

DIRECTORS' REPORT TO THE SHAREHOLDERS

Bismillahir Rahmanir Rahim

Dear Valued Members:

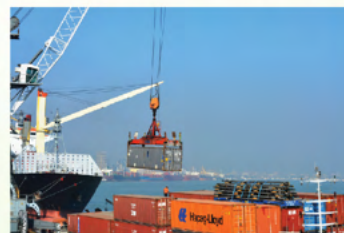
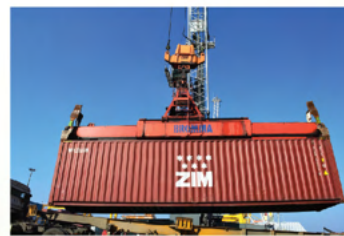
On behalf of the Board of Directors, I welcome you all to the 21st Annual General Meeting of SAIF POWERTEC LIMITED.

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, 2024 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, fueled 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
2023-2024	Contract	2,749,591,290	2,749,591,290		657,000 Containers		60%
	Maintenance	178,846,303	178,846,303		657,000 Containers		60%
	Imported goods	92,929,024	92,929,024		Not applicable		Not applicable
	Manufacturing (Battery)	472,297,436	472,297,436		550,000 Pcs		45%
	Subsidiary	1,341,305,957	-			47%	
2022-2023	Contract	1,975,159,863	1,975,159,863		657,000 Containers		60%
	Maintenance	306,635,810	306,635,810		657,000 Containers		60%
	Imported goods	31,056,216	31,056,216		Not applicable		Not applicable
	Manufacturing (Battery)	1,345,183,857	1,345,183,857		550,000 Pcs		45%
	Subsidiary	1,779,494,689	-			45%	
2021-2022	Contract	1,918,581,569	1,918,581,569		657,000 Containers		60%
	Maintenance	719,714,145	719,714,145		657,000 Containers		60%
	Imported goods	196,812,427	196,812,427		Not applicable		Not applicable
	Manufacturing (Battery)	979,012,805	979,012,805		550,000 Pcs		45%
	Subsidiary	411,434,913	-			45%	
2020-2021	Contract	2,795,576,509	2,795,576,509		657,000 Containers		60%
	Maintenance	279,924,097	279,924,097		657,000 Containers		60%
	Imported goods	146,598,454	146,598,454		Not applicable		Not applicable
	Manufacturing (Battery)	1,522,453,996	1,522,453,996		550,000 Pcs		45%
	Subsidiary	50,528,713	-			48%	
2019-2020	Contract	2,124,787,313	2,124,787,313		657,000 Containers		68%
	Maintenance	260,970,531	260,970,531		657,000 Containers		60%
	Imported goods	497,323,582	497,323,582		Not applicable		Not applicable
	Manufacturing (Battery)	904,302,178	904,302,178		550,000 Pcs		45%
	Subsidiary	61,178,398	-			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 on these changes and special attention and proactive business strategies 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 monitors 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	2023-2024		2022-2023		Difference	
	Consolidated	The company	Consolidated	The company	Consolidated	The company
Sales	4,834,970,010	3,493,664,053	5,437,530,435	3,658,035,746	(11.05%)	(4.38%)
Cost of Sales	(2,747,304,761)	(1,659,189,267)	(3,564,605,799)	(1,989,156,475)	(23.05%)	(16.67%)
Gross Profit Margin	2,087,665,249	1,834,474,786	1,872,924,636	1,668,879,271	11.23%	10.24%
Profit from operations	1,366,769,992	1,362,220,240	1,152,991,872	1,162,480,601	18.26%	17.24%
Net profit after WPPF	330,367,037	331,906,357	370,657,084	383,458,436	(10.87)	(13.16%)
Net Profit of the year	265,342,900	257,227,427	288,213,331	297,180,290	(7.90%)	(13.46%)

(a) Cost of Sales

Compared to that of the previous financial year of the Company, the cost of sales of the year under the report witnessed at 4.38% decreased due to Sales decreased.

(b) Gross Profit Margin

Compared with that of the previous year, the Gross Profit (GP) Margin of the Company in the year under report recorded at 10.24% increased due to cost control.

(c) Net Profit Margin

The Net Profit Margin of the Company, in relation to the turnover of the year under report, was 13.46% decreased due to sales value were decreased.

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 2023-2024 except Taka 39,802,469/- 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, 2023 to June 30, 2024 except the director's remuneration and Short-term employees benefits of Taka 37,845,826/-. 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 raised 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 Rights issue proceeds has been fully utilized as no March 31, 2020 by the company.

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 are requiring explanation.

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

Due to Sale decrease and Financial Expenses increased significant deviation happened in Annual Financial Performance income to the Company business operation.

A Statement of Remuneration paid to Directors including Independent Directors.

During the year the company has paid Taka 36,00,000 to the Mr. Tarafder Md. Ruhul Amin, Managing Director. No payment has been paid to the Independent Director.

Directors also report that

- a) 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.
- b) Proper books of account of Saif Powertec Limited have been maintained.
- c) 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.
- d) 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.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) 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.
- g) There are no significant doubts regarding the Saif Powertec Limited's ability to continue as a going concern.
- h) 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	2023-2024		2022-2023	
	Consolidated	The Company	Consolidated	The Company
Turnover	4,834,970,010	3,496,664,053	5,437,530,435	3,658,035,746
Cost of Sales	2,747,304,761	1,659,189,267	3,564,605,799	1,989,156,475
Gross Profit	2,087,665,249	1,834,474,786	1,872,924,636	1,668,879,271
Net Profit	265,342,900	257,227,427	288,213,331	297,180,289

Reason for significant increase in EPS compared to the previous year:

Current year's EPS has been decreased due to decreasing Maintenance and Manufacturing (Battery) sales to the Company business operation.

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

Details	2023-2024		2022-2023		2021-2022		2020-2021		2019-2020	
	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company
Turnover	4,834,970,010	3,496,664,053	5,437,530,435	3,658,035,746	4,225,555,859	3,814,120,946	4,795,081,769	4,744,553,056	3,848,562,002	3,787,383,604
Cost of Sales	2,747,304,761	1,659,189,267	3,564,605,799	1,989,156,475	2,388,069,284	2,083,909,655	2,813,027,764	2,774,847,671	2,023,878,143	1,979,974,259
Gross Profit	2,087,665,249	1,834,474,786	1,872,924,636	1,668,879,271	1,837,486,575	1,730,211,291	1,982,054,005	1,969,705,385	1,824,683,859	1,807,409,345
Operating Profit	1,366,769,992	1,362,220,240	1,152,991,872	1,162,480,601	1,262,954,125	1,210,268,574	1,438,495,012	1,439,172,818	1,275,039,949	1,271,636,929
Profit before Tax & Reserve	330,367,037	331,906,357	370,657,084	383,458,436	627,804,809	575,927,523	836,120,049	836,799,025	518,382,352	514,962,682
Profit after Tax	265,342,900	257,227,427	288,213,331	297,180,289	500,670,740	466,221,381	626,348,819	627,599,269	388,152,444	386,222,010
Proposed Declared Dividend		1% Cash		No Dividend		10% Cash		16% (10% Cash and 6% Stock)		10% (5% Cash and 5% Stock)
Earnings per Share	0.70	0.68	0.76	0.78	1.32	1.23	1.75	1.75	1.14	1.13

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 1% (one) Cash dividend for the year ended June 30, 2024.

The Director' report did not include the business strategy or technical specification related to product or services, which have business confidentiality.

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

The Board of Directors had 18 meetings during the year ended June 30, 2024. Name of the Directors and number of meetings attended are given below:

Name of Directors	Meeting Held	Meeting Attended
Mrs. Tarafder Nigar Sultana	18	18
Mr. Tarafder Md. Ruhul Amin	18	18
Mrs. Rubya Chowdhury	18	18
Mr. Tarafder Md. Ruhul Saif	18	18
Mr. Mohammad Saifur Rahman	18	18
Mr. Jalal Uddin Ahmed Choudhury	18	18

The number of Audit Committee meetings held during the year and attendance by each director.

Name of Directors	Meeting Held	Meeting Attended
Mr. Mohammad Saifur Rahman	4	4
Mr. Jalal Uddin Ahmed Choudhury	4	4
Mrs. Rubya Chowdhury	4	4
Mr. Tarafder Md. Ruhul Saif	4	4

The number of NR Committee meetings held during the year and attendance by each director.

Name of Directors	Meeting Held	Meeting Attended
Mr. Mohammad Saifur Rahman	1	1
Mr. Jalal Uddin Ahmed Choudhury	1	1
Mrs. Rubya Chowdhury	1	1
Mr. Tarafder Md. Ruhul Saif	1	1

Shareholding Pattern

Pattern of Shareholding as at 30 June 2024

Sl. No.	Member's Group	Status	No. of Share Held	Percentage
a)	Share held by Parent/Subsidiary/Associated Company and other related parties		Nil	-
b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
	Mrs. Tarafder Nigar Sultana	Chairperson	6,6928,687	17.64%
	Mr. Tarafder Md. Ruhul Amin	Managing Director	68,738,646	18.12%
	Mrs. Rubya Chowdhury	Director	8,144,097	2.15%
	Mr. Tarafder Md. Ruhul Saif	Director	8,144,096	2.15%
	Mr. Mohammad Saifur Rahman	Independent Director	Nil	-
	Mr. Jalal Uddin Ahmed Choudhury	Independent Director	Nil	-
	F. Md. Salehin	Company Secretary	Nil	-
	Md. Hasan Reza	Chief Financial Officer	Nil	-
	Khondaker Abdul Kayum	Head of Internal Audit & Compliance	Nil	-
c)	Executives		Nil	-
	Mr. Engr. Md. Nasiruddin Chowdhury	Additional Managing Director	Nil	-
	Mr. Md. Abu Sayeed	Director	Nil	-
	Major Farukh Ahmed Khan (Retd)	Executive Director	Nil	-
	A B M Kamruzzaman	Executive Director	Nil	-
	Mr. N. I. M. Shujauddowla	Executive Director	Nil	-
d)	Shareholders holding 10% or more voting right:			
	Mrs. Tarafder Nigar Sultana	Chairperson	6,6928,687	17.64%
	Mr. Tarafder Md. Ruhul Amin	Managing Director	68,738,646	18.12%

Short Bio-Data of Directors:

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 director of Saif Plastic & Polymer Industries Limited, Saif Port Holdings Limited, Trust Regional Equity Limited, 88 Innovations Engineering Limited and E-Engineering Limited.

Mr. Tarafder Md. Ruhul Amin, Managing Director

Mr. Tarafder Md. Ruhul Amin is the Managing Director of SAIF Powertec Limited. Mr. Amin has a Diploma in Power Engineering from Khulna Polytechnical Institute, Khulna. He has been in the business for more than 20 years. He has a vast business experience in indenting of construction & Material Handling Equipment, import of power generation equipment, manufacturing electrical transformers, solar power system and container handling with port operation. He is also sponsor director of Saif Plastic & Polymer Industries Limited, Saif Port Holdings Limited, Trust Regional Equity Limited, 88 Innovations Engineering Limited, Saif Logistics Alliance Limited and E-Engineering 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, Saif Port Holdings Limited, 88 Innovations Engineering Limited and Trust Regional Equity Limited and also a member of the Audit Committee & Nomination and Remuneration Committee of the Company.

Mr. Tarafder Md. Ruhul Saif, Director

Mr. Tarafder Md. Ruhul Saif is Director of SAIF Powertec Limited. He obtained Diploma in Business Administration from School of Applied Studies, Singapore. He has a wide business experience in indenting, import of power generation equipment, manufacturing electrical transformers. He is a sponsor director Saif Port Holdings Limited, 88 Innovations Engineering Limited, Saif Logistics Alliance Limited, E-engineering Limited and Trust Regional Equity Limited. He also a member of the Audit Committee & Nomination and Remuneration Committee of the Company.

Mr. Mohammad Saifur Rahman, Independent Director

Mr. Mohammad Saifur Rahman is an Independent Director of SAIF Powertec Limited. He obtained B. Sc Engineering ((Mechanical) from BUET, Dhaka and also a fellow member of the Institution of Engineers, Bangladesh. He was a former official of government in the position 4th Grade of the national pay scale in Ashuganj Fertilizer and Chemical Company Ltd., Ashuganj, B-Baria (an enterprise of BCIC under the Ministry of Industries). He has a vast experience in inspection of equipment parameters, monitoring and troubleshooting of mechanical Machineries & equipment, assessment of machineries of plant & equipment. He is also directors of Saif Plastic & Polymer Industries Limited, Saif Port Holding Limited, Saif Logistic Alliance Limited and 88 Innovations Engineering Limited.

Mr. Jalal Uddin Ahmed Choudhury, Independent Director

Mr. Jalal Uddin Ahmed Choudhury is an Independent Director of SAIF Powertec Limited. He obtained B. Sc Engineering from Chittagong Engineering College and also a fellow member of the Institution of Engineers, Bangladesh. He has a vast business experience in indenting of construction & Material Handling Equipment, Power Generation Equipment, Manufacturing Electrical Transformers, Solar Power System and Container handling with Port Operation.

Director's Involvement in Other Companies

	Company	Status
Mrs. Tarafder Nigar Sultana	Saif Powertec Limited	Chairperson
	Saif Plastic & Polymer Industries Limited	Managing Director
	Saif Port Holding Limited	Director
	E-Engineering Limited	Managing Director
	Trust Regional Equity Limited	Director
	88 Innvations Engineering Limited	Director
Tarafder Md. Ruhul Amin	Saif Powertec Limited	Managing Director
	Saif Plastic & Polymer Industries Limited	Chairperson
	Saif Port Holding Limited	Chairperson
	E-Engineering Limited	Chairperson
	Trust Regional Equity Limited	Chairperson
	Saif Logistic Alliance Limited	Chairperson nominated by Saif Powertec Limited
	88 Innovations Engineering Limited	Director
	Saif Maritime L.L.C	Manager represented by Saif Powertec Limited.
	Saif United Shipping & Trading	Manager represented by Saif Powertec Limited.
Mrs. Rubya Chowdhury	Saif Powertec Limited	Director
	Saif Plastic & Polymer Industries Limited	Director
	Saif Port Holding Limited	Director
	E-Engineering Limited	Director
	Trust Regional Equity Limited	Managing Director
	88 Innovations Engineering Limited	Chairperson
Mr. Tarafder Md. Ruhul Saif	Saif Powertec Limited	Director
	Saif Port Holding Limited	Managing Director
	E-Engineering Limited	Director
	Trust Regional Equity Limited	Director
	Saif Logistic Alliance Limited	Managing Director nominated by Saif Powertec Limited
	88 Innovations Engineering Limited	Managing Director
Mr. Mohammad Saifur Rahman	Saif Powertec Limited	Independent Director
	Saif Plastic & Polymer Industries Limited	Independent Director
	Saif Port Holding Limited	Independent Director
	Saif Logistic Alliance Limited	Independent Director
	88 Innovations Engineering Limited	Independent Director
Mr. Jalal Uddin Ahmed Choudhury	Saif Powertec Limited	Independent Director

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, 2024 with recommendation of appropriations are as follows:

Particulars	Amount in Taka
Net Profit for the year 2022-2023	1,257,132,543
Profit Brought Forwarded	257,227,427
Profit Available for Appropriation	1,514,359,971
Appropriations:	
Proposed 1% (one) Cash Dividend	37,933,865
Transferred to Retained Earnings	1,476,426,106

Financial Statements:

Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules, 2020 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 going to 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 trading of coal through import and 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 have four subsidiary companies 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. 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.

Saif Logistics Alliance Limited is establish a Special Purposes Company to carry on, organize, manage, run, charter, conduct, contract, develop, handle, own on the land of Mouja Middle Haliashahar, Chattogram to operate and do all or any business related to bulk inter modal, vessel operations, inland river terminal operation, river, rail, road & sea transportation, development & operate of Inland Container Depot, Inter-modal Container Depot with Rail & Road Transportation, sea port operations within the country and abroad.

88 Innovations Engineering Limited is established to carry on business of all types of information technology and telecommunication projects, information technology enabled services (ITeS), facilities, services or works and to buy, sell, acquire, install, erect, undertake, lay down, commission, establish, own operate, manage, develop, invent, improve, assemble, test, design, alter, repair, renovate, refurbish, recondition, hire, lease, supply, let out, transfer, control and administer all kinds of information technology and telecommunication projects, facilities or works including that relating to computers, hardware and software, mobile phones, internet services, internet leased lines, computer accessories and spare parts, connectivity products, networking, computer bureau, online and offline exam centers, data processing centers, business support, computer related maintenance contracts and consultancy services thereof.

Saif Maritime LLC (100% owned by Saif Powertec Limited) are services related to customs broker, cargo transport by light trucks, cargo transport by heavy trucks, cargo loading & unloading services, sea shipping lines agents, shipping containers loading and unloading services, freight broker, shipping lines of freight and passengers' transportation, sea freight and passengers' charters and sea cargo.

Saif United Shipping & Trading are logistics, importing, exporting, wholesale, ships management and operation, shipment containers loading and offloading services and goods marine shipment services.

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% shares of Saif Plastic & Polymer Industries Limited since November 30, 2010, 65% shares of Saif Port Holdings Limited since July 23, 2017, 80% shares of Saif Logistic Alliance Limited since September 27 2021, 55% shares of 88 Innovations Engineering Limited and 100% owned of Saif Maritime LLC and Saif United Shipping & Trading. As required by the Corporate Governance Code, minutes of the Board meeting of the subsidiary companies of Saif Plastic & Polymer Industries Limited, Saif Port Holdings Limited, Saif Logistic Alliance Limited, 88 Innovations Engineering Limited, Saif Maritime LLC and Saif United Shipping & Trading 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.

Clarification regarding Emphasis of Matters:

The management of the Company decided to maintained Register for Property, Plant & Equipment and Inventory in proper/standard format recording all important and necessary information therein to ensure management control & better reporting requirement.

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 21st Annual General Meeting of the Company, the following Directors will retire and will be eligible for reappointment:

- A) Mr. Tarafder Md. Ruhul Amin
- B) Mr. Tarafder Md. Ruhul Saif

Appointment of Auditor

The existing auditor “Artisan” Chartered Accountants were unwillingness appointed as the statutory auditor of the Company for the year 2024-2025 and “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 2024-2025 and to continue till the next Annual General meeting.

Appointment of Compliance Auditor regarding Certificate on Compliance of Corporate Governance Code:

The existing auditor “Ahmmmed Hoq Siddiqui & Co” were appointed as the Compliance auditor of the Company at 19th Annual General Meeting held on December 29, 2022 and “Ahmmmed Hoq Siddiqui & Co.,” Chartered Accountants have expressed their willingness to be appointed as Compliance auditors of the company. The Board recommends their appointment for the year 2024-2025 and to continue till the next Annual General meeting.

Audit Committee

There is an Audit Committee established by the Board. The Primary role of the Audit Committee is to oversee the financial reporting process and disclosure of financial information, to review the financial statements before submission to the Board, to review adequacy of internal control systems and review findings of internal investigations and recommending appointment/removal of statutory auditors and fixing their remuneration. A separate report on activities of the Audit Committee is attached as “Annexure D” of this report pursuant to condition # 5.7 of the Corporate Governance Code.

Nomination and Remuneration Committee:

The Board has also established a Nomination and Remuneration (NRC) as required by regulatory guideline. The primary role of the NRC is to oversee the structure, size and composition (including the skills, knowledge and experience) of the Board Members and to make recommendations to the Board on the Company’s policies and structure for remuneration of Directors and Senior Management, reviewing and approving the compensations payable to the Managing Director & CEO and Senior Management. The Policy of NRC is attached as “Annexure E” of this report pursuant to condition # 6.5(C) of the Corporate Governance Code.

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 (CoC)

In compliance with the conditions of corporate governance, the Company's Code of Conduct (CoC) has been adopted by the Board which applies to all members of the company including the Board of Directors and Key Management Personnel. The CoC was reviewed and confirmed/ ratified by the NRC. Annual compliance of the code is also recorded accordingly. The Code of Conduct of Saif Powertec Limited is attached "Annexure F" of this report.

Capital Market Stabilization Fund (CMSF):

Pursuant to the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 and BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated, January 14, 2021, the Company has transferred unclaimed dividend amount to CMS Fund those cash dividend remains unclaimed thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be as directed by the Commission. The detailed information of unclaimed dividend is published in the website of the Company at www.saifpowertec.com.

Credit Rating:

The company has taken the Credit Rating from renowned Agency, Credit Rating Agency of Bangladesh Limited (CRAB) with the prior approval of the company's Board of Directors. The Board of Directors believe the Credit Rating can bring transparency: Confirm the compliance of rules and regulation of both the company and regulatory Authorities; to protect the company and can open the door for achieving excellence. As per rating dated April 25, 2024, bank liability on April 16, 2024. We achieved A2 with stable outlook.

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 on 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 well growth in terms of business activities. In 2019-2020 sales volume was Taka 3,848,562,002 and in 2023-2024 the sales volume is Taka 4,834,970,010 in overall business activities of the Company. In the last five years, net profit after tax has been decreased to Taka 265,342,900 in 2023-2024 from the amount of net profit of Taka 388,152,444 in 2019-2020.

In the last five financial years, net operating cash flow per share for the year 2020, 2021, 2022, 2023 and 2024 net operating cash flow per share were positive. In the backdrop as well as expansion of different business of the 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 fulfil the needs of its densely populated nation. The country's export earnings witnessed 2.91 percent increase in July 2024 as compared to same period in the previous year, mainly driven by increased exports of agricultural products, chemical products, specialized textile, plastic products, woven garments, knitwear and frozen & live fish. On the other hand, total export earnings increased in July 2024 USD 3,823.70 million against USD 3,715.60 million during the same month of FY 2023-24.

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 July 2024 in the FY 2024-25 stand lower by 2.54 percent to USD 5,247.80 million, against USD 5,384.60 million during the same month of FY 2023-24.

Workers' Remittance:

Workers' remittance is the key foreign earning source of Bangladesh to fill-up the huge gap between foreign exchange earnings and expenditure. Total remittances receipts during the month of August 2024 in the FY 2024-25 increased by 38.54 percent to USD 2,215.88 million against USD 1,599.45 million of same month from the previous year.

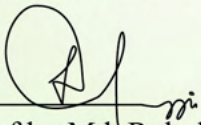
Foreign Exchange Reserves:

In August, 2024 the gross foreign exchange reserves decreased by 1.00 percent to USD 25,565.80 million against USD 25,823.59 million in July 2024.

Inflation:

The average inflation in August 2024 stood at 9.95 percent as 9.90 percent in July 2024. 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 interest rate risk. Exchange rate risk is being mitigated by changing the price of service and product of the Company in accordance with the change in exchange rate. Market risk is being mitigated by establishing strong marketing and brand management network for the related product and services of the Company. Technology related risk is trying to be mitigated mitigate by adopting new advanced technology in its production line according to its need. Operation risk is being mitigated under insurance coverage in order to get reasonable compensation for any damage and by practicing standard operating procedures in related business activities.



Tarafder Md. Ruhul Amin
Managing Director