Production (20.01)	2,918.40	3,109.39	30,744,925	44,359,203
	4,085.53	4,333.99	38,015,423	51,671,750
Less: Closing finished Stock	(868.69)	(1,167.13)	(8,362,772)	(7,270,498)
	3,216.84	3,166.86	29,652,651	44,401,252

20.01 Cost of production

	Qty			
	(M.Tons)	(M.Tons)		
Raw Material Consumed (20.02)	2,907.62	3,086.57	10,444,540	16,291,768
Direct Labour	-	-	3,825,484	4,823,547
Factory Overhead (20.03)	-	-	16,381,370	22,892,315
Insurance Premium	-	-	182,160	182,160
	2,907.62	3,086.57	30,833,554	44,189,790
Add: Opening Work-in-process	82.52	105.34	615,725	785,138
	2,990.14	3,191.91	31,449,279	44,974,928
Less: Closing Work-in-process	(71.74)	(82.52)	(704,354)	(615,725)
Total Cost of production	2,918.40	3,109.39	30,744,925	44,359,203



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For the year ended June 30, 2020 For the year ended June 30, 2019

20.02 Raw Material Consumed

	<u>Qty</u> <u>(M.Tons)</u>	<u>Qty</u> <u>(M.Tons)</u>		
Opening Stock	536.59	778.07	1,823,717	2,065,745
Add: Purchase this year [20.02.1]	2,925.60	2,748.09	11,077,160	11,173,460
Add: Purchase of Finished product	40.00	97.00	1,310,216	4,876,280
	3,502.19	3,623.16	14,211,093	18,115,485
Less: Closing Stock	(594.57)	(536.59)	(3,766,553)	(1,823,717)
	2,907.62	3,086.57	10,444,540	16,291,768

20.02.1 Statement of Raw Materials Purchased

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

<u>Name of materials</u>	<u>Qty</u> <u>(M.Tons)</u>	<u>Qty</u> <u>(M.Tons)</u>		
i) Aluminium Ors Concentrates (Bauxite)	163.00	95.00	4,485,504	2,164,460
ii) Indian Clay	120.00	0.00	762,974	-
	283.00	95.00	5,248,478	2,164,460

<u>(b) Local :</u>	<u>Qty</u> <u>(M.Tons)</u>	<u>Qty</u> <u>(M.Tons)</u>		
i) Mymensingh Clay, Grade-1	120.00	580.00	300,000	1,740,000
ii) Mymensingh Clay, Grade-2	640.00	702.00	1,152,000	1,755,000
iii) Grog, Grade-1	570.00	494.00	1,995,000	1,976,000
iv) Grog, Grade-2	660.60	585.00	1,816,650	1,755,000
v) Black Clay	650.00	241.61	533,000	426,600
vi) Portland Cement	2.00	-	32,032	425,145
vii) White Cement	-	26.57	-	585,475
viii) Alumina Cement	-	23.91	-	345,780
	2,642.60	2,653.09	5,828,682	9,009,000
Total purchased	2,925.60	2,748.09	11,077,160	11,173,460

20.03 Factory Overhead

Factory Salary & Wages	2,702,388	3,442,373
Festival Bonus	662,500	687,500
Gas Charges	3,950,357	3,757,793
Electric Charges	2,415,305	2,148,834
Material Handling Cost	165,441	721,708
Lubricants	212,822	905,144
Quality Control Exp	121,722	667,210
Mould Expenses	89,296	325,105
Carriage Inward	86,004	252,364
Safety & Environmental Exp.	125,400	727,512
Repairs & Maintenance	475,221	1,125,570
Clearing, Forwarding & Others	265,220	945,214
Security Gard Expense	744,000	944,000
Other Factory Expenses	248,525	1,124,570
Laboratory Expenses	50,104	184,265
Research and Development Exp.	85,363	701,240
Medical Expenses	201,240	345,370
Depreciation (AnnexureA)	3,780,462	3,886,543
	16,381,370	22,892,315

21.00 Administrative & Marketing expense

	<u>Notes</u>	<u>Notes</u>		
Salary & Allowances			2,829,577	2,961,502
Directors remuneration	24.00	24.00	620,000	620,000
Board meeting fee	24.00	24.00	12,000	12,000
Other benefit for directors	24.00	24.00	420,000	420,000
Festival Bonus			184,766	524,766
T. A. & Conveyance			105,275	418,475
Entertainment			80,584	211,542
Printing & Stationery			32,842	125,487
Postage & Telegram			21,452	56,782
Telephone, Mobile & Trunk-call Charges			173,540	311,354
Electric Charges			225,244	282,450
Overseas Travels			-	686,420
Office Rent			222,000	222,000



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	For the year ended June 30, 2020	For the year ended June 30, 2019
Repairs & Maintenance	115,254	255,140
Fuel	64,250	97,514
Packing Charges	68,520	193,240
Carriage outward	82,140	177,652
Advertisement	55,240	75,240
Donation & Subscription	2,050	3,670
Fees & Fines	8,950	12,120
Miscellaneous Expenses	2,675	4,945
Paper & Periodicals	8,225	12,015
Tender Document Purchases	42,570	64,230
Medical Expenses	130,172	148,240
Business Development	245,205	729,178
Rates & Taxes	12,752	12,752
Income Tax Consultant Fees	50,000	50,000
Enlistment Fees (D.S.E)	59,850	59,850
Uniform & Costume	55,284	68,510
Water Charges	35,275	40,150
Audit fee	25 00	115,000
Depreciation (Annexure A)	256,792	268,188
	<u>6,337,484</u>	<u>9,240,412</u>

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

22.00 Financial Expenses

Interest on C.C. Loan from Janata Bank Farmgate Corp. Br.	2,512,094	3,005,153
Bank Charges	70,981	59,325
	<u>2,583,075</u>	<u>3,064,478</u>

23.00 Provision for Income tax Calculation

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

Tax on sales on which TDS applicable	194,393	-
Other sales @ 0.6%	167,872	-
On other income @ 35%	52,500	-
Total	<u>414,765</u>	-

23.01 Calculation of effective tax rate calculation

Particulars	Based Amount	Effective Tax Rate	30.06.2020	30.06.2019
Business Income	(594,521)	25%	(148,630)	
Other income	149,999	35%	52,500	-
	(444,522)	22%	(96,131)	
Deductable temporary difference		60%	(268,790)	
Prior Year adjustment		231%	(1,027,073)	
Effect of Minimum Tax		-109%	485,895	
		204%	(906,099)	-

24.00 Directors Remuneration

a) Mrs. Lutful Tahmina Khan, Chairperson:

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



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	For the year ended June 30, 2020	For the year ended June 30, 2019
b) Mr. Safi Modassar Khan, Managing Director:		
i) Remuneration	300,000	300,000
ii) Other Allowances:		
House Rent	150,000	150,000
Medical Allowance	25,000	25,000
Entertainment	25,000	25,000
	500,000	500,000
c) Mrs. Shafia Tasnim Khan, Director:		
i) Remuneration	180,000	180,000
ii) Other Allowances:		
House Rent	90,000	90,000
Medical Allowance	15,000	15,000
Entertainment	15,000	15,000
	300,000	300,000
Total remuneration	1,040,000	1,040,000

d) Board meeting fees: Tk. 12,000

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

Name	Designation	No of Board meeting held	Attended by concerned directors	Attended by concerned directors	Amount	Remarks
Mrs Nilufa Akhter	Ind. Director	6	6	6	6,000	
Miss Shafia Tasnim Khan	Director	6	0	0		
Mr. Abu Taher	Ind. Director	6	6	6	6,000	
		12	12	12	12,000	

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

25.00 AUDITORS' REMUNERATION

115,000 115,000

Auditor's Remuneration includes only audit fees as fixed by the shareholders. Both the appointment and fixation of remuneration of auditor was made by the board of directors in 310th meeting held on June 11, 2020, due to nonholding of AGM. The shareholders approval were not confirmed in AGM.

26.00 Production Capacity

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

	2020		2019	
	In M. Tons	Percentage	In M. Ton	Percentage
Installed Capacity	6400.00	100.00%	6,400.00	100.00%
Actual Production	2918.40	45.60%	3,109.39	48.58%
Shortfall	3481.60	54.40%	3,290.61	51.42%

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

27.00 Related Party Disclosure

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

Name	Relationship	Nature of Tran.	Transaction			Closing outstanding liability	
			Dr. (-)	Cr. (+)	Cr. (+)	2020	2019
Mrs. Lutful Tahmina Khan	Chairman	Loan	50,000	50,000	-	200,000	250,000
Mr. Safi Modassar Khan	MD	Loan	200,000	200,000	-	125,000	325,000
Mrs. Lutful Tahmina Khan	Chairman	Remuneration	50,000	16,000	-	201,062	217,062
Mrs. Nilufa Akhter	Ind. Director	Meting Free	-	12,000	-	-	12,000
Mr. Safi Modassar Khan	MD	Remuneration	200,000	405,566	-	-	405,566



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	Ind. Director	Remuneration	200,000	-	-	145,765	145,765
Shafia Tasnim Khan							
Mrs. Titas Banjrik Protishan	Under common management	Rent	222,000	222,000	(222,000)	18,500	18,500
Mrs. Titas Banjrik Protishan		Purchase	572,505	572,505	(359,785)	2,038,466	1,825,746
Total			1,494,505	1,478,071	(581,785)	2,728,793	3,199,639

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

28.00 Basic Earning Per Share (EPS) :

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

Earnings attributable to Ordinary Shareholder	(1,617,570)	(1,571,360)
Weighted average numbers of shares outstanding	1,392,800	1,392,800
Earning Per Share (EPS) -	(1.16)	(1.13)

28.01 Due to fallen of production capacity utilization, sales for the year and adverse effect of prior year tax under provision performance for the year and EPS has been detrioted during the year.

29.00 Net Asset Value Per Share (NAV) :

Net Asset Value Per Share (NAV) :

Total Asset - Total Liabilities	4,007,028	5,624,598
No. of ordinary share	1,392,800	1,392,800
Net Asset Value Per Share (NAV) -	2.88	4.04

29.01 Due to the adjustment of loss for the year.

30.00 Net operating cash flow per share (NOCFPS) :

Net operating cash flow per share :

Net cash generated/(used) in operation	6,929,008	(1,930,896)
No. of ordinary share	1,392,800	1,392,800
Net operating cash flow per share (NOCFPS) -	4.97	(1.39)

Due to significant decrease of advance against purchase the NOCF per share during the year has been increased.

31.00 Key management benefits:

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

	2020		2019	
	Directors	Executives	Directors	Executives
Remuneration	620,000	-	620,000	-
House rent	310,000	-	310,000	-
Medical Allowance	55,000	-	55,000	-
Entertainment	55,000	-	55,000	-
	1,040,000		1,040,000	
Total Number of Directors	5	0	5	0

32.00 Event after reporting period

The Board of Directors of Savar Refractories Ltd. has approved the financial statements as on October 28, 2020 and no dividend is recommended for the financial year June 30, 2020. Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statement or notes thereto.

33.00 Reconciliation between Net profit to Net operating cash flow

Profit/(loss) before tax	(444,522)	(836,116)
Gain on Disposal of Fixed Asset	(150,000)	-
Finance cost	2,583,075	3,064,478
Operating profit	1,988,552	2,228,362
Adjustment:		
Depreciation	4,037,254	4,154,731



SAVAR REFRATORIES LTD



For the year ended June 30, 2020

For the year ended June 30, 2019

Changes in Working capital:		
(Increase)/Decrease of inventory	(2,979,826)	444,511
(Increase)/Decrease of Trade debt	(515,064)	(168,858)
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	13,740,576	(811,800)
Increase/(Decrease) of Accounts payable	(2,501,897)	(1,031,009)
Increase/(Decrease) of Advance against sales	(3,560,217)	(3,303,664)
Increase/(Decrease) of Liability for expenses	(383,342)	(117,703)
Increase/(Decrease) of Other payable	693,883	-
Increase/(Decrease) of PF balance		444,764
	10,519,920	1,839,334
Interest paid	(2,583,075)	(3,064,478)
Tax paid	(1,007,837)	(705,752)
Net operating cash flow	6,929,008	(1,930,896)

34.00 Board Meeting fee

During the year 06 board meeting was held

35.00 Employees minimum pay:

- Drawing salary below Tk.8,000 per month = 00 Persons
- Drawing salary up to Tk.8,000 per month = 20 Persons
- Drawing salary above Tk.10,00 per month = 19 Persons

36.00 Contingent Liabilities :

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

37.00 Financial instrument and related disclosure

37.01 Financial risk management

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

37.02 Credit risk

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

37.03 Market risk

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

38.00 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 30-06-2020.
- Auditors are paid only statutory audit fee approved by the Shareholders in the last Annual General Meeting.



SAVAR REFRACTORIES LTD



For the year
ended June 30,
2020

For the year
ended June 30,
2019

- i) The Company earns no foreign currency.
j) There is no non-resident shareholder of the company.
k) There was no foreign exchange remitted to the relevant shareholders during the year under audit.
l) The value and percentage of consumption of imported local Raw Materials & stores are given below: -

	Value	%
a) Imported Raw-materials for production	5,248,478	42.37%
b) Imported Finished Goods for trading	1,310,216	10.58%
c) Local Raw-materials	5,828,682	47.05%
d) Procurement of Finished goods (Local & Technical service)		
	12,387,376	100.00%

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

	BDT	USD
1) Imported Raw-materials for production	5,248,478	63,602.50
2) Imported Finished goods for trading	1,310,216	15,866.90
	6,558,694	79,469.40

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



SAVAR REFRATORIES LIMITED
Property, Plant & Equipments
as at June 30, 2020

Annexure A

Name of Assets	COST			DEPRECIATION			Written down Value as at June 30, 2019
	Balance as at July 01, 2019	Addition during the year	Adjust/Sold during the year	Balance as at July 01, 2019	Charged during the year	Adjust/Sold during the year	
Land & Land Development	10,739,494	-	-	-	-	-	10,739,494
Factory Building	18,001,092	153,925	-	9,996,814	404,173	-	7,754,030
Kiln Construction	47,621,212	474,200	-	26,695,267	2,145,209	-	19,254,936
Plant & Machinery	26,821,287	1,785,910	795,000	18,531,183	933,609	794,999	9,142,404
Motor Vehicles	1,530,787	-	-	1,314,831	32,393	-	1,347,224
Furniture & Fixtures	2,809,284	62,000	-	2,025,060	126,191	-	2,151,251
Equipment	6,554,639	175,870	-	4,361,790	355,000	-	4,716,790
Tundish Board	1,564,229	-	-	1,293,041	40,678	-	1,333,719
Total Tk.	115,642,024	2,651,905	795,000	64,217,986	4,037,254	794,999	50,038,688

Depreciation Charged to:

Administrative Expenses
Cost of Goods Sold

256,792
3,780,462
Total 4,037,254

Depreciation on Kiln construction:

Depreciation on previous balance: Tk. (13,697,829-13,337,441) @ 20%
New construction: Tk. (33,923,383-13,357,827) @ 10%
Depreciation on addition during the year: @ 10% tk.

72,078
2,056,556
16,575
2,145,209



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



SAVAR REFRACTORIES LTD



Savar Refractories Ltd.

108, Airport Road (3rd Floor)
Tejgaon, Dhaka-1215
Phone: +88-02-58155615
E-mail: savar.ref@gmail.com, web: www.savar-ref.com

Revenue
Stamp
Tk. 20.00

PROXY FORM

I/We.....
.....

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

Mr./Ms.....

Of.....
.....

as my/our proxy, to attend and vote for me/us on my/our behalf at the 38th Annual General Meeting (AGM) of the Company to be held virtually by using Digital Platform through the link <https://savar-ref38.bdvirtualagm.com> on **Saturday, 18 February, 2023 at 1:30 PM** any adjournment thereof.

In witness my hand this day of2023.

(Signature of the Member)

No. of Share Held

Note:

Member's BO/ Folio No.

[Signature Box]									

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.