



ANNUAL REPORTS

**For The Financial
Year :**

2022-2023



SAVAR REFRACTORIES PLC

**41ST AGM****Annual Reports**
Financial Year: 2022-2023**Table of Contents**

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CORPORATE HISTORY

The development of refractory Industry in Bangladesh is linked with one name Savar Refractories PLC (SRPLC) was established in 1982 at Nayarhat, Savar, 40 Km from Dhaka, with a promise to introduce Refractories. SRPLC 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 SRPLC's guiding values.

Year of Incorporation	: 14 th August, 1982.
DSE Listing Date	: May, 1988.
Authorized Capital	: Tk. 30,00,00,000.
Paid-up Capital	: Tk. 1,39,28,000.
Number of Shares	: 13,92,800 Shares of TK. 10/- each.
Registered Office	: 108, Airport Road (3 rd 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. Professor Md. Abdur Rashid : Independent Director



Mr. Dr. Md. Harun or Rashid Biswas : Independent Director

CFO & Company Secretary (Acting) : Mr. Md. Belayet Hossain Khan
(From March 10, 2020 to till now)



BIO DATA OF ALL DIRECTORS

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 PLC.



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 PLC.



Nature of expertise: Mr. Safi Muddaser Khan has been included in the board of Savar Refractories PLC 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 SHAFIA TASNIM 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 PLC.



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 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 PLC. |



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

BIO DATA OF MR. DR. MD. HARUN-OR-RASHID BISWAS

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



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 41st 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 physical presence with the arrangement of digital platform.

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 plan of the board about the company should discuss with you all, in short.

In brief, I would like to inform you about the company's operational status 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 supply 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 directors of the company decided to delist the company from the Dhaka Stock Exchange and operate as non-listed 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, this is your safe exit.

The honourable shareholders of the company, except sponsors and directors' shareholdings, passed a special resolution in the company's 40th Annual general meeting regarding voluntary exit plan. Based on the above resolution, the company has applied to the honourable Chairman of the Bangladesh Securities and Exchanges Commission for voluntary delisting of the company from the DSE main board as per BSEC directive no. BSEC/CMRRCD/2020-379/17/Admin/114, dated: 28 December, 2020. The Commission has accorded the consent-in-principal for voluntary delisting vide letter no. BSEC/SMRIC/94-75/119 dated May 07, 2023. Subsequently, the company has made an agreement with the DSE for administering such voluntary delisting as per direction of BSEC directive no. BSEC/CMRRCD/2020-379/17/Admin/114 dated: 28 December, 2020 and the consent-in-principal letter of BSEC for voluntary delisting. As per terms and conditions of said agreement and BSEC directive, DSE has advertised such voluntary exit plan offer in daily news named: *দৈনিক যায় যায় দিন* and The Daily Sun, dated on: September 26, 2023 and deposited 100% amount of total estimated amount for consideration under exit plan. The details of such offer letter is also available in the company's and DSE website.

This is to further inform you that the majority in number of shareholders had already accept the offer of the voluntary delisting plan. The offer is still valid for availing. The board of directors has conveyed their sincere thanks to the honourable shareholders of the company, BSEC, DSE and others.

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. Thank you.

Lutful Tahmina Khan
Chairperson



NOTICE OF THE 41ST ANNUAL GENERAL MEETING

Notice is hereby given that the Board of Directors of Savar Refractories PLC have decided that 41st Annual General Meeting (AGM) of the Company will be held on Saturday, February 17, 2024 at 11.30 AM in Hybrid System, Venue at 108, Airport Road, 4th Floor, Tejgaon, Dhaka-1215 along with the arrangement of digital platform (the link: <https://savar-ref41.bdvirtualagm.com>), pursuant to BSEC letter no. BSEC/ICAD/SRIC/2024/318/09, dated: January 16, 2024 to transact the following business:

Agenda:

1. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2023 together with auditors' report and directors' report to the shareholders;
2. To approve no dividend recommended by the Board of Directors of the company for the year ended June 30, 2023;
3. To elect/re-elect Director(s) as per Articles of Association of the company;
4. To Re-appoint Mr. Safi Muddaser Khan as Managing Director for the next 5 years;
5. To appoint the Statutory Auditor for the year ended June 30, 2024 and to fix their remuneration;
6. To appoint the Corporate Governance compliance auditors for the year ended June 30, 2024 and to fix their remuneration.

By order of the Board of Directors

January 24, 2024

Md. Belayet Hossain Khan
Company Secretary (Acting)

Notes:

- i. As notified earlier the "Record Date" was fixed at November 21, 2023. 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 41st 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 100 revenue stamp must be sent through email to 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 2022-2023 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 can join the meeting either in physical presence at 108, Airport Road, 4th Floor, Tejgaon, Dhaka-1215 or remote attendance option in the meeting through the link: <https://savar-ref41.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 48 (Forty-eight) hours 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

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 SRPLC. 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. The borrowing interest rate for the company was static at 9% in recent past. It is expected that such borrowing rate shall be continued in foreseeable future. As such, the interest rate risk may not expose material risk in foreseeable future.

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. Moreover, the company's purchase in foreign currency is much lower than transactions in local currency.

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	
		2022-23	2021-22
1	Revenue	3,86,42,899	3,99,87,964
2	Cost of Goods Sold	3,20,56,973	3,37,43,111
3	Gross Profit (GP)	65,85,926	62,44,853
4	Net Profit/(Loss) after Tax	(67,70,030)	(1,30,50,339)
5	GP Margin	17.04%	15.62%
6	Net profit/(loss) margin	(17.52%)	(32.64%)

Cost of Goods Sold:

This year's cost of goods sold was BDT 3,20,56,973 as compared to last year's cost of goods sold of BDT 3,37,43,111. This is due to slightly decreased in gross turnover, underutilisation of production capacity, the shortage of raw materials and so on.

Gross Profit:

The company has achieved turnover of Tk. 3,86,42,899 during the year ended 30th June 2023. Last year's turnover was Tk. 3,99,87,964. The turnover is decreased by 3.48% over the last year, but gross profit margin was increased from 15.62% to 17.04% resultant the gross profit for the year 2023 was increased to Tk. 65,85,926 as against last year's gross profit of Tk. 62,44,853.

Net Profit/(Loss):

Net loss after tax during the year was decreased to Tk. (67,70,030) as compared to last year's Net loss after tax of Tk. (1,30,50,339). In the FY 2022, there was significant impairment loss, consequently, the company incurred more loss in the FY 2022 than current year.

Extra-Ordinary gain or loss:

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

Related party transactions:

The related party transactions of the company are consisted of remuneration and loan of/from directors. During the year, company has carry out some related party transactions, mentioned in note no. 27 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. 27 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	Particularly	Amount in Bangladesh Taka			
		Q-1 (22-23)	Q-2(22-23)	Q-3(22-23)	Q-4/Year(22-23)
1	Revenue	73,15,808	89,92,445	80,77,807	1,42,56,839
2	Gross Profit	13,04,391	17,48,987	15,76,429	19,56,119
3	Net profit before tax	(11,93,857)	(9,21,063)	(19,62,581)	(16,12,519)
4	Net profit after tax	(12,43,679)	(9,82,107)	(21,27,097)	(24,17,147)

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. Lutful Tahmina Khan	Chairperson	240,000/-	0/-
02	Safi Mudasser Khan	Managing Director	500,000/-	0/-
03	Shafia Tasnim Khan	Director	300,000/-	0/-
04	Nilufar Akhter	Retired from the board since last AGM.	0/-	4,000/-
05	Md. Abu Taher	Retired from the board since last AGM.	0/-	4,000/-
06	Dr. Md. Harun-Or-Rashid Biswas	Independent Director	0/-	4,000/-
07	Mr. Professor Md. Abdur Rashid	Independent Director	0/-	4,000/-

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. 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 Bangladesh Securities and Exchanges Commission Rules 1987, Financial Reporting Act, 2015, 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's 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, even though incurring loss in past years, over going concern issues of the company.

Appointment of Auditors

The Board of Directors of the company has recommended m/s Malek Siddique Wali, Chartered Accountants (a panel auditor of BSEC) as Company's statutory auditors for the financial year 2023-2024.

Discussion regarding past trend of financial result:

The company has achieved turnover of Tk. 3,86,42,899 during the year ended 30th June 2023. Last year's turnover was Tk. 3,99,87,964. The decreased in turnover by 3.48% over the last year. Gross profit earned during the year was Tk. 65,85,926 as against last year's gross profit of Tk. 62,44,853.

On the other hand, The net loss after tax has been decreased to Tk. (67,70,030) as compared to last year's Net loss after tax of Tk. (1,30,50,339) due to mainly impairment loss of previous year and decreased of cost of goods sold.

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

SL	Particulars	2022-2023	2021-2022	2020-2021	2019-2020 (Restated)	2018-2019
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	14,68,74,940	14,68,74,940	20,94,434	20,94,434	20,94,434
4	Fixed Assets –Written Down	18,44,88,189	18,66,05,126	4,80,08,591	5,00,38,688	5,14,24,038
5	Turnover	3,86,42,899	3,99,87,964	3,97,28,395	3,79,78,689	5,58,70,026
6	COGS	3,20,56,973	3,37,43,111	3,17,08,493	2,98,92,951	4,44,01,252
7	Gross Profit	65,85,926	62,44,853	80,19,902	80,85,738	1,14,68,774
8	Net Profit/ (Loss) after Tax	(67,70,030)	(1,30,50,339)	(12,84,447)	(18,04,120)	(15,71,360)
9	EPS	(4.86)	(9.37)	(0.92)	(1.30)	(1.13)

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 during the year and retained earnings was stood negative, as such, the company was unable to 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. Lutful Tahmina Khan	Chairperson	8	8
Safi Muddasser Khan	Managing Director	8	8
Shafia Tasnim Khan	Director	8	8
Nilufar Akhter	Retired from the board since last AGM.	8	4
Md. Abu Taher	Retired from the board since last AGM.	8	4
Dr. Md. Harun-Or-Rashid Biswas	Independent Director	8	4
Mr. Professor Md. Abdur Rashid	Independent Director	8	4

The pattern of shareholding:

Particulars	Designation/ Status	Number of share		Percentage
		2022-23	2021-22	
Parent/subsidiary/Associated companies and other related parties				
Parent/subsidiary/Associated companies and other related parties	-	Nil	Nil	
Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit:				
Mrs. Lutful Tahmina Khan	Sponsor, Chairperson	131,970	131,970	9.48%
Asaduzzaman Khan	Sponsor	287,060	287,060	20.61%
Safi Mudasser Khan	Managing Director	139,130	139,130	9.99%
Shafia Tasnim Khan	Director	129,390	129,390	9.29%
Dr. Md. Harun-Or-Rashid Biswas	Independent Director	-	-	0.00%
Mr. Professor Md. Abdur Rashid	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%
Syeda Motia Nasrin	Sponsor	2,040	2,040	0.15%
Syeda Najnin Akter	Sponsor	2,040	2,040	0.15%
Syeda Mahrz Sultana	Sponsor	2,040	2,040	0.15%
Md. Belayet Hossain Khan	Chief Financial Officer	-	-	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 Muddasser Khan, is retiring from the Board of Directors in terms of the Articles of Association of the Company and being eligible, **Safi Muddasser Khan**, offer himself for re-election, and elected by the board and are expected to confirm by shareholders in company's 41th AGM in February 17, 2024.

To Re-appoint Mr. Safi Muddasser Khan as Managing Director for the next 5 years:

The board of directors has approved the resolution to **Re-appoint Mr. Safi Muddasser Khan as Managing Director** for the next 5 years, are expected to confirm by shareholders in company's 41th AGM in February 17, 2024.

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

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

Management Response: Operational loss are incurred due to underutilization of production capacity of the company, fallen down of sales order as the demand of the company's product for various reason e.g. international competition, local demand fallen. However, the management has no intention to winding up the company and believe that the operation of the company will be continued for foreseeable future.

**Statutory Auditors' Qualified Opinion 2:**

As per the labor law 2006, sec 234 any company shall adjust its liability for WPPF within 09 months from the financial period ended. Whereas, Savar Refractories PLC has been carrying forward BDT 729,503 as liability for WPPF for several years.

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 3:

The entity charges depreciation on assets acquired during the financial year for whole year irrespective of date of acquisition which indicates non-compliance of IAS 16 para 55 where it is indicated that, "Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Management Response:

The depreciation on addition of property, plant and equipment is charged on quarterly basis rather than day basis. This is to confirm by the management of the company that the impact shall be very insignificant if day basis depreciation is charged.

Disclosure regarding status of voluntary delisting of the company:

Dear shareholders, you are aware that the general shareholders, except sponsors and directors shareholdings, passed a special resolution in the company's 40th general meeting regarding voluntary exit plan. Based on the above resolution, the company has applied to the honorable Chairman of the Bangladesh Securities and Exchanges Commission for voluntary delisting of the company from the DSE main board as per BSEC directive no. BSEC/CMRRCD/2020-379/Admin/114, dated: 24th December, 2020. The Commission has accord the consent-in-principal for voluntary delisting vide letter no. BSEC/SRMIC/94-75/119, Dated: May 07, 2023. Subsequently, the company has made an agreement with the DSE for administering such voluntary delisting. As per terms and conditions of said agreement and BSEC directive, DSE has advertised such voluntary exit plan offer in daily news named: Jay Jay Din & The Daily Sun, dated: September 26, 2023 and deposited required amount of total estimated amount for consideration under exit plan. The details of such offer letter is also available in the company's and DSE website. The website link is given below:

This is to further inform you that the majority in number of shareholders had already accept the offer of the voluntary delisting plan. The offer is still valid for availing. The board of directors has conveyed their sincere thanks to the honorable shareholders of the company, BSEC, DSE and others.

Compliance with the Code of Corporate Governance issued by BSEC:

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

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) (xxv)] of the Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June, 2023 has been depicted hereunder:

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

Savar Refractories PLC 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	2022-2023	2021-2022	2020-2021	2019-2020 (Restated)	2018-2019
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	14,68,74,940	14,68,74,940	20,94,434	20,94,434	20,94,434
4	Fixed Assets – Written Down	18,44,88,189	18,66,05,126	4,80,08,591	5,00,38,688	5,14,24,038
5	Turnover	3,86,42,899	3,99,87,964	3,97,28,395	3,79,78,689	5,58,70,026
6	Cost of Goods Sold	3,20,56,973	3,37,43,111	3,17,08,493	2,98,92,951	4,44,01,252
7	Gross Profit	65,85,926	62,44,853	80,19,902	80,85,738	1,14,68,774
8	Net Profit/(Loss) after Tax	(67,70,030)	(1,30,50,339)	(12,84,447)	(18,04,120)	(15,71,360)
9	Gross profit margin	17.04%	15.62%	20.19%	21.29%	20.53%
10	Net profit margin	(17.52%)	(32.64%)	(3.23%)	(4.75%)	(2.81%)
11	EPS	(4.86)	(9.37)	(0.92)	(1.30)	(1.13)
12	Production Capacity Utilization	55.83%	59.87%	49.90%	45.60%	48.58%

In all the years described above, the company is made net loss due to insufficient of sales revenue, which was unable to absorb fixed cost. The company had just able to utilize the production capacity from 45% to 60% that indicates 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 varying from 40% to 55%. This is mainly due to frequent power failure, shortage of skilled labour, other input and other various reasons.

4. Comparative analysis with peer industry scenario:

Due to shortage of authentic information regarding the peer industry, the management was not able to perform Comparative analysis with peer industry.

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

The Bangladesh economy has been able to recover from the adverse effects of coronavirus pandemic. GDP growth has been rebounded and stood at 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. But, due to Russia-Ukraine crisis, the economic growth in FY 2022-23 has been hampered. According to the provisional estimate of BBS, the GDP growth is expected to be 6.03 percent in FY 2022-23, but the actual growth of GDP at the end of fourth quarter in FY 2022-23 was 5.78% (provisional) as per record of Bangladesh Statistics Bureau.

Due to depreciation of Taka against UDS and other foreign currency, the supply of raw material was costly and competition was further intensify.

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 maturate 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. The board of directors has decided for voluntary delisting from the DSE and the honourable shareholders had also given their consent in this regards in last AGM. The details of delisting plan is given in directors' report.

Best wishes

Safi Muddaser Khan
Managing Director

**MD & CFO'S DECLARATION TO THE BOARD OF DIRECTORS**

To
The Board of Directors
Savar Refractories PLC
108, Airport Road, Dhaka 1215, Bangladesh.

Subject : Declaration regarding the truthiness and fairness of the Financial Statements for the year ended on June 30, 2023.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No.: BSEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Savar Refractories PLC for the year ended on June 30, 2023 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 Statutory auditors have conducted yearly audits to provide reasonable assurance of the financial statements;
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.

In this regard, we also certify that: -

- i) We have reviewed the financial statements for the year ended on June 30, 2023 and that to the best of our knowledge and belief:
 - a. These financial statements do not contain any materially untrue statement or omit any material fact or contain any information 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. Belayet 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 PLC** 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 2022-2023, 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	Dr. Md. Harun-Or-Rashid Biswas	Independent Director	Chairman	04	02
02	Shafia Tasnim Khan	Director	Member	04	04
03	Professor Md. Abdur Rashid	Independent Director	Member	04	02
04	Nilufar Akhter	Retired from the board in last AGM	Retired from the position of Chairman since retirement from board.	04	02
05	Abu Taher	Retired from the board in last AGM	Retired from the position of Member since retirement from board.	04	02

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 the hiring process of the appointment 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 and management letter issued by statutory auditor.
- ❖ Review the settlement and transaction of all the related party transactions.
- ❖ 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 following issues:

- ❖ If the committee found any conflict of interest in the company.
- ❖ If the committee observed any fraud, irregularity or material 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 2022-23, 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, 2023 and discussed the reasonableness and accuracy of the financial statements. 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 state 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 auditors' report

The management report made by the external auditors for the year 2022-23 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 PLC.

Dr. Md. Harun-Or-Rashid Biswas

Chairman of 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 2022-2023, 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	Professor Md. Abdur Rashid	Chairman	01	01
02	Dr. Md. Harun-Or-Rashid Biswas	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
17 October, 2023

On behalf of the Nomination and Remuneration Committee


Professor Md. Abdur Rashid,
Chairman of NRC.

**ATA KHAN & CO.**

Chartered Accountants

A PARTNERSHIP FIRM

.....since 1959

67, MOTIJHEEL COMMERCIAL AREA
(1ST FLOOR), DHAKA-1000, BANGLADESH

TEL: OFF: 880-2-223380933, 223380716

FAX: 880-2-9567351, MOBILE: 01819-228521

Email: maqbul.ahmed@yahoo.com

Website: www.atakhanca.com

**REPORT TO THE SHAREHOLDERS OF
SAVAR REFRACTORIES PLC
ON COMPLIANCE OF CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code by **SAVAR REFRACTORIES PLC** for the year ended on 30 June 2023. 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(4)(c); 1(7)(a); 1(7)(b); 5(5)(c); 5(5)(h); 6(1)(b); 6(1)(c); 6(5); and in case of incoming independent directors, the following condition is compiled but not complied in respect of retiring independent director 1(2)(e); 1(3)(a); 1(3)(b) (iii); 1(3)(b) (iv); 1(3)(c); 5(2)(c) and 5(2)(d).
- (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,
31 January 2024



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:-			
1(1)	Size of the Board of Directors 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.	✓		





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 (NBFI);	✓		
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.	✓		Part period compliance
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.	✓		Part period compliance
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			N/A
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			N/A
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	✓		Part period compliance





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	✓		Part period compliance
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,			Not Applicable
1(3)(c)	The independent director shall have at least 10 (ten) years of experience in any field mentioned in clause (b),	✓		Part period compliance
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		





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.	✓		





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;	✓		





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.		✓	





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	✓		Part period complainece





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	✓		Part period complied
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;	✓		





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





Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(6)(b)	Reporting to the Authorities 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.	N/A		
5(7)	Reporting to the shareholders and General Investors 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.	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	✓		





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			N/A
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.	✓		

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.	✓		





Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

জোহা জামান কবির রশীদ এ্যান্ড কোং
চার্টার্ড একাউন্টেন্টস

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

Qualified Opinion

We have audited the financial statements of Savar Refractories PLC, which comprise the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly in all material respects of the statement of financial position of Savar Refractories PLC as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

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

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

Emphasis of matter

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

EST.
1982

Zoha Zaman Kabir Rashid & Co., a partnership firm registered in Bangladesh and a member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.
Corporate office: House 6/B, Road 32, Level 7 & 8, Gulshan 1, Dhaka 1212, Bangladesh.
Tax office: Rupayan Karim Tower, 80, Kakrail, Level-7, Suite # 7A, Dhaka 1000, Bangladesh.
T: +8809609-006260, E: info@zzkrca.com, W: www.zzkrca.com

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

Key Audit Matters

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

Risk	Our Response to the risk
<p>Appropriateness of Revenue Recognition and Disclosures on the Impact of the Initial Application of IFRS 15:</p> <p>Revenue of BDT 38,642,899 is recognized in the statement of profit or loss and other comprehensive income for the year ended 30 June 2023 by the company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and substantive audit procedures, including: recording, considering the complexity of the standard on revenue recognition, International Financial Reporting Standard 15 "Revenue from Contracts with Customers". Therefore, there is a risk of revenue being misstated as a result of faulty recognitions.</p> <p>See Note No. 18.00 to the Statement of Financial Statement.</p>	<p>In light of the fact that the high degree of complexity, estimates and assumptions give rise to increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <p>Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</p> <p>Assessing controls for systems and procedures supporting revenue recognition.</p> <p>Assessing the invoicing and measurement system up to entries in the general ledger.</p> <p>Examining customer invoices and receipts of payment on a test basis in accordance with contract.</p> <p>Testing the revenue recognition in line with contract and reporting standard.</p> <p>Furthermore, we assessed the accounting effects new business and price models. We assured ourselves of the appropriateness of the systems, Processes, a Controls in place and that the estimates assumptions made by management are sufficient documented and substantiated to ensure that revenue is properly recognized.</p>



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

**Going Concern**

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

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

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



Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account;
- d) the expenditure incurred and payments made were for the purpose of the Company Business;
- e) the information and explanation required by us have been received and found satisfactory.

Dated, Dhaka

November 02, 2023


Tarek Rashid

Partner, Enrolment No. 1363 (ICAB)

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

DVC: 2311051363AS989472



Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

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

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

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

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

behalf by:


Chief Financial Officer


Director

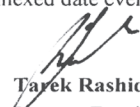

Managing Director


Chairperson

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

Place: Dhaka

Date: November 02, 2023


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





Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

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

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

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

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


Chief Financial Officer


Director


Managing Director


Chairperson

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


Tayek Rashid

Partner, Enrolment No. 1363 (ICAB)

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

Place: Dhaka

Date: November 02, 2023



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

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

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

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

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


Chief Financial Officer



Director


Managing Director


Chairperson

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

Place: Dhaka
Date: November 02, 2023


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





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

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

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


Chief Financial Officer



Director


Managing Director


Chairperson

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

Place: Dhaka
Date: November 02, 2023


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





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

1. The Company and its Operation

1.01 Legal Form of the Enterprise

The Savar Refractories Ltd. is incorporated in Bangladesh as a Public Limited Company on 14 August 1982 and listed with Dhaka Stock Exchange Ltd. in May 1988 with an Authorized Capital of Tk. 25,000,000/- divided into 250,000 ordinary shares of Tk. 100/= each under the Companies Act 1994. Subsequently, the company increased its share capital to Tk. 300,000,000/- divided into 30,000,000 ordinary shares of Tk. 10/=

1.02 Nature of Business Activities

Savar Refractories Ltd. is primarily engaged in producing very high-quality Fire Bricks, Fire Clay, Castable, and insulation Bricks for 100% local consumption. The company can carry out legitimate business activity in line with the business object statement in the company's Article of Association.

1.03 Registered Address

The Registered Office of the Company is situated at 108, Airport Road, Tejgaon, Dhaka-1215, while the factory of the company is located at Mirzanagar (Nayarhat), Savar, Dhaka-1344.

2. Summary of significant accounting policies

The accounts have been prepared according to integrated accounting principles adopted on a going concern basis under historical cost convention and are based on generally accepted accounting standards.

2.01 Basis of Financial Statements Preparation

The financial statements of the company have been prepared under historical cost convention in a going concern concept and on an accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. The relevant Schedules applicable to the company of the Companies Act 1994 are consistently applied while preparing the financial statements for the year June 30, 2023.

2.02 Recognition of Property, Plant and Equipment

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

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





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

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

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

2.03 Intangible Asset

Intangible assets are recognized following IAS 38 Intangible assets and depreciated using the straight-line method.

2.04 Current Assets

The company has recognized current assets when:

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

All other assets are classified as non-current assets.

2.05 Inventory Valuation

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

2.06 Turnover and Sales Revenue

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

2.07 Lease

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





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

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

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

2.08 Foreign Currencies Transactions

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

2.09 Earnings Per Share (EPS)

Basic EPS

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

2.10 Taxation

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



**2.11 Cash and Cash Equivalents**

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

2.12 Reporting currency

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

2.13 Reporting Period

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

2.14 Comparative Information

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

2.15 Components of Financial Statements

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

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

2.16 Exit Plan of Listed Securities

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





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

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

3.01 Please see the annexure A for more details.

4.00 Inventory

- a) Spare Parts
b) Raw Materials (4.01)
c) Work-in-process (4.02)
d) Finished goods (4.03)

Qty. (M.Tons)	Qty. (M.Tons)		
-	-	54,528	49,258
325.99	282.81	1,867,060	4,804,434
358.47	342.71	2,204,413	1,976,173
682.78	555.71	11,764,008	11,643,910
		15,890,009	18,473,775

- a) Physical counting of the stock was carried out by inventory counting team.
b) Inventory at June 30,2023 are valued at lower of average cost and net realizable value.
c) The inventories are pledged as security for working capital loan form Janata Bank.

4.01 Raw Materials

Items

a. Imported:

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

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

b. Local:

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

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

Total

4.02 Work-in-Process

Name of items

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

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



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4.03 Finished Goods

Items

Hydrometric Conc Equivalent SK-24 (SRL/RD)
Hydrometric Cone Equivalent SK-26 (SRL/MD)
Hydrometric Cone Equivalent SK-29 (SRL/SD)
Hydrometric Cone Equivalent SK-30 (SRL/SHD)
Hydrometric Cone Equivalent SK-32 (SRL/HA)
Hydrometric Cone Equivalent SK-33 (SRL/SHA)
Hydrometric Cone Equivalent SK-36 (SRL/SHA-1)
Hydrometric Cone Equivalent SK-37 (SRL/Super-65)
Laddle & STD, I.B
Runner/Pipe/Centre/Funnel Bricks
Light Fire Bricks (Tali)
Others (Fire Cement, Castable (S-65, AH-90), Ram Mas)

Qty. (M.Tons)	Qty. (M.Tons)		
143.57	1.11	672,294	3,647
59.96	-	377,748	-
33.88	14.92	243,936	64,248
-	0.04	-	546
108.78	23.31	967,941	161,023
101.13	97.38	1,137,668	761,589
63.13	67.31	921,535	693,717
69.52	39.22	1,313,985	578,937
60.61	37.72	5,412,139	4,626,451
26.19	217.74	411,718	3,239,299
13.50	33.27	85,140	228,005
2.51	23.69	219,905	1,286,448
682.78	555.71	11,764,008	11,643,910

5.00 Trade debtors

Al-Abbas Enterprice
Bangla Millars Ltd (RFL)
Bhaiya Engineering Works
Orient Eco Woods Ltd.
Mir Chemical
Al-Falah Steel Re-Rolling Mills Ltd.
BSRM Steel Mills Ltd.
Mojhar Metal Ind.
S.R Traders
Anwar Ispat/Galvanizing Ltd.
Talukdar Chemicals Ind. Ltd.
M.R Traders
Modern Erection
Munnu Ceramic Ind. Ltd.
Nasir Quality Glass Industries Ltd.
Khadem Steel Re-Rolling Mills Ltd.
Sonargaon Steel Re-Rolling Mills Ltd.
Rani Steel Mills (Pvt.) Ltd.
BCL Board Mills Ltd.
Quarts Chemicals
Bashundhra Steel Mills Ltd.
Khorshed Metal Industries (Hamko Group)
Shahriar Steel Re-Rolling Mills Ltd.
Rahim Group (Steel Mills/ Super Extrem/ Furnace Project)
Meghnum Steel Industries Ltd.
S. Sams Glass Industries
Confidence Steel/Electric Ind. Ltd
Union Steel Tubes Ltd.
Diamond Steel Products (Pvt) Ltd
Shifa Battery Pvt. Ltd.
Kollol Chemical Industries
Hamid & Sons
Mahbub Traders

-	124,695
191,100	-
28,900	28,900
-	27,655
283,500	-
115,900	41,200
180,145	150,893
-	64,318
581,094	128,222
842,832	-
9,250	88,000
100,000	-
111,535	89,681
258,469	-
-	6,930,379
40,900	-
80,493	-
26,619	25,619
40,450	-
20,900	136,000
90,808	89,120
590,113	-
152,158	-
486,236	550,160
194,110	85,910
238,200	338,200
276,176	-
10,800	310,800
24,230	728,831
44,775	-
25,384	-
30,794	-
28,408	-
5,104,279	9,938,583

- 5.01 This represents the amount receivable from various parties against credit sale of goods.
- 5.02 No other securities except personal securities were taken from any debtors.
- 5.03 No amount was due by the Director, (including Managing Director) Managers and other Officers of the company jointly or severally with any other person or related party define in IAS 24 Related Party Disclosure.
- 5.04 No amount was due by the associate undertakings.
- 5.05 The directors fell that the above balances are considered good and collectable in duc course of business.
- 5.06 Receivable aging

Invoiced at 30 days
Invoiced above 30 but less than 60 days
Invoiced above 60 but less than 90 days
Invoiced above 90 but less than 180 days
Invoiced above 180 but less than 365 days
Invoiced over 365 days

3,407,897	7,939,765
602,136	966,478
470,286	515,220
291,680	-
238,200	388,898
94,080	128,222
5,104,279	9,938,583



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6.00 Advance, Deposite & Prepayments

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

6.01 Advance against Salary are realizing regularly through the monthly salary bill. All advances to staff are Secured against the personal security of the respective staff.

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

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

6.04 No amount due by directors or associated undertakings.

6.05 Maturity Analysis

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

6.06 Advance Income Tax (AIT)

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

7.00 Cash & Cash equivalents

7.01 Cash-in-hand

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

7.02 Cash at Banks

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

Total Cash & cash equivalents

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

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

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

8.00 Working capital loan

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

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

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

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

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

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

9.00 Loans & Advances

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

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





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10.00 Accounts payable

Abdus Salam (Carrying)
Akbar Engineering Works
M/s. Anik Timber Traders
M/s. Hossain & Co.
Shimul Art Press
M/s. Tutul Traders
M/s. Rashid Enterprise
Shahin Enterprise
M/s. Rony Enterprise
M/s. Sonali Agency
M/s. Pioneer Refractories & Tiles
M/s. Master Traders
M/s. Titas Banijjik Protisthan
Lucky Enterprise
Nazmul Enterprise
Others

41,128	87,150
25,154	64,224
24,541	72,620
-	85,461
26,140	74,578
31,065	128,542
-	72,632
-	25,626
-	144,868
142,564	212,242
1,106,357	1,922,399
-	65,129
1,601,360	2,212,793
642,387	1,580,546
805,241	1,821,767
56,374	217,397
4,502,311	8,787,974

10.01 This represents the amount payable to various parties against supply of Raw Materials and other supplies. Most of the suppliers have subsequently been settled and no securities were given against the above creditors.

11.00 Liability for expenses

Salary & Allowances
Telephone & Trunk-call Charges
Gas Charges
Electric Charges
Office Rent
Audit Fees
Income Tax Consultant Fees
AIT deducted at source

554,212	545,214
24,387	27,450
822,480	494,749
171,180	262,217
18,500	18,500
115,000	115,000
10,000	10,000
-	50,000
1,715,759	1,523,130

12.00 Other liabilities

Mrs. Lutful Tahmina Khan
Shafia Tasnim Khan
Safi Modassar Khan
Workers & Employees P. F.

101,062	401,062
145,765	245,765
-	200,000
3,480,827	4,891,178
3,727,654	5,738,005

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

13.00 Workers profit participation fund

Balance as per last account
Add : Provision for this year

729,503	729,503
-	-
729,503	729,503

Less: This year Paid
Balance for this year

-	-
729,503	729,503

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

14.00 Provision for income tax

Opening balance
Prior year adjustment:

Provision for the year
Prior year under provision (unpaid)
Adjustment during the year
Closing balance

608,483	462,182
-	-
608,483	462,182
313,714	608,483
740,553	(43,992)
(1,349,036)	(418,190)
313,714	608,483

14.01 Year wise breakup of "Provision for Income Tax"

Tax provision for 2021/22
Tax provision for 2022/23

-	608,483
313,714	-
313,714	608,483

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



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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

Tax base

Temporary difference

Tax rate

Closing balance (A)

Deferred tax expenses/ income (Profit and loss)

Revalued assets carrying amount - Land

Carrying value of land at accounting base (Revalued Land)

Tax base

Temporary difference

Tax rate

Closing balance (B)

Grand Total Tk. (A+B)

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

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

22,488,189	24,605,126
13,808,982	16,040,335
8,679,207	8,564,791
22.50%	22.50%
1,952,821	1,927,078
(25,743)	2,259,116

162,000,000	162,000,000
-	-
162,000,000	162,000,000
4.00%	4.00%
6,480,000	6,480,000
8,432,821	8,407,078
-	6,480,000

16.00 Share Capital

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

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

300,000,000	300,000,000
-------------	-------------

ii) Issued, Subscribed & Paid-up Capital :

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

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

7,058,300	7,058,300
6,869,700	6,869,700
13,928,000	13,928,000

Composition of shareholding:

Sponsors

Family & Friends

Public, ICB & Others Company

The Company has no Non - Resident Share holders

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

50.68%	50.68%
0.87%	0.87%
48.45%	48.45%
100.00%	100.00%

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

16.01 Detailed year wise break-up of share issue

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

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

17.00 Reserve and Surplus

Opening Balance

Revaluation Reserve

Closing balance

146,874,940	2,094,434
-	144,780,506
146,874,940	146,874,940

17.01 Revaluation Reserve

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

Revaluation Gain on land

Deferred tax

Net off surplus

-	151,260,506
-	(6,480,000)
-	144,780,506



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

18.00 Sales Revenue

Name of the product

Refractory Items (Own Product)
Sales of Imported Finished goods

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

19.00 Other Income

Gain on disposal
Interest on FDR

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

20.00 Cost of goods sold

Opening finished Stock
Add: Cost of Production (20.01)

Less: Closing finished Stock

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

20.01 Cost of production

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

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

Add : Opening Work-in-process

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

20.02 Raw Material Consumed

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

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

Less : Closing Stock

20.02.1 Statement of Raw Materials Purchased

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

Name of materials

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

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

(b) Local :

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

Qty. (M.Tons)	Qty. (M.Tons)		
620.00	195.00	1,605,000	487,500
1,511.63	1,660.00	2,767,260	2,988,000
368.81	100.00	1,344,478	350,000
900.34	930.00	2,563,520	2,557,500
170.72	580.00	148,048	475,600
4.67	0.50	74,795	8,008
5.58	-	13,950	-
3,581.75	3,465.50	8,517,051	6,866,608
3,631.75	3,703.00	10,217,751	15,895,039

Total purchased



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20.03 Factory Overhead

Factory Salary & Wages
Festival Bonus & Allowances
Gas Charges
Electric Charges
Material Handling Cost
Lubricants
Quality Control Exp
Mould Expenses
Carriage Inward
Safety & Environmental Exp.
Repairs & Maintenance
Clearing, Forwarding & Others
Security Gard Expense
Other Factory Expenses
Laboratory Expenses
Research and Development Exp.
Medical Expenses
Depreciation (AnnexureA)

2,224,524	2,714,524
462,357	504,267
6,992,948	4,572,687
2,400,060	2,691,390
151,325	131,748
164,124	157,819
99,467	92,102
64,254	80,865
66,840	78,857
41,146	48,724
162,538	205,883
128,542	150,442
744,000	744,000
195,450	210,084
45,682	38,534
50,040	49,586
48,781	60,225
2,879,849	3,375,184
16,921,927	15,906,921

21.00 Administrative & Marketing expense

Salary & Allowances
Directors remuneration
Board meeting fee
Other benefit for directors
Festival Bonus
T. A. & Conveyance
Entertainment
Printing & Stationery
Postage & Telegram
Telephone, Mobile & Trunk-call Charges
Electric Charges
Overseas Travels
Office Rent
Repairs & Maintenance
Fuel
Packing Charges
Carriage outward
Advertisement
Donation & Subscription
Fees & Fines
Property, Plant & Equipment Revaluation Cost
AGM Expenses (6 Years)
Miscellaneous Expenses
Paper & Periodicals
Tender Document Purchases
Medical Expenses
Business Development
Rates & Taxes
Income Tax Consultant Fees
Enlistment (D.S.E) & Membership Renewal Subscription (DCCI) Fees
Uniform & Costume
Water Charges
Audit fee
Depreciation (Annexure A)

2,854,560	2,768,514
620,000	620,000
16,000	12,000
420,000	420,000
196,877	187,502
132,451	124,006
76,296	67,428
42,315	38,119
38,462	33,668
132,652	144,235
244,744	262,217
-	-
222,000	222,000
184,327	192,844
76,426	62,214
78,451	80,472
94,530	88,489
65,421	61,854
8,600	2,565
117,275	25,394
-	500,000
1,150,000	-
4,528	3,995
18,845	14,578
45,412	53,875
144,510	137,693
280,547	278,259
18,457	16,705
50,000	50,000
60,350	50,000
43,254	62,255
85,421	56,028
115,000	115,000
56,014	203,066
7,693,725	6,954,975

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

22.00 Financial Expenses

Interest on C.C. Loan from Janata Bank Farmgate Corp. Br.
Bank Charges

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





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23.00 Provision for Income tax Calculation

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

Tax on sales on which TDS applicable	-	-
Other sales @ 0.6%	231,857	239,928
On other income @ 22.5%	19,461	21,870
Total (A)	251,318	261,798
Tax Deducted at Source TDS (B)	313,714	608,483
Tax Liability (Higher off, A and B)	313,714	608,483

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
	240,000	240,000

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
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d) Board meeting fees: Tk.16,000

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

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

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

24.02 Managing Director does not receive any Board Meeting fees.

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

24.04 The Chairperson now holding full time office

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

25.00 AUDITORS' REMUNERATION

115,000	115,000
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Auditor's Remuneration includes only audit fees as fixed by the shareholders. Both the appointment and fixation of remuneration of auditor was made by the general shareholders in their 40th annual general meeting (AGM) held on February 18, 2023.

26.00 Production Capacity

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

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





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

27.00 Related Party Disclosure

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

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

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

28.00 Basic Earning Per Share (EPS) :

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

Earnings attributable to Ordinary Shareholder

Weighted average numbers of shares outstanding

Earning Per Share (EPS) -

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

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

29.00 Net Asset Value Per Share (NAV) :

Net Asset Value Per Share (NAV) :

Total Asset - Total Laibilities

No. of ordinary share

Net Asset Value Per Share (NAV) -

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

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

30.00 Net operating cash flow per share (NOCFPS) :

Net operating cash flow per share :

Net cash generated/(used) in operation

No. of ordinary share

Net operating cash flow per share (NOCFPS) -

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

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





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31.00 Key management benefits:

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

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

32.00 Event after reporting period

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

33.00 Reconciliation between Net profit to Net operating cash flow

Profit/(loss) before tax	(5,690,020)	(13,539,384)
Gain on Disposal of Fixed Asset	-	-
Impairment loss	-	10,033,251
Interest on FDR	(86,493)	(97,201)
Finance cost	4,668,713	2,893,212
Operating profit	(1,107,800)	(710,122)
Adjustment:		
Depreciation	2,935,863	3,578,250
Changes in Working capital:		
(Increase)/Decrease of inventory	2,583,766	(7,000,385)
(Increase)/Decrease of Trade debt	4,834,304	(7,617,744)
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	(691,808)	(3,023,567)
Increase/(Decrease) of Accounts payable	(4,285,663)	(3,464,913)
Increase/(Decrease) of Advance against sales	(4,747,672)	(3,214,045)
Increase/(Decrease) of Liability for expenses	192,629	(620,124)
Increase/(Decrease) of Other payable	(1,410,351)	361,038
	(1,696,731)	(21,711,611)
Interest paid	(4,668,713)	(2,893,212)
Tax paid	(313,714)	(1,349,036)
Net operating cash flow	(6,679,158)	(25,953,859)

34.00 Bord Meeting fee

During the year 08 board meeting was held

35.00 Employees minimum pay:

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

36.00 Contingent Liabilities :

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

37.00 Financial Instrument and related disclosure

37.01 Financial risk management

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

37.02 Credit risk

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





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37.03 Market risk

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

38.00 Impairment loss

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

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

39.00 General for compliance with Securities Exchange Rule 1987.

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

	Value	%
a) Imported Raw-materials for production	1,700,700	16.64%
b) Imported Finished Goods for trading	-	0.00%
c) Local Raw-materials	8,517,051	83.36%
	10,217,751	100.00%

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

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

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





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

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Annexure A

These details of assets are as follows:

Name of Assets	COST			Rate	D E P R E C I A T I O N			Written down Value as at June 30, 2023	Written down Value as at June 30, 2022
	Balance as at July 01, 2022	Addition during the year	Adjust / Impairment during the year		Balance as at June 30, 2023	Charged during the year	Adjust / Impairment during the year		
Land & Land Development	162,000,000	-	-	-	162,000,000	-	-	162,000,000	162,000,000
Factory Building	16,878,038	487,476	-	5%	17,365,514	310,373	-	5,897,091	5,719,988
Kin Construction	42,377,653	-	-	10%-20%	32,679,426	1,638,557	-	8,059,670	9,698,227
Plant & Machinery	29,096,604	277,200	-	10%	29,373,804	874,905	-	7,891,344	8,489,049
Motor Vehicles	1,530,787	-	-	15%	1,530,787	19,893	-	112,731	132,625
Furniture & Fixtures	2,485,006	7,000	-	15%	2,492,006	19,096	-	2,376,791	127,311
Equipment	5,758,967	47,250	-	15%	5,806,217	73,039	-	412,137	437,926
Tundish Board	1,390,339	-	-	15%	1,390,339	-	-	-	-
Total Tk. (A)	261,517,394	818,926	-		262,336,320	2,935,863	-	184,488,189	186,605,126

Depreciation Charged to:

Administrative Expenses	56,014
Cost of Goods Sold	2,879,849
Total	2,935,863

Depreciation on Kin construction:

Depreciation on previous balance: Tk. (13,697,829-13,513,311) @ 20%	36,904
New construction: Tk. (35,182,649-19,166,116) @ 10%	1,601,653
Depreciation on addition during the year: @ 10% Tk.	-
	1,638,557

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





Revenue
Stamp
Tk. 100.00

PROXY FORM

Proxy can be given only to the person who is a member (Shareholder) of the Company. The scanned copy of "Proxy Form", duly signed and affixed with BDT 100 revenue stamp must be sent through email to savar.ref@gmail.com/deposited at the Registered Office of the Company. The Proxy Form should reach the Company not later than 72 hours before the time fixed for the meeting.

