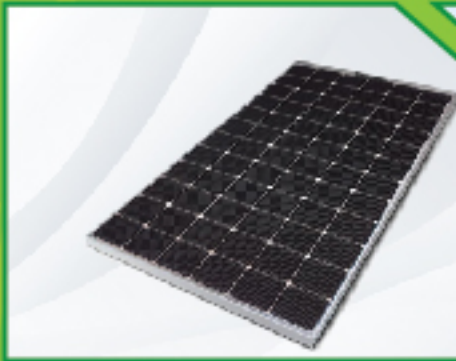


# 2019

## SAIF POWERTEC LIMITED ANNUAL REPORT



A House of Power & Material Handling Solution



For 25 years, we have been striving for excellence in design, manufacturing, and service. We are committed to safety, quality, and environmental responsibility. We are proud to be a part of the SAIF POWERTEC family.



[www.saifpowertec.com](http://www.saifpowertec.com)



Container Terminal Operation

# SAIF POWERTEC

A House of Power & Material Handling Solution



REACH STACKER



FORKLIFT



STRADDLE CARRIER



SAIF Battery



SAIF PLASTIC & POLYMER



Generators



SAIF LED LIGHT

## SAIF POWERTEC LIMITED ANNUAL REPORT 2019





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SAIF POWERTEC LIMITED  
ANNUAL  
REPORT  
2019

**SAIF** POWERTEC

## Letter of Transmittal

To  
The Members,  
The Bangladesh Securities & Exchange Commission,  
The Registrar of Joint Stock Companies & Firms,  
The Dhaka Stock Exchange Limited,  
The Chittagong Stock Exchange Ltd.,  
The Central Depository Bangladesh Limited,

Subject: Annual Report for the year ended on 30<sup>th</sup> June 2019

Dear Sir(s)

We are pleased to transmit a copy of Annual Report for the year ended on 30<sup>th</sup> June 2019 including all relevant annual consolidated audited financial statements, auditor's reports, management's discussion and analysis, report or certificate on compliance of the Corporate Governance Code and Directors' Report along with the notice of the annual general meeting, etc. for your record and necessary measures.

Yours sincerely,



F. Md. Salehin  
Company Secretary

# SAIF POWERTEC LIMITED

Corporate Office: 72, Mohakhali C/A, Rupayan Centre (8<sup>th</sup> floor) Dhaka-1212, Bangladesh  
Tel: +88-02-9856358-9, 9857902, 9841128, 9854423, 9891562, Fax: +88-02-9855949  
Email: shambhu@saifpowertec.com, Website: www.saifpowertec.com

## Notice of the 16<sup>th</sup> Annual General Meeting

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting (AGM) of the Members of Saif Powertec Limited will be held on **Sunday, December 29<sup>th</sup>, 2019 at 11:00 A.M. at Army Golf Club, Dhaka Cantonment, Dhaka** to transact the following businesses:-

### ORDINARY BUSINESS

#### 1. Report and Accounts:

To receive, consider and adopt the Financial Statements of the Company for the year ended on June 30<sup>th</sup>, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

#### 2. Dividend:

To declare the dividend for the financial year ended on June 30<sup>th</sup>, 2019 as recommended by the Board of Directors.

#### 3. Election of Directors:

To elect/re-elect Directors as per terms of the relevant provision of the Articles of Association of the Company.

#### 4. Appointment of Auditors:

To appoint the Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.

#### 5. Appointment of Professional regarding Certificate on Compliance of Corporate Governance Code:

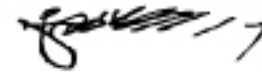
To appoint the Professional regarding Certificate on Compliance of Corporate Governance Code of the Company for the term until the next Annual General Meeting and to fix their remuneration.

#### 6. Miscellaneous:

To transact any other related business with the permission of the Chair.

All Members of the Company are requested to attend the meeting on the date, time and place mentioned above.

By order of the Board of Directors



Company Secretary

Dated: Dhaka, December 08, 2019

### NOTES:

- The Board of Directors has recommended **4% Cash Dividend and 6% Stock Dividend** for the year ended on June 30<sup>th</sup>, 2019 subject to approval in the 16<sup>th</sup> Annual General Meeting (AGM).
- The Record Date was **November 18, 2019 (Monday)**. The shareholders whose names appeared in the Share Register of Members of the Company or in the Depository Register (CDBL) on the Record Date are eligible to attend the meeting and qualify for Dividend.
- A member eligible to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her behalf. The Proxy Form must be affixed with revenue stamp of Taka 20/- and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.
- Annual Report, Attendance Slip and Proxy Form along with the Notice are being sent to all Members by Courier Service and/or email. The Members may also collect the same from the Share Department or website address: [www.saifpowertec.com](http://www.saifpowertec.com) of the Company.
- Admission into the Venue of the AGM will be allowed on production of the attendance slip attached with the Annual Report. Members are requested to register their names in the counter at the entrance of the Venue from 8.00 A.M. to 10.30 A.M.

**NB: No gift and or food shall be given for attending the 16<sup>th</sup> Annual General Meeting of the Company as per rules.**

# SAIF POWERTEC LIMITED

## AT A GLANCE

The Company was incorporated in Bangladesh as a Private Limited Company on 29<sup>th</sup> of December 2003, which was limited by shares as a Public Limited Company under the Companies Act of 1994 on 28<sup>th</sup> June 2010, along with the subdivision of shares from Taka 1000 to Taka 10 each and increased its Authorized Capital from Tk. 15.00 million to Tk. 1,000.00 million. The Company was subsequently converted into a publicly traded company with the permission of the Bangladesh Securities & Exchange Commission on 22<sup>nd</sup> April 2014, and listed on the Dhaka Stock Exchange Limited on 10<sup>th</sup> of September 2014 and on the Chittagong Stock Exchange Ltd., on 17<sup>th</sup> September 2014. At present the Paid up Capital of the Company is Taka 3,215,333,780 and Authorized Capital is Taka 5,000,000,000.

The principal activity of the Company is to carry on the business of infrastructure-support services. The company is also engaged in importing, trading, assembling and installing generators, sub-stations, electrical equipment and grid-lines, installation and erection of power plants as well as it acts as a berth/terminal operator for operation of Chittagong Container Terminal (CCT) and New Mooring Container Terminal (NCT) of Chittagong Port Authority (CPA). The Company has been producing new Battery unit situated at Pubail, Gazipur, and Dhaka, financed out of IPO, Rights Share Issue & its own fund, which commenced from August 05, 2017.

### VISION

We believe business is the means of maximizing the welfare of the investors, stakeholders and employees as well as the well-being of the country resulting from the wealth created and the value added to the standard of living through financial and moral gains as part of the development of human civilization..

### MISSION

Our mission is to provide the highest-quality and full range of technical support services for the large infrastructure sector of the country such as the best management and efficient operation of sea ports for container handling, including related activities of operations of Inland Container Depots for developing the import-export-oriented business, power plants for overall growth of electricity to meet the increasing demand of industrial, commercial and domestic sectors, to produce the best products as alternate power sources and power backup products, to maintain ethical standards in business operations in compliance with government policies and with policies of business regulatory bodies, ensure more benefits for Members and stakeholders and to contribute in the growth of the economy.

### OBJECTIVES

To provide container handling and all related procedural activities as an efficient terminal operator cum port operator through the application of state-of-art port operation technologies and the best affordable policies for the growth of business in Bangladesh

To provide the best technical support services and technical consultancy service for installation, commission and complete overhaul of power plants, chemical and fertilizer plants for the development of utility and large infrastructure sectors.

To produce quality alternative power sources, high and medium voltage equipment and backup power products.



# CORPORATE FOCUS

Our vision, our mission and our objectives are to ensure efficiency in the Company regarding quality, pricing, process and services to the growth of the Company in compliance with good governance practices.

## Corporate Information

Name of the Company : **SAIF POWERTEC LIMITED**  
Company Registration No. : C-51420(1715)2003

**Legal Form:** Public Limited Company, listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Ltd., having incorporated in Bangladesh under Companies Act, 1994.

## Board of Directors

Mrs. Tarafder Nigar Sultana	Chairperson
Mr. Tarafder Md. Ruhul Amin	Managing Director
Mrs. Rubya Chowdhury	Director
Mr. Tarafder Md. Ruhul Saif	Director
Mr. Md. Jalal Uddin Ahmed Chaudhury	Independent Director

## Company Secretary

Mr. F. Md. Salehin

## Audit Committee

Mr. Jalal Uddin Ahmed Chaudhury	Chairperson
Mr. Tarafder Md. Ruhul Saif	Member
Mrs. Rubya Chowdhury	Member
Mr. F. Md. Salehin	Secretary

## Nomination and Remuneration Committee:

Mr. Jalal Uddin Ahmed Chaudhury	Chairperson
Mrs. Rubya Chowdhury	Member
Mr. Tarafder Md. Ruhul Saif	Member
Mr. F. Md. Salehin	Secretary

## Management Committee

Mr. Tarafder Md. Ruhul Amin	Chairperson
Mr. Engr. Md. Nasiruddin Chowdhury	Member
Mr. Md. Hasan Reza	Member
Mr. AKM Quoreshi	Member
Mr. Md. Shawkat Hossain Khan	Member
Mr. A.S.M. Zulfecar Haider	Member
Mr. Lt. Comd. Tafsir Uddin Ahmed (Retd)	Member
Mr. Captain Tanvir Husain	Member
Mr. Major Farukh Ahmed Khan (Retd)	Member
Mr. S.M. Aftab Hossain	Member
Mr. Helal Uddin Sikder, ACMA	Member
Mr. Shajal Kumer Sharma	Member
Mr. Md. Kamrul Hassan Khan	Member
Mr. Md. Khaled Noor	Member
Mr. Md. Afshin-Uz-Zaman	Member
Mr. Abdul Mannan	Member



# BOARD OF DIRECTORS



**Tarafder Nigar Sultana**

CHAIRPERSON



**Tarafder Md. Ruhul Amin**

MANAGING DIRECTOR



**Rubya Chowdhury**

DIRECTOR



**Tarafder Md. Ruhul Saif**

DIRECTOR



**Jalal Uddin Ahmed Chaudhury**

INDEPENDENT DIRECTOR

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# 15<sup>th</sup> ANNUAL GENERAL MEETING

## PHOTO GALLERY



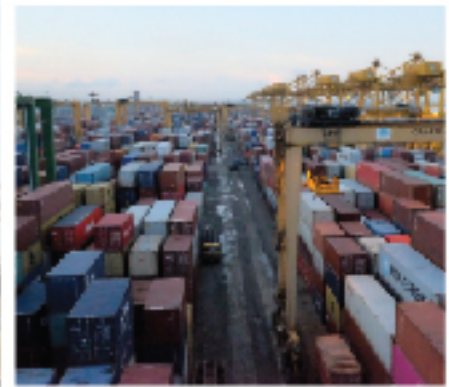
# 15<sup>th</sup> ANNUAL GENERAL MEETING

## PHOTO GALLERY



# PORT OPERATION

## PHOTO GALLERY



# BATTERY FACTORY

## PHOTO GALLERY



### Operational Management Team :

Mr. Engr. Md. Nasiruddin Chowdhury  
Mr. Md. Hasan Reza  
Mr. AKM Quoreshi  
Mr. A.S.M. Zulfecar Haider  
Mr. Lt. Com. Tafsir Uddin Ahmed (Retd)  
Mr. Captain Tanvir Husain  
Mr. Major Farukh Ahmed Khan (Retd)  
Mr. S.M. Aftab Hossain  
Mr. Helal Uddin Sikder, ACMA  
Mr. Shajal Kumer Sharma  
Mr. Md. Kamrul Hassan Khan  
Mr. Md. Khaled Noor  
Mr. Md. Afshin-Uz-Zaman  
Mr. Abdul Mannan

### Registered Office

Rupayan Centre (8th Floor), 72, Mohakhali C/A,  
Dhaka-1212, Bangladesh.  
Phone: 88-02 9856358-9,  
9845705,9841128, 9891597, Fax : 88-02 9855949

### Chattogram Office

Makkah Madina Trade Centre,  
78 (17th Floor), Agrabad, C/A, Chattogram  
Phone: 031-2524071-2, 031-2524106  
Fax: 031-2524108

### Auditors

#### ATA KHAN & CO.

Chartered Accountants  
67, Motijheel C/A, (1st Floor) Dhaka-1000.  
Phones: 9560933, 9560716  
Email: maqbul.ahmed@yahoo.com  
Website: www.atakhanca.com

### Bankers

1. Dhaka Bank Limited
2. Mercantile Bank Limited
3. One Bank Limited
4. Jamuna Bank Limited
5. AB Bank Limited
6. Premier Bank Limited
7. Sonali Bank Limited
8. Eastern Bank Limited
9. BRAC Bank Limited
10. Islami Bank Bangladesh Limited
11. United Commercial Bank Limited
12. Southeast Bank Limited
13. NCC Bank Limited
14. Padma Bank Limited
15. Premier Bank Limited
16. Trust Bank Limited

Additional Managing Director  
Chief Financial Officer  
Executive Director, Sales & Marketing  
Chief Operation Officer, Solar Division  
Chief Operation Officer (CTED)  
Chief Operation Officer (CCT & NCT)  
Executive Director, Admin & Logistics  
Chief Operation Officer, Switchgear Division  
Head of Internal Audit  
Chief Operation Officer, Battery Division  
Head of Quality Management Systems  
Head of Export and Corporate Sales  
General Manager Human Resources  
Chief Marketing Officer

### Factory

Bashugan, Pubail, Gazipur-1721, Bangladesh.

### Sales Office: (Dhaka)

Khawja Tower (2<sup>nd</sup> 3<sup>rd</sup>, 12<sup>th</sup> & 14<sup>th</sup> Floor), 95, Bir  
Uttam AK Khandakar Road,  
Mohakhali C/A, Dhaka-1212, Bangladesh.  
Phone:88-02-9887534, 9882286, 9892287  
Fax: 88-02 9893311

### Khulna Office

34, K.D.A. Avenue, Khulna  
Phone: 88-041-723132, 723133  
Fax: (041) 715639

### Listing

Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Ltd

### Listing Recognition

Scrip Code. 20625,  
Trading Code: SAIFPOWER

### Insurer

Eastland Insurance Company Limited, Dhaka.

### Credit Rating Agency

Credit Rating Agency of Bangladesh Ltd.  
(CRAB)

### Subsidiary Companies

Saif Plastic & Polymer Industries Limited  
Saif Port Holdings Limited

Website:www.saifpowertecLtd.com



## CHAIRPERSON'S STATEMENT

**Bismillahir Rahmanir Rahim**

**Dear Valued Members of  
Saif Powertec Limited**

Assalamu Alaikum,

It is indeed a great honor and privilege for me to greet you all at the 16<sup>th</sup> Annual General Meeting and place before you the Annual Report including all relevant annual consolidated audited financial statements, auditor's reports, management's discussion and analysis, report or certificate on compliance of the Corporate Governance Code and Directors' Report along with the notice of the annual general meeting, etc. for the year ended on June 30<sup>th</sup>, 2019.

I have the pleasure to inform you that Saif Powertec Limited has been operating its business as the Market leader in the Chittagong Port Berth operation sector of the country since a long time.

- Profit excluding tax was Taka 510,333,964 compared to Taka 671,263,052 in the previous year. The Company's Board of Directors is also concerned about the Members' interest and has recommended 4% cash dividend and 6% stock dividend for all valued Members.
- The Net Asset Value per share has gone up to Taka 16.82
- Total Assets rose to Taka 12,420,585,273.00

Further I would like to explain to you about the activities of the subsidiary company "Saif Plastic and Polymer Industries Limited". The Performance of Sales trend has gradually increased as compared to the last financial year.

Furthermore I would like to explain to you about the activities of the subsidiary company "Saif Port Holdings Limited" is engaged with the project of "Development and Operation of two Jetties at Mongla Port" through PPP

The Company is following the Corporate Governance Guideline carefully and strictly which is clearly evident from the transparency in all our dealing and decision makings of all processes which are further validated through the ISO 9001 regulations of Quality Management Systems.

Bangladesh has made remarkable progress in reducing poverty, supported by sustained economic growth. Based on the international poverty line of \$1.90 (using purchasing power parity exchange rate) a day, it reduced poverty from 44.2 percent in 1991 to 14.8 percent in 2016/17.

In parallel, life expectancy, literacy rates and per capita food production have increased significantly. Progress was underpinned by steady growth in GDP, which averaged 6.5 percent in the last decade (according to official estimates). Rapid growth enabled Bangladesh to reach the lower middle-income country status in 2015. In 2018, Bangladesh fulfilled all three eligibility criteria for graduation from the UN's Least Developed Countries (LDC) list for the first time and is on track for graduation in 2024.

The achievement would not have been possible without the dedication, hard work and commitment of all our employees, who are the foundation and backbone of the Company. We paid a great deal of emphasis on the different attributes of growth and invested on necessary infrastructure to enhance the capabilities of our people by encouraging and assisting them to improve their knowledge and skill. The senior management of the Company is encouraging, acknowledging and rewarding innovation and there is effort for continuous improvement in our business activities.

Here, I would like to take this opportunity on behalf of the Board of Directors to express my heartiest congratulations to all our valued Members for their support and confidence, my deepest appreciation to all our valued customers for their confidence in our products and services, my heartfelt thanks and gratitude to all stakeholders, such as suppliers, employees, distributors, bankers, financial institutions and various government authorities. I express my gratitude to the Bangladesh Securities & Exchange Commission, the Dhaka Stock Exchange Limited, the Chittagong Stock Exchange Ltd., the Central Depository Bangladesh Limited and all well-wishers of the company for their support.

*N. Sultana*  
**Tarafder Nigar Sultana**  
Chairperson





## MESSAGE FROM THE MANAGING DIRECTOR

Bismillahir Rahmanir Rahim

**Dear Valued Members of  
Saif Powertec Limited**

Assalamu Alaikum,

With the expression of my heartfelt thanks and gratitude to you for the support and faith you placed on us and our accomplishment, on behalf of the Board of Directors of the company as well as on my behalf, I take the opportunity to welcome you all at this 16<sup>th</sup> Annual General Meeting of the Company and thank you for taking the trouble to attend the meeting.

The economy of Bangladesh is progressing day by day, and now Bangladesh has become a middle-income country. Industrialization, the development of large and medium-scale infrastructure, development policies for existing power plants as well as government policies for the overall development of power sectors and growing demand for electricity for industrial and commercial units, the current and future economic scenarios, ultimately creates bright prospects for the increased expansion of business activities for power and related sectors.

Since 2007, your Company has established a proven track record in Bangladesh for modernizing the operations of the Chittagong Container Terminal & New Mooring Container terminal by applying modern technologies and state-of-art container-handling equipment under the Chittagong Port Authority (CPA), thus contributing to the growth of import-export business, which ultimately increases the gross domestic product (GDP). By serving this sector, your Company has achieved an internationally recognized reputation through ISO 9001 certification regarding Quality Management Systems.

Your Company contributes to the country's power sectors as well government as chemical and fertilizer plants by providing efficient technical support and efficient consultation services for installation cum overhauling work and has gained a world-class reputation in Bangladesh.

Your Company has been producing new Battery unit situated at Pubail, Gazipur and Dhaka, financed out of IPO, Rights Share Issue & own fund, which were commenced from August 05, 2017 and going to produce different types of batteries for the domestic market and export global markets which in under constructing out of Rights Issue Fund through allotment of Rights Shares (1:1R) dated April 06, 2017 according to Bangladesh Securities and Exchange Commission approval for issuance of rights shares vide letter no. BSEC/CI/RI-108/2016/27 dated January 17th, 2017. SAIF solar division has a major market share in Bangladesh and has been expanding very rapidly across the country.

We are continuously trying to increase the efficiency and productivity of other business units as well as subsidiaries of the Company through various business activities under the Project Division, which is very promising for the Company to earn more revenue by providing complete high-tech consultancy and technical support services. The Terminal Engineering Department has been involved with operating the Chittagong Container Terminal and the New Mooring Container Terminal by providing high-tech engineering support services for heavy-duty container-handling equipment. The Service Department has provided technical support and overhauling services for power-generating equipment, construction and material-handling equipment.

Saif Plastic & Polymer Industries Limited (a subsidiary Company of Saif Powertec Limited) produces food grade PET bottles such as PET bottle, CSD Cap, Spoon, Measurement glass and stopper etc of different sizes for use in the Pharmaceutical appliances for Food and Beverage Companies, for Edible Oil companies for different uses and purposes. The company has a good reputation and has good market share in Bangladesh.

Saif Port Holdings Limited (an another subsidiary Company of Saif Powertec Limited) to carry on all or any business of all Engineering works in the field of Civil, Mechanical, Electrical, Chemical and meteorological engineering constructor along with consultation and performing undertaking to execute contracts to design, plan and control, construction of any buildings, road, bridges, railways of different project of BPDB, DESA, WASA, DPDC, DESCO to construct waterways, dock yards, sea port, land port, river port, airport, any type of port related works and operation etc.

The results we achieved are commendable, thanks to our employees at all levels. They all worked hard and long to accomplish their tasks. Those who provided leadership in the various businesses were strategic in their decision making, which has taken most of our businesses to higher level of performance, qualitative as well as in term of growth and market share.

Lastly, I believe that the confidence and belief of our valued Members, the Bangladesh Securities & Exchange Commission, the Dhaka Stock Exchange Limited, the Chittagong Stock Exchange Ltd., the Central Depository Bangladesh Limited, Customers and Suppliers, Bankers, NBFIs, Insurers, Advisors, Workers, Employees, Professional & Supervising Management, Government Authorities and others are the key success factors for your Company. I would like to express my heartfelt gratitude to all these organizations and individuals for their kind support and guidance.



Tarafder Md. Ruhul Amin  
Managing Director



## DIRECTORS' REPORT TO THE MEMBERS

Bismillahir Rahmanir Rahim

Dear Valued Members:

On behalf of the Board of Directors, I welcome you all to the 16th Annual General Meeting of SAIF POWERTEC LIMITED.

It is a matter of immense pleasure to present the Director's Report together with the Consolidated Annual Financial Statement of the Company for the year ended June 30, 2019 to you to consider, adopt and approve the same.

### **An Industry Outlook and Possible Future Development in the Industry**

The size of the battery market is around Tk 8,000 crore which is growing year on year. The market ballooned three to four times in the last ten years, registering a 10% to 12% growth in the last one year. A growing demand for automotive battery, fuelled mostly by widespread use of battery-run three-wheelers in rural and semi-urban areas, has led to booming business of local companies as Saif Powewrtec Ltd. The automotive replacement battery segment will continue to offer a secular and profitable growth opportunity, driven by increasing penetration of automobiles driving expansion in automobile population. The flourishing segment like E-Rickshaws and other segments would drive in the replacement market of automotive and inverter batteries. There is an inherent threat from new battery technologies such as Lithium-Ion technology, which is likely to penetrate automotive applications as well as various industrial applications. Saif Powertec Ltd is ready to address these challenges through the adoption of latest technologies and lean manufacturing practices in order to rapid development of differentiated products that will change the price-value equation in its favour. The brand equity of Saif Powertec Ltd is very high and one of its key strengths. It has taken all necessary measures to build on it, ensuring controls to protect the brand. The mid-to long-term outlook is quite positive.

The LED (Light Emitting Diode) segment has grown significantly because of the energy saving benefit and longer life.

**The Segment-wise or Product-wise Performance**  
**The company has been involved with technical consultation with service providers, manufacturers, import and local sales**

Years	Product performance	Turnover		Production capacity		Capacity utilization	
		Consolidated	The company	Consolidated	The company	Consolidated	The company
2018-2019	Contract	2,060,545,031	2,060,545,031		657,000 Containers		68%
	Maintenance	399,193,362	399,193,362		657,000 Containers		60%
	Imported goods	733,207,385	733,207,385		Not applicable		Not applicable
2017-2018	Manufacturing (Battery)	692,399,617	692,399,617		550,000 Pcs		45%
	Subsidiary	83,518,003	-			68%	
	Contract	2,176,473,270	2,176,473,270		657,000 Containers		68%
2016-2017	Maintenance	387,085,887	387,085,887		657,000 Containers		60%
	Imported goods	7,98,870,207	7,98,870,207		Not applicable		Not applicable
	Manufacturing (Battery)	801,074,818	801,074,818				
2015-2016	Subsidiary	75,375,085	-			62%	
	Contract	1,875,981,227	1,875,981,227		657,000 Containers		68%
	Maintenance	494,611,949	494,611,949		657,000 Containers		60%
2014-2015	Imported goods	568,941,649	568,941,649		Not applicable		Not applicable
	Subsidiary	68,526,475	-			62%	
	Contract	1,377,639,416	1,377,639,416		657,000 Containers		68%
2013-2014	Maintenance	350,503,677	350,503,677		657,000 Containers		60%
	Imported goods	364,155,515	364,155,515		Not applicable		Not applicable
	Subsidiary	56,882,118	-			60%	
2012-2013	Contract	677,305,184	677,305,184		657,000 Containers		68%
	Maintenance	346,264,121	346,264,121		657,000 Containers		60%
	Imported goods	679,767,434	679,767,434		Not applicable		Not applicable
2011-2012	Subsidiary	53,739,351	-			60%	

## Risks and Concerns including internal and external risk factors, threat to sustainability and negative impact on environment

### Internal risk factors

The Company is aware of the different risk associated with doing business and is prepared to manage those risks through a professional approach. The financial and other risks have been disclosed in the note 1.4 of the Audited Financial Statements.

### External risk factors

The Company's results may be affected outside its control such as political unrest, strike, civil commotion and act of terrorism.

### Threat to sustainability and negative impact on environment

In line with global practice, the government initiates change in environmental, health and safety laws and regulations and energy saving activities from time to time. The Company keeps track of these change and special attention and proactive business strategy are being formulated to ensure conformity with the changes.

While many of the risk areas are beyond control of any single company, Saif Powertec Limited closely monitor the trends and developments in each of the risk areas and takes the best possible measures to mitigate them through product and market diversification, efficient sourcing of materials, use of latest technology and investment in research and development to gain sustained competitive advantage.

## A Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

Particulars	2018-2019		2017-2018		Increase/(Decrease)	
	Consolidated	The company	Consolidated	The company	Consolidated	The company
Sales	3,968,863,398	3,885,345,395	4,238,879,267	4,163,504,182	(6.37%)	(6.68%)
Cost of Sales	(2,014,078,363)	(1,958,701,103)	(2,312,471,910)	(2,261,201,857)	(12.90)%	(13.38%)
Gross Profit Margin	1,954,785,035	1,926,644,292	1,926,407,357	1,902,302,325	1.47%	1.28%
Profit from operations	1,477,813,023	1,454,849,488	1,509,528,790	1,489,978,199	(2.10%)	(2.36 %)
Net profit after WPPF	687,633,012	664,479,800	901,278,460	880,861,962	(23.70%)	(24.56%)
Net Profit of the year	510,333,964	498,359,849	671,263,052	660,646,471	(23.97%)	(24.56%)

### (a) Cost of Sales

Compared to that of the previous financial year, the cost of sales of the year under the report witnessed at 12.90% decrease due to manufacturing (Battery) raw material price slightly reduced.

### (b) Gross Profit Margin

Compared with that of the previous year, the Gross Profit (GP) Margin in the year under report recorded a 1.47% increase due to cost of sales reduced.

### (c) Net Profit Margin

The Net Profit Margin, in relation to the turnover of the year under report, was 23.97% decreases due to Sales value were decreased marginally.

## A Discussion on Continuity of any extraordinary activities and their implications (gain or loss)

There was no extraordinary gain or loss in the financial statement under report during the financial year 2018-2019 except Taka 40,936,676/- Interest on FDR against bank guarantee and others.

## Detailed discussion on related party transaction

There were no related party transactions during the financial year July 01, 2018 to June 30, 2019 except the director's remuneration and Short-term employees benefits of Taka 46,435,255/-. Which have been details disclosed in the Annex II/a of the Consolidated Audited Financial Statements.

### **A Statement of Utilization of proceed raised through public issue, right issue and/or through any other instruments**

The Company has been able to raise up its fund through Rights Issue (RI) issuing 116,295,348 shares @ Taka 15/- each (including Taka 5/- premium per share) totaling Taka 1,744,430,220/- (One Hundred Seventy Four Crore Forty Four Lakh Thirty Thousand Two Hundred and Twenty) only according to Bangladesh Securities and Exchange Commission approval for issuance of rights shares vide letter no. BSEC/CI/RI-108/2016/27 dated January 17, 2017. The details of Right Issue Proceeds Utilization up to September 30, 2019 are as follows:

Purpose Mentioned in ROD	Amount of ROD	Total Utilized Amount	Total Un-utilized Amount
A) Repayment of Loans	558,843,410	558,843,410	-
B) Expansion of Battery Project:			
(i) Land & Land Development	200,000,000	15,7398,012	42,601,988
(ii) Machineries	962,477,944	958,977,944	3,500,000
C) Right Issue Expenses	23,108,866	23,108,866	-
<b>Total</b>	<b>1,744,430,220</b>	<b>1,698,328,232</b>	<b>46,101,988</b>

### **An explanation if the financial results deteriorated after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Right Offer, Direct Listing etc.**

The Company's IPO was made in the year 2014 and Rights Share Offer in the year 2017. After gone Initial Public Offering (IPO) and Right Share Offer no significant financial results deteriorated of the Company requiring explanation.

### **An explanation on any Significant Variation that occurs between Quarterly Financial Performance and Annual Financial Statement**

No significant variation has occurred between quarterly financial performance and annual financial statement during the year under report.

A Statement of Remuneration paid to Directors including Independent Directors.

Remuneration paid during the year has been disclosed under note no.26 of the audited financial statements.

### **Directors also report that**

- The Financial Statements prepared by the management of Saif Powertec Limited fairly present its state of affairs, the result of its operations, cash flows and changes in its equity.
- Proper books of account of Saif Powertec Limited have been maintained.
- 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.
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- 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.
- There are no significant doubts regarding the Saif Powertec Limited's ability to continue as a going concern.
- No bonus share or stock dividend has been or shall be declared as interim dividend.

**A Statement of Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.**

Particulars	2018-2019		2017-2018	
	Consolidated	The company	Consolidated	The company
Turnover	3,968,863,398	3,885,345,395	4,238,879,267	4,163,504,182
Cost of Sales	2,014,078,363	1,958,701,103	2,312,471,910	2,261,201,857
Gross Profit	1,954,785,035	1,926,644,292	1,926,407,357	1,902,302,325
Net Profit	510,333,964	498,359,849	671,263,052	660,646,471

**Reasons for significant increase in EPS compared to the previous year are:**

Current year's EPS has been decreased due to decreasing Contract sales and Manufacturing unit (Battery) sales and consequently decreased the net profit.

**A Statement of Operational and Financial data of at least preceding 5 (five) years are summarized:**

Details	2018-2019		2017-2018		2016-2017		2015-2016		2014-2015	
	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company
Turnover	3,968,863,398	3,885,345,395	4,238,879,267	4,163,504,182	5,008,061,300	2,959,534,825	2,149,189,726	2,092,298,608	1,757,076,090	1,703,336,739
Cost of Sales	2,014,078,363	1,958,701,103	2,312,471,910	2,261,201,857	2,318,062,992	1,269,148,106	1,061,892,859	1,018,556,255	1,019,278,849	977,081,706
Gross Profit	1,954,785,035	1,926,644,292	1,926,407,357	1,902,302,325	1,689,998,308	1,670,386,719	1,088,897,867	1,073,742,353	737,797,241	726,255,033
Operating Profit	1,477,813,023	1,454,849,488	1,509,528,790	1,489,978,199	1,437,042,494	1,419,783,238	864,890,435	85,217,940	526,904,421	516,869,482
Profit before Tax & Reserve	687,833,012	664,479,800	901,278,461	880,861,962	864,362,628	846,825,713	538,922,658	526,763,345	277,597,322	273,671,748
Profit after Tax	510,333,964	498,359,849	671,263,052	660,646,471	644,034,481	634,519,284	401,395,811	395,074,007	214,137,007	212,095,604
Proposed Declared Dividend		10% (4% Cash and 6% Stock)		13% (5% Cash and 8% Stock)		33% (5% Cash excluding Sponsor and Directors and 28% Stock)		32% (5% Cash and 27% Stock)		29% (Stock)
Earnings per Share	1.39	1.35	2.25	2.22	3.22	3.17	4.38	4.31	3.07	3.04

#### **Dividend:**

An Explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year

The Board of Directors of the company has recommended dividend 10% (4% Cash and 6% Stock) for the year ended June 30, 2019.

The number of Board meetings held during the year and attendance by each director shall be disclosed.

The Board of Directors had 24 meetings during the year ended June 30, 2019. Name of the Directors and number of meetings attended are given below:

Name of the Directors	Meeting Held	Meeting Attended
Mrs. Tarafder Nigar Sultana	24	22
Mr. Tarafder Md. Ruhul Amin	24	24
Mrs. Rubya Chowdhury	24	24
Mr. Tarafder Md. Ruhul Saif	24	24
Mr. Jalal Uddin Ahmed Chaudhury	24	24

## Shareholding Pattern

### Pattern of Shareholding as at 30 June 2019

Sl. No.	Member's Group	No. of Share Held	Percentage
a)	Share held by Parent/Subsidiary/Associated Company and other related parties	Nil	-
b)	Shares held by Directors:		
	Mrs. Tarafder Nigar Sultana	56,729,807	17.64%
	Mr. Tarafder Md. Ruhul Amin	58,263,956	18.12%
	Mrs. Rubya Chowdhury	6,903,066	2.15%
	Mr. Tarafder Md. Ruhul Saif	6,903,066	2.15%
	Mr. Jalal Uddin Ahmed Chaudhury	Nil	-
c)	Executives	Nil	-
d)	Members who are holding 10% or more voting right:	Nil	-

#### Short Bio-Data of Directors eligible for re-appointment:

##### **Mrs. Tarafder Nigar Sultana, Chairperson**

Mrs. Tarafder Nigar Sultana is the Director as well as Chairperson of SAIF Powertec Limited. She is a graduate in Arts. She has a long business experience in Indenting, import of power generation equipment, manufacturing electrical transformers, marketing of electrical generators and container handling. Mrs. Tarafder Nigar Sultana, along with her husband Mr. Tarafder Md. Ruhul Amin, established SAIF Powertec Limited. She is also sponsors director of Saif Powertec Limited, Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited (subsidiary companies of Saif Powertec Limited).

##### **Mrs. Rubya Chowdhury, Director**

Mrs. Rubya Chowdhury is Director of SAIF Powertec Limited. She obtained Bachelor of Business Administrative (Marketing & HR) from Masquarie University, Australia. She has a long business experience in indenting, import of power generation equipment, manufacturing electrical transformers. Mrs. Rubya Chowdhury is a sponsor director of Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited (subsidiary companies of Saif Powertec Limited) and also a member of the Audit Committee & Nomination and Remuneration Committee of the Company.

**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**

**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.**

## Financial Results

The company's financial results for the year ended June 30, 2019 with recommendation of appropriations are as follows:

Particulars	Amount in Taka
Net Profit for the year 2018-2019	498,359,849
Profit Brought Forward	982,864,706
Dividend @ 13% (5% Cash & 8% Stock) for the year 2017-2018	(387,030,925)
Profit Available for Appropriation	1,094,193,630
<b>Appropriations:</b>	
Proposed Dividend 10% (4% Cash and 6% Stock)	321,533,378
Transferred to Retained Earnings	772,660,252

### Reason for declaration stock dividend and utilization:

- 1) Increase the 19,292,002 shares of stock outstanding,
- 2) Move Taka 192,920,026 it's retained earnings to paid-in capital, and
- 3) Minimize distributing Taka 192,920,026 in cash to its stockholders.

### Disclosed in regarding to recommendation of Bonus Share (Stock Dividend):

- (a) Bonus shares has been recommended in view to utilize its retained amount as Capital for further business expansion.
- (b) Bonus share is declared out of accumulated profit.
- (c) Bonus share is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the company or through reducing paid up capital or through doing anything so that the post-dividend retained earning become negative or a debit balance.

### Financial Statements:

Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable rules and regulations. The financial data are captured from the financial reports generated from the system. These financial statements, once prepared, are reviewed initially by the CFO and CEO and then by the Audit Committee. After thorough scrutiny, the financial reports are placed before the Board for final review and adoption.

### Environment Role

The company maintains a high standard of pollution free environment as per Government laws.

### Human Resources Development

In order to improve productivity of Human Resources input the company periodically provides formal and informal training to the employee at every level of operation and management which will be helpful to make a great contribution to the company's profitability as well their own remuneration in due course.

### Business Activities

The main activities of this Company are to trade and sell power-generating equipment, lease equipment for port operations, construction and material-handling processes, provide technical support service for government infrastructure sectors as well as major overhauling of power plants, fertilizer plants and chemical plants and manufacture batteries such as automotive, industrial, Motorcycle, MF etc.

The Company during the year under report is responsible for operating the Chittagong Container Terminal (CCT) and the New Mooring Container Terminal (NCT), the only two export-import container terminals at Chittagong Port under the authority of Chittagong Port (CPA) along with backup container-handling operations at the Inland Container Depots (ICD) at the Pangaon Inland Container Terminal and the Kamalapur Inland Container Depot. The other major business activities of the Company include acting as the Technical Consultation and Service Provider for installing, commissioning and overhauling electrical power plants under the Bangladesh Power Development Board (BPDB), fertilizer plants and chemical plants under the Bangladesh Chemical Industries Corporation (BCIC) by supplying spare parts under joint technical assistance from world-renowned foreign business counterparts in Europe and Asia. These businesses operate under the Project Division of the Company and have very good national repute.

The Company is involved in manufacturing various types of SAIF brand distributed electrical transformers, along with PFI and sub-stations of different capacities.

The Company has also been involved in assembling and marketing SAIF brand Solar Home System, Solar Power Grids of various capacities under the re-financing agreement with the Industrial Development Company Limited (IDCOL), an international funding agency under the auspices of the World Bank. The Company has been involved with marketing power-generating capital machinery from South Korea and Turkey, leasing heavy-duty construction and material-handling equipment, container-handling cranes and all equipment, and has gained a major market share in Bangladesh. The company's have two subsidiary company named Saif Plastic & Polymer Industries Limited which produces food-grade plastic containers, bottles and caps for pharmaceutical, oil and beverage industries has a good reputation and success and another named Saif Port Holdings Limited which carry on all or any business of all Engineering works in the field of Civil, Mechanical, Electrical, Chemical and meteorological engineering constructor along with consultation and performing undertaking to execute contracts to design, plan and control, construction of any buildings, road, bridges, railways of different project of BPDB, DESA, WASA, DPDC, DESCO to construct waterways, dock yards, sea port, land port, river port, airport, any type of port related works and operation etc.

### **Research and Development**

Businesses of today are competitive in nature. Newer and innovative approaches to product design and modification are only way to survive in the competitive business environment. Discovering new products in existing product lines, qualitative products based on customer perceptions and demand, cost reduction using different quality materials/production technology, new product promotion strategy, etc., are the main weapons for ensuring survival amidst the competition. We formed a committee to establish a Research and Development (R&D) Department with the objective of market research and technical research.

### **Purchase Manual**

A detailed purchase manual is being prepared, and supply chain policies are implemented for procuring raw materials to ensure purchasing quality at low cost and to ensure the uninterrupted flow of production to safeguard the Company's reputation in the market.

### **Subsidiary Companies**

Saif Powertec Limited has held 80% and 65% shares of Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited since 30th of November 2010 and July 23, 2017 respectively. As required by the Corporate Guidance, minutes of the Board meeting of the subsidiary companies of Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited are now being placed regularly for review at the following Board meeting of this holding company, and the affairs of the subsidiary companies are also reviewed at such Board meeting of this holding company.



### **Directors' Appointment, Retirement and Re-Appointment**

The appointment, retirement, and re-appointment of Directors are governed by the Article 128 of the Company Articles of Association and the Companies Act of 1994.

At the forthcoming 16th Annual General Meeting of the Company, the following Directors will retire and will be eligible for reappointment:

- A) Mrs. Tarafder Nigar Sultana
- B) Mrs. Rubya Chowdhury

### **Appointment of Auditor**

The existing auditor "Ata Khan & Co." Chartered Accountants were appointed as the statutory auditor of the Company at 15th Annual General Meeting held on December 27, 2018. Base on Panel of Auditors' of Bangladesh Securities Exchange Commission updated as on November 12, 2019 "Ata Khan & Co." Chartered Accountants shall not be eligible to re-appoint as statutory auditors for a consecutive period. In compliance with BSEC notification, we are required to appoint new statutory auditors for the company. "Ashraf Uddin & Co." Chartered Accountants have expressed their willingness to be appointed as statutory auditors of the company. The Board recommends their appointment for the year 2019-2020 and to continue till the next Annual General meeting.

### **Appointment of Professional regarding Certificate on Compliance of Corporate Governance Code:**

In compliance with BSEC notification, we are required to appoint Professional regarding Certificate on Compliance of Corporate Governance Code for the company. "Mazumdar Sikder and Associates" Cost & Management Accountants have expressed their willingness to be appointed as Professional regarding Certificate on Compliance of Corporate Governance Code of the company. The Board recommends their appointment for the year 2019-2020 and to continue till the next Annual General meeting.

### **Auditor's appointment regarding Rights Issue Fund utilization:**

The Audit Committee has been recommended and approved by the Board of Director of Saif Powertec Limited to appoint auditors "Ahmed Zaker & Co." Chartered Accountants (a member firm of GGI) to audit Utilization of Rights Issue Fund status on quarterly basis.

### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee has been headed by Mr. Jalal Uddin Ahmed Chaudhury, Independent Director. The other two members of the committee are Mrs. Rubya Chowdhury and Mr. Tarafder Md. Ruhul Saif. All members are independent and responsible or accountable to the Board of Directors.

### **Internal Control System**

The Board of Directors assures all its shareholders of the Company that it has a robust risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored.

### **Code of Conduct**

In compliance with the conditions of corporate governance, the Company's Code of Conduct (CoC) has been adopted by the Board which applies to the Board of Directors, Employee, Agent, Contractor and Key Management Personnel etc. The CoC was reviewed and confirmed/ ratified by the NRC. Annual compliance of the code is also recorded accordingly.

### **Compliance of Corporate Governance Code**

The Company has taken an effective stand on best practices of corporate governance. The Company is determined to ensure good governance by complying with all applicable rules and regulations of the corporate governance code of the Bangladesh Securities & Exchange Commission (BSEC).

The compliance status of Bangladesh Securities & Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of annexed here as Annexure -C along with the Declaration of Chief Executive Officer and Chief Financial Officer to the Board as an Annexure-A, the Professional Certificate compliance on the Corporate Governance Code as an Annexure-B, Audit Committee Report as an Annexure -D and Nomination and Remuneration Committee Report as an Annexure-E

### Appreciation

We are proud of the confidence maintained in us continuously by our valued Members and for supporting the Company's activities. At the same time, we extend our sincere thanks and appreciation to the Banks, NBFIs, Insurance Companies, Auditors, Customers, Stakeholders, Customers and all well-wishers for their support and co-operation as well as the confidence they reposed in the Company. We also convey our heartfelt appreciation, gratitude and thanks to the government and its other agencies, the regulatory authorities, including the Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange Ltd, the Chittagong Stock Exchange Ltd., the Central Depository Bangladesh Ltd. and the Registrar of Joint Stock Companies and Firms for their cordial help, assistance, guidance and advice the Company received from time to time. Your Company could not have achieved such progress and present status without their support and co-operation.

For me and on behalf of the Board of Directors

*N. Sultana*

Tarafder Nigar Sultana  
Chairperson

## Management Discussion and Analysis on Financial Position and Performance

In the last five financial years the Company achieved a moderate growth in terms of business activities as well as in sales volume. In 2014-2015, sales volume was Taka 1,757,076,090 and in 2018-2019 the sales volume of the Company has raised at Taka 3,968,863,398 gained a potential growth in overall business activities of the Company. In line with increased business volume in the last five years, net profit after tax has been increased at Taka 510,333,964 in 2018-2019 from the amount of net profit of Taka 214,137,007 in 2014-2015.

In the last five financial years, net operating cash flow per share for the year 2015 were negative but subsequently in the year 2016, 2017, 2018 and 2019 net operating cash flow per share were positive. In the backdrop of above scenario, it indicates that the company is moving forward and it has good promise and great potential to achieve more business growth in the long run.

Accounting policy and estimation for preparing financial statements of the Company which have been remained same as it were before. Hence, there is no effect in this regard.

### The Economic Condition of Bangladesh

#### Export:

Like many other third -world countries, Bangladesh relies heavily on exports to fulfill the needs of its densely populated nation. The country's export earnings witnessed 2.94 percent decreased in September 2019 as compared to same period in the previous year, mainly drive by decreased exports of agricultural products, chemical products, knitwear and frozen & live fish. On the other hand, total export earnings increased by 2.52 percent in September 2019 (USD mn 2,915.85) from the export earnings (USD mn 2,844.31) of previous month (August 2019).

#### Import:

Generally, in developed countries, exports are greater than or closer to Import payments. But in Bangladesh Exports always fall short of Import payments at a good margin. However, Import payments during the month of August 2019 in the FY2019-20 stand lower by 8.66 percent to USD 4,072.70 million, against USD 4,458.90 million during the same month August 2019 of FY2018-19.

#### Worker's Remittance:

Worker's remittance is the key foreign earning source of Bangladesh to fill-up the huge gap between exchange earning and expenditure. Total remittances receipts during the month of September 2019 FY 2019-20 increased by 1.64 percent to USD 1,468.42 million, against USD 1,445.75 from the previous month, August 2019. And in September 2019 the remittance received 1,468.42 USD million increased by 28.85 percent from 1139.66 USD million of September 2018 of the FY 2018-19.

#### Foreign Exchange Reserve:

In September 2019 the gross foreign exchange reserves Decreased by 2.88 percent to USD 31,831.92 million against USD 3,2775.70 million in August 2019.

#### Inflation:

The average inflation in September 2019 stood at percent as 5.48 percent in August 2019.

Although, Bangladesh has never experienced a negative economic growth during the last 47 years since its independence and maintained around 6% GDP growth rate for last one and half decade, the high rate of inflation always lessened the benefit of good GDP rate.

As far as risks are concerned, Saif Powertec Limited is exposed to interest rate risk, exchange rate risk, industry risk, market risk, technology related risk, operation risk. The Company has been trying to reduce the said risk factors by repaying borrowed funds on a continuous basis to reduce such interest rate risk. Exchange rate risk is mitigating by changing the price of service and product of the Company in accordance with the change in exchange rate. Market risk is mitigating by establishing strong marketing and brand management network for the related product and services of the Company. Technology related risk is trying to mitigate by adopting new advanced technology in its production line according to its need. Operation risk is mitigating under insurance coverage in order to get reasonable compensation for any damage and by practicing standard operating procedures in related business activities.

**SAIF POWERTEC LIMITED (“the Company”)  
Declaration by CEO and CFO**

The Board of Directors  
Saif Powertec Limited  
72, Mohakhali C/A,  
Rupayan Centre (8th Floor)  
Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

Dear Sir (s),

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

- (1) The Financial Statements of Saif Powertec Limited for the year ended on June 30, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company’s state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management’s use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2019 and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present true and fair view of the Company’s affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company’s Board of Directors or its members.

Sincerely yours,



**Tarafder Md. Ruhul Amin**  
Chief Executive Officer (CEO)



**Md. Hasan Reza**  
Chief Financial Officer (CFO)



**MAZUMDAR SIKDER AND ASSOCIATES**  
Cost & Management Accountants

**Report to the Shareholders of Saif Powertec Limited on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Saif Powertec Limited** for the year ended on June 30, 2019. This Code relates to the Notification No. BSM/COMR/CCD/2005-158/2017/Admin/80, Dated: 3 June 2015 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 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;
- (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.

For Mazumdar Sikder and Associates

Md. Saikatul Haque Sikder FCMA  
Cost & Management Accountants

Place - Dhaka,  
Date - December 5, 2019

105/A (3rd Floor), Kakrail, Dhaka - 1000. Phone: 02-8300376, Fax: 02-8300375

## Annexure - C

Status of compliance with Conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	<b>Board of Directors:</b>			
1(1)	Board's Size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	<b>Independent Directors:</b>			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		
1(2) (b)	For the purpose of this clause "independent director" means a director-			
1(2) (b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2) (b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	✓		
1(2) (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;	✓		
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); and	√		
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 for more than 90 (ninety) days; and	√		
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: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.	√		
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 the business;	√		
1(3)(b)	Independent director shall have following qualifications:			
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. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	-	-
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	-	-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	√		

1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	-
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such issue arose
1.4	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>			
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 (MD) and/or Chief Executive Officer (CEO) 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 Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	<b>The Directors' Report to Shareholders</b>			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
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)	Risks 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 Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		



1(5)(vi)	A detailed discussion on related party transactions 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, rights issues and/or any other instruments;	√		
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.;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			No such issue arose
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 changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company 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;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall 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;			The Board of Directors recommended 10% dividend (4% Cash and 6% Stock) for the year ended June 30, 2019
1(5) (xxi)	Board's 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/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1(5) (xxiii)(c)	Executives; and	√		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5) (xxiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the directors.	√		
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;	√		

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, explaining 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)	<b>Meetings of the Board of Directors:</b> 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	√		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
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 interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
<b>2.0</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
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;	√		
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;	√		

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;	√		
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;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
<b>3.0</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3(1)	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) 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)	The 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)			No such incidence arose.
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall 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.	√		
<b>4.0</b>	<b>Board of Directors' Committee</b> For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
<b>5.0</b>	<b>Audit Committee</b>			
5 (1)	Responsibility to the Board of Directors:			
5 (1)(a)	The company shall have an Audit Committee as a sub-committee 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;	√		
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;			No such vacancy arose
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.			No such incidence arose.
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)	The Audit Committee shall: 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;	√		
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;			No such event found
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: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		
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)(a)(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;			No such event occurred
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			No such event occurred
5 (6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such event occurred
5 (6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No such event occurred
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.			No such event found
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.	√		
6.0	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 subcommittee 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	√		
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;			No such vacancy arose.
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	√		
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;			No such incident arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM	√		



6(4)	Meeting of the NRC:		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√	1 <sup>st</sup> Meeting of NRC held on April 30, 2019
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		No such meeting conveyed
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	√	
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)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	√	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		
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.	√		
<b>7.0</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
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.	√		
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	√		
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.	√		
8.0	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).	√		
9.0	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.	√		

## AUDIT COMMITTEE REPORT For year ended on June 30, 2019

**Annexure-D**

The Audit Committee consists of the following persons:

Mr. Jalal Uddin Ahmed Chaudhury	Chairperson
Mr. Tarafder Md. Ruhul Saif	Member
Mrs. Rubya Chowdhury	Member
Mr. F. Md. Salehin	Secretary

### The scope of the Audit Committee was defined as under:

- (a) Oversee the financial reporting process;
- (b) Monitor choice of accounting policies and principles;
- (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;
- (d) Oversee hiring and performance of external auditors;
- (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;
- (f) Review along with the management, the annual financial statements before submission to the Board for approval;
- (g) Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- (h) Review the adequacy of internal audit function;
- (i) Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- (j) Review statement of all related party transactions submitted by the management;
- (k) Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- (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
- (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: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee

### Activities carried out during the year

The Committee reviewed the integrity of the quarterly and annual consolidated financial statements and recommended to the Board for consideration. The Committee oversaw, reviewed and approved the procedure and task of the internal audit, financial report preparation Rights Issue Proceeds utilization and external audit reports. The Committee found adequate arrangements to present a true and fair view of the activities and the financial status of the company and did not find any material deviation, discrepancies or adverse finding/observation in the area of reporting.



**Jalal Uddin Ahmed Chaudhury**  
Chairperson  
Audit Committee

## **Nomination and Remuneration Committee Report For the year ended June 30, 2019**

The Nomination and Remuneration Committee (NRC) of Saif Powertec Limited is pleased to present the report for the year ended 30 June 2019.

The Board of Directors of Saif Powertec Limited has established the NRC on October 27, 2018 in line with Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018.

### **The committee comprises of the following members:**

Mr. Jalal Uddin Ahmed Chaudhury, Non-executive Independent Director	Chairperson
Mrs. Rubya Chowdhury, Non-executive Director	Member
Mr. Tarafder Md. Ruhul Saif, Non-executive Director	Member

### **The Company Secretary is the secretary of the Committee.**

During the period from July 01, 2018 to June 30, 2019 the NRC held one meeting on April 30, 2019. All members of the NRC were present in the meeting. The committee reviewed the terms of reference of the NRC, code of conduct for the Directors and employees of the company.

### **Terms of Reference**

The terms of reference of the Committee are set out in the Charter of Nomination & Remuneration Committee ("the Charter") which was adopted by the Board during the year under review. In accordance with the Charter, the Committee shall oversee, among others, the following matters and shall recommend the following for review and/or approval of the Board, as the case may be:

- I. The criteria for determining qualifications, positive attributes, experiences and independence of a directors
- II. A policy relating to the remuneration of the directors, top level executive, considering the following:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
  - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (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;
- III. A policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- IV. The plan in relation to identification of 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;
- V. The criteria for evaluation of performance of independent directors and the Board;
- VI. The plan or proposal on company's needs for employees at different levels and the selection, transfer or replacement and promotion criteria/ principles; and
- VII. The annual exercise on the developments, recommendations and review of the company's human resources and training policies;

### Major activities during the year:

The Committee carried out its functions in accordance with the Charter. At its commencement meeting the Committee delved in detail into the values, code of conduct and talent value proposition of the Company.

### During the year under review, the Committee carried out the following activities:

- Reviewed and ratified the uniform Code of Conduct for the Company which would be also applicable to members of the Board and key management personnel or top-level executives which was adopted by the Board.
- Reviewed the values document of the Company which underlies all aspects of individual and collective performance and functioning of the Company.
- Reviewed the core human resources principles and philosophy of the Company including recruitment, performance evaluation across all levels of members and talent value proposition of the Company

The minutes of the Committee meetings were placed subsequently before the Board for its approval, which contained all issues along with various suggestions and recommendations to the Management and the Board. The Committee will proceed to function by adopting and adhering to a calendar or plan for the year and monitor progress on the same

On behalf of the Nomination and Remuneration Committee,



**Jalal Uddin Ahmed Chaudhury**

Chairperson of Nomination and Remuneration Committee

Dated: April 30, 2019

# AUDITED CONSOLIDATED FINANCIAL STATEMENTS-2019



**Independent Auditors' Report  
TO  
THE SHAREHOLDERS OF SAIF POWERTEC LIMITED**

**Report on the Audit of the Financial Statements:**

**Opinion**

We have audited the consolidated financial statements of **Saif Powertec Limited** which comprise the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, of the consolidated financial position of the **Saif Powertec Limited** as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key Audit Matter	How our audit addressed the key audit matters
<p><b>Revenue</b></p> <p>The company has reported a revenue of Taka 3,968,863,398 for the year ended 30 June 2019.</p> <p>Refer to note no. 24 of the consolidated financial statements.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognised when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are dispatched for delivery to the distributor. The sales of the Company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and signoff, recording of sales, all the way through to cash receipts and customers' outstanding balances.</li> <li>• We tested the completeness of journal entries compared to the consolidated financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the consolidated statement of financial position date.</li> </ul>

Key Audit Matter	How our audit addressed the key audit matters
<p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p>	<ul style="list-style-type: none"> <li>• We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the consolidated statement of financial position date.</li> <li>• Furthermore, we tested the sales transactions recognised shortly before and after the consolidated statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.</li> </ul>
<p><b>Inventories</b></p> <p>As of the reporting date the company reports Stock and Stores amounting to Taka 1,454,135,069</p> <p>Refer to note no. 07 to the consolidated Financial Statements</p> <p>Inventory is carried in the consolidated statement of financial position at the lower of cost and net realisable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value.</p> <p>Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.</p>	<p>Our audit procedures were designed to challenge the adequacy of the Company's provisions against inventory included:</p> <ul style="list-style-type: none"> <li>• Corroborating on a sample basis that items on the stock ageing by items were classified in the appropriate ageing bracket;</li> <li>• Assessing the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the management on the extent to which old inventory can be sold through various channels;</li> <li>• Considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current period; and</li> <li>• We have also considered the adequacy of the Company's disclosures in respect of the levels of provisions against inventory.</li> </ul>



Key Audit Matter	How our audit addressed the key audit matters
<p><b>Current Tax provisioning</b></p> <p>Current Tax provision amounting Taka 148,583,223</p> <p>Refer to note no. 28 to the consolidated Financial Statements</p> <p>At year end the company reported total income tax expense (Current tax) of BDT 148,583,223. The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p> <p>We have determined this to be a key audit matter, due to the complexity in income tax provisioning.</p>	<p><b>Our audit procedure in this area included ,among others :</b></p> <p>Use of our own tax specialist to assess the company's tax computation. Our tax specialist were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</p> <p>To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation.</p> <p>Evaluating the adequacy of the financial statement disclosures, including disclosure of key assumption judgments and sensitive related to tax.</p>
<p><b>Measurement of deferred tax Liability</b></p> <p>Company reported net deferred tax liability totaling Taka 122,589,969 as at 30 June 2019 . significant judgments is required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years .</p> <p>see note no.19 to the financial statements</p>	<p>We obtained and understanding ,evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax Asset/liability and taxable income/expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expenses/income.</p> <p>We evaluated the reasonableness of key assumption, timing of reversal of temporary difference and expiration of tax loss carry forwards ,recognition and measurement of deferred tax liability/asset .</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability/asset balances and the level of estimation involved.</p> <p>We also assessed in evaluating the tax implications , the reasonableness of estimate and calculations determined by the management.</p> <p>Finally assessed the appropriateness and presentation of disclosure against IAS -12 income Tax</p>

#### Other Matter

The financial statements of Saif Powertec Limited for the year ended 30 June 2018 was audited by another auditor and give fair opinion.

The financial statements of Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited subsidiary companies of Saif Powertec Limited for the year ended 30 June 2019 was audited by another auditor and give fair opinion.

#### 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. We have nothing to report in these respects.

### Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover these 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 these other information and, in doing so, consider whether these 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 communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations 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.

### Auditors' 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 an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

#### **Report on other Legal and Regulatory Requirements:**

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

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

Dated: Dhaka,  
27 October 2019

  
**ATA KHAN & CO.**  
Chartered Accountants

**Consolidated Statement of Financial Position**  
as at 30 June 2019

Particulars	Notes	Amount in Taka			
		At 30 June 2019		At 30 June 2018	
		Consolidated	The Company	Consolidated	The Company
<b>Assets:</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	2,872,243,742	2,735,118,679	2,890,054,704	2,758,930,938
Capital works-in-progress	5	4,241,409,848	4,040,242,555	3,690,821,108	3,673,068,335
Investment in subsidiary companies	6	-	112,500,000	-	80,000,000
		7,113,653,590	6,887,861,234	6,580,875,812	6,511,999,272
<b>Current assets</b>					
Inventories	7	1,454,135,069	1,450,116,153	1,452,963,929	1,449,177,233
Accounts and others receivable	8	1,348,355,085	1,333,990,448	1,287,848,255	1,278,018,549
Advances, deposits and prepayments	9	1,806,222,311	1,626,740,165	1,331,350,284	1,322,627,607
Fixed deposit receipt (FDR)	10	361,997,767	361,997,767	485,237,270	485,237,270
Cash and cash equivalents	11	336,221,451	273,745,295	145,293,556	142,875,334
		5,306,931,683	5,046,589,828	4,782,693,294	4,677,935,993
<b>Total assets</b>		<b>12,420,585,273</b>	<b>11,934,451,062</b>	<b>11,283,569,106</b>	<b>11,189,935,266</b>
<b>Equity and Liabilities:</b>					
<b>Capital and reserves</b>					
Share capital	12	3,215,333,780	3,215,333,780	2,977,160,900	2,977,160,900
Share premium	13	976,713,054	976,713,054	976,713,054	976,713,054
Revaluation reserve	14	82,059,122	82,059,122	82,059,122	82,059,122
Retained earnings	15	1,134,662,064	1,094,193,630	1,011,359,025	982,864,706
		5,408,768,020	5,368,299,586	5,047,292,101	5,018,797,782
<b>Non-controlling interest</b>	16	47,522,553	-	27,123,579	-
		5,456,290,573	5,368,299,586	5,074,415,680	5,018,797,782
<b>Non-current liabilities</b>					
Long term loan from banks and NBFIs	17	1,737,110,741	1,385,041,764	1,704,113,096	1,704,113,096
Deferred tax liability	19	148,436,995	122,589,969	122,620,144	102,494,075
		1,885,547,736	1,507,631,733	1,826,733,240	1,806,607,171
<b>Current Liabilities</b>					
Current portion of long-term loan	18	1,160,079,372	1,160,079,372	376,531,751	376,531,751
Short term loan	20	2,327,877,207	2,327,877,207	2,907,844,458	2,907,844,458
Share money refundable		1,227,750	1,227,750	5,480,985	5,480,985
Accounts payable	21	82,114,933	76,216,027	180,206,348	173,680,960
Undistributed Profit (Cash Dividend)		5,599,835	5,599,835	3,433,003	3,433,003
Accrued expenses	22	917,639,996	912,321,679	758,960,561	756,606,076
Share money deposit		9,010,000	-	9,010,000	-
Obligation to Contract		401,020,802	401,020,802	-	-
Workers profit participation/Welfare fund	23	174,177,069	174,177,069	140,953,079	140,953,079
		5,078,746,964	5,058,519,741	4,382,420,185	4,364,530,312
<b>Total shareholders' equity and liabilities</b>		<b>12,420,585,273</b>	<b>11,934,451,062</b>	<b>11,283,569,106</b>	<b>11,189,935,266</b>
<b>Net asset value per share of Taka 10 each</b>	29	<b>16.82</b>	<b>16.70</b>	<b>16.95</b>	<b>16.86</b>
<b>Net asset value per share without revaluation of Taka 10 each</b>	29	<b>16.57</b>	<b>16.44</b>	<b>16.68</b>	<b>16.58</b>

The annexed notes form an integral part of the Statement of Financial Position.

*N. Sultana*  
Chairman

*[Signature]*  
Managing Director

*[Signature]*  
Director

*[Signature]*  
Chief Financial Officer

*[Signature]*  
Company Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka  
27 October 2019

*[Signature]*  
ATA KHAN & CO.  
Chartered Accountants

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
for the year ended 30 June 2019

Particulars	Notes	Amount in Taka			
		1st July 2018 to 30 June 2019		1st July 2017 to 30 June 2018	
		Consolidated	The Company	Consolidated	The Company
<b>Revenue</b>					
Sales ( net )	24	3,968,863,398	3,885,345,395	4,238,879,267	4,163,504,182
Cost of sales	25	(2,014,078,363)	(1,958,701,103)	(2,312,471,910)	(2,261,201,857)
<b>Gross profit</b>		<b>1,954,785,035</b>	<b>1,926,644,292</b>	<b>1,926,407,357</b>	<b>1,902,302,325</b>
General and administrative expenses	26	(476,972,013)	(471,794,803)	(416,878,568)	(412,324,126)
<b>Profit from operations</b>		<b>1,477,813,023</b>	<b>1,454,849,488</b>	<b>1,509,528,790</b>	<b>1,489,978,199</b>
Other income		40,936,676	40,700,911	50,262,935	49,377,834
Finance expenses	27	(797,892,697)	(797,846,609)	(614,470,166)	(614,450,973)
<b>Net profit before WPPF</b>		<b>720,857,002</b>	<b>697,703,790</b>	<b>945,321,559</b>	<b>924,905,060</b>
Workers profit participation/Welfare fund		(33,223,990)	(33,223,990)	(44,043,098)	(44,043,098)
<b>Net profit after WPPF</b>		<b>687,633,012</b>	<b>664,479,800</b>	<b>901,278,460</b>	<b>880,861,962</b>
Income tax expenses	28	(174,400,074)	(166,119,950)	(227,361,264)	(220,215,490)
<b>Net profit after tax</b>		<b>513,232,938</b>	<b>498,359,849</b>	<b>673,917,196</b>	<b>660,646,471</b>
Profit attributable to ordinary shareholders					
Total Non controlling interest (20% and 35%)		(2,898,974)	-	(2,654,145)	-
		<b>510,333,964</b>	<b>498,359,849</b>	<b>671,263,052</b>	<b>660,646,471</b>
<b>Basic Earnings per share</b>	30	<b>1.59</b>	<b>1.55</b>	<b>2.09</b>	<b>2.05</b>
<b>Diluted Earnings per share</b>	30	<b>1.59</b>	<b>1.55</b>	<b>2.09</b>	<b>2.05</b>
<b>Appropriation of subsidiary company's net profit :</b>					
<b>Saif Powertec Limited (parent company) - 80%</b>		12,301,900		10,616,580	
<b>Non-controlling interest (minority interest) - 20%</b>		3,075,475		2,654,145	
		<b>15,377,375</b>		<b>13,270,725</b>	
<b>Saif Powertec Limited (parent company) - 65%</b>		(327,787)		-	
<b>Non-controlling interest (minority interest) - 35%</b>		(176,501)		-	
		<b>(504,288)</b>		<b>-</b>	

The annexed notes form an integral part of the Statement of Profit or Loss and Other Comprehensive Income.

*N. Sultana*  
Chairman

*Q. A. Khan*  
Managing Director

*Saif*  
Director

*Abul Kalam*  
Chief Financial Officer

*Abul Kalam*  
Company Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka  
27 October 2019

*Abul Kalam*  
ATA KHAN & CO.  
Chartered Accountants

**Consolidated Statement of Changes in Equity**  
for the year ended 30 June 2019

Amounts in Taka

Particulars	Share capital	Share premium	Revaluation reserve	Retained earnings	Non-Controlling Interest	Total
<b>Balance at 01 July 2017</b>	2,325,906,960	976,713,054	82,059,122	1,061,059,648	24,469,434	4,470,208,218
Issue of Bonus Shares	651,253,940	-	-	(651,253,940)	-	-
Cash Dividend paid	-	-	-	(69,709,735)	-	(69,709,735)
Net income for the year	-	-	-	671,263,052	-	671,263,052
Share of profit of subsidiary company	-	-	-	-	2,654,145	2,654,145
<b>Balance at 30 June 2018</b>	<b>2,977,160,900</b>	<b>976,713,054</b>	<b>82,059,122</b>	<b>1,011,359,025</b>	<b>27,123,579</b>	<b>5,074,415,680</b>
<b>Balance at 01 July 2018</b>	2,977,160,900	976,713,054	82,059,122	1,011,359,025	27,123,579	5,074,415,680
Net income for the year	-	-	-	510,333,964	-	510,333,964
Issue of Bonus Shares	238,172,880	-	-	(238,172,880)	-	-
Cash Dividend paid	-	-	-	(148,858,045)	-	(148,858,045)
Share of profit of subsidiary ( SPHL )	-	-	-	-	17,323,499	17,323,499
Share of profit of subsidiary (SPPIL)	-	-	-	-	3,075,475	3,075,475
<b>Balance at 30 June 2019</b>	<b>3,215,333,780</b>	<b>976,713,054</b>	<b>82,059,122</b>	<b>1,134,662,064</b>	<b>47,522,553</b>	<b>5,456,290,573</b>

*N. Sultana*  
Chairman

*[Signature]*  
Managing Director

*[Signature]*  
Director

*[Signature]*  
Chief Financial Officer

*[Signature]*  
Company Secretary

Dated: Dhaka  
27 October 2019

**Consolidated Statement of Cash Flows**  
for the year ended 30 June 2019

Particulars	Amount in Taka			
	Year ended 30 June 2019		Year ended 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>Cash flows from operating activities</b>				
Cash receipt from customers and others	4,350,314,046	4,271,095,209	3,769,473,608	3,699,663,157
Cash paid to employees and suppliers	(2,309,811,166)	(2,252,748,278)	(2,932,068,823)	(2,879,872,640)
<b>Cash generate from operating activities</b>	<b>2,040,502,880</b>	<b>2,018,346,931</b>	<b>837,404,785</b>	<b>819,790,517</b>
Paid against advance income tax	(209,873,594)	(207,957,285)	(209,831,056)	(208,743,454)
<b>Net cash provided by operating activities (A)</b>	<b>1,830,629,286</b>	<b>1,810,389,646</b>	<b>627,573,729</b>	<b>611,047,063</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(62,929,123)	(51,204,673)	(167,137,068)	(162,139,392)
Capital works-in-progress	(1,005,252,640)	(654,772,497)	(872,454,347)	(857,931,651)
Investment in subsidiary company (SPHL)	-	(32,500,000)	-	-
Fixed deposit receipt (FDR)	123,239,503	123,239,503	(14,297,956)	(14,297,956)
<b>Net cash used in investing activities (B)</b>	<b>(944,942,260)</b>	<b>(615,237,667)</b>	<b>(1,053,889,371)</b>	<b>(1,034,368,999)</b>
<b>Cash flows from financing activities</b>				
Short term loan received	1,037,076,822	1,037,076,822	1,744,660,108	1,744,660,108
Short term loan re-paid	(1,617,044,074)	(1,617,044,074)	(1,403,189,960)	(1,403,189,960)
Interest and financial expenses	(797,892,697)	(797,846,609)	(614,470,166)	(614,450,973)
Non-controlling interest	17,500,000	-	-	-
Share money deposit received/(refunded)	(4,253,235)	(4,253,235)	(737,870)	(2,737,870)
Cash dividend paid	(146,691,212)	(146,691,212)	(68,420,075)	(68,420,075)
Long term loan received	1,119,045,316	766,976,340	787,448,007	787,448,007
Long term loan re-paid	(302,500,050)	(302,500,050)	(215,764,085)	(215,764,085)
<b>Net cash provided by financing activities (C)</b>	<b>(694,759,130)</b>	<b>(1,064,282,018)</b>	<b>229,525,959</b>	<b>227,545,152</b>
Effect of exchange rate change on cash and cash equivalents	-	-	-	-
<b>Net changes in cash and cash equivalents (A+B+C)</b>	<b>190,927,895</b>	<b>130,869,961</b>	<b>(196,789,683)</b>	<b>(195,776,784)</b>
Opening cash and cash equivalents	145,293,556	142,875,334	342,083,238	338,652,118
Closing cash and cash equivalents	<b>336,221,451</b>	<b>273,745,295</b>	<b>145,293,556</b>	<b>142,875,334</b>
<b>Net Operating cash flows per share (Note: 31)</b>	<b>5.69</b>	<b>5.63</b>	<b>1.95</b>	<b>1.90</b>

*N. Sultana*  
Chairman

*[Signature]*  
Managing Director

*[Signature]*  
Director

*[Signature]*  
Chief Financial Officer

*[Signature]*  
Company Secretary

Dated: Dhaka  
27 October 2019

## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2018

### 1. Reporting entity

Saif Powertec Limited (hereinafter referred to as 'the company') was incorporated on 29 December 2003 as a private limited company under Companies Act 1994. The company has since been converted into a public limited company vide a special resolution of the shareholders in their extra ordinary general meeting held on 28 June 2010. The registered office of the company is situated at 72, Mohakhali, Rupayan Centre (8th Floor), Dhaka 1212. The shares of Saif Powertec Limited is listed with DSE and CSE and traded in the regular market.

#### 1.1 Nature of business

Principal activity of the company is to carry on business of infrastructure-support service. The company is also engaged in importing, trading, assembling and installing generators, sub-stations, electrical equipment and grid-lines, installation and erection of power plants, producing Battery as well as acts as a berth/ terminal operator for operation of Chittagong Container Terminal (CCT) and New Mooring Container Terminal (NCT) of Chittagong Port Authority (CPA).

#### 1.2 Subsidiary Companies

**Saif Plastic & Polymer Industries Limited**, a subsidiary company of Saif Powertec Limited was incorporated on 13 November 2010 as a private limited company under Companies Act 1994 with an authorised capital of Taka 200,000,000 divided into 20,000,000 ordinary shares of Taka 10 each and paid up capital of Taka 100,000,000. Saif Powertec Limited holds 80% shares of Saif Plastic & Polymer Industries Limited (the subsidiary). The registered office of the subsidiary is located at 72, Mohakhali, Rupayan Centre (8th Floor), Dhaka 1212. Saif Plastic & Polymer Industries Limited has started its commercial operation during the year.

The shareholding position of Saif Plastic & Polymer Industries Limited has been shown in Annexure-III

**Saif Port Holdings Limited**, a subsidiary company of Saif Powertec Limited was incorporated in Bangladesh as a private company, limited by shares, on 23 July 2017 under Companies Act 1994 vide certificate of incorporation no. C-138908/2017. Authorised capital of Taka 100,000,000 divided into 10,000,000 ordinary shares of Taka 10 each and paid up capital of Taka 50,000,000. Saif Powertec Limited holds 65% shares of Saif Port Holdings Limited (the subsidiary). The registered and corporate office of the Company is located at 72, Mahakhali, Rupayan Center (8th floor), Dhaka-1212.

The shareholding position of Saif Port Holdings Limited has been shown in Annexure-IV

Subsidiaries are entities controlled by Saif Powertec Limited (The Company). Control exists when Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited have been included in the consolidated financial statements from the date that control commences until the date that it ceases.

#### 1.3 Basis of consolidation

The financial statements of the company and its subsidiary, as mentioned in note 1.2 have been consolidated in accordance with International Financial Reporting Standards (IFRS) 10 Consolidated Financial Statements the accounting policies of the subsidiary have been changed when necessary to align them with the policies adopt by the group. During the period statement of financial position, statement of profit or loss and other comprehensive income, and statement of cash flows has been consolidated on the basis of audited financial statements.



### Transactions eliminated on consolidation

The financial statements of the subsidiaries has been consolidated in accordance with International Financial Reporting Standards (IFRS) 10 "Consolidated Financial Statements" Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, have been eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of Saif Powertec Limited's (The Company) interest in the investee. Unrealized losses, if any, are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

### Non-controlling Interest

During the year statement of financial position, statement of profit or loss and other comprehensive income, and statement of cash flows has been consolidated on the basis of audited financial statements . Total profits of the Company and its Subsidiary are shown in the Consolidated Statement of Profit or Loss & Other Comprehensive Income with the proportion after taxation pertaining to non-controlling shareholders being deducted as "Non-controlling interest".

All Assets and Liabilities of the company and of its subsidiary are shown in the consolidated statement of financial position. The Interest of Non-controlling shareholders of the subsidiary is shown separately in the consolidated statement of financial position under the head "Non-controlling Interest".

## 1.4 Risk exposure

### a. Interest rate risk

Interest rate risk is the risk that company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

#### Management perception:

The company has been repaying borrowed funds on a continuous basis to reduce such interest risk.

### b. Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate is increased against local currency opportunity will be created for generating more profit.

#### Management perception:

Saif Powertec Limited changes the price of their services in accordance with the change in exchange rate to mitigate the affect of unfavorable volatility in exchange rate on the company's earnings.

### c. Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margins, market share, etc which could have an adverse impact on the business, financial condition and results of operation.

#### Management perception:

The Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions. As a local company, Saif Powertec Limited has a unique understanding of the requirements of its clients and customers and as such, shall continuously position itself as the first choice to its domestic market. Many foreign companies which wish to enter the Bangladesh market will seek Saif Powertec Limited as competitor.

**d. Market Risks**

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

**Management perception:**

The needs for power, construction and infrastructure support services will continue to grow much faster in a developing country than other developed markets in the world. Strong management, timely and quality service has enabled the company to capture significant market share in the sector. And the company is continuously penetrating the market and upgrading the quality of their service to minimize the risk.

**e. Technology Related Risks**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

**Management perception:**

The Company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

**f. Potential or Existing Government Regulations**

The company operates under Companies Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax Act 1991 and Value Added Tax Rules 1991. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

**Management perception:**

Since the Company operates in power, energy and infrastructure sector, the Government regulations are mostly investment-friendly. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected. As it is a thrust sector, it is highly unlikely that the Government will frustrate the growth of the industry with adverse policy measures.

**g. Operational risks**

Non-availability of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, unforeseen events, lack of supervision and negligence, leading to severe accidental losses, etc.

**Management perception:**

The company's equipment is under insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate the operational risk.

## 2. Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax Act 1991 and the Value Added Tax Rules 1991, Bangladesh Securities and Exchange Rules 1987 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

### 2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except financial assets and liabilities which are stated at "fair value".

### 2.3 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka, which is the Company's functional currency.

### 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IAS/IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a ongoing basis.

### 2.5 Reporting period

The financial reporting period of the company covers one year from 01 July 2018 to 30 June 2019.

### 2.6 Comparative Information and Rearrangement Thereof

In accordance with the provisions of IAS-1: Presentation of Financial Statements, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

### 2.7 Corporate Accounting Standards Practiced

Applicable International Accounting Standards (IASs) are as follows:

IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Complied
IAS 7	Cash Flows Statement	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied

IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27	Separate Financial Statements	Not Applicable
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	Not Applicable
IAS 36	Impairment of Assets	Complied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Not Applicable
IAS 39	Financial Instruments: Recognition and Measurement	Complied
IAS 40	Investment Property	Not Applicable

Applicable International Financial Reporting Standards (IFRSs) are as follows:

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards	Complied
IFRS 2	Share-based Payment	Not Applicable
IFRS 3	Business Combinations	Complied
IFRS 4	Insurance Contracts	Not Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 8	Operating Segments	Complied
IFRS 9	Financial Instruments	Complied
IFRS 10	Consolidated Financial Statements	Complied
IFRS 11	Joint Arrangements	Not Applicable
IFRS 12	Disclosure of Interests in Other Entities	Not Applicable
IFRS 13	Fair Value Measurement	Not Applicable
IFRS 14	Regulatory Deferral Accounts	Not Applicable
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Not Applicable

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

#### 3.1 Property, plant and equipment

##### 3.1.1 Recognition and measurement

Property, plant and equipment are measured at cost and valuation (only land) less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. It is carried at the lower of its carrying amount and fair value less cost. Any write-down is shown as an impairment loss. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

### 3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

### 3.1.3 Depreciation on property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation thereon. Depreciation is charged applying diminishing balance method on all fixed assets other than land and land development. Depreciation has been charged on addition when the related asset is available for use and no depreciation has been charged when the related assets are de-recognized/disposed off. After considering the useful life of the assets as per IAS-16: Property Plant and Equipment, the depreciation rates have been applied as under which is considered reasonable by the management:

Rates of depreciation on various classes of property, plant and equipment are as under:

<b>Category of property, plant and equipment</b>	<b>Rate (%)</b>
Furniture and fixtures	10
Building	5
Pre-fabricated building	10
Office and electrical equipment	10
Tools and equipment	10
Workshop	10
Vehicles	20
Plant and machinery	20
Plant and machinery (Manufacturing)	10
Others	10

### 3.1.4 Impairment of assets

#### I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

#### II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the year no impaired loss occurred to recognize in the Financial Statements.

### 3.2 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is valued at weighted average cost method and includes costs for acquiring the inventories and bringing them to their existing locations and conditions.

### 3.3 Provisions

A provision is recognised on the balance sheet date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is provable that an outflow of economic benefits will be required to settle the obligation.

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations;

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimates can be made of the amount of the obligation..

### 3.4 Capital works-in-progress

Capital-work-in-progress is stated at cost. These are expensed of a capital nature directly incurred in the construction of factory building, land, machineries and capital expenditure. No depreciation is charged on the capital work in progress which is in accordance with IAS-16 : Property , Plant and Equipment.

### 3.5 Earnings per share (EPS)

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share. Earnings per share by dividing the net earnings after Tax by the number of ordinary shares outstanding during the period.

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

\*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

### Diluted Earnings per share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company. Hence, no Diluted EPS of the company has been calculated.

### 3.6 Revenue

As per IFRS-15: "Revenue from Contracts form Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing , orally or in accordance with other customary business practices) and are committed to perform their respective obligations ;
- (b) The entity can identify each party 's rights regarding the goods or services to be transferred ;
- (c) The entity can identify the payment terms for the goods or services to be transferred ;
- (d) The contract has commercial substance (i.e. the risk , timing or amount of the entity `s future cash flows is expected to change as a result of the contract ); and
- (e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

### **3.7 Trade receivables**

Trade receivables at the balance sheet date are stated at amounts which are considered realisable.

### **3.9 Finance income and expenses**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues. Finance expenses comprise interest expense on borrowings, bank charges and guarantee costs. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate.

### **3.10 Cash and cash equivalents**

It includes cash in hand and other deposits with banks which were held and available for use by the company without any restriction.

Cash flows from operating activities have been presented under direct method as per IAS-7 : Statement of Cash Flows

### **3.11 Taxation**

A provision for current tax @ 25% on net profit of the company has been provided during the year under review.

### **3.10 Deferred tax**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

### **3.12 Foreign Currency Transaction**

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the year or in previous financial statements is recognized in profit or loss in the year in which they arise.

As the import L/Cs were settled on spot payment basis, no exchange loss or gain occurred.

### 3.13 Employee Benefits:

The Company is operating Workers Profit Participation Fund (WPPF) and Welfare Fund according to Bangladesh Labour Law 2006 and Bangladesh labour (Amendments ) Act 2013 are accounted for securing benefits to the employees in accordance with the provision of International Accounting Standard (IAS)-19, “ Employee Benefit”. The company pays two festival bonuses to all employees in every year.

### 3.14 Related party disclosure

As per IAS 24: Related Party Disclosure, parties are considered to be related if one has the ability to control or exercise significant influence over other in making financial and operating decisions. During the year the Company made number of related parties transaction are given as annex ii/a.





Notes to the financial statements for the year ended 30 June 2019

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>4 Property, plant and equipment</b>				
<b>Cost:</b>				
Opening balance	3,854,822,467	3,683,940,422	2,617,526,512	2,451,642,143
Add: Addition during the year	246,782,327	235,057,877	1,237,295,955	1,232,298,279
<b>Closing balance (A)</b>	<b>4,101,604,794</b>	<b>3,918,998,299</b>	<b>3,854,822,467</b>	<b>3,683,940,422</b>
<b>Depreciation:</b>				
Opening balance	964,767,763	925,009,484	720,523,094	686,636,400
Add: Charge for the year	264,593,289	258,870,136	244,244,669	238,373,085
<b>Closing balance (B)</b>	<b>1,229,361,052</b>	<b>1,183,879,620</b>	<b>964,767,763</b>	<b>925,009,484</b>
<b>Written down value (A-B)</b>	<b>2,872,243,742</b>	<b>2,735,118,679</b>	<b>2,890,054,704</b>	<b>2,758,930,938</b>
Details are in <u>Annex I</u> .				
<b>5 Capital works-in-progress</b>				
Opening balance	3,690,821,108	3,673,068,335	3,896,631,511	3,893,401,434
Add: Addition during the year	734,441,944	551,027,424	864,348,484	849,825,788
Less: Transferred during the year	(183,853,204)	(183,853,204)	(1,070,158,887)	(1,070,158,887)
<b>Closing balance</b>	<b>4,241,409,848</b>	<b>4,040,242,555</b>	<b>3,690,821,108</b>	<b>3,673,068,335</b>
This represents cost incurred for Land, Construction of Building, Machineries and other Capital expenditure out of which Taka 1,116,375,956 from right issue fund.				
<b>6 Investment in subsidiary companies</b>				
Investment in Saif Plastic and Polymer Industries Limited (8,000,000 ordinary shares @ Taka 10 each)		80,000,000		80,000,000
Investment in Saif Port Holdings Limited (3,250,000 ordinary shares @ Taka 10 each)		32,500,000		-
		<b>112,500,000</b>		<b>80,000,000</b>
<b>7 Inventories</b>				
Generators	35,563,621	35,563,621	61,787,033	61,787,033
Spare parts	182,145,302	182,145,302	181,532,410	181,532,410
Electric goods	242,529,088	242,529,088	250,140,337	250,140,337
Manufacturing (Battery) Note 7.01	989,878,142	989,878,142	955,717,453	955,717,453
Closing stock subsidiary company	4,018,916	-	3,796,696	-
<b>Total</b>	<b>1,454,135,069</b>	<b>1,480,116,153</b>	<b>1,452,963,929</b>	<b>1,449,177,233</b>
<b>7.01 Manufacturing (Battery)</b>				
Raw materials	456,648,808	456,648,808	356,354,120	356,354,120
Work In Process	286,574,558	286,574,558	256,145,800	256,145,800
Finished Goods	246,654,776	246,654,776	343,217,533	343,217,533
<b>Total</b>	<b>989,878,142</b>	<b>989,878,142</b>	<b>955,717,453</b>	<b>955,717,453</b>
<b>8 Accounts and others receivable</b>				
Imported goods sales	604,523,100	604,523,100	564,378,547	564,378,547
Contract execution	224,418,020	224,418,020	195,953,293	195,953,293
Manufacturing	301,795,749	301,795,749	318,174,302	318,174,302
Shipping agent	198,920,103	198,920,103	195,497,305	195,497,305
Receivable (Subsidiary Company)	14,364,637	-	9,829,706	-
Interest Receivable	4,333,476	4,333,476	4,015,102	4,015,102
<b>Total</b>	<b>1,348,355,085</b>	<b>1,333,990,448</b>	<b>1,287,848,255</b>	<b>1,278,018,549</b>
			0	
Dues upto 6 months	864,295,609	855,087,877	822,404,758	817,293,310
Dues above 6 months	484,059,476	478,902,571	465,443,497	460,725,239
<b>Total</b>	<b>1,348,355,085</b>	<b>1,333,990,448</b>	<b>1,287,848,255</b>	<b>1,278,018,549</b>

The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:

Receivable considered good in respect of which the company is fully secured.	-	-	-	-
Receivable considered good in respect of which the company holds no security other than the debtor personal security.	1,348,355,085	1,333,990,448	1,287,848,255	1,278,018,549
Receivables considered doubtful bad.	-	-	-	-
Receivable to Directors.	-	-	-	-
Receivables due by common management.	-	-	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-	-	-
<b>Total</b>	<b>1,348,355,085</b>	<b>1,333,990,448</b>	<b>1,287,848,255</b>	<b>1,278,018,549</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>9 Advances, deposits and prepayments</b>				
Advances to/against				
VAT Current Account	60,216,905	58,031,752	69,411,717	66,930,362
Income tax	820,788,968	812,631,337	610,915,374	604,674,052
Salary	3,345,906	3,345,906	5,070,816	5,070,816
Office rent	4,873,200	4,873,200	7,020,600	7,020,600
Advance against work	509,149,109	340,009,747	325,366,645	325,366,645
Others	273,530,189	273,530,189	228,173,845	228,173,845
<b>Sub-total</b>	<b>1,671,904,277</b>	<b>1,492,422,131</b>	<b>1,245,958,997</b>	<b>1,237,236,320</b>
<b>Deposits and prepayments:</b>				
Bank guarantee	66,437,527	66,437,527	35,461,337	35,461,337
L/C margin	53,550,613	53,550,613	35,600,056	35,600,056
Earnest money	10,200	10,200	10,200	10,200
Security money	14,319,694	14,319,694	14,319,694	14,319,694
<b>Sub-total</b>	<b>134,318,034</b>	<b>134,318,034</b>	<b>85,391,287</b>	<b>85,391,287</b>
<b>Total</b>	<b>1,806,222,311</b>	<b>1,626,740,165</b>	<b>1,331,350,284</b>	<b>1,322,627,607</b>
Dues upto 6 months	682,946,262	507,542,931	412,781,363	410,077,333
Dues above 6 months	1,123,276,049	1,119,197,234	918,568,921	912,550,274
<b>Total</b>	<b>1,806,222,311</b>	<b>1,626,740,165</b>	<b>1,331,350,284</b>	<b>1,322,627,607</b>
			-	-
<b>10 Fixed Deposit Receipt (FDR):</b>				
Dhaka Bank Limited	114,382,071	114,382,071	198,041,659	198,041,659
Farmers Bank Limited	101,533,925	101,533,925	95,400,506	95,400,506
Premier Leasing & Finance Ltd	67,740,570	67,740,570	64,361,168	64,361,168
Fareast Finance and Investment Ltd.	78,341,201	78,341,201	76,560,375	76,560,375
One Bank Limited	-	-	50,873,562	50,873,562
<b>Total</b>	<b>361,997,767</b>	<b>361,997,767</b>	<b>485,237,270</b>	<b>485,237,270</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>11 Cash and cash equivalents</b>				
Cash in hand				
Branch Office	19,265,367	19,265,367	19,163,741	19,163,741
Factory	1,456,450	1,456,450	1,392,928	1,392,928
Dhaka Office	9,168,845	8,134,955	8,451,132	8,083,785
	<b>29,890,662</b>	<b>28,856,772</b>	<b>29,007,801</b>	<b>28,640,454</b>
Bank balances with:				
Bank Asia Limited	206	195	5,207	3,845
Bangladesh Commerce Bank Limited	402,935	402,935	423,070	423,070
Dhaka Bank Limited	189,715,789	189,650,104	7,560,568	7,556,722
Mercantile Bank Limited, Dhaka	58,163	58,163	70,823	70,823
One Bank Limited	1,667,733	1,667,733	4,283,852	4,283,852
Jamuna Bank Limited	809,809	809,809	152,091	152,091
AB Bank Limited	28,380	28,380	31,485	31,485
The Premier Bank Limited	-	-	400	400
Sonali Bank Limited	18,522,119	18,522,119	27,790,296	27,790,296
BRAC Bank Limited	453,716	453,716	451,011	451,011
Islami Bank Bangladesh Limited	5,426,101	5,426,101	4,720,545	4,720,545
NCC Bank Limited	92,360	92,360	80,281	80,281
NRB Commercial Bank Limited	4,252	4,252		
United Commercial Bank Limited	2,190,689	869,811	7,676,509	5,824,180
Southeast Bank Limited	34,789	34,789	35,183	35,183
Padma Bank Limited	21,560,730	21,386,404	20,282,892	20,107,266
Dutch Bangla Bank Ltd	812,895	812,895	3,228,490	3,228,490
Standard Bank Limited	466,970	466,970	468,270	468,270
National Bank Limited	59,865,304	-	-	-
Dhaka Bank Limited (Rights)	1,344,520	1,344,520	34,248,519	34,248,519
Dhaka Bank Limited (IPO)	2,793,191	2,793,191	2,689,506	2,689,506
Farmers Bank Limited (IPO)	6	6	738	738
Trust Bank Limited	64,070	64,070	2,068,307	2,068,307
Al Arafa Islami Bank Limited	16,062	-	17,712	-
	<b>306,330,789</b>	<b>244,888,523</b>	<b>116,285,755</b>	<b>114,234,880</b>
<b>Total</b>	<b>336,221,451</b>	<b>273,745,295</b>	<b>145,293,556</b>	<b>142,875,334</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>12 Share capital</b>				
Authorised capital				
500,000,000 ordinary shares of Taka 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>
Paid-up capital				
137,689,348 ordinary shares @ Tk.10 each in cash	1,376,893,480	1,376,893,480	1,376,893,480	1,376,893,480
183,844,030 ordinary shares @ Tk.10 each in Bonus	1,838,440,300	1,838,440,300	1,600,267,420	1,600,267,420
<b>Total</b>	<b>3,215,333,780</b>	<b>3,215,333,780</b>	<b>2,977,160,900</b>	<b>2,977,160,900</b>

Paid-up Capital has been increased to Taka 3,215,333,780 through allotment of Bonus shares @ 8% dated December 27, 2018.

Company's shareholding position as on the dates of balance sheet were as under:

12.1	Shareholdings	Percentage(%)	No. of shares	Value (Taka)
	Directors and Sponsor	40.06	128,799,895	1,287,998,950
	Institutional shareholders	19.72	63,409,384	634,093,840
	Individual shareholders	40.22	129,324,099	1,293,240,990
	<b>Total</b>	<b>100.00</b>	<b>321,533,378</b>	<b>3,215,333,780</b>

<b>13 Share premium</b>	<b>976,713,054</b>	<b>976,713,054</b>	<b>976,713,054</b>	<b>976,713,054</b>
<b>14 Revaluation reserve</b>	<b>82,059,122</b>	<b>82,059,122</b>	<b>82,059,122</b>	<b>82,059,122</b>

In 2010, land under the ownership of Saif Powertec Limited was professionally revalued by G. Kibria & Co, Chartered Accountants. at Fair market value was estimated at Taka 121,734,000 as against net book value of Taka 25,193,856 resulting in a revaluation surplus of Taka 96,540,144 which was accounted for and transferred to revaluation reserve. The company does not feel it necessary to revalue its property during the year since the value does not differ significantly from its carrying amount.

**15 Retained earnings:**

Opening Balance	1,011,359,025	982,864,706	1,061,059,648	1,043,181,910
Add: Addition this year	510,333,964	498,359,849	671,263,052	660,646,471
Less: Dividend @ 13% (5% Cash and 8% Stock)	(387,030,925)	(387,030,925)	(720,963,675)	(720,963,675)
<b>Total</b>	<b>1,134,662,064</b>	<b>1,094,193,630</b>	<b>1,011,359,025</b>	<b>982,864,706</b>

Amount in Taka			
At 30 June 2019		At 30 June 2018	
Consolidated	The Company	Consolidated	The Company

**16 Non Controlling Interest:**

**16.01: Non-Controlling Interest of Saif Plastic and Polymer Industries Limited**

This is made up as follows:

A. Subsidiary Share Capital	100,000,000	100,000,000
B. Saif Powertec Limited invest to Subsidiary Company	80,000,000	80,000,000
Percentage of holding share of Subsidiary company By SPL (B/A)	80%	80%
Non Controlling interest Percentage	20%	20%
C. Non controlling interest on Share Capital	20,000,000	20,000,000
Opening Retained earnings	35,617,895	22,347,171
D. Non controlling interest on Opening retained earnings @20% Restated	7,123,579	4,469,434
Current years profit of subsidiaries	15,377,375	13,270,724
E. Non controlling interest on current years profit of subsidiary @ 20%	3,075,475	2,654,145
<b>Total Non controlling Interest of SPPIL (C+D+E)</b>	<b>30,199,054</b>	<b>27,123,579</b>

**16.02: Non-Controlling Interest of Saif Port Holdings Limited**

This is made up as follows:

A. Subsidiary Share Capital	50,000,000	-
B. Saif Powertec Limited invest to Subsidiary Company	32,500,000	-
Percentage of holding share of Subsidiary company By SPHL (B/A)	65%	-
Non Controlling interest Percentage	35%	-
C. Non controlling interest on Share Capital	17,500,000	-
Current years profit of subsidiaries	(504,288)	-
D. Non controlling interest on current years profit of subsidiary @ 35%	(176,501)	-
<b>Total Non controlling Interest of SPHL (C+D)</b>	<b>17,323,499</b>	<b>-</b>
<b>Total Non controlling Interest</b>	<b>47,522,553</b>	<b>27,123,579</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>17 Long term loan from Banks and NBFIs</b>				
The company has availed long-term credit facilities from the following banks:				
Dhaka Bank Limited	5,609,002	5,609,002	88,961,324	88,961,324
One Bank Limited	278,388,551	278,388,551	357,138,093	357,138,093
Premier Bank Limited	316,472,991	316,472,991	-	-
Infrastructure Development Company Limited	236,759,413	236,759,413	277,158,250	277,158,250
Bangladesh Finance and Investment Company Limited	134,291,224	134,291,224	223,076,156	223,076,156
Hajj Finance Company Limited	52,400,419	52,400,419	98,560,608	98,560,608
Premier Leasing and Finance Limited	210,397,456	210,397,456	339,908,301	339,908,301
Fareast Finance and Investment Ltd	115,900,679	115,900,679	244,684,351	244,684,351
National Bank Limited	352,068,976	-	-	-
IPDC Finance Limited	19,473,409	19,473,409	32,983,822	32,983,822
LankaBangla Finance Ltd.	15,348,620	15,348,620	32,169,973	32,169,973
NCC Bank Limited	-	-	9,472,218	9,472,218
	<b>1,737,110,741</b>	<b>1,385,041,764</b>	<b>1,704,113,096</b>	<b>1,704,113,096</b>
<b>17.1 Long-term loan</b>				
<b><u>Dhaka Bank Limited</u></b>				
Opening Balance	180,165,889	180,165,889	270,834,956	270,834,956
Add: Principal this year	-	-	-	-
Add: Interest this year	22,521,779	22,521,779	27,783,496	27,783,496
Less: Payment this year	(136,138,500)	(136,138,500)	(118,452,563)	(118,452,563)
Sub Total (A)	<b>66,549,168</b>	<b>66,549,168</b>	<b>180,165,889</b>	<b>180,165,889</b>
<b><u>One Bank Limited</u></b>				
Opening Balance	388,986,267	388,986,267	-	-
Add: Principal this year	250,000,000	250,000,000	357,448,007	357,448,007
Add: Interest this year	53,616,396	53,616,396	40,333,975	40,333,975
Less: Payment this year	(32,060,000)	(32,060,000)	(8,795,715)	(8,795,715)
Sub Total (B)	<b>660,542,663</b>	<b>660,542,663</b>	<b>388,986,267</b>	<b>388,986,267</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b><u>Premier Bank Limited</u></b>				
Opening Balance	-	-	-	-
Add: Principal this year	516,976,340	516,976,340	-	-
Add: Interest this year	6,813,457	6,813,457	-	-
Less: Payment this year	(10,048,588)	(10,048,588)	-	-
Sub Total (C)	<u>513,741,209</u>	<u>513,741,209</u>	-	-
<b><u>NCC Bank Limited</u></b>				
Opening Balance	25,659,671	25,659,671	67,750,800	67,750,800
Add: Principal this year	-	-	-	-
Add: Interest this year	1,179,143	1,179,143	6,243,871	6,243,871
Less: Payment this year	(26,838,814)	(26,838,814)	(48,335,000)	(48,335,000)
Sub Total (D)	<u>-</u>	<u>-</u>	<u>25,659,671</u>	<u>25,659,671</u>
<b><u>Bangladesh Finance and Investment Company Limited</u></b>				
Opening Balance	275,730,002	275,730,002	306,110,452	306,110,452
Add: Principal this year	-	-	-	-
Add: Interest this year	38,060,839	38,060,839	48,029,809	48,029,809
Less: Payment this year	(68,255,530)	(68,255,530)	(78,410,259)	(78,410,259)
Sub Total (E)	<u>245,535,311</u>	<u>245,535,311</u>	<u>275,730,002</u>	<u>275,730,002</u>
<b><u>Infrastructure Development Company Limited</u></b>				
Opening Balance	277,158,250	277,158,250	305,775,193	305,775,193
Add: Principal this year	-	-	-	-
Add: Interest this year	8,601,163	8,601,163	17,559,057	17,559,057
Less: Payment this year	(49,000,000)	(49,000,000)	(46,176,000)	(46,176,000)
Sub Total (F)	<u>236,759,413</u>	<u>236,759,413</u>	<u>277,158,250</u>	<u>277,158,250</u>
<b><u>Premier Leasing &amp; Finance Limited</u></b>				
Opening Balance	409,261,319	409,261,319	-	-
Add: Principal this year	-	-	410,000,000	410,000,000
Add: Interest this year	67,996,780	67,996,780	45,905,119	45,905,119
Less: Payment this year	(82,500,000)	(82,500,000)	(46,643,800)	(46,643,800)
Sub Total (G)	<u>394,758,099</u>	<u>394,758,099</u>	<u>409,261,319</u>	<u>409,261,319</u>
<b><u>Fareast Finance and Investment Ltd</u></b>				
Opening Balance	314,903,425	314,903,425	339,530,644	339,530,644
Add: Principal this year	-	-	-	-
Add: Interest this year	48,564,673	48,564,673	46,094,796	46,094,796
Less: Payment this year	(109,612,443)	(109,612,443)	(70,722,015)	(70,722,015)
Sub Total (H)	<u>253,855,655</u>	<u>253,855,655</u>	<u>314,903,425</u>	<u>314,903,425</u>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b><u>IPDC Finance Limited</u></b>				
Opening Balance	42,178,165	42,178,165	47,680,349	47,680,349
Add: Principal this year	-	-	-	-
Add: Interest this year	5,961,960	5,961,960	5,226,672	5,226,672
Less: Payment this year	(12,362,397)	(12,362,397)	(10,728,856)	(10,728,856)
Sub Total (I)	<u>35,777,728</u>	<u>35,777,728</u>	<u>42,178,165</u>	<u>42,178,165</u>
<b><u>Haji Finance Company Limited</u></b>				
Opening Balance	122,588,397	122,588,397	141,705,244	141,705,244
Add: Principal this year	-	-	-	-
Add: Interest this year	13,088,268	13,088,268	16,210,355	16,210,355
Less: Payment this year	(32,690,886)	(32,690,886)	(35,327,202)	(35,327,202)
Sub Total (J)	<u>102,985,779</u>	<u>102,985,779</u>	<u>122,588,397</u>	<u>122,588,397</u>
<b><u>National Bank Limited</u></b>				
Opening Balance	-	-	-	-
Add: Principal this year	342,000,000	-	-	-
Add: Interest this year	10,068,976	-	-	-
Less: Payment this year	-	-	-	-
Sub Total (K)	<u>352,068,976</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>LankaBangla Finance Limited</u></b>				
Opening Balance	44,013,462	44,013,462	29,573,287	29,573,287
Add: Principal this year	-	-	20,000,000	20,000,000
Add: Interest this year	5,773,650	5,773,650	4,840,025	4,840,025
Less: Payment this year	(15,171,002)	(15,171,002)	(10,399,850)	(10,399,850)
Sub Total (L)	<u>34,616,110</u>	<u>34,616,110</u>	<u>44,013,462</u>	<u>44,013,462</u>
Total (A+B+C+D+E+F+G+H+I+J+K+L)	<u>2,897,190,113</u>	<u>2,545,121,136</u>	<u>2,080,644,847</u>	<u>2,080,644,847</u>
Less: Long-term loan	<u>1,737,110,741</u>	<u>1,385,041,764</u>	<u>1,704,113,096</u>	<u>1,704,113,096</u>
Transferred to current portion loan	<u>1,160,079,372</u>	<u>1,160,079,372</u>	<u>376,531,751</u>	<u>376,531,751</u>

Nature	Long term loan
Purpose	Working Capital
Tenure	1 Year to 6 Years
Repayment	1/25/2022
Rate of interest	12% ~ 18%
Security	Registered mortgage of 82.00 decimal land situated at Khilgaon, Gazipur. Lien of readily saleable 4,118,834 shares. Hypothecation underlying assets, 32.43 Decimal land at Basugaon, pubail, 32.20 Decimal land at khilgaon, pubail, 122 dec. Bashugaon, Gazipur. 8.77 decimals land at Gazipur Sadar, 69.80 decimal land at khilgaon, Gazipur.



	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>18 Current portion of long-term loan</b>				
Dhaka Bank Limited	60,940,166	60,940,166	91,204,563	91,204,563
Bangladesh Finance and Investment Company Limited	111,244,087	111,244,087	52,653,846	52,653,846
NCC Bank Limited	-	-	16,187,453	16,187,453
One Bank Limited	382,154,112	382,154,112	31,848,174	31,848,174
Premier Bank Limited	197,268,217	197,268,217	-	-
Premier Leasing and Finance Limited	184,360,643	184,360,643	69,353,018	69,353,018
Fareast Finance and Investment Ltd	137,954,976	137,954,976	70,219,074	70,219,074
LankaBangla Finance Limited	19,267,492	19,267,492	11,843,491	11,843,491
IPDC Finance Limited	16,304,319	16,304,319	9,194,343	9,194,343
Hajj Finance Company Limited	50,585,360	50,585,360	24,027,789	24,027,789
<b>Total</b>	<b>1,160,079,372</b>	<b>1,160,079,372</b>	<b>376,531,751</b>	<b>376,531,751</b>
<b>19 Deferred Tax Liability:</b>				
Deferred tax liability end of the period	122,589,969	122,589,969	102,494,075	102,494,075
Deferred Tax liability (Subsidiary Com.)	25,847,026	-	20,126,069	-
<b>Total</b>	<b>148,436,995</b>	<b>122,589,969</b>	<b>122,620,144</b>	<b>102,494,075</b>
<b>Details are shown in Annexure -V</b>				
<b>20 Short-term loan</b>				
<b><u>Time Loan and LTR</u></b>				
Dhaka Bank Limited	176,859,082	176,859,082	160,730,142	160,730,142
Bangladesh Commerce Bank Limited	218,290,525	218,290,525	207,699,362	207,699,362
NCC Bank Limited	2,716,800	2,716,800	-	-
One Bank Limited	1,008,525,133	1,008,525,133	1,315,208,362	1,315,208,362
Fareast Finance and Investment Limited	72,411,416	72,411,416	109,401,835	109,401,835
Islamic Finance and Investment Limited	-	-	16,886,796	16,886,796
The Premier Bank Limited	-	-	78,585,189	78,585,189
	<u>1,478,802,956</u>	<u>1,478,802,956</u>	<u>1,888,511,686</u>	<u>1,888,511,686</u>
<b><u>Bank Overdraft</u></b>				
Dhaka Bank Limited	206,043,094	206,043,094	373,222,091	373,222,091
NCC Bank Limited	33,903,242	33,903,242	59,619,914	59,619,914
One Bank Limited	121,932,889	121,932,889	106,297,589	106,297,589
The Premier Bank Limited	-	-	480,193,178	480,193,178
National Bank Limited	487,195,026	487,195,026	-	-
	<u>849,074,251</u>	<u>849,074,251</u>	<u>1,019,332,772</u>	<u>1,019,332,772</u>
	<b>2,327,877,207</b>	<b>2,327,877,207</b>	<b>2,907,844,458</b>	<b>2,907,844,458</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>20.01 Time Loan and LTR</b>				
<b><u>Dhaka Bank Limited</u></b>				
Opening Balance	160,730,142	160,730,142	235,115,862	235,115,862
Add: Principal this year	404,384,484	404,384,484	460,521,510	460,521,510
Add: Interest this year	40,304,681	40,304,681	39,987,310	39,987,310
Less: Payment this year	(428,560,225)	(428,560,225)	(574,894,540)	(574,894,540)
	<u>176,859,082</u>	<u>176,859,082</u>	<u>160,730,142</u>	<u>160,730,142</u>
<b><u>One Bank Limited</u></b>				
Opening balance	1,315,208,362	1,315,208,362	-	-
Add: Principal this year	789,781,009	789,781,009	1,567,521,773	1,567,521,773
Add: Interest this year	190,167,083	190,167,083	95,132,725	95,132,725
Less: Payment this year	(1,286,631,321)	(1,286,631,321)	(347,446,136)	(347,446,136)
	<u>1,008,525,133</u>	<u>1,008,525,133</u>	<u>1,315,208,362</u>	<u>1,315,208,362</u>
<b><u>NCC Bank Limited</u></b>				
Opening balance	-	-	-	-
Add: Principal this year	11,885,879	11,885,879	-	-
Add: Interest this year	1,267,474	1,267,474	-	-
Less: Payment this year	(10,436,553)	(10,436,553)	-	-
	<u>2,716,800</u>	<u>2,716,800</u>	<u>-</u>	<u>-</u>
<b><u>Padma Bank Limited</u></b>				
Opening balance	-	-	319,607,547	319,607,547
Add: Principal this year	-	-	-	-
Add: Interest this year	-	-	2,361,544	2,361,544
Less: Payment this year	-	-	(321,969,091)	(321,969,091)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>AB Bank Limited</u></b>				
Opening balance	-	-	-	-
Add: Principal this year	-	-	-	-
Add: Interest this year	-	-	-	-
Less: Payment this year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Premier Bank Limited</u></b>				
Opening balance	78,585,189	78,585,189	140,954,141	140,954,141
Add: Principal this year	-	-	93,838,399	93,838,399
Add: Interest this year	8,741,567	8,741,567	15,611,182	15,611,182
Less: Payment this year	(87,326,756)	(87,326,756)	(171,818,533)	(171,818,533)
	<u>-</u>	<u>-</u>	<u>78,585,189</u>	<u>78,585,189</u>

Amount in Taka			
At 30 June 2019		At 30 June 2018	
Consolidated	The Company	Consolidated	The Company

**Bangladesh Commerce Bank Limited**

Opening balance	207,699,362	207,699,362	206,065,934	206,065,934
Add: Principal this year	1,283,971	1,283,971	-	-
Add: Interest this year	30,307,192	30,307,192	25,385,243	25,385,243
Less: Payment this year	(21,000,000)	(21,000,000)	(23,751,815)	(23,751,815)
	<u>218,290,525</u>	<u>218,290,525</u>	<u>207,699,362</u>	<u>207,699,362</u>

**Fareast Finance and Investment Limited**

Opening balance	109,401,835	109,401,835	151,625,010	151,625,010
Add: Principal this year	-	-	-	-
Add: Interest this year	24,914,581	24,914,581	20,617,240	20,617,240
Less: Payment this year	(61,905,000)	(61,905,000)	(62,840,415)	(62,840,415)
	<u>72,411,416</u>	<u>72,411,416</u>	<u>109,401,835</u>	<u>109,401,835</u>

**Islamic Finance and Investment Limited**

Opening balance	16,886,797	16,886,797	63,117,052	63,117,052
Add: Principal this year	-	-	-	-
Add: Interest this year	495,111	495,111	5,495,245	5,495,245
Less: Payment this year	(17,381,908)	(17,381,908)	(51,725,500)	(51,725,500)
	<u>-</u>	<u>-</u>	<u>16,886,797</u>	<u>16,886,797</u>

**Premier Leasing & Finance Limited**

Opening balance	-	-	53,334,419	53,334,419
Add: Principal this year	-	-	-	-
Add: Interest this year	-	-	2,410,708	2,410,708
Less: Payment this year	-	-	(55,745,127)	(55,745,127)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Purpose	Working Capital
Tenure	1 Year
Repayment	11/30/2019
Rate of interest	11% to 16.50%
Security	Pledge of 3.225 Million Ordinary Share of SAIF Powerte Limited, Hypothecation underlying assets, 32.43 Decimal land at Basugaon, pubail, 32.20 Decimal land at khilgaon, pubail, 122 dec. Bashugaon , Gazipur.

	Amount in Taka					
	At 30 June 2019		At 30 June 2018			
	Consolidated	The Company	Consolidated	The Company		
<b>21 Accounts payable</b>						
A & J Traders	5,437,850	5,437,850	10,437,850	10,437,850		
Model Art press	534,612	534,612	1,833,612	1,833,612		
Deferred L/C Liabilities	67,482,105	67,482,105	156,584,076	156,584,076		
Others	2,761,460	2,761,460	4,825,422	4,825,422		
Subsidiary	5,898,906	-	6,525,389	-		
<b>Total</b>	<b>82,114,933</b>	<b>76,216,027</b>	<b>180,206,348</b>	<b>173,680,960</b>		
Dues upto 6 months	49,063,672	44,962,262	104,519,686	98,998,151		
Dues above 6 months	33,051,260	31,253,765	75,686,662	74,682,809		
<b>Total</b>	<b>82,114,933</b>	<b>76,216,027</b>	<b>180,206,348</b>	<b>173,680,960</b>		
<b>22 Accrued expenses</b>						
Salary and allowances	33,585,745	32,891,518	21,841,286	21,496,633		
Others payable	1,367,445	1,356,570	1,523,410	1,523,410		
Office rent	1,585,900	1,585,900	1,402,626	1,402,626		
Income tax payable (Note: 22.01)	875,312,098	871,170,494	726,728,875	725,146,438		
Audit fee	400,000	350,000	375,000	350,000		
Service charge	51,000	51,000	49,000	49,000		
Utility bill	5,325,353	4,903,741	7,025,937	6,623,542		
Telephone bill	12,455	12,455	14,427	14,427		
<b>Total</b>	<b>917,639,996</b>	<b>912,321,679</b>	<b>758,960,561</b>	<b>756,606,076</b>		
<b>22.01 Income tax provision</b>						
Opening Balance	726,728,875	725,146,438	537,079,862	535,807,210		
Addition during the year	148,583,223	146,024,056	189,649,013	189,339,228		
<b>Total</b>	<b>875,312,098</b>	<b>871,170,494</b>	<b>726,728,875</b>	<b>725,146,438</b>		
<b>23 Workers profit participation/Welfare fund</b>						
Opening balance	140,953,079	140,953,079	96,909,981	96,909,981		
Add: During this year	33,223,990	33,223,990	44,043,098	44,043,098		
<b>Total</b>	<b>174,177,069</b>	<b>174,177,069</b>	<b>140,953,079</b>	<b>140,953,079</b>		
No interest has been provided of Workers profit participation/welfare fund to the workers.						
<b>24 Sales</b>						
	At 30 June 2019				At 30 June 2018	
	Gross revenue	VAT	Net revenue	Consolidated	Net revenue	Consolidated
Contract	2,181,032,982	120,487,951	2,060,545,031	2,060,545,031	2,176,473,270	2,176,473,270
Maintenance	399,193,362	-	399,193,362	399,193,362	387,085,887	387,085,887
Imported goods	740,462,595	7,255,210	733,207,385	733,207,385	798,870,207	798,870,207
Manufacturing (Battery)	784,485,642	92,086,025	692,399,617	692,399,617	801,074,818	801,074,818
Net sales (subsidiary)	-	-	-	83,518,003	-	75,375,085
<b>Total</b>	<b>4,105,174,581</b>	<b>219,829,186</b>	<b>3,885,345,395</b>	<b>3,968,863,398</b>	<b>4,163,504,182</b>	<b>4,238,879,267</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>25 Cost of sales</b>				
Maintenance (Note 25.01)	172,743,079	172,743,079	161,386,059	161,386,059
Contracts (Note 25.02)	663,956,541	663,956,541	783,471,236	783,471,236
Imported goods (Note 25.03)	479,840,568	479,840,568	552,830,941	552,830,941
Manufacturing (Note 25.04)	642,160,915	642,160,915	763,513,621	763,513,621
Cost of sales (Note 25.05)	55,377,260	-	51,270,052	-
<b>Total</b>	<b>2,014,078,363</b>	<b>1,958,701,103</b>	<b>2,312,471,910</b>	<b>2,261,201,857</b>
<b>25.01 Maintenance</b>				
Wages and others expenses	76,834,703	76,834,703	67,596,350	67,596,350
Labour bills	88,622,472	88,622,472	85,685,615	85,685,615
Fuel and oil	5,231,545	5,231,545	5,819,539	5,819,539
Repair and maintenance	2,054,359	2,054,359	2,284,555	2,284,555
<b>Total</b>	<b>172,743,079</b>	<b>172,743,079</b>	<b>161,386,059</b>	<b>161,386,059</b>
<b>25.02 Contract</b>				
Wages and salary	127,060,822	127,060,822	120,439,234	120,439,234
Project implementation cost	352,642,200	352,642,200	493,180,960	493,180,960
Wages and others expenses	3,850,000	3,850,000	1,617,611	1,617,611
Trailer and prime mover rent	6,371,186	6,371,186	5,825,697	5,825,697
Fuel and oil	11,796,967	11,796,967	7,876,960	7,876,960
Utility bill	6,348,329	6,348,329	6,275,529	6,275,529
Uniform expenses (dress)	565,000	565,000	366,120	366,120
Repair and maintenance	154,160,389	154,160,389	144,417,951	144,417,951
Hotel rent	1,161,648	1,161,648	3,471,174	3,471,174
<b>Total</b>	<b>663,956,541</b>	<b>663,956,541</b>	<b>783,471,236</b>	<b>783,471,236</b>
<b>25.03 Imported goods</b>				
Cost of imported goods	355,786,757	355,786,757	435,870,219	435,870,219
Clearing charge and others	3,214,000	3,214,000	2,382,000	2,382,000
L/C expenses	2,491,273	2,491,273	2,995,838	2,995,838
Marine insurance	4,470,335	4,470,335	8,716,060	8,716,060
Carriage inward	2,010,638	2,010,638	1,673,455	1,673,455
Wages and salary	111,867,565	111,867,565	101,193,369	101,193,369
<b>Total</b>	<b>479,840,568</b>	<b>479,840,568</b>	<b>552,830,941</b>	<b>552,830,941</b>

Notes to the financial statements for the year ended 30 June 2019

		Amount in Taka			
		At 30 June 2019		At 30 June 2018	
		Consolidated	The Company	Consolidated	The Company
<b>25.04</b>	<b>Manufacturing</b>				
	<b>Raw materials consumption</b>				
	Opening stock of raw materials	356,354,120	356,354,120	607,579,585	607,579,585
	Purchases during the year	380,653,044	380,653,044	888,302,721	888,302,721
	Closing stock of raw materials	(456,648,808)	(456,648,808)	(356,354,120)	(356,354,120)
		<b>280,358,356</b>	<b>280,358,356</b>	<b>1,139,528,186</b>	<b>1,139,528,186</b>
	<b>Manufacturing expenses:</b>				
	Clearing charge	6,548,767	6,548,767	9,011,932	9,011,932
	L/C expenses and others	14,397,889	14,397,889	26,101,508	26,101,508
	Depreciation	88,760,666	88,760,666	66,902,841	66,902,841
	Marine insurance and others	14,907,677	14,907,677	2,306,557	2,306,557
	Utilities	54,429,164	54,429,164	43,423,300	43,423,300
	Carriage inward	3,354,646	3,354,646	9,224,900	9,224,900
	Wages and salary	101,093,211	101,093,211	58,454,089	58,454,089
	Others	12,176,540	12,176,540	7,923,641	7,923,641
	<b>Total</b>	<b>295,668,560</b>	<b>295,668,560</b>	<b>223,348,768</b>	<b>223,348,768</b>
	<b>Total Manufacturing Expenses</b>	<b>576,026,916</b>	<b>576,026,916</b>	<b>1,362,876,954</b>	<b>1,362,876,954</b>
	Opening work-in process	256,145,800	256,145,800	-	-
	Closing work-in process	(286,574,558)	(286,574,558)	(256,145,800)	(256,145,800)
	Opening finished product	343,217,533	343,217,533	-	-
	Closing finished product	(246,654,776)	(246,654,776)	(343,217,533)	(343,217,533)
	<b>Cost of Sales</b>	<b>642,160,915</b>	<b>642,160,915</b>	<b>763,513,621</b>	<b>763,513,621</b>
<b>25.05</b>	<b>Cost of sales of subsidiary</b>	<b>55,377,260</b>	<b>-</b>	<b>51,270,052</b>	<b>-</b>
<b>26.</b>	<b>General and administrative expenses</b>				
	Salary and allowances	111,499,913	108,800,985	92,702,403	90,417,500
	Office rent	22,434,954	21,790,954	21,240,700	20,616,700
	Travelling and conveyance	3,341,086	3,245,465	3,266,246	3,176,049
	Vehicle running expenses	10,639,497	10,453,659	9,746,793	9,566,320
	Publicity and promotional expenses	46,894,211	46,894,211	48,429,016	48,429,016
	Utility bills	4,197,359	4,197,359	3,654,612	3,654,612
	Communication expenses	1,034,417	1,010,417	1,129,310	1,105,310
	Printing and stationery	3,914,952	3,864,638	3,911,784	3,866,612
	Employees welfare	4,272,146	4,087,964	6,822,144	6,629,125
	Medical expenses	1,742,904	1,742,904	215,647	215,647
	Business license fee	312,590	175,425	161,602	43,165
	Depreciation	170,184,174	170,109,469	171,470,243	171,470,243
	Service charge	731,251	650,596	674,887	588,000
	Telephone and mobile phone bills	2,014,048	1,979,512	2,376,060	2,345,680
	Postage and courier	579,184	557,653	160,947	140,559
	Carriage outward	1,424,568	1,424,568	1,008,360	1,008,360
	Repair and maintenance	2,046,872	1,737,004	2,107,804	1,795,573
	Tender expenses	124,654	124,654	86,315	86,315
	Marketing salary and expenses	77,260,453	76,753,575	37,707,769	37,231,616
	Audit fee	400,000	350,000	375,000	350,000
	Paper and periodicals	53,577	40,988	49,844	39,460
	Sundry expenses	11,869,203	11,802,803	9,581,082	9,548,264
	<b>Total</b>	<b>476,972,013</b>	<b>471,794,803</b>	<b>416,878,568</b>	<b>412,324,126</b>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>27 Financial expenses</b>				
<b>Bank interest</b>				
Dhaka Bank Limited	101,705,888	101,705,888	121,200,608	121,200,608
One Bank Limited	259,254,042	259,254,042	146,193,664	146,193,664
NCC Bank Limited	10,896,326	10,896,326	10,984,140	10,984,140
Padma Bank Limited	-	-	2,361,544	2,361,544
Bangladesh Finance and Investment Company Limited	38,060,839	38,060,839	48,029,809	48,029,809
Hajj Finance Company Limited	13,088,268	13,088,268	16,210,355	16,210,355
Premier Leasing and Finance Limited	67,996,780	67,996,780	48,315,827	48,315,827
The Premier Bank Limited	88,315,787	88,315,787	78,904,824	78,904,824
Bangladesh Commerce bank Limited	30,307,182	30,307,182	25,385,243	25,385,243
National Bank Limited	63,085,479	63,085,479	-	-
IPDC Finance Limited	5,961,960	5,961,960	5,226,672	5,226,672
Fareast Finance and Investment Limited	73,479,254	73,479,254	66,712,036	66,712,036
Infrastructure Development Company Limited	8,601,163	8,601,163	17,559,057	17,559,057
Islamic Finance Limited	495,111	495,111	5,495,245	5,495,245
LankaBangla Finance Limited	5,773,650	5,773,650	4,840,025	4,840,025
	<u>767,021,729</u>	<u>767,021,729</u>	<u>597,419,049</u>	<u>597,419,049</u>
<b>Bank charge, commission &amp; others</b>				
AB Bank Limited	3,105	3,105	2,800	2,800
Bank Asia Limited	3,650	3,650	4,267,265	4,267,265
Bangladesh Commerce Bank Limited	22,776	22,776	25,115	25,115
BRAC Bank Limited	1,530	1,530	3,420	3,420
Dhaka Bank Limited	18,316,389	18,316,389	7,653,620	7,653,620
Padma Bank Limited	3,204	3,204	245,084	245,084
Islami Bank (Bangladesh) Limited	30,088	30,088	72,313	72,313
Jamuna Bank Limited	5,758	5,758	3,095	3,095
Mercantile Bank Limited	12,660	12,660	13,482	13,482
NCC Bank Limited	887,913	887,913	58,300	58,300
ONE Bank Limited	5,320,233	5,320,233	3,849,992	3,849,992
Sonali Bank Limited	282,199	282,199	197,815	197,815
Premier Bank Limited	112,614	112,614	185,019	185,019
Southeast Bank Limited	1,215	1,215	14,488	14,488
Standard Bank Limited	1,300	1,300	1,530	1,530
Dutch Bangla Bank Limited	50,006	50,006	89,206	89,206
Cash, loan processing and others	5,641,356	5,641,356	324,792	324,792
United Commercial Bank Limited	8,806	8,806	9,437	9,437
Trust Bank Limited	49,524	49,524	15,151	15,151
NRB Commercial Bank Limited	748	748	-	-
National Bank Limited	81,466	69,806	-	-
Subsidiary Company	34,428	-	19,193	-
	<u>30,870,968</u>	<u>30,824,880</u>	<u>17,051,117</u>	<u>17,031,924</u>
<b>Total</b>	<u>797,892,697</u>	<u>797,846,609</u>	<u>614,470,166</u>	<u>614,450,973</u>

	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>28 Income Tax Expense:</b>				
Current tax payable (Note: 28.01)	148,583,223	146,024,056	189,649,013	189,339,228
Deferred tax expenses	25,816,851	20,095,894	37,712,251	30,876,262
<b>Total</b>	<b>174,400,074</b>	<b>166,119,950</b>	<b>227,361,264</b>	<b>220,215,490</b>
<b>28.01 Current tax payable (The Company):</b>				
Income before tax during the year	664,479,800	664,479,800	880,861,962	880,861,962
Add: Accounting depreciation	258,870,135	258,870,135	238,373,085	238,373,085
Less: Tax depreciation	(339,253,711)	(339,253,711)	(361,878,134)	(361,878,134)
Taxable Income	584,096,225	584,096,225	757,356,913	757,356,913
Tax Rate	25%	25%	25%	25%
Current Tax	146,024,056	146,024,056	189,339,228	189,339,228
<b>Add: Tax on Subsidiaries</b>	<b>2,559,167</b>	<b>-</b>	<b>309,785</b>	<b>-</b>
<b>Total</b>	<b>148,583,223</b>	<b>146,024,056</b>	<b>189,649,013</b>	<b>189,339,228</b>
<b>29 Net asset value per share (NAV)</b>				
Shareholders Equity and Reserve	5,408,768,020	5,368,299,586	5,047,292,101	5,018,797,782
Number of shares	321,533,378	321,533,378	297,716,090	297,716,090
<b>Net asset value per share of Taka 10 each</b>	<b>16.82</b>	<b>16.70</b>	<b>16.95</b>	<b>16.86</b>
Shareholders Equity and Reserve without revaluation reserve	5,326,708,898	5,286,240,464	4,965,232,979	4,936,738,660
Number of shares	321,533,378	321,533,378	297,716,090	297,716,090
<b>Net asset value per share without revaluation of Taka 10 each</b>	<b>16.57</b>	<b>16.44</b>	<b>16.68</b>	<b>16.58</b>



	Amount in Taka			
	At 30 June 2019		At 30 June 2018	
	Consolidated	The Company	Consolidated	The Company
<b>30 Earnings per share (EPS)</b>				
<b>Basic Earning per share:</b>				
Earnings attributable to ordinary shares:				
Net profit after tax as per statement of comprehensive income	510,333,964	498,359,849	671,263,052	660,646,471
Number of shares (Note 30.01):	321,533,378	321,533,378	321,533,378	321,533,378
<b>Basic Earning per share (Per value of Taka 10)</b>	<b>1.59</b>	<b>1.55</b>	<b>2.09</b>	<b>2.05</b>
<b>Diluted Earnings per share:</b>				
Net profit after tax as per statement of comprehensive income	510,333,964	498,359,849	671,263,052	660,646,471
Number of shares (Note 31.01):	321,533,378	321,533,378	321,533,378	321,533,378
<b>Diluted Basic Earning per share (Per value of Taka 10)</b>	<b>1.59</b>	<b>1.55</b>	<b>2.09</b>	<b>2.05</b>
<b>30.01 Number of shares:</b>				
Opening Balance/weighted average outstanding no. of share	297,716,090	297,716,090	232,590,696	232,590,696
Bonus Shares	23,817,288	23,817,288	88,942,682	88,942,682
	<b>321,533,378</b>	<b>321,533,378</b>	<b>321,533,378</b>	<b>321,533,378</b>
<b>31 Net Operating cash flows per share</b>				
Net cash provided by operating activities	1,830,629,286	1,810,389,646	627,573,729	611,047,063
Number of shares	321,533,378	321,533,378	321,533,378	321,533,378
<b>Net Operating cash flows per share</b>	<b>5.69</b>	<b>5.63</b>	<b>1.95</b>	<b>1.90</b>
<b>32 Reconciliation of Profit/Loss before tax to Cash Generate from Operation</b>				
Net Profit/(Loss) before WPPF & Tax	720,857,002	697,703,790	945,321,559	924,905,060
Add: Depreciation	264,593,289	258,870,136	244,244,669	238,373,085
Add: Finance Cost	797,892,697	797,846,609	614,470,166	614,450,973
(Increase)/Decrease in Advance Deposit and Prepayment	(293,163,302)	(289,469,456)	(350,615,428)	(355,118,996)
(Increase)/Decrease in Accounts and others receivable	(60,506,830)	(55,971,899)	(519,668,595)	(513,218,859)
(Increase)/Decrease in Inventories	(1,171,140)	(938,920)	(302,098,270)	(301,540,672)
Increase/(Decrease) in obligation to contract	401,020,802	401,020,802	-	-
Increase/(Decrease) in Accounts Payable	(8,989,443)	(8,362,964)	(26,609,335)	(19,310,356)
Increase/(Decrease) Accrued Expenses	10,096,212	9,691,547	22,528,963	22,506,829
<b>Net cash provided by operating activities</b>	<b>1,830,629,286</b>	<b>1,810,389,646</b>	<b>627,573,729</b>	<b>611,047,063</b>
<b>33 Directors' responsibility statements</b>				
The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.				
<b>34 Events after the Reporting Period.</b>				
In compliance with the requirements of BAS-10: " Events after the reporting period", post balance sheet adjusting events that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material, in applicable cases.				
There was no events after reporting period of such importance for which adjustment to be given or disclosure is required except cash dividend @ 4% and 6% stock dividend (June 30, 2018: 5% cash and 8% stock dividend) as recommended in the meeting of Board of Directors held on 27 October, 2019 (June 30, 2018: 27 October, 2018).				

**35 Authorisation for issue:**

These financial statements have been authorised for issue by the Board of Directors of the company on 27 October, 2019.

**36 Right Issue Proceeds Utilization up to June 30, 2019**

Purpose Mentioned in ROD	Amount of ROD	Total Utilized Amount	Total Un-utilized Amount
A) Repayment of Loans	558,843,410	558,843,410	-
B) Expansion of Battery Project:			
(i) Land & Land Development	200,000,000	157,398,012	42,601,988
(ii) Machineries	962,477,944	958,977,944	3,500,000
C) Right Issue Expenses	23,108,866	23,108,866	-
<b>Total</b>	<b>1,744,430,220</b>	<b>1,698,328,232</b>	<b>46,101,988</b>

The Right Issue Proceeds Utilization has been audited in quarterly basis by Ahmed Zaker & Co., Chartered Accountants during the year.

**Others**

- 37 Number of Employees 1,821  
 All the employees receive salary/wages in excess of tk. 5000 per month  
 Number of permanent staff

38 Figures are rounded off to the nearest Taka.

39 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

**40 Production capacity and current utilization**

Name of Product / Service	Capacity	Capacity Utilizations
Chittagong Port Operation	657,000 containers per year	60%
Maintenance	657,000 containers per year	60%
Import	Not applicable	Not applicable
Sub-contract	Not applicable	Not applicable
Solar	Not applicable	Not applicable
Manufacturing	550,000 pcs	40%
Substation	Not applicable	Not applicable
Contract	11 nos. of RTG	45%
	4 nos. of QGC	100%

**Details of Property, Plant and Equipment (except Manufacturing unit) and Depreciation at 30 June 2019.**

Asset category	Cost and Valuation					Depreciation				Written down value at 30 June 2019	
	At 01 July 2018	Additions	Revaluations	Adjustment/disposal	Total at 30 June 2019	Rate (%)	To 01 July 2018	Charge for the Year	Adjustment on disposal		Total at 30 June 2019
Tools and equipment	1,324,899,374	-	-	-	1,324,899,374	10	506,582,239	94,496,269	-	601,078,508	723,820,866
Land and land development	350,751,678	38,243,546	-	-	388,995,224	-	-	-	-	-	388,995,224
Pre-fabricated building	25,550,054	-	-	-	25,550,054	10	13,329,543	980,414	-	14,309,957	11,240,097
Building	344,213,543	1,683,905	-	-	345,897,448	5	88,629,415	13,951,003	-	102,580,419	243,317,029
Plant and machinery	216,608,800	-	-	-	216,608,800	20	94,479,868	24,425,786	-	118,905,654	97,703,146
Motor vehicles	250,837,207	8,280,000	-	-	259,117,207	20	112,148,179	29,393,806	-	141,541,985	117,575,222
Workshop	6,353,600	-	-	-	6,353,600	10	4,706,747	164,685	-	4,871,432	1,482,168
Office and electrical equipment	54,926,694	491,980	-	-	55,418,674	10	23,286,516	3,767,658	-	27,054,173	28,364,501
Furniture and fixtures	37,862,382	2,234,887	-	-	40,097,269	10	14,017,516	2,817,654	-	16,835,170	23,262,099
Others	1,778,203	270,355	-	-	2,048,558	10	926,620	112,194	-	1,038,814	1,009,744
<b>Total at 30 June 2019</b>	<b>2,613,781,535</b>	<b>51,204,673</b>	<b>-</b>	<b>-</b>	<b>2,664,986,208</b>		<b>858,106,643</b>	<b>170,109,469</b>	<b>-</b>	<b>1,028,216,112</b>	<b>1,636,770,096</b>
<b>Total at 30 June 2018</b>	<b>2,451,642,143</b>	<b>162,139,392</b>	<b>-</b>	<b>-</b>	<b>2,613,781,535</b>		<b>686,636,400</b>	<b>171,470,243</b>	<b>-</b>	<b>858,106,643</b>	<b>1,755,674,891</b>

**Manufacturing Unit**

**Details of Property, Plant and Equipment and Depreciation at 30 June 2019.**

Asset category	Cost and Valuation					Depreciation				Written down value at 30 June 2019	
	At 01 July 2018	Additions	Revaluation	Adjustment/disposal	Total at 30 June 2019	Rate (%)	To 01 July 2018	Charge for the Year	Adjustment on disposal		Total at 30 June 2019
Tools and equipment	87,604,990	-	-	-	87,604,990	10	7,872,448	7,973,254	-	15,845,703	71,759,287
Land and land development	75,563,280	-	-	-	75,563,280	-	-	-	-	-	75,563,280
Building	136,685,210	36,563,602	-	-	173,248,812	5	6,141,472	6,657,413	-	12,798,886	160,449,926
Plant and machinery	713,426,123	147,289,602	-	-	860,715,725	10	46,310,490	67,760,749	-	114,071,240	746,644,485
Motor vehicles	16,325,810	-	-	-	16,325,810	20	2,934,173	2,678,327	-	5,612,500	10,713,310
Office and electrical equipment	12,368,412	-	-	-	12,368,412	10	1,111,463	1,125,695	-	2,237,158	10,131,254
Furniture and fixtures	26,658,742	-	-	-	26,658,742	10	2,395,635	2,426,311	-	4,821,946	21,836,796
Others	1,526,320	-	-	-	1,526,320	10	137,160	138,916	-	276,076	1,250,244
<b>Total at 30 June 2019</b>	<b>1,070,158,887</b>	<b>183,853,204</b>	<b>-</b>	<b>-</b>	<b>1,254,012,091</b>		<b>66,902,841</b>	<b>88,760,666</b>	<b>-</b>	<b>155,663,508</b>	<b>1,098,348,583</b>
<b>Total at 30 June 2018</b>	<b>-</b>	<b>1,070,158,887</b>	<b>-</b>	<b>-</b>	<b>1,070,158,887</b>		<b>-</b>	<b>66,902,841</b>	<b>-</b>	<b>66,902,841</b>	<b>1,003,256,046</b>

**Consolidated Property, Plant & Equipment**  
**Details of Property, Plant and Equipment and Depreciation at 30 June 2019**

Asset category	Cost and Valuation				Depreciation				Written down value at 30 June 2019		
	At 01 July 2018	Additions	Revaluation	Adjustment/ disposal	Total at 30 June 2019	Rate (%)	To 01 July 2018	Change for the Year		Adjustment on disposal	Total to 30 June 2019
Tools and equipment	1,415,225,193	-	-	-	1,415,225,193	-	514,778,941	102,503,779	-	617,282,720	797,942,472
Land and land development	447,740,664	39,443,546	-	-	487,184,210	-	-	-	-	-	487,184,210
Pre-fabricated building	25,550,054	-	-	-	25,550,054	-	13,329,543	980,414	-	14,309,957	11,240,097
Building	480,898,753	38,247,507	-	-	519,146,260	-	94,770,888	20,608,417	-	115,379,305	403,766,955
Plant and machinery	1,072,174,983	148,849,552	-	-	1,221,024,535	-	178,051,773	97,558,445	-	275,610,218	945,414,317
Motor vehicles	270,665,018	16,980,000	-	-	287,645,018	-	116,723,246	32,330,744	-	149,053,990	138,591,028
Workshop	6,353,600	-	-	-	6,353,600	-	4,706,747	164,685	-	4,871,432	1,482,168
Office and electrical equipment	67,896,956	699,895	-	-	68,596,851	-	24,690,642	4,926,004	-	29,616,646	38,980,205
Furniture and fixtures	65,012,724	2,291,472	-	-	67,304,196	-	16,652,203	5,269,691	-	21,921,894	45,382,302
Others	3,304,523	270,355	-	-	3,574,878	-	1,063,780	251,110	-	1,314,890	2,259,988
<b>Total at 30 June 2019</b>	<b>3,854,822,468</b>	<b>246,782,327</b>	-	-	<b>4,101,604,795</b>	-	<b>964,767,763</b>	<b>264,593,289</b>	-	<b>1,229,361,051</b>	<b>2,872,243,742</b>
<b>Total at 30 June 2018</b>	<b>2,617,526,512</b>	<b>1,237,295,955</b>	-	-	<b>3,854,822,468</b>	-	<b>730,523,094</b>	<b>244,244,669</b>	-	<b>964,767,763</b>	<b>2,890,054,704</b>

### Related party disclosure

During the year the Company carried out a number of transactions with related parties on an arm's length basis. Name of those related parties, nature of those transaction and their total value has been shown in below table in accordance with the provision:

Name of the Party	Relationship	Nature of Transaction	Amounts in Taka		Closing balance at 30 June 2019 Dr/(Cr)
			Opening balance as at 01 July 2018 Dr/(Cr)	Dr	
Tanföler Md. Ruhul Amin	Director	Salary and allowances	(150,000)	1,800,000	1,800,000
Tanföler Nigar Sultana	Director	Salary and allowances	(250,000)	1,500,000	1,250,000
Tanföler Md. Ruhul Saif	Director	Salary and allowances	(200,000)	1,200,000	1,000,000
Rubya Chowdhury	Director	Salary and allowances	(250,000)	1,500,000	1,250,000
Saif Port Holdings Limited (*)	Subsidiary Company	Investment in Shares	-	32,500,000	32,500,000
Saif Plastic & Polymer Industries Limited(**)	Subsidiary Company	Investment in Shares	80,000,000	-	80,000,000
<b>Total</b>			<b>79,150,000</b>	<b>38,500,000</b>	<b>112,350,000</b>

(\*) The company holds 65% shares of Saif Port Holdings Limited

(\*\*) The company holds 80% shares of Saif Plastic & Polymer Industries Limited

### Annex II/b

### Transaction with Key Management Personnel of the entity:

No.	Particulars	Value in Taka
(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	6,000,000
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

#### As per IAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	46,435,255
(b) Post-employee benefits	-
(c) Other long term benefits	-
(d) termination benefits and	-
(e) share-based payment	-
<b>Total</b>	<b>46,435,255</b>

**Annex III**

**Shareholdings Position in Subsidiary Company**

Total shareholding:

	%	Number of shares	Value of shares/Taka
Saif Powertec Limited	80%	8,000,000	80,000,000
Tarafder Md. Ruhul Amin	14%	1,400,000	14,000,000
Tarafder Nigar Sultana	3%	300,000	3,000,000
Rubya Chowdhury	3%	300,000	3,000,000
	<b>100%</b>	<b>10,000,000</b>	<b>100,000,000</b>

Non-controlling interest

	%	Number of shares	Value of shares/Taka
Tarafder Md. Ruhul Amin	14%	1,400,000	14,000,000
Tarafder Nigar Sultana	3%	300,000	3,000,000
Rubya Chowdhury	3%	300,000	3,000,000
	<b>20%</b>	<b>2,000,000</b>	<b>20,000,000</b>
Opening balance			27,123,579
Profit share for this year			3,075,475
			<b>30,199,054</b>

**Annex IV**

**Shareholdings Position in Subsidiary Company ( SPHL )**

Total shareholding:

	<u>%</u>	<u>Number of shares</u>	<u>Value of shares/Taka</u>
Saif Powertec Limited	65%	3,250,000	32,500,000
Tarafder Md. Ruhul Amin	13%	650,000	6,500,000
Tarafder Nigar Sultana	8%	400,000	4,000,000
Rubya Chowdhury	5%	250,000	2,500,000
Tarafder Md. Ruhul Saif	5%	250,000	2,500,000
Tasnim Tarafder	4%	200,000	2,000,000
	<u>100%</u>	<u>5,000,000</u>	<u>50,000,000</u>

Non-controlling interest

	<u>%</u>	<u>Number of shares</u>	<u>Value of shares/Taka</u>
Tarafder Md. Ruhul Amin	13%	650,000	6,500,000
Tarafder Nigar Sultana	8%	400,000	4,000,000
Rubya Chowdhury	5%	250,000	2,500,000
Tarafder Md. Ruhul Saif	5%	250,000	2,500,000
Tasnim Tarafder	4%	200,000	2,000,000
	<u>35%</u>	<u>1,750,000</u>	<u>17,500,000</u>
Profit share for this year			(176,501)
			<u>17,323,499</u>

**Calculation of Deferred Tax (The Company):**

<b>Particulars</b>	<b>30, June 19</b>	<b>30, June 18</b>
<b>a) On cost:</b>		
Carrying amount of Property Plant & Equipment:	2,270,560,175	2,332,615,979
Tax base of Property Plant & Equipment:	1,838,124,386	1,980,563,766
Taxable/(deductible) temporary deference	432,435,789	352,052,213
Tax rate	25%	25%
<b>Deferred tax (Assets) / Liability at the end of the year</b>	<b>108,108,947</b>	<b>88,013,053</b>
<b>Deferred tax (income) /expense recognized in Statement of Profit or Loss and Other Comprehensive Income</b>	<b>20,095,894</b>	<b>30,876,262</b>
<b>b) On Revaluation:</b>		
Carrying amount of Property Plant & Equipment:	96,540,144	96,540,144
Tax base of Property Plant & Equipment:		
Taxable/(deductible) temporary deference	96,540,144	96,540,144
Tax rate	15%	15%
<b>Deferred tax (Assets) / Liability at the end of the year</b>	<b>14,481,022</b>	<b>14,481,022</b>
<b>Deferred tax (income) /expense recognized in Statement of Changes in Equity</b>		
<b>Total Deferred tax (Assets) / Liability at the end of the period/year (a+b)</b>	<b>122,589,969</b>	<b>102,494,075</b>



# AUDITED FINANCIAL STATEMENTS-2019



**SAIF PLASTIC & POLYMER  
INDUSTRIES LIMITED**

## INDEPENDENT AUDITOR'S REPORT

To

The Shareholders of Saif Plastic & Polymer Industries Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Saif Plastic & Polymer Industries Limited which comprise the Statement of Financial Position as at June 30, 2019, 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, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Saif Plastic & Polymer Industries Limited as at June 30, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable rules & regulations.

#### Basis for Opinion

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 Saif Plastic & Polymer Industries Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable rules & regulations 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 Saif Plastic & Polymer Industries Limited 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 Saif Plastic & Polymer Industries Limited or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Saif Plastic & Polymer Industries Limited 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.

### Report on other legal and regulatory requirements

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 Saif Plastic & Polymer Industries Limited so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Location: Dhaka  
Dated: October 22, 2019



RAHMAN MUSTAFIZ HAQ & CO.  
Chartered Accountants

**SAIF PLASTIC & POLYMER INDUSTRIES LIMITED****Statement of Financial Position as at 30 June 2019.**

	Notes	Amounts in Taka	
		At 30 June 2019	At 30 June 2018.
<b>ASSETS</b>			
Non-Current Assets			
Property, plant and equipment	3	128,235,267	131,123,766
Capital Work-in-Progress		35,759,442	17,752,773
<b>Total Non-Current Assets</b>		<b>163,994,709</b>	<b>148,876,539</b>
<b>Current Assets</b>			
Inventories	4	4,018,916	3,786,696
Accounts and others receivable	5	14,364,637	9,829,706
Advance deposits and prepayment	6	12,416,523	8,722,677
Cash and bank balances	7	1,946,208	2,418,222
<b>Total Current Assets</b>		<b>32,746,284</b>	<b>24,757,301</b>
<b>Total Assets</b>		<b>196,740,993</b>	<b>173,633,840</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and Reserves			
Share capital	8	100,000,000	100,000,000
Retained earnings	9	50,995,271	35,617,895
		150,995,271	135,617,895
<b>Non-Current Liabilities</b>			
Deferred Tax liability	10	25,847,026	20,126,069
Share Money Deposit		9,010,000	9,010,000
<b>Total Non-Current Liabilities</b>		<b>34,857,026</b>	<b>29,136,069</b>
<b>Current Liabilities</b>			
Sundry creditors	11	5,898,906	6,525,389
Liability for Expense	12	4,989,790	2,354,486
<b>Total Current Liabilities</b>		<b>10,888,696</b>	<b>8,879,875</b>
<b>Total Equity and Liabilities</b>		<b>196,740,993</b>	<b>173,633,840</b>
<b>Net asset value per share of Taka 10 each</b>		<b>15.10</b>	<b>13.56</b>

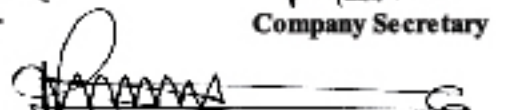
for Saif Plastic &amp; Polymer Industries Limited

  
 Chairman

  
 N. Sultana  
 Managing Director

  
 Company Secretary

Dated, Dhaka; 22 October 2019

  
**RAHMAN MUSTAFIZ HAQ & CO.**  
 Chartered Accountants

**SAIF PLASTIC & POLYMER INDUSTRIES LIMITED****Statement of Profit or Loss and other Comprehensive Income  
For the year 30 June 2019**

	Notes	Amounts in Taka	
		Period from 1 July 2018 to 30 June 2019	Period from 1 July 2017 to 30 June 2018
<b>REVENUE</b>			
Sales	13	83,518,003	75,375,085
Less: Cost of Goods Sold	14	(55,377,260)	(51,270,052)
Gross Profit		28,140,743	24,105,033
<b>Less: Operating Expenses:</b>			
Administrative expenses	15	(4,177,703)	(4,078,289)
Marketing and selling expenses	16	(506,878)	(476,153)
		(4,684,581)	(4,554,443)
Operating Profit		23,456,162	19,550,590
Add: Other income		235,765	885,101
Less: Financial expenses	17	(34,428)	(19,193)
Net Profit before Tax		23,657,499	20,416,498
<b>Less: Income tax expenses</b>			
Current tax	18	(8,280,124)	(7,145,774)
Deferred tax (expense)/income		(2,559,167)	(309,785)
		(5,720,957)	(6,835,989)
Net Profit after Tax		<b>15,377,375</b>	<b>13,270,725</b>
<b>Earning Per Share (EPS)</b>		<b>1.54</b>	<b>1.33</b>
See annexed notes			

for Saif Plastic &amp; Polymer Industries Limited

  
 Chairman

  
 Managing Director

  
 Company Secretary

Dated, Dhaka; 22 October 2019

  
**RAHMAN MUSTAFIZ HAQ & CO.**  
 Chartered Accountants

**SAIF PLASTIC & POLYMER INDUSTRIES LIMITED****Statement of Cash Flow  
For the year 30 June 2019**

	Amounts in Taka	
	Period ended 30 June 2019	Period ended 30 June 2018
<b>Cash Flows from Operating Activities</b>		
Cash receipt from customer	79,218,837	69,810,451
Cash paid to suppliers and employees	(55,195,958)	(57,787,353)
Cash generated from operations	24,022,879	12,023,098
Advance, deposits and prepayment	(1,777,537)	5,591,171
Advance income tax deducted	(1,916,309)	(1,087,602)
<b>Net cash flow from operating activities</b>	<b>20,329,033</b>	<b>16,526,667</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment	(2,759,950)	(4,997,676)
Capital Works-in-progress	(18,006,669)	(14,522,696)
Advance against civil work	(2,073,739)	-
<b>Net cash used in operating activities</b>	<b>(20,766,619)</b>	<b>(19,520,372)</b>
<b>Cash flow from financial activities</b>		
Share money deposited	-	2,000,000
Financial cost	(34,428)	(19,193)
Net cash from/(used in) financing activities	(34,428)	1,980,807
<b>Net cash inflow/( outflow) for the period</b>	<b>(472,014)</b>	<b>(1,012,898)</b>
<b>Opening cash and cash equivalents</b>	<b>2,418,222</b>	<b>3,431,120</b>
<b>Closing cash and cash equivalents</b>	<b>1,946,208</b>	<b>2,418,222</b>
<b>Net Operating cash flows per share</b>	<b>2.03</b>	<b>1.65</b>

for Saif Plastic &amp; Polymer Industries Limited

  
 Chairman

  
 N. Sultana  
 Managing Director

  
 Company Secretary

Dated, Dhaka; 22 October 2019

  
**RAHMAN MUSTAFIZ HAQ & CO.**  
 Chartered Accountants

**Statement of Changes in Equity  
For the year 30 June 2019**

Amounts in Taka

Particulars	Share capital	Retained earnings	Total
Balance at 01 July 2017	100,000,000	22,347,171	122,347,171
Profit during the year	-	13,270,725	13,270,725
Balance at 30 June 2018	<u>100,000,000</u>	<u>35,617,896</u>	<u>135,617,896</u>
Balance at 01 July 2018	100,000,000	35,617,896	135,617,896
Profit during the period	-	15,377,375	15,377,375
	-	-	-
Balance at 30 June 2019	<u>100,000,000</u>	<u>50,995,271</u>	<u>150,995,271</u>

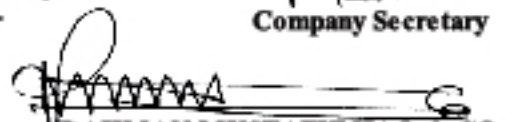
for Saif Plastic & Polymer Industries Limited

  
 Chairman

  
 Managing Director

  
 Company Secretary

Dated, Dhaka; 26 October 2019

  
**RAHMAN MUSTAFIZ HAQ & CO.**  
 Chartered Accountants



**1 Legal form of the enterprise**

Saif Plastic & Polymer Industries Limited (the Company") was incorporated in Bangladesh as a private company, limited by shares, on 30 November 2010 under Companies Act 1994 vide certificate of incorporation no. C-88473/10.

**Address of registered office of the company and factory of the company**

The registered and corporate office of the Company is located at 72, Mahakhali, Rupayan Center (8th floor), Dhaka-1212.

**Nature of business**

To set up and to run an industry/factory for manufacturing food grade PET bottles such as PET bottle, CSD Cap, Spoon, Measurement glass and stopper etc of different sizes for use in the Pharmaceutical appliances for Food and Beverage Companies, for Edible Oil companies for different use purposes.

**2 Basis of preparation**

**2.01 Corporate financial statements and reporting**

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and other explanatory notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at reporting date. Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

**2.02 Fundamental accounting concepts/ assumptions**

The financial statements have been prepared based on Going concern assumption, Consistency concept, Accrual basis and such other convention as required by IAS-1 for fair presentation of financial statements.

**2.03 Going concern**

The company has adequate resources to continue its operation for the foreseeable future. For this reasons, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.



**2.04 Compliance with IAS & IFRS**

Applicable International Accounting Standards (IASs) are as follows:

IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Complied
IAS 7	Cash Flows Statement	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	Not Applicable
IAS 19	Employee Benefits	Not Applicable
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Not Applicable
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27	Separate Financial Statements	Not Applicable
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	Not Applicable
IAS 36	Impairment of Assets	Complied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Not Applicable
IAS 39	Financial Instruments: Recognition and Measurement	Complied
IAS 40	Investment Property	Not Applicable

**Notes to financial statements for the period ended 30 June 2019.**

Applicable International Financial Reporting Standards (IFRSs) are as follows:

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards	Complied
IFRS 2	Share-based Payment	Not Applicable
IFRS 3	Business Combinations	Not Applicable
IFRS 4	Insurance Contracts	Not Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 8	Operating Segments	Not Applicable
IFRS 9	Financial Instruments	Complied
IFRS 10	Consolidated Financial Statements	Not Applicable
IFRS 11	Joint Arrangements	Not Applicable
IFRS 12	Disclosure of Interests in Other Entities	Not Applicable
IFRS 13	Fair Value Measurement	Not Applicable
IFRS 14	Regulatory Deferral Accounts	Not Applicable
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Not Applicable

### 2.05 Reporting period

The period of the financial statements covers from 01 July 2018 to 30 June 2019

### 2.06 Events after the reporting period.

In compliance with the requirements of IAS 10: Adjusting Events After the Reporting Date that provide additional information about the company's position at the Statement of Financial Position date are reflected in the financial statements and events after the reporting period date that are not adjusting events are disclosed in the notes when material.

### 2.07 Functional and presentational (Reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

### 2.08 Comparative information and rearrangement thereof

In accordance with the provisions of IAS-34: Interim Financial Reporting, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Previous year figure has been rearranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS -8 " Accounting Policies , Changes in Accounting Estimated and Errors"

**2.09 Summary of significant accounting policies**

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in prior periods.

For a proper understanding of the financial statements, these accounting policies are set out in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

**2.10 Recognition of tangible fixed assets**

Tangible assets have been at cost less accumulated depreciation (Written down value). The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended used. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that expenditure has resulted in an increase in the future economic benefit expected to be obtained from the used of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

**2.11 Depreciation of tangible fixed assets**

Depreciation on all fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life from the date when the corresponding assets are available for use as per management intention. No depreciation have been charged after the date of retirement.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

<b><u>Category of fixed assets</u></b>	<b><u>Rate of depreciation (%)</u></b>
Land and Land Development	0%
Plant and machinery	5%
Tools & equipments	10%
Furniture and fixture	10%
Office equipments	10%
Motor vehicles	10%

**2.12 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment .



**Notes to financial statements for the period ended 30 June 2019.**

The specific recognition criteria described below must also be met before revenue is recognised.

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and committed to perform their respective obligation;
- (b) The entity can identify each party's rights regarding the goods or services to be transferred;
- (c) The entity can identify the payment terms for the goods or services to be transferred;
- (d) The contract has commercial substance; and
- (e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods and services that will be transferred to the customer.

**2.13 Accrued expenses and other payables**

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

**2.14 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Average Cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**2.15 Cash and Cash Equivalents**

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was no significant risk of changes in value of the same.

**2.16 Statements of Cash Flows:**

Cash Flows Statement is prepared principally in accordance with BAS-7 "Statement of Cash Flows " and the cash flows from the operating activities have been presented under direct method.

**2.17 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**2.18 Income-tax expense**

Current tax is the expected tax payable on the taxable income for the year , using tax rates enacted or substantially enacted at the reporting date any adjustment to tax payable in respect of previous year. Provision for corporate income tax is made @35% applicable for a private limited company.

**Deferred tax**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date. The company has introduced deferred tax as per provision of IAS -12 during the year and comparative information has been re-stated accordingly.



**Notes to financial statements for the period ended 30 June 2019.**

**2.19 Foreign Currency Transaction:**

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the year or in previous financial statements is recognized in profit or loss in the period in which they arise.

**2.20 Related party disclosures**

There is no related party transactions which falls within the scope of related party as required by BAS 24: Related Party Disclosures except payments made to the following key management personnel:

As per Company Act , 1994 part-II , Schedule-XI (4) The profit and loss account or give by way of a note detailed information , showing separately the following payments provided or made during the financial year to the directors , including managing director , the managing agents or manager , if any ,by the company , subsidiaries of the company and any other person:-

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager	-
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	
(i)	Share Based payments	Nil



**Disclosure of above as required by BAS- 24 as under:**

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits,	
(b) Post-employee benefits	-
(c ) Other long term benefits	-
(d) termination benefits and	-
(e) share- based payment	-

**2.21 Financial Instruments**

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity..

**Financial assets:**

Financial assets of the company include cash and cash equivalents, accounts receivable , other receivables and equity instrument of another entity.The company initially recognized receivable on the date they are originated . All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction .The company derecgnizes a financial asset when, and only when the contractual rights or probablities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred..

**Financial liability:**

Financial liabilities are recognized initially on the transection date at which the company becomes a party to the contractual provisions of the liability . The company derecognises the financial liabilities when its contractual obligations are discharged or cancelled or expired . Financial libilities includes payable for expense , libility for capital expenditure and other current liabilities.

**2.22 Earnings Per Share**

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share by dividing the net earnings atributable to the share holders by the number of ordinary shares outstanding during the year.

Basic Earnings per share (Numerator /Denomenator )

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

**Diluted Earnings per share**

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company . Hence , Diluted EPS of the company is same as basic EPS.



## **2.23 Impairment of Assets:**

### **I) Financial Assets**

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicators indicate that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indicates that a debtor or issuer will enter bankruptcy etc.

### **II) Non-Financial assets**

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognised immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset shall be treated as a revaluation decrease. No such impairment has been raised till the reporting date.

## **2.24 Provision , Contingent Liabilities and Contingent Assets:**

Contingent Liabilities and Contingent Assets are present or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability. In accordance with BAS-37.

## **2.25 Financial statements comprises:**

- (a) Statement of Financial Position as at 30 June 2019.
- (b) Statement of Profit or Loss and other Comprehensive income for the year ended 30 June 2019.
- (c) Statement of Cash Flows for the year ended 30 June 2019.
- (d) Statement of Changes in equity for the year ended 30 June 2019.
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information.



**Notes to financial statements for the period ended 30 June 2019.**

	Amounts in Taka	
	At 30 June 2019	At 30 June 2018
<b>3</b> <u>Property, plant and equipment</u> <u>Annex- A</u>	<u>128,235,267</u>	<u>131,123,766</u>
<b>4</b> <u>Inventories</u>		
Raw materials	1,956,464	1,974,379
Finished goods	1,068,097	966,452
Work-in-process	994,355	845,865
	<u>4,018,916</u>	<u>3,786,696</u>
<b>5</b> <u>Account and others receivable</u>		
JMI Bangla Pharmaceutical Co. Ltd.	2,607,082	1,496,867
The IBN Sina Unionani	-	51,958
Brac Dairy	857,124	1,729,763
BIBS Pharma Ltd.	814,173	822,738
IBN Haisam	-	326,261
ACI Foods	638,098	505,549
Beacon Pharma	470,925	227,188
Navan Pharma	506,442	3,782,462
Hamdard	5,542,108	-
Parkwel	862,124	-
ACME Lab	-	8,000
Jayson Nature	596,621	536,344
Others	1,469,940	342,576
	<u>14,364,637</u>	<u>9,829,706</u>
<b>6</b> <u>Advance deposits and prepayment</u>		
<u>Advance to:</u>		
Advance against raw materials		
VAT current account	2,185,153	2,481,355
L/c margin	-	-
Advance income tax	8,157,631	6,241,322
Advance against Work	2,073,739	-
	<u>12,416,523</u>	<u>8,722,677</u>





**Notes to financial statements for the period ended 30 June 2019.**

	Amounts in Taka	
	At 30 June 2019	At 30 June 2018
<b>7 Cash and Bank Balances</b>		
Cash in hand	369,246	367,347
Bank balances in		
Bank Asia Limited	11	1,362
United Commercial Bank Limited	1,320,878	1,852,329
Dhaka Bank Limited	65,685	3,846
Padma Bank Limited	174,326	175,626
Al Arafah Islami Bank Limited	16,062	17,712
	<u>1,946,208</u>	<u>2,418,222</u>
<b>8 Share Capital</b>		
<u>Authorised capital</u>		
20,000,000 ordinary shares of Taka 10 each	200,000,000	200,000,000
<u>Issued, subscribed, called and paid up capital</u>		
10,000,000 ordinary shares of Taka 10 each	100,000,000	100,000,000
<b>9 Retained Earnings</b>		
Opening balance	35,617,896	22,347,171
Profit after tax during the year	15,377,375	13,270,725
Closing balance	<u>50,995,271</u>	<u>35,617,896</u>

**10 Deferred tax liability**

**For the year ended : 30 June 2019**

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate	Amount in Taka
Property Plant and Equipment	128,235,267	54,386,620	73,848,647	35.00%	25,847,026

**Deferred Tax liability end of the year**

25,847,026

**For the year ended : 30 June 2018**

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate	Amount in Taka
Property Plant and Equipment	131,123,766	59,461,658	71,662,108	35.00%	25,081,738
Unused tax loss carry forward	-	(14,159,056)	(14,159,056)	35.00%	(4,955,669)

**Deferred Tax liability end of the year**

20,126,069

**Notes to financial statements for the period ended 30 June 2019.**

		Amounts in Taka	
		At 30 June 2019	At 30 June 2018
11	Sundry Creditors		
	M/s Baker Enterprise	239,595	564,536
	M.S International	765,059	778,575
	S.R Engineering works	324,368	453,290
	Azad Industries	154,337	347,476
	Nazmul Plastic	363,533	453,455
	Brothers engineer works	342,090	363,200
	Excell Engineering and services	496,850	494,176
	Dipti Enterprise	253,944	565,408
	Colorplus Mfg. Ltd	112,422	124,255
	Rani & CO	840,250	956,241
	Maa Enterprise	930,220	726,000
	Hossain Enterprise	43,250	243,000
	Tech Vally Printing	-	49,350
	Shaheed International	660,000	-
	Others	372,988	406,427
		<u>5,898,906</u>	<u>6,525,389</u>
12	Liability for expenses		
	Salary & wages	401,573	344,654
	Electricity bill	421,612	402,395
	Audit fee	25,000	25,000
	Income tax payable (Note: 12.01)	4,141,604	1,582,437
		<u>4,989,790</u>	<u>2,354,486</u>
12.01	Income tax payable		
	Opening Balance	1,582,437	1,272,652
	Add: Current year's provision	2,559,167	309,785
	Closing Balance	<u>4,141,604</u>	<u>1,582,437</u>

**Notes to financial statements for the period ended 30 June 2019**

		Amounts in Taka	
		Period from 1 July 2018 to 30 June 2019	Period from 1 July 2017 to 30 June 2018
<b>13</b>	<b><u>Revenue</u></b>		
	Sales	83,518,003	75,375,085
<b>14</b>	<b><u>Cost of goods sold</u></b>		
	Raw materials consumption		
	Opening stock of raw materials	1,974,379	1,564,345
	Purchases during the year	40,287,879	37,461,597
	Closing stock of raw materials	(1,956,464)	(1,974,379)
		40,305,794	37,051,563
	<b>Manufacturing expenses:</b>		
	Depreciation	5,648,449	5,871,585
	Salary & wages	2,544,187	2,369,136
	Insurance	50,260	49,105
	Electricity bill	5,241,934	5,144,195
	Overtime bill	195,868	197,137
	Factory rent	1,200,000	300,000
	Raw materials import charge	77,821	75,073
	Packing materials	270,768	269,229
	Carriage inward	92,314	90,594
		15,321,601	14,366,053
	<b>Total Manufacturing cost</b>	<b>55,627,395</b>	<b>51,417,616</b>
	Opening work-in process	845,865	796,875
	Closing work-in process	(994,355)	(845,865)
	Opening finished product	966,452	867,878
	Closing finished product	(1,068,097)	(966,452)
	<b>Cost of goods sold</b>	<b>55,377,260</b>	<b>51,270,052</b>

**Notes to financial statements for the period ended 30 June 2019.**

	Amounts in Taka	
	Period from 1 July 2018 to 30 June 2019	Period from 1 July 2017 to 30 June 2018
<b>15 <u>Administrative Expenses</u></b>		
Entertainment	143,544	142,178
Salary & allowances	2,381,873	2,284,903
Office rent	624,000	624,000
Repair and maintenance	309,868	312,231
Audit fee	25,000	25,000
License fee	119,520	118,437
Vehicle expenses	176,973	180,473
Printing & stationary	46,879	45,172
Cleaner expenses	80,655	86,887
Internet bill	24,000	24,000
Mobile bill	32,086	30,380
Conveyance	92,656	90,197
Allowance	36,998	50,841
Paper and periodical	11,544	10,384
Postage & courier	20,575	20,388
Misc Expenses	51,532	32,818
	<u>4,177,703</u>	<u>4,078,289</u>
<b>16 <u>Marketing and Selling Expenses</u></b>		
Salary	404,565	374,872
Carriage outward	23,757	22,249
Conveyance	78,556	79,032
	<u>506,878</u>	<u>476,153</u>



## Notes to financial statements for the period ended 30 June 2019

		Amounts in Taka	
		Period from 1 July 2018 to 30 June 2019	Period from 1 July 2017 to 30 June 2018
<b>17</b>	<b>Financial Expenses</b>		
	Interest expenses	-	-
	Bank charges	34,428	19,193
		<u>34,428</u>	<u>19,193</u>
<b>18</b>	<b>Income tax expenses</b>		
	Current tax payable (Note-18.01b)	2,559,167	309,785
	Deferred tax expenses (Note-18.02)	5,720,957	6,835,989
	<b>Total</b>	<u>8,280,124</u>	<u>7,145,774</u>
<b>18.01</b>	<b>Current tax payable</b>		
	The above balance is made up as follows:		
	Income tax on business income	2,476,649	-
	Income tax on other income	82,518	309,785
	Reversal of Deferred Tax for 2.50% rate difference	-	-
	<b>Total</b>	<u>2,559,167</u>	<u>309,785</u>
a)	Income tax on business income:		
	Net Profit before tax during the period except other income	23,421,734	19,531,397
	Add: Accounting depreciation	5,648,449	5,871,585
	Less: Tax depreciation	(7,834,988)	(9,392,054)
	<b>Taxable Profit/(Loss)</b>	<b>21,235,195</b>	<b>16,010,928</b>
	Unused Tax loss carry forward from previous year	(14,159,056)	(30,169,983)
	<b>Current year set-off</b>	<b>21,235,195</b>	<b>16,010,928</b>
	<b>Unused Tax loss carry forward profit after loss set-off</b>	<b>7,076,139</b>	<b>(14,159,056)</b>
	<b>Tax Rate</b>	<b>35.00%</b>	<b>35.00%</b>
	<b>Income Tax on other Income</b>	<u>2,476,649</u>	<u>-</u>
b)	Income tax on other income		
	Other income during the period	235,765	885,101
		<u>235,765</u>	<u>885,101</u>
	<b>Tax Rate</b>	<b>35.00%</b>	<b>35.00%</b>
	<b>Income Tax on other Income</b>	<u>82,518</u>	<u>309,785</u>
<b>18.02</b>	<b>Deferred tax (Income)/expenses</b>		
	Closing Deferred Tax Liability	25,847,026	20,126,069
	Opening Deferred Tax Liability	20,126,069	13,290,080
		<u>5,720,957</u>	<u>6,835,989</u>
<b>19</b>	<b>Others</b>		

19.1 Figures in these notes and in the annexed financial statements, representing Bangladeshi currency Taka, have been rounded off to the nearest Taka.

19.2 These notes form an integral part of these financial statements and accordingly are to be read in conjunction therewith.

For Saif Plastic & Polymer Industries Limited

  
Chairman

  
Managing Director

  
Company Secretary



**SAIF PLASTIC & POLYMER INDUSTRIES LIMITED**

Notes to financial statements for the period ended 30 June 2019

**Annex - A**

3. Property, Plant and Equipment

Particulars	C O S T					D E P R E C I A T I O N					Net book value at 30 June 2019
	Balance as at 01 July 2018	Additions during the year	Sale/ Disposal/ Adjustment during the year	Total as at 30 June 2019	Rate	Balance as at 01 July 2018	Charge for the year	Adjustment during the year	Total as at 30 June 2019.		
Land and land development	21,425,706	1,200,000	-	22,625,706	-	-	-	-	-	22,625,706	
Plant and machinery	144,194,075	1,559,950	-	145,754,025	5%	37,261,415	5,371,909	-	42,633,324	103,120,701	
Motor Vehicles	3,502,000	-	-	3,502,000	10%	1,640,894	186,111	-	1,827,004	1,674,996	
Furniture and fixture	491,600	-	-	491,600	10%	239,052	25,255	-	264,307	227,293	
Tools and equipments	666,814	-	-	666,814	10%	324,254	34,256	-	358,510	308,304	
Office equipments	601,850	-	-	601,850	10%	292,664	30,919	-	323,582	278,268	
<b>Total at 30 June 2019</b>	<b>170,882,045</b>	<b>2,759,950</b>	<b>-</b>	<b>173,641,995</b>		<b>39,758,278</b>	<b>5,648,449</b>	<b>-</b>	<b>45,406,728</b>	<b>128,235,267</b>	
<b>Total at 30 June 2018</b>	<b>165,884,369</b>	<b>4,997,676</b>	<b>-</b>	<b>170,882,045</b>		<b>33,886,694</b>	<b>5,871,585</b>	<b>-</b>	<b>39,758,278</b>	<b>131,123,766</b>	

Amounts in Taka

# AUDITED FINANCIAL STATEMENTS-2019



## INDEPENDENT AUDITOR'S REPORT

To

The Shareholders of Saif Port Holdings Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Saif Port Holdings Limited which comprise the Statement of Financial Position as at June 30, 2019, 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, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Saif Port Holdings Limited as at June 30, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable rules & regulations.

#### Basis for Opinion

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 Saif Port Holdings Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. .

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable rules & regulations 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 Saif Port Holdings Limited 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 Saif Port Holdings Limited or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Saif Port Holdings Limited 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.



### Report on other legal and regulatory requirements

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 Saif Port Holdings Limited so far as it appeared from our examination of those books; and
- c) c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Location: Dhaka  
Dated: October 22, 2019



RAHMAN MUSTAFIZ HAQ & CO.  
Chartered Accountants



Statement of Financial Position as at 30 June 2019.

	Notes	Amounts in Taka At 30 June 2019
<b>ASSETS</b>		
Non-Current Assets	Annex- A	8,889,796
Capital Work-in-Progress	3	165,407,851
<b>Total Non-Current Assets</b>		<b>174,297,647</b>
<b>Current Assets</b>		
Advance deposits and prepayment	4	167,065,623
Cash and bank balances	5	60,529,948
<b>Total Current Assets</b>		<b>227,595,571</b>
<b>Total Assets</b>		<b>401,893,218</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	6	50,000,000
Retained earnings		(504,288)
		49,495,712
<b>Non-Current Liabilities</b>		
Long term loan		352,068,976
<b>Total Non-Current Liabilities</b>		<b>352,068,976</b>
<b>Current Liabilities</b>		
Accrued Expenses	7	328,530
<b>Total Current Liabilities</b>		<b>328,530</b>
<b>Total Equity and Liabilities</b>		<b>401,893,218</b>
<b>Net asset value per share of Taka 10 each</b>		<b>9.90</b>
See annexed notes		

for Saif Port Holdings Limited

  
Chairman

  
N. Sultana  
Managing Director

  
Noor  
Company Secretary

Dated, Dhaka; 22 October 2019

  
RAHMAN MUSTAFIZ HAQ & CO.  
Chartered Accountants



**Statement of Profit or Loss and other Comprehensive Income  
For the year 30 June 2019**

	<u>Notes</u>	<u>Amounts in Taka</u> <u>Period from 1 July 2018</u> <u>to 30 June 2019</u>
REVENUE		
Sales		-
<u>Less: Cost of Goods Sold</u>		-
Gross Profit		-
<u>Less: Operating Expenses:</u>		
Administrative expenses	8	(492,628)
Marketing and selling expenses		-
		<u>(492,628)</u>
Operating Profit		(492,628)
Add: Other income		-
<u>Less: Financial expenses</u>	9	<u>(11,660)</u>
Net Profit before Tax		(504,288)
<u>Less: Income tax expenses</u>		-
Current tax		-
Deferred tax (expense)/income		-
		<u>(504,288)</u>
Net Profit after Tax		<u>(504,288)</u>
<b>Earning Per Share (EPS)</b>		<u>(0.10)</u>
See annexed notes		

for Saif Port Holdings Limited

  
Chairman

  
N. Sultana  
Managing Director

  
Noor  
Company Secretary

Dated, Dhaka; 22 October 2019

  
RAHMAN MUSTAFIZ HAQ & CO.  
Chartered Accountants



**Statement of Cash Flow  
for the year 30 June 2019**

	<u>Amounts in Taka</u>
	<u>Year ended</u>
	<u>30 June 2019</u>
<b>Cash Flows from Operating Activities</b>	
Cash receipt from customer	-
Cash paid to suppliers and employees	(89,394)
Cash generated from operations	(89,394)
Advance, deposits and prepayment	-
Advance income tax deducted	-
<b>Net cash flow from operating activities</b>	<u>(89,394)</u>
<b>Cash flow from investing activities</b>	
Capital Works-in-progress	(332,473,474)
Purchase of Property and Equipment	(8,964,500)
<b>Net cash used in operating activities</b>	<u>(341,437,974)</u>
<b>Cash flow from financial activities</b>	
Share Capital	50,000,000
Financial Expenses	(11,660)
Loan received from Bank	352,068,976
Net cash from/(used in) financing activities	402,057,316
<b>Net cash inflow/( outflow) for the period</b>	<u>60,529,948</u>
<b>Opening cash and cash equivalents</b>	-
<b>Closing cash and cash equivalents</b>	<u>60,529,948</u>
<b>Net Operating cash flows per share</b>	<u>(0.02)</u>

for Saif Port Holdings Limited

  
Chairman

  
Managing Director

  
Company Secretary

Dated, Dhaka; 22 October 2019

  
**RAHMAN MUSTAFIZ HAQ & CO.**  
Chartered Accountants



**Statement of Changes in Equity  
For the year 30 June 2019**

Amounts in Taka

Particulars	Share capital	Retained earnings	Total
Opening balance	50,000,000	-	50,000,000
Profit during the year		(504,288)	(504,288)
	-	-	-
Balance at 30 June 2019	<u>50,000,000</u>	<u>(504,288)</u>	<u>49,495,712</u>

for Saif Port Holdings Limited

  
 Chairman

  
 Managing Director

  
 Company Secretary

Dated, Dhaka; 22 October 2019

  
**RAHMAN MUSTAFIZ HAQ & CO.**  
 Chartered Accountants



## Notes to financial statements for the period ended 30 June 2019.

### 1 Legal form of the enterprise

Saif Port Holdings Limited (the Company<sup>o</sup>) was incorporated in Bangladesh as a private company, limited by shares, under Companies Act 1994 vide certificate of incorporation no. C-138908/2017.

#### Address of registered office of the company and factory of the company

The registered and corporate office of the Company is located at 72, Mahakhali, Rupayan Center, Dhaka-1212.

#### Nature of business

To carry on all or any business of all Engineering works in the field of Civil, Mechanical, Electrical, Chemical and meteorological engineering constructor along with consultation and performing undertaking to execute contracts to design, plan and control, construction of any buildings, road, bridges, railways of different project of BPDB, DESA, WASA, DPDC, DESCO to construct waterways, dock yards, sea port, land port, river port, airport, any type of port related works and operation etc.

### 2 Basis of preparation

#### 2.01 Corporate financial statements and reporting

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and other explanatory notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at reporting date. Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

#### 2.02 Fundamental accounting concepts/ assumptions

The financial statements have been prepared based on Going concern assumption, Consistency concept, Accrual basis and such other convention as required by BAS-1 for fair presentation of financial statements.

#### 2.03 Going concern

The company has adequate resources to continue its operation for the foreseeable future. For this reasons, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

#### 2.04 Compliance with IAS & IFRS

Applicable International Accounting Standards (IASs) are as follows:

IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Not Applicable
IAS 7	Cash Flows Statement	Complied
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Not Applicable
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	Not Applicable
IAS 19	Employee Benefits	Not Applicable
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27	Separate Financial Statements	Not Applicable
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings Per Share	Complied
IAS 34	Interim Financial Reporting	Not Applicable
IAS 36	Impairment of Assets	Not Applicable
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Not Applicable
IAS 39	Financial Instruments: Recognition and Measurement	Complied
IAS 40	Investment Property	Not Applicable



**Notes to financial statements for the period ended 30 June 2019.**

Applicable International Financial Reporting Standards (IFRSs) are as follows:

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards	Complied
IFRS 2	Share-based Payment	Not Applicable
IFRS 3	Business Combinations	Not Applicable
IFRS 4	Insurance Contracts	Not Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7	Financial Instruments: Disclosures	Complied
IFRS 8	Operating Segments	Not Applicable
IFRS 9	Financial Instruments	Complied
IFRS 10	Consolidated Financial Statements	Not Applicable
IFRS 11	Joint Arrangements	Not Applicable
IFRS 12	Disclosure of Interests in Other Entities	Not Applicable
IFRS 13	Fair Value Measurement	Not Applicable
IFRS 14	Regulatory Deferral Accounts	Not Applicable
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Not Applicable

**2.05 Reporting period**

The period of the financial statements covers from 01 July 2018 to 30 June 2019.

**2.06 Events after the reporting period.**

In compliance with the requirements of IAS 10: Adjusting Events After the Reporting Date that provide additional information about the company's position at the Statement of Financial Position date are reflected in the financial statements and events after the reporting period date that are not adjusting events are disclosed in the notes when material.

**2.07 Functional and presentational (Reporting) currency**

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

**2.08 Comparative information and rearrangement thereof**

In accordance with the provisions of IAS-34: Interim Financial Reporting, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Previous year figure has been rearranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS -8 " Accounting Policies , Changes in Accounting Estimated and Errors"



### 2.09 Summary of significant accounting policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in prior periods.

For a proper understanding of the financial statements, these accounting policies are set out in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

### 2.10 Recognition of tangible fixed assets

Tangible assets have been at cost less accumulated depreciation (Written down value). The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

### 2.11 Depreciation of tangible fixed assets

Depreciation on all fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life from the date when the corresponding assets are available for use as per management intention. No depreciation have been charged after the date of retirement.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

<u>Category of fixed assets</u>	<u>Rate of depreciation (%)</u>
Land and Land Development	0%
Plant and machinery	5%
Tools & equipments	10%
Furniture and fixture	10%
Office equipments	10%
Motor vehicles	10%

### 2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

## Notes to financial statements for the period ended 30 June 2019.

The specific recognition criteria described below must also be met before revenue is recognised.

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and committed to perform their respective obligation;
- (b) The entity can identify each party's rights regarding the goods or services to be transferred;
- (c) The entity can identify the payment terms for the goods or services to be transferred;
- (d) The contract has commercial substance; and
- (e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods and services that will be transferred to the customer.

No Revenue is incurred to input the Statement of Profit or Loss and other Comprehensive Income for during the period.

### 2.13 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

### 2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Average Cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.15 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was no significant risk of changes in value of the same.

### 2.16 Statements of Cash Flows:

Cash Flows Statement is prepared principally in accordance with IAS-7 "Statement of Cash Flows " and the cash flows from the operating activities have been presented under direct method.

### 2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.18 Income-tax expense

Current tax is the expected tax payable on the taxable income for the year , using tax rates enacted or substantially enacted at the reporting date any adjustment to tax payable in respect of previous year. Provision for corporate income tax is made @35% applicable for a private limited company.

**Notes to financial statements for the period ended 30 June 2019.**

**Deferred tax**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date. The company has introduced deferred tax as per provision of BAS -12 during the year and comparative information has been re-stated accordingly.

**2.19 Foreign Currency Transaction:**

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the year or in previous financial statements is recognized in profit or loss in the period in which they arise.

**2.20 Related party disclosures**

There is no related party transactions which falls within the scope of related party as required by BAS 24: Related Party Disclosures except payments made to the following key management personnel:

As per Company Act , 1994 part-II , Schedule-XI (4) The profit and loss account or give by way of a note detailed information , showing separately the following payments provided or made during the financial year to the directors , including managing director , the managing agents or manager , if any ,by the company , subsidiaries of the company and any other person:-



**Notes to financial statements for the period ended 30 June 2019.**

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager	-
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	
(i)	Share Based payments	Nil

**Disclosure of above as required by IAS- 24 as under:**

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits,	
(b) Post-employee benefits	-
(c) Other long term benefits	-
(d) Termination benefits and	-
(e) Share- based payment	-

**2.21 Financial Instruments**

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.



## Notes to financial statements for the period ended 30 June 2019.

### Financial assets:

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

### Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognises the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities includes payable for expense, liability for capital expenditure and other current liabilities.

### 2.22 Earnings Per Share

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share by dividing the net earnings attributable to the share holders by the number of ordinary shares outstanding during the year.

Basic Earnings per share (Numerator / Denominator )

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

### Diluted Earnings per share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company. Hence, Diluted EPS of the company is same as basic EPS.

### 2.23 Impairment of Assets:

#### I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

## II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognised immediately in statement of comprehensive income unless the asset is carried at revalued amount . Any impaired loss of a revalued asset shall be treated as a revaluation decrease. No such impairment has been raised till the reporting date.

### 2.24 Provision , Contingent Liabilities and Contingent Assets :

Contingent Liabilities and Contingents Assets are present or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability. In accordance with BAS-37 .

### 2.25 Financial statements comprises:

- (a) Statement of Financial Position as at 30 June 2019.
- (b) Statement of Profit or Loss and other Comprehensive income for the year ended 30 June 2019.
- (c) Statement of Cash Flows for the year ended 30 June 2019.
- (d) Statement of Changes in equity for the year ended 30 June 2019.
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information.





Notes to financial statements for the period ended 30 June 2019.

		<u>Amounts in Taka</u>
		At
		<u>30 June 2019</u>
<b>3</b>	<b><u>Capital Work-in-Progress</u></b>	
	Plant and machinery	14,478,540
	Motor Vehicles	20,328,555
	Civil and others	130,600,756
		<u><b>165,407,851</b></u>
<b>4</b>	<b><u>Advance deposits and prepayment</u></b>	
	<u>Advance to:</u>	
	Advance against works	163,788,790
	Advance against others	3,276,833
		<u><b>167,065,623</b></u>
<b>5</b>	<b><u>Cash and Bank Balances</u></b>	
	Cash in hand	664,644
	Bank balances in	
	National Bank Limited	19,865,764
	NBL-Escrow Account	39,999,540
		<u><b>60,529,948</b></u>
<b>6</b>	<b><u>Share Capital</u></b>	
	<u>Authorised capital</u>	
	10,000,000 ordinary shares of Taka 10 each	<u><b>100,000,000</b></u>
	<u>Issued, subscribed, called and paid up capital</u>	
	5,000,000 ordinary shares of Taka 10 each	<u><b>50,000,000</b></u>
<b>7</b>	<b><u>Accrued Expenses</u></b>	
	Salaries	292,655
	Audit fee	25,000
	Others	10,875
	<b>Total</b>	<u><b>328,530</b></u>



Notes to financial statements for the period ended 30 June 2019.

		Amounts in Taka
		At
		30 June 2019
<b>8</b>	<b><u>Administrative Expenses</u></b>	
	Entertainment	3,640
	Salary & allowances	317,055
	Office rent	20,000
	Depreciation	74,704
	Audit fee	25,000
	License fee	17,645
	Vehicle expenses	8,865
	Printing & stationary	3,435
	Mobile bill	2,450
	Conveyance	2,965
	Paper and periodical	1,045
	Postage & courier	956
	Misc Expenses	14,868
		<u>492,628</u>
<b>9</b>	<b><u>Financial expenses</u></b>	<u>11,660</u>
<b>10</b>	<b><u>Others</u></b>	<u>11,660</u>

10.1 Figures in these notes and in the annexed financial statements, representing Bangladeshi currency Taka, have been rounded off to the nearest Taka.

10.2 These notes form an integral part of these financial statements and accordingly are to be read in conjunction therewith.

for Saif Port Holdings Limited

  
Chairman

  
N. Sultana  
Managing Director

  
Company Secretary



Notes to financial statements for the period ended 30 June 2019.

**Annex - A**

**Property, Plant and Equipment**

Particulars	C O S T						D E P R E C I A T I O N				Net book value at 30 June 2019
	Balance as at 01 July 2018	Additions during the year	Sale/ Disposal/ Adjustment during the year	Total as at 30 June 2019.	Rate	Balance as at 01 July 2018	Charge for the year	Adjustment during the year	Total as at 30 June 2019.		
Land and land development	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	5%	-	-	-	-	-	-
Motor Vehicles	-	8,700,000	-	8,700,000	10%	-	72,500	-	72,500	8,627,500	
Furniture and fixture	-	56,585	-	56,585	10%	-	472	-	472	56,113	
Tools and equipments	-	-	-	-	10%	-	-	-	-	-	-
Office equipments	-	207,915	-	207,915	10%	-	1,733	-	1,733	206,182	
<b>Total at 30 June 2019</b>	-	<b>8,964,500</b>	-	<b>8,964,500</b>	-	-	<b>74,704</b>	-	<b>74,704</b>	<b>8,889,796</b>	

### Proxy Form

I/We.....  
of .....  
being member(s) Saif Powertec Limited, entitle to vote hereby appoint Mr./Mrs./MS .....  
of..... as my/our proxy to attend and vote for me/us on  
my/our behalf at the 16th Annual General Meeting of the company to be held on Sunday, the **29<sup>th</sup> day of December 2019 at Army Golf Club, Dhaka Cantonment, Dhaka at 11.00 A.M.** and at any adjournment thereof.

As witness my hand this ..... day of..... 2019 signed by the said in  
presence of .....

Signature of the Proxy  
Date .....

Revenue  
Stamp  
Tk. 20.00

Signature of the Member(s)  
Register BO ID.....  
Dated .....

**NOTE:** A member entitled to attend and vote at the Annual General Meeting may appoint at Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office/Corporate Office of the company not later than 48 hours before the time appointed for the meeting.

Signature verified

Authorized Signatory  
Saif Powertec limited

### SAIF POWERTEC LIMITED

72, Mohakhali C/A, Rupayan Center (8<sup>th</sup> Floor), Dhaka-1212  
Tel: (880 2) 9856358-9 Fax: (880 2) 9855949

### MEMBERS'/PROXY ATTENDANCE SLIP

I/We hereby record my attendance at the 16th Annual General Meeting being held on Sunday, the **29<sup>th</sup> day of December 2019 at Army Golf Club, Dhaka Cantonment, Dhaka at 11.00 A.M.**

Name of Member(s)/Proxy .....  
Register BO ID ..... holding of ..... Ordinary  
SShares of Saif Powertec Limited.

Signature of Member(s)/Proxy

- N. B. 1. Please note that AGM can only be attended by the honorable Member(s) or properly constituted proxy. Therefore, any friend or children accompanying with honorable Member(s) or proxy cannot be allowed into the meeting.  
2. P. Please present this slip at the reception desk.



A House of Power & Material Handling Solution

**Corporate Office:**

Rupayan Centre (8<sup>th</sup> Floor),  
72, Motakhali C/A Dhaka-1212,  
Bangladesh. Tel: +88 02 9856358-9,  
9845705, 9841128, 9881587  
Fax: +88 02 9856949

**Sales Office:**

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AK Khondakar Road Motakhali C/A,  
Dhaka 1212, Bangladesh.  
Tel: +88 02 9880583, 9859571, 9859574  
9883312, 9852088, 9888291

**Chittagong Office:**

Makkah Madinah Trade Centre  
(17<sup>th</sup> Floor) 78, Agrabad C/A  
Chittagong, Bangladesh.  
Tel: 031-2524071-2, 031-2524106  
Fax: 031-2524108

**Factories:**

SAIF Battery Factory: Beshugan, Pubail, Gazipur  
SAIF Plastic & Polymer Factory: Chuwerkhola  
Tumulia Mission, Kaliganj, Gazipur

[www.saifpowertec.com](http://www.saifpowertec.com)