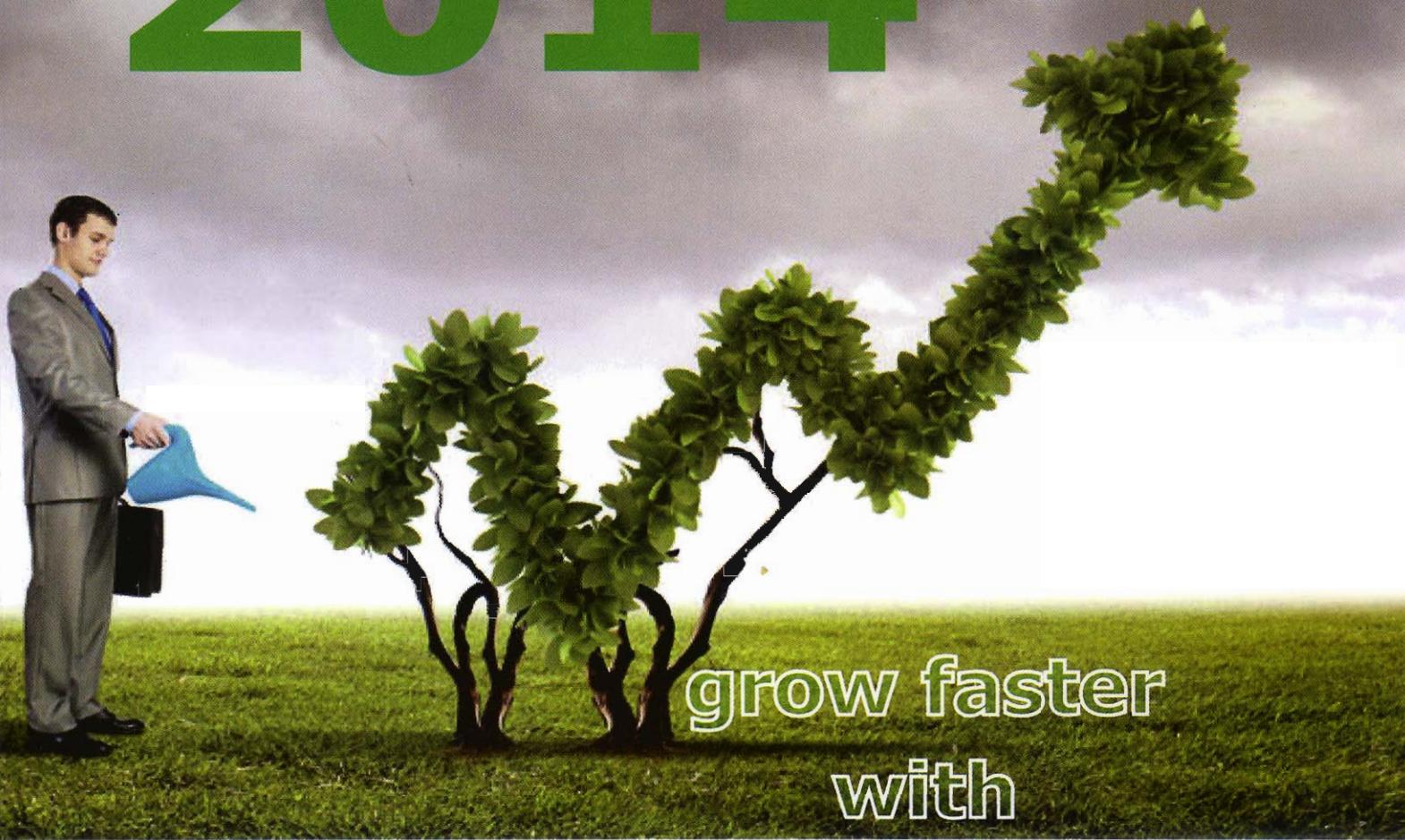


# annual report 2014



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**SAIF Powertec Limited**  
A House of Power & Material Handling Solution

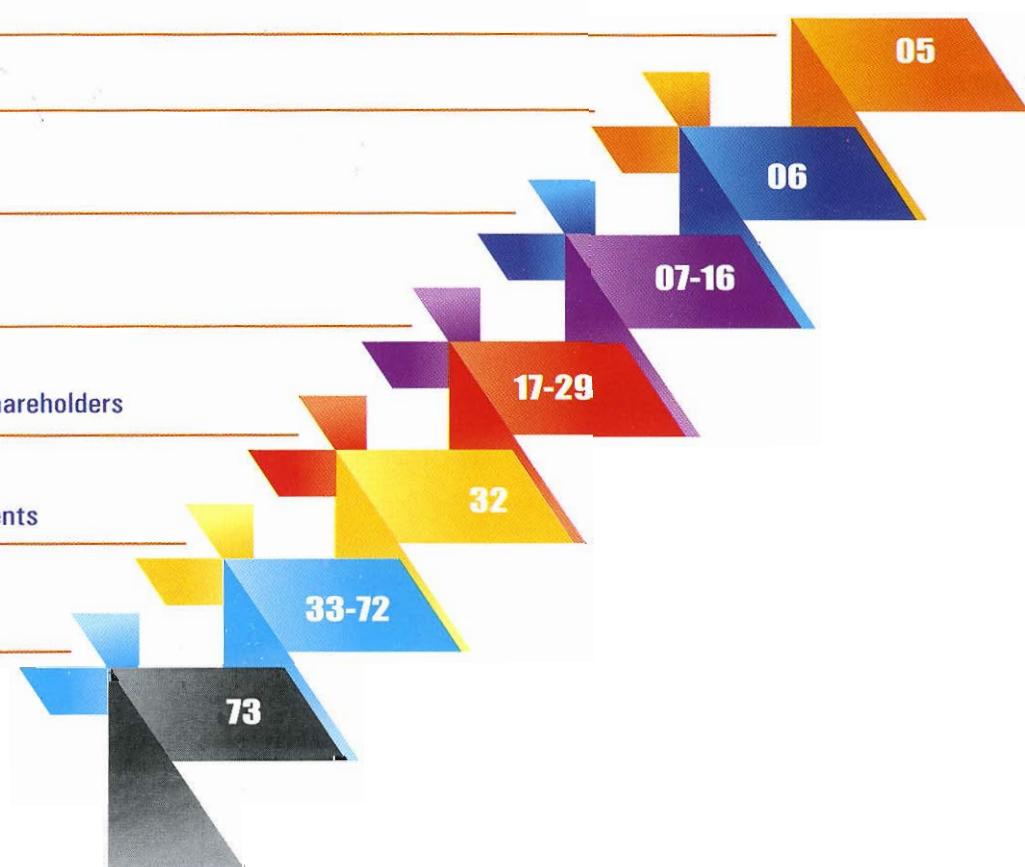
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# SAIF POWERTEC LIMITED

A House of Power & Material Handling Solution

Registered Office: 72 Mohakhali Commercial Area, Rupayan Centre (8th Floor), Dhaka -1212

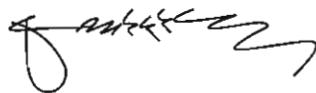
## Notice of the 11th Annual General Meeting

Notice is hereby given that the 11th Annual General Meeting of the Company will be held on 15 December 2014 at 10:30 A.M. at the Company's factory premises located at Bashugaon, Pubail, Gazipur, Dhaka to transact the following business.

### AGENDA

1. To receive, consider and adopt the Company's audited financial statement for the financial year ended 30 June 2014 along with the Director's and Auditor's Reports thereon.
2. To declare dividend for the year ended June 30, 2014 as recommended by the Board of Directors.
3. To elect/re-elect Directors as per terms of the relevant provision of the Articles of Association of the Company.
4. To appoint the Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.
5. To confirm the appointment of an Independent Director/s.
6. To consider allocation of IPO funds as investment to establish a battery division.
7. To conduct any other business with the chair's permission.

By order of the Board



F. M. Salehin  
Company Secretary

#### Notes:

1. The date of record of the annual general meeting (AGM) is 10 November 2014.
2. Shareholders whose names appear in the Company's Register of Members or in the depository on the record date are eligible to attend the meeting and are entitled to receive dividend.
3. The proxy form must be affixed with the requisite requisition revenue stamp Tk. 20/- and be deposited at the Company's registered office not less than 48 hours before the time set for the meeting.
4. Admission to the venue of the meeting will be allowed on production of attendance slip attached to the annual report.
5. Shareholders and proxies are requested to confirm their attendance at the AGM well in advance.
6. The valued shareholders are requested to update their address and bank details through their respective depository participant (DP) on or before the record date.
7. Annual Report, Attendance Slip and Proxy Form along with the notice are being sent to all Members by Courier Service/Post. The Members may also collect the "Proxy Form" from the Share Department of the Company.

"No gift, food and conveyance shall be given for attending the 11th Annual General Meeting of the Company as per rules."



## Letter of Transmittal

To  
The Shareholders  
The Bangladesh Securities & Exchange Commission  
The Registrar of Joint Stock Companies & Firms  
The Dhaka Stock Exchange Limited  
The Chittagong Stock Exchange Limited  
The Central Depository Bangladesh Limited

Subject: Annual Report for the year ended 30 June 2014

Dear Sir(s)

We are pleased to transmit a copy of the 2014 Annual Report containing the Director's Report, the Auditor's Report and the Audited Financial Statement, which includes the Financial Position, Statement of Comprehensive Income Statement, Changes in Equity and Cash Flow as of 30 June 2014 along with notes and the related Consolidated and Subsidiaries Financial Statement for your record and necessary measures.

Yours sincerely,

F. M. Salehin  
Company Secretary



## VISION

We believe business is a means for materializing 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 full range of technical support services for the large infrastructure sectors 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 shareholders and stakeholders and to contribute to 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 through 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 Profile

### Corporate Information

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

**Legal Form:** The Company was incorporated in Bangladesh as a Private Limited Company on 29 December 2003, which was limited by shares as a Public Limited Company under the Companies Act of 1994 on 28 June 2010, along with the subdivision of shares from Tk.1000 to Tk 10 each and increase the Authorized Capital from Tk. 15.00 million to Tk. 1,000.00 million. The Company subsequently was converted into a publicly traded company with the permission of the Bangladesh Securities & Exchange Commission on 22 April 2014, and listed with the Dhaka Stock Exchange on 10 September 2014, and with the Chittagong Stock Exchange on 17 September 2014.





## BOARD OF DIRECTORS



**Tarafder Nigar Sultana**  
CHAIRMAN



**T. Md. Ruhul Amin**  
MANAGING DIRECTOR



**Ruby Chowdhury**  
DIRECTOR



**T. Md. Ruhul Saif**  
DIRECTOR



**Jalal Uddin Ahmed Choudhury**  
INDEPENDENT DIRECTOR



### Audit Committee :

Mr. Jalal Uddin Ahmed Choudhury  
Mr. T. Md. Ruhul Saif  
Mr. Md. Shawkat Hossain Khan

Chairman  
Member  
Member

### Management Committee :

Mr. T. Md. Ruhul Amin  
Mrs. Rubya Chowdhury  
Md. Nasiruddin Chowdhury  
Mr. Md. Shawkat Hossain Khan  
Mr. Md. Kamrul Hassan Khan

Chairman  
Member  
Member  
Member  
Member

### Company Secretary :

Mr. F. M. Salehin

### Operational Management Team :

|                                    |                                  |
|------------------------------------|----------------------------------|
| Mrs. Rubya Chowdhury               | Head of Admin & Supply Chain     |
| Mr. Engr. Md. Nasiruddin Chowdhury | Head of Project Division         |
| Mr. Md. Hasan Reza                 | Head of Accounts & Finance       |
| Mr. Shahidul Islam Mia             | Head of Operation                |
| Mr. Engr. S.M. Shamsul Farhan      | Head of SAIF Battery Division    |
| Mr. S.M. Aftab Hossain             | Head of SAIF Switchgear Division |
| Mr. A S M Zulfecar Haider          | Head of SAIF Solar Division      |
| Mr. Md. Kamrul Hassan Khan         | Head of Human Resources          |

### Registered Office

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

### Office of Sister Concern (Dhaka)

House-09, Road -08 Block-J  
Baridhara, Dhaka-1212  
Phone: 88-02 9893312, Fax : 9893311

### Factory

Bashugoan, Pubail  
Gazipur

### Chittagong Office

House- 09, Road- 01, Block- G,  
Halishahar, Chittagong  
Phone: (031) 810688 Fax: (031) 715639

### Khulna Office

34, K.D.A. Avenue, Khulna  
Phone: 88-041-723132, Fax: (031) 715639



**Auditors :**

Ata Khan & Co.

Chartered Accountants, 67, Motijheel C/A, Dhaka

**Listing :**

Dhaka Stock Exchange Limited

Chittagong Stock Exchange Limited

**Insurer :**

Eastland Insurance Company Limited, Dhaka.

**Credit Rating Agency:**

Credit Rating Agency of Bangladesh Ltd. (CRAB)

**Website**

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

**Bankers :**

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



# Chairman's Message

Bismillahir Rahmanir Rahim

## Dear Valued Shareholders of Saif Powertec Limited

Assalamu Alaikum

It is indeed a great honor and privilege for me to greet you all, once again at the 11th Annual General Meeting of your Company. It also gives me immense pleasure to place before you the Annual Report along with the audited accounts of your Company, the Auditor's Report and the Director's Report for the year 2013-2014.



### Business Condition:

As you know, the economy of Bangladesh is rapidly developing as a capitalist economy. According to the Bangladesh Bureau of Statistics, per-capita income in our country rose to USD 1,990 in 2013. The economy has grown at a rate of 6-7% per annum over the past few years, and Bangladesh is considered the next Asian Tiger Economy. We experienced 2013 as a successful year for the Company in terms of sales and profitability despite the country's volatile political situation and economy. We were able to overcome all odds that prevailed during the year.

### Financial Aspects:

Despite an unfavorable political situation, your Company earned more profit during 2013-2014.

- Profit excluding tax was BDT 111.51 million compared to BDT 88.33 million in the previous year. The Company's Board of Directors is also concerned about the share holders' interest and has recommended a 27% stock dividend for all valued share holders.
- The Net Asset Value per share has gone up to BDT 26.84.
- Total Assets rose to BDT 2685.79 million.



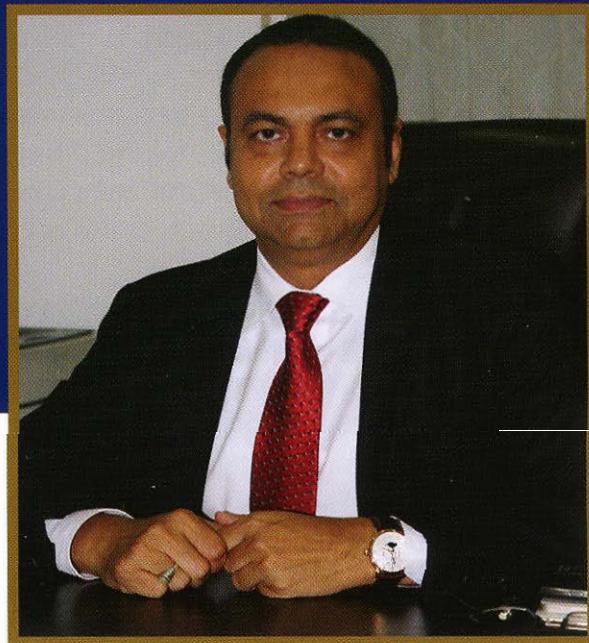
## Human Resources:

The achievement would not have been possible without the dedication, hard work and commitment of our employees, who are the foundation and backbone of the Company.

## Conclusion

Here I would like to take this opportunity on behalf of the Board of Directors to express my heartiest congratulations to all our valued shareholders 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, suppliers, employees, distributors, bankers and various government authorities. I express my gratitude to the Bangladesh Securities & Exchange Commission, the Dhaka Stock Exchange Limited, the Chittagong Stock Exchange Limited, the Central Depository Bangladesh Limited and all well-wishers of the company for their support.

(Mrs. Tarafder Nigar Sultana)  
Chairman



Bismillahir Rahmanir Rahim

## **Dear Valued Shareholders of Saif Powertec Limited**

Assalamu Alaikum

With the expression of my heartfelt thanks and gratitude to you for the support and faith you placed in us and our accomplishment, on behalf of the Board of Directors of the company as well as on my behalf, I heartily welcome you all to the 11th Annual General Meeting of the Company.

The economy of Bangladesh is progressing day by day, and it is expected that within the next few years, Bangladesh will 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 create bright prospects for the increased expansion of business activities for power and related sectors.

The year 2013-2014 can be marked as the year of political unrest. It was a great challenge for your Company to face such political unrest. By the grace of the Almighty and with the relentless effort of employees and the relentless pursuit of continuous growth and innovation, the Company has been able to generate more profit than the previous year and safeguarded your interest in the Company although most of the economy marked bleak economic prospects in 2013-2014.

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 certification.

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 will produce a new business unit by producing different types of batteries such as solar and automotive batteries for the domestic market and export global markets. Other sister concerns of the company such as SAIF solar division have a major market share in Bangladesh and have 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 such as 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 Newmooring 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. Finally, Saif Plastic & Polymer Industries Ltd. produces food-grade plastic containers for the medical, edible oil marketing and various beverage marketing industries. The company has a good reputation and has good market share in Bangladesh.

Last, I believe that the confidence and belief of our valued shareholders, the Bangladesh Securities & Exchange Commission, the Dhaka Stock Exchange Ltd., the Chittagong Stock Exchange Ltd., the Central Depository Bangladesh Limited, buyers, bankers, insurers, advisors, employees, 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



## DIRECTOR'S REPORT TO THE SHAREHOLDERS

Bismillahir Rahmanir Rahim

Dear Shareholder(s):

On behalf of the Board of Directors, I welcome you all to the 11th Annual General Meeting of SAIF POWERTEC LIMITED.

It is a matter of immense pleasure to present the Director's Report together with the Annual Financial Statement of the Company for the year ended June 30, 2014, to you to consider, adopt and approve the same.

### Industry Outlook and Possible Future Development

Bangladesh is on its way to becoming a country of middle income. The country's economy is progressing day by day with satisfactory GDP growth. Flourishing of more industrialization through producing more electricity for factories and commercial units, more electrification in rural and urban areas for widespread coverage of electricity all over the country, per the projection of the Power System Master Plan (PSMP) 2010, gas-based power generation capacity will be increased to 10,000 MW and coal-based power generation capacity to 20,000MW in 2030 along with the demand for modernization of existing power plants, more capacity-building for renewable energy, process development with modernization of computerized port operation system, the establishment of deep sea port, etc.—all this development policies of the government of Bangladesh indicate very bright prospects for the industries in these sectors.



## Segment-wise or product performance

The company has been involved with technical consultation with service provider, manufacturer, import and local sales.

| Year      | Product performance | Turnover     |             | Production capacity |                    | Capacity utilization |
|-----------|---------------------|--------------|-------------|---------------------|--------------------|----------------------|
|           |                     | Consolidated | The company | Consolidated        | The company        |                      |
| 2013-2014 | Contract            | 558,994,764  | 558,994,764 | 657,000 Containers  | 657,000 Containers | 68%                  |
|           | Maintenance         | 253,964,088  | 253,964,088 | 657,000 Containers  | 657,000 Containers | 60%                  |
|           | Imported goods      | 651,152,660  | 651,152,660 | Not applicable      | Not applicable     | Not applicable       |
|           | Subsidiary          | 56,964,840   | -           |                     | 60%                |                      |
| 2012-2013 | Contract            | 661,548,451  | 661,548,451 | 657,000 Containers  | 657,000 Containers | 68%                  |
|           | Maintenance         | 66,202,951   | 66,202,951  | 657,000 Containers  | 657,000 Containers | 60%                  |
|           | Imported goods      | 698,365,508  | 698,365,508 | Not applicable      | Not applicable     | Not applicable       |
|           | Subsidiary          | 35,395,827   |             |                     | 60%                |                      |
| 2011-2012 | Contract            | 357,673,675  | 357,673,675 | 657,000 Containers  | 657,000 Containers | 68%                  |
|           | Maintenance         | 358,930,980  | 358,930,980 | 657,000 Containers  | 657,000 Containers | 60%                  |
|           | Imported goods      | 217,209,032  | 217,209,032 | Not applicable      | Not applicable     | Not applicable       |
|           | Subsidiary          | 28,141,493   |             |                     | 60%                |                      |



### Risks and Concerns:

The Board has established a risk and risk control mechanism to adjust business policies and business objectives for every concern. The Board reviews significant risks that might adversely affect the achievement of corporate objectives.

To mitigate business risks and to sustain their risks at a minimum level, the necessary actions and measures are taken and implemented on time.

### Cost of Goods Sold, Gross Profit Margin and Net Profit Margin (Based on Turnover)

| Particulars         | 2013 -2014   |             | 2012 -2013   |             | Increase/(Decrease) based on Turnover of the year under report |             |
|---------------------|--------------|-------------|--------------|-------------|--|-------------|
|                     | Consolidated | The company | Consolidated | The company | Consolidated   | The company |
| Cost of Sales       | 66.52%       | 65.98%      | 70.63%       | 70.41%      | (5.82%)  | (6.29%)     |
| Gross Profit Margin | 33.48%       | 34.02%      | 29.37%       | 29.59%      | 13.99%   | 14.97%      |
| Net Profit margin   | 7.33%        | 7.48%       | 6.04%        | 6.17%       | 21.36%   | 21.23%      |

#### (a) Cost of Sales

Compared to that of the previous year, the cost of sales of the year under the report witnessed a 5.82% decrease in turnover for the year. This decrease during the year under the report is attributed to proper cost control in the production process and operations.

#### (b) Gross Profit Margin

Compared with that of the previous year, the Gross Profit (GP) Margin in relation to the turnover of the year under report recorded a 13.99% increase. The increase is due to the increase in overall sales. Management is dedicated to sustaining the GP Margin.

#### (C) Net Profit Margin

The Net Profit Margin, in relation to the turnover of the year under report, was 21.36% compared with that of the previous year due to better control of production costs and improved operational efficiency.

#### Continuity of Any Extra-ordinary Gain Or Loss

There was no extraordinary gain or loss in the financial statement under report during the financial year 2013-2014 except Tk.62,15,536/-as interest from bank deposit against FDR

#### Related Party Transaction

There were no related party transactions during the financial year July 01, 2013 – June 30, 2014 except the director's remuneration of Tk. 10,200,000.

#### Utilization of Proceed from Public Issue, Right Issue and/or Through Any Other Instruments

There were no matters regarding public issues, right issues and /or issuance of any other means of instruments as further issue of capital of 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.



No matters occurred regarding IPO, RPO, Right Offer, and Direct Listing for the company, and no deterioration in financial results occurred during the year under report.

#### **Significant Variation between Quarterly Financial Performance and Annual Financial Statement**

No significant variations have occurred between Quarterly and final financial results of the Company during the year under report.

#### **Remuneration to Directors including Independent Directors**

Remuneration paid during the year are given in notes no.25 in this Annual Report regarding Board meeting and the Directors' fees for attending the Board meeting included Tk. 45,000.00 for each Director during the period.

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)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the Saif Powertec Limited ability to continue as a going concern.

#### **Significant deviations from the last year's operate in result s of the issuer company shall be highlighted and the reasons thereof should be explained:**

No significant deviation found from last year's operation result of Saif Powertec Limited shall be highlighted.

#### **Operational and Financial Results**

We have been able to make progress regarding profit after tax. During the year 2013-2014, our profit after tax stood at Tk. 111,504,633.

| Details                     | 2013-2014     |               | 2012-2013     |               | 2011-2012    |             | 2010-2011    |             | 2009 -2010  |
|-----------------------------|---------------|---------------|---------------|---------------|--------------|-------------|--------------|-------------|-------------|
|                             | Consolidated  | The Company   | Consolidated  | The Company   | Consolidated | The Company | Consolidated | The Company | The Company |
| Turnover                    | 1,521,076,353 | 1,464,111,513 | 1,461,512,737 | 1,426,116,910 | 961,955,180  | 933,813,687 | 970,688,918  | 970,688,918 | 794,260,158 |
| Cost of Sales               | 1,011,815,181 | 966,060,103   | 1,032,296,946 | 1,004,081,405 | 540,091,629  | 517,329,723 | 570,339,937  | 570,339,937 | 437,441,468 |
| Gross Profit                | 509,261,172   | 498,051,410   | 429,215,791   | 422,035,505   | 421,863,551  | 416,483,964 | 400,348,981  | 400,348,981 | 356,818,690 |
| Operating Profit            | 312,716,774   | 302,926,488   | 243,943,719   | 238,503,414   | 249,842,683  | 246,141,182 | 264,663,232  | 264,663,232 | 280,281,528 |
| Profit before Tax & Reserve | 155,047,470   | 151,026,214   | 141,473,823   | 140,710,604   | 188,847,818  | 187,254,467 | 195,627,165  | 195,627,165 | 225,451,066 |
| Profit after Tax            | 111,504,633   | 109,494,005   | 88,421,139    | 87,944,127    | 150,897,764  | 149,901,920 | 156,092,470  | 156,092,470 | 193,302,438 |
| Proposed Declared Dividend  | 27% (Stock)   |               | -             | -             | 20% (Cash)   |             | 10% (Cash)   |             | -           |
| Earnings per Share          | 2.54          | 2.49          | 2.01          | 2.00          | 3.44         | 3.42        | 4.15         | 4.15        | 5.86        |



If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given:

The Board of Directors of the company has recommended stock dividend @ 27% for the year ended June 30, 2014

### **Board Size and Attendance at the Meeting of the Board of Directors**

There are 5 Directors on the Company's Board. In accordance with the guidelines of the regulatory authorities of the Bangladesh Securities & Exchange Commission (BSEC), the Dhaka Stock Exchange Ltd. (DSE) and the Chittagong Stock Exchange Ltd. (CSE), the Board provides necessary guidelines, supervision, study and review of the Company's activities and makes business policies and decisions for the Company. During year 9, Board meetings were held at which all the Board members were present except the Independent Director. Independent director was present in 6 Board Meeting after his appointment until the last Board meeting.

### **Pattern of Shareholding as on 30 June 2014**

| Name of the Shareholders   | Status               | Shares Held | %     |
|--|----------------------|-------------|-------|
| i. Parent/Subsidiary/Associated Companies and other related parties  | -                    | -           | -     |
| ii. Directors  |                      |             |       |
| Mrs. Tarafder Nigar Sultana  | Chairman             | 10,944,500  | 24.93 |
| Mr. Tarafder Md. Ruhul Amin  | Managing Director    | 12,057,800  | 27.47 |
| Ms. Rubya Chowdhury  | Director             | 1,200,000   | 2.73  |
| Mr. Tarafder Md. Ruhul Saif  | Director             | 1,200,000   | 2.73  |
| Mr. Jalal Uddin Ahmed Chaudhury                                      | Independent Director | -           | -     |
| iii. Shareholders Holding 10% or more voting interest in the company | -                    | -           | -     |

### **Short Bio-data of Directors eligible for re-appointment:**

#### **Mr. Tarafder Md. Ruhul Amin**

Managing Director

Mr. Ruhul Amin is Managing Director of SAIF Powertec Limited. Mr. Amin is a Diploma in Power Engineering from Khulna Polytechnical Institute, Khulna. He has been in business for more than 18 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.

#### **Mr. Tarafder Md. Ruhul Saif**

Director

Mr. Ruhul Saif is Director of SAIF Powertec Limited. Mr. Saif obtained diploma in Business Administration from School of Applied Studies, Singapore. He has a good business experience in indenting, import of power generation equipment, manufacturing electrical transformers.



### **Existing Business Activities**

The principal business activities of the company during the year under report are operation of 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 Kamlapur Inland Container Depot (operation will begin by 2015). 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 reputations.

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

The Company has also been involved with assembling and marketing the 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 subsidiary, Saif Plastic & Polymer Industries Ltd., which produces food-grade plastic containers, bottles and caps for pharmaceutical, oil and beverage industries with a good reputation and success.

### **Investment in Shares of Saif Powertec Ltd.**

We have subscribed 43,894,000 Ordinary Shares of SAIF Powertec Limited @ Tk. 10.00 each as on June 30, 2014, as a public limited company with paid-up capital of Tk. 438,940,000.00 out of authorized capital of Tk. 1,000,000,000.00. The main objectives of this Company are to manufacture batteries, 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.

### **Research and Development**

Business today is often competitive. Innovative approaches to product design and modification are one 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 among the competition. During the year under review, 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 Company**

Saif Powertec Limited has held 80% shares of Saif Plastic & Polymer Industries Ltd since 30 November 2010. As required by the Corporate Guidance, minutes of the Board meeting of the subsidiary company of Saif Plastic & Polymer Industries Ltd are now placed regularly for review at the following Board meeting of this holding company, and the affairs of the subsidiary company 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 Articles of Association of the Company and the Companies Act of 1994.

At the forthcoming 11th Annual General Meeting of the Company, the following Directors will retire and will be eligible for reappointment:

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

#### **Appointment of Independent Director**

The Board of Directors has appointed Mr. Jalal Uddin Ahmed Chaudhury as an Independent Director for a period of 3 years in its Board Meeting (Board Meeting Number 99 on 10 May 2014 subject to approval at the Company's forthcoming Annual General Meeting).

#### **Auditor**

The existing auditor Ata Khan & Company Chartered Accountants will retire at this Annual General Meeting and is eligible to be re-appointed. The auditor has expressed their willingness to be re-appointed for the year 2014-2015, which was approved by the Board at the meeting held on 27 October 2014.

#### **Audit Committee Report**

The Audit Committee as a subcommittee of the Board of Directors assists the Board in ensuring that the financial statement reflects a true and fair view of the state of affairs of the Company and in ensuring an efficient monitoring system within the business and is responsible to the Board.

The primary role of the Audit Committee is to oversee the financial reporting process and disclosure of financial information, monitor internal control and the risk management process oversee the performance of external auditors and review the management, quarterly, half yearly and annual financial statements before submission to the Board for approval.

The Audit Committee has been headed by Mr. Jalal Uddin Ahmed Chaudhury, Independent Director. The other two members of the committee are Mr. Tarafder Md. Ruhul Saif and Mr. Md. Shawkat Hossain Khan All members of the Audit Committee are financially literate, and a report of the audit committee is enclosed in the Appendix.

#### **Internal Control**

The Company has been working to develop standard operating procedures for managing the company following a set of standards for the internal control system.

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

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 guidelines of the Bangladesh Securities & Exchange Commission (BSEC).

The compliance statues of Bangladesh Securities & Exchange Commission (BSEC) Notification No. SEC/CMRRC/2006-158/129/Admin/143 dated 7 August 2012 of annexed here along with the Auditor's Certificate on the issue in annexure-A and annexure -B.

#### **Appreciation**

We are proud of the confidence maintained in us continuously by our valued shareholders and for supporting the Company's activities. At the same time, we extend our sincere thanks and appreciation to the banks, insurance companies, auditors, customers, stakeholders, patrons 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



## ANNUAL REPORT 2014



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

*M. Sultana*

Mrs. T. N. Sultana  
Chairman

**Annexure -A****AUDIT COMMITTEE REPORT**  
for the year 2013-2014

The Audit Committee consists of the following persons:

|                                 |            |
|---------------------------------|------------|
| Mr. Jalal Uddin Ahmed Chaudhury | - Chairman |
| Mr. T. Md. Ruhul Saif           | - Member   |
| Mr. Md. Shawkat Hossain Khan    | - Member   |

The scope of the Audit Committee was defined as under:

- (a) Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purposes;
- (b) Monitor and oversee the choice of accounting policies and principles, internal control risk management process, auditing, hiring and performance of external auditors;
- (c) Review statements of significant related party transactions submitted by the management;
- (d) Supervise the governance systems and the independence of statutory auditors; and
- (e) Review and consider the internal auditors' report and statutory auditors' observations on internal control.

**Activities carried out during the year**

The Committee reviewed the integrity of the quarterly and annual 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 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  
Chairman  
Audit Committee

**Annexure-B****CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE  
OF  
SAIF POWERTEC LIMITED AND ITS SUBSIDIARY**

We have examined the compliance to the BSEC guidelines on Corporate Governance by Saif Powertec Limited and its subsidiary for the year ended 30 June 2014. These guidelines relate to the Notification no. SEC/CMRRC/2006-158/134/Admin/44 dated 7 August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance 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 Corporate Governance.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC with few exceptions.

Place -Dhaka.  
Date- October 27, 2014

**Mazumdar Sikder and Associates**  
Cost & Management Accountants



Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

| Condition No.                     | Title  | Compliance Status |              | Remarks (If any)  |
|-----------------------------------|--|-------------------|--------------|---|
|                                   |  | Complied          | Not Complied |   |
| <b>1. Board of Directors:</b>     |  |                   |              |   |
| 1.1                               | Board's Size: The number of the board members shall not be less than 5(Five) and more than 20 (Twenty)   | ✓                 |              |   |
| <b>1.2 Independent Directors:</b> |  |                   |              |   |
| 1.2(i)                            | One fifth(1/5) of the total number of directors  | ✓                 |              | Appointed by the BOD and will be place for approval in the next AGM |
| 1.2(ii) a)                        | Does not hold any share or holds less than 1% shares of the total paid-up shares.  | ✓                 |              |   |
| 1.2(ii) b)                        | Not connected with any Sponsor/ Director/ Shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship | ✓                 |              |   |
| 1.2(ii) c)                        | Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.                   | ✓                 |              |   |
| 1.2(ii) d)                        | Not a member, director or officer of any stock exchange.   | ✓                 |              |   |
| 1.2(ii) e)                        | Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.                                 | ✓                 |              |   |
| 1.2(ii) f)                        | Not a partner or an executive or was not a partner or an executive during the preceding 3(three) years<br>Of any statutory audit firm.           | ✓                 |              |   |
| 1.2(ii) g)                        | Not be an independent director in more than 3 (three) listed companies.  | ✓                 |              |   |
| 1.2(ii) h)                        | Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.                               | ✓                 |              |   |
| 1.2(ii) i)                        | Not been convicted for a criminal offence involving moral turpitude.   | ✓                 |              |   |
| 1.2(iii)                          | Nominated by the board of directors and approved by the shareholders in the AGM.   | ✓                 |              | Appointed by the BOD and will be place for approval in the next AGM |
| 1.2(iv)                           | Not remain vacant for more than 90 (ninety) days.  | ✓                 |              |   |
| 1.2(v)                            | Board shall lay down a code of conduct of all Board members and annual compliance of the code to be Recorded.                                    | ✓                 |              |   |
| 1.2(vi)                           | Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.               | ✓                 |              |   |
| 1.3                               | <b>Qualification of Independent Director (ID):</b>   |                   |              |   |
| 1.3(i)                            | Knowledge of Independent Directors.  | ✓                 |              |   |
| 1.3(ii)                           | Background of Independent Directors.   | ✓                 |              |   |
| 1.3(iii)                          | Special cases for qualifications.  |                   |              | N/A   |
| 1.4                               | <b>Individual Chairman of the Board and CEO</b>  | ✓                 |              |   |
| 1.5                               | <b>The Directors' Report to Shareholders:</b>  |                   |              |   |
| 1.5(i)                            | Industry outlook and possible future developments in the industry.   | ✓                 |              |   |
| 1.5(ii)                           | Segment-wise or product-wise performance.  | ✓                 |              |   |
| 1.5(iii)                          | Risks and concerns.  | ✓                 |              |   |
| 1.5(iv)                           | Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.   | ✓                 |              |   |
| 1.5(v)                            | Discussion on continuity of any Extra-ordinary gain or loss.   | ✓                 |              |   |
| 1.5(vi)                           | Basis for related party transactions.  | ✓                 |              |   |
| 1.5(vii)                          | Utilization of proceeds from public issues, rights issues and/or through any others.   | ✓                 |              |   |



|              |  |   |  |     |
|--------------|--|---|--|-----|
| 1.5(viii)    | Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.    |   |  | N/A |
| 1.5(ix)      | Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements. |   |  | N/A |
| 1.5(x)       | Remuneration to directors including independent directors.   | ✓ |  |     |
| 1.5(xi)      | Fairness of Financial Statement.   | ✓ |  |     |
| 1.5(xii)     | Maintenance of proper books of accounts.   | ✓ |  |     |
| 1.5(xiii)    | Adoption of appropriate accounting policies and estimates.   | ✓ |  |     |
| 1.5(xiv)     | Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.   | ✓ |  |     |
| 1.5(xv)      | Soundness of internal control system.  | ✓ |  |     |
| 1.5(xvi)     | Ability to continue as a going concern.  | ✓ |  |     |
| 1.5(xvii)    | Significant deviations from the last year's.   |   |  | N/A |
| 1.5(xviii)   | Key operating and financial data of at least preceding 5 (five) year.  | ✓ |  |     |
| 1.5(xix)     | Reasons for not declared dividend  |   |  | N/A |
| 1.5(xx)      | Number of board meetings held during the year and attendance.  | ✓ |  |     |
| 1.5(XXI)     | <b>Pattern of shareholding:</b>  |   |  |     |
| 1.5(XXI)a)   | Parent/Subsidiary/Associated Companies and other related parties.  | ✓ |  |     |
| 1.5(XXI)b)   | Directors, CEO, CS, CFO, HIA and their spouses and minor children.   | ✓ |  |     |
| 1.5(XXI)c)   | Executives.  | ✓ |  |     |
| 1.5(XXI)d)   | 10% or more voting interest.   | ✓ |  |     |
| 1.5(XXII)    | <b>Appointment/re-appointment of director:</b>   |   |  |     |
| 1.5(XXII)a)  | Resume of the director   | ✓ |  |     |
| 1.5(XXII) b) | Expertise in specific functional areas.  | ✓ |  |     |
| 1.5(XXII)c)  | Holding of directorship and membership of committees of the board other than this company.                             | ✓ |  |     |
| 2.           | <b>CFO, Head of Internal Audit (HIA) and CS:</b>   |   |  |     |
| 2.1          | Appointment of CFO, HIA and CS and defining their responsibilities.  | ✓ |  |     |
| 2.2          | Attendance of CFO and CS at the meeting of the Board of Directors.   | ✓ |  |     |
| 3.           | <b>Audit Committee:</b>  |   |  |     |
| 3(i)         | Constitution of Audit Committee  | ✓ |  |     |
| 3(ii)        | Assistance of the Audit Committee to Board of Directors.   | ✓ |  |     |
| 3(iii)       | Responsibility of the Audit Committee.   | ✓ |  |     |
| 3.1          | <b>Constitution of the Audit Committee:</b>  |   |  |     |
| 3.1(i)       | At least 3 (three) members.  | ✓ |  |     |
| 3.1(ii)      | Appointment of members of the Audit Committee.   | ✓ |  |     |
| 3.1(iii)     | Qualification of Audit Committee members.  | ✓ |  |     |
| 3.1(iv)      | Term of service of Audit Committee members.  | ✓ |  |     |
| 3.1(v)       | Secretary of the Audit Committee.  | ✓ |  |     |
| 3.1(vi)      | Quorum of the Audit Committee.   | ✓ |  |     |
| 3.2          | <b>Chairman of the audit committee:</b>  |   |  |     |
| 3.2(i)       | Board of Director shall select the Chairman.   | ✓ |  |     |
| 3.2(ii)      | Chairman of the audit committee shall remain present in the AGM.   | ✓ |  |     |
| 3.3          | Role of Audit Committee:   |   |  |     |
| 3.3(i)       | Oversee the financial reporting process.   | ✓ |  |     |
| 3.3(ii)      | Monitor choice of accounting policies and principles.  | ✓ |  |     |
| 3.3(iii)     | Monitor Internal Control Risk management process.  | ✓ |  |     |
| 3.3(iv)      | Oversee hiring and performance of external auditors.   | ✓ |  |     |
| 3.3(v)       | Review the annual financial statements before submission to the board for approval.                                    | ✓ |  |     |
| 3.3(vi)      | Review the quarterly and half yearly financial statements before submission to the board for approval.                 | ✓ |  |     |
| 3.3(vii)     | Review the adequacy of internal audit function.  | ✓ |  |     |
| 3.3(viii)    | Review statement of significant related party transactions.  | ✓ |  |     |
| 3.3(ix)      | Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.                            | ✓ |  |     |



|            |   |   |  |   |
|------------|---|---|--|---|
| 3.3(x)     | Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.        |   |  | N/A   |
| 3.4        | Reporting of the Audit Committee:   |   |  |   |
| 3.4.1      | Reporting to the Board of Directors.  | ✓ |  |   |
| 3.4.1(i)   | Activities of Audit Committee.  | ✓ |  |   |
| 3.4.1(ii)a | Conflicts of interests.   |   |  | N/A   |
| 3.4.1(ii)b | Material defect in the internal control system.                                       |   |  | N/A   |
| 3.4.1(ii)c | Infringement of laws, rules and regulations.  |   |  | N/A   |
| 3.4.1(ii)d | Any other matter.   |   |  | N/A   |
| 3.4.2      | Reporting to the Authorities.   |   |  | N/A   |
| 3.5        | <b>Reporting to the Shareholders and General Investors.</b>                           | ✓ |  |   |
| 4          | <b>Engagement of External/Statutory Auditors:</b>                                     |   |  |   |
| 4(i)       | Appraisal or valuation services or Fairness opinions.                                 | ✓ |  |   |
| 4(ii)      | Financial information systems design and Implementation.                              | ✓ |  |   |
| 4(iii)     | Book-keeping.   | ✓ |  |   |
| 4(iv)      | Broker-dealer services.   | ✓ |  |   |
| 4(v)       | Actuarial services  |   |  | N/A   |
| 4(vi)      | Internal audit services.  | ✓ |  |   |
| 4(vii)     | Services that the Audit Committee determines  | ✓ |  |   |
| 4(viii)    | Audit firms shall not hold any share of the company they audit.                       | ✓ |  |   |
| 5          | <b>Subsidiary Company:</b>  |   |  |   |
| 5(i)       | Composition of the Board of Directors.  | ✓ |  |   |
| 5(ii)      | At least 1 (one) independent director to the subsidiary company.                      |   |  | Appointed by the BOD and will be place for approval in the next AGM |
| 5(iii)     | Submission of Minutes to the holding company.   | ✓ |  |   |
| 5(iv)      | Review of Minutes by the holding company.   | ✓ |  |   |
| 5(v)       | Review of Financial Statement by the holding company.                                 | ✓ |  |   |
| 6          | <b>Duties of Chief Executive Officer and Chief Financial Officer:</b>                 |   |  |   |
| 6(i)a      | Reviewed the materially untrue of the financial statement.                            | ✓ |  |   |
| 6(i)b      | Reviewed about compliance of the accounting standard.                                 | ✓ |  |   |
| 6(ii)      | Reviewed about fraudulent, illegal or violation of the company's code of conduct.     | ✓ |  |   |
| 7          | <b>Reporting and Compliance of Corporate Governance:</b>                              |   |  |   |
| 7(i)       | Obtain certificate about compliance of conditions of Corporate Governance Guidelines. | ✓ |  |   |
| 7(ii)      | Annexure attached in the directors' report.   | ✓ |  |   |

# Audited Financial Statements

# 2014



**SAIF** POWERTEC

**SAIF Powertec Limited**



## Auditors' Report to the Shareholders of Saif Powertec Limited

### Introduction

We have audited the accompanying financial statements of Saif Powertec Limited (the company) and its group, which comprises the statement of financial position (balance sheet) as at 30 June 2014, statement of comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year ended on that date, and a summary of significant accounting policies and other explanatory notes.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards, the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' responsibility

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

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

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

### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs and its group as at 30 June 2014 and of the results of their operations and their cash flows for the year then ended and comply with the requirements of Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 statement of financial position (balance sheet) and statement of comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account and returns.
- (d) The expenditure incurred for the purpose of the company's business.

Ata Khan & Co.  
Chartered Accountants

67, Motijheel Commercial Area  
Dhaka 1000, Bangladesh  
Dated: 27 October 2014



## Saif Powertec Limited

### Consolidated Statement of Financial Position (Balance Sheet) as at 30 June 2014

|  | Notes | Amount in Taka  |               |                 |               |
|--|-------|-----------------|---------------|-----------------|---------------|
|  |       | At 30 June 2014 |               | At 30 June 2013 |               |
|  |       | Consolidated    | The Company   | Consolidated    | The Company   |
| <b>Assets</b>  |       |                 |               |                 |               |
| <b>Non-current assets</b>  |       |                 |               |                 |               |
| Property, plant and equipment  | 4     | 1,251,662,273   | 1,112,420,062 | 917,948,590     | 809,955,215   |
| Capital works-in-progress  | 5     | 145,554,192     | 145,554,192   | 212,132,029     | 179,621,636   |
| Investment in subsidiary company                                     | 6     | -               | 80,000,000    | -               | 80,000,000    |
| Intangible assets  |       | -               | -             | 3,887,926       | -             |
| Pre-operating expenses   |       |                 |               |                 | 1,069,576,851 |
|  |       | 1,397,216,465   | 1,337,974,254 | 1,133,968,545   |               |
| <b>Current assets</b>  |       |                 |               |                 |               |
| Inventories  | 7     | 298,164,729     | 281,072,011   | 65,682,095      | 51,499,123    |
| Accounts and others receivable                                       | 8     | 500,442,614     | 497,508,584   | 449,569,838     | 440,869,099   |
| Advances, deposits and prepayments                                   | 9     | 403,587,199     | 401,596,060   | 248,932,725     | 238,840,923   |
| Fixed deposit receipt (FDR)  | 10    | 65,178,760      | 65,178,760    | 50,387,111      | 50,387,111    |
| Cash and cash equivalents  | 11    | 21,202,906      | 19,997,674    | 6,249,832       | 6,185,084     |
|  |       | 1,288,576,207   | 1,265,353,089 | 820,821,601     | 787,781,340   |
| <b>Total assets</b>  |       | 2,685,792,672   | 2,603,327,343 | 1,954,790,146   | 1,857,358,191 |
| <b>Equity and liabilities</b>  |       |                 |               |                 |               |
| <b>Capital and reserves</b>  |       |                 |               |                 |               |
| Share capital  | 12    | 438,940,000     | 438,940,000   | 438,940,000     | 438,940,000   |
| Share premium  | 13    | 191,429,500     | 191,429,500   | 191,429,500     | 191,429,500   |
| Revaluation reserve  | 14    | 96,540,144      | 96,540,144    | 96,540,144      | 96,540,144    |
| Retained earnings  | 15    | 451,370,636     | 451,292,065   | 342,976,344     | 341,798,060   |
|  |       | 1,178,280,280   | 1,178,201,709 | 1,069,885,988   | 1,068,707,704 |
|  |       | 20,019,644      | -             | 20,294,571      | -             |
| <b>Non-controlling interest</b>                                      |       | 1,198,299,924   | 1,178,201,709 | 1,090,180,560   | 1,068,707,704 |
| <b>Non-current liabilities</b>                                       |       |                 |               |                 |               |
| Long term loan from bank   | 16    | 487,782,020     | 476,580,976   | 247,233,110     | 219,586,510   |
|  |       | 487,782,020     | 476,580,976   | 247,233,110     | 219,586,510   |
| <b>Current Liabilities</b>   |       |                 |               |                 |               |
| Current portion of long-term loan                                    | 17    | 218,862,777     | 203,257,439   | 108,579,850     | 100,277,781   |
| Short term loan  | 18    | 537,891,683     | 520,119,100   | 216,609,560     | 187,576,394   |
| Accounts payable   | 19    | 20,760,113      | 5,792,325     | 100,864,360     | 91,773,706    |
| Accrued expenses   | 20    | 207,519,614     | 204,699,254   | 172,162,487     | 170,275,878   |
| Obligation to contract clients                                       | 21    | 89,700          | 89,700        | 12,124,688      | 12,124,688    |
| Workers profit participation fund                                    | 22    | 14,586,841      | 14,586,841    | 7,035,530       | 7,035,530     |
|  |       | 999,710,728     | 948,544,658   | 617,376,476     | 569,063,977   |
| <b>Total shareholders' equity and liabilities</b>                    |       | 2,685,792,672   | 2,603,327,343 | 1,954,790,146   | 1,857,358,191 |
| <b>Net asset value per share of Taka 10 each</b>                     |       | 26.84           | 26.84         | 24.29           | 24.35         |
| <b>Net asset value per share without revaluation of Taka 10 each</b> |       | 24.64           | 24.64         | 22.09           | 22.15         |

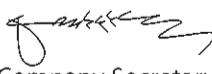
See annexed notes

  
Managing Director

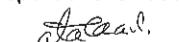
67, Motijheel Commercial Area  
Dhaka 1000, Bangladesh  
Dated: 27 October 2014

for Saif Powertec Limited

N. Sultana  
Director

  
Company Secretary

Signed in terms of our report of even date annexed

  
Ata Khan & Co.  
Chartered Accountants



## Saif Powertec Limited

Consolidated Statement of Comprehensive Income (Income Statement)  
for the year ended 30 June 2014

| Revenue  | Notes | Amount in Taka  |               |                 |                 |
|--|-------|-----------------|---------------|-----------------|-----------------|
|  |       | At 30 June 2014 |               | At 30 June 2013 |                 |
|  |       | Consolidated    | The Company   | Consolidated    | The Company     |
| 23   |       | 1,521,076,353   | 1,464,111,513 | 1,461,512,737   | 1,426,116,910   |
| Cost of sales  | 24    | (1,011,815,181) | (966,060,103) | (1,032,296,946) | (1,004,081,405) |
| Gross profit   |       | 509,261,172     | 498,051,410   | 429,215,791     | 422,035,505     |
| General and administrative expenses                              | 25    | (196,544,398)   | (195,124,922) | (185,272,072)   | (183,532,091)   |
| Profit from operations   |       | 312,716,774     | 302,926,488   | 243,943,719     | 238,503,414     |
| Other income   |       | 14,339,310      | 11,118,029    | 11,872,244      | 8,615,943       |
| Finance costs  | 26    | (164,457,303)   | (155,466,992) | (107,306,610)   | (99,373,223)    |
| Net profit before WPPF   |       | 162,598,781     | 158,577,524   | 148,509,353     | 147,746,134     |
| Workers profit participation fund                                |       | (7,551,311)     | (7,551,311)   | (7,035,530)     | (7,035,530)     |
| Net profit after WPPF  |       | 155,047,470     | 151,026,214   | 141,473,823     | 140,710,604     |
| Income tax expenses  |       | (43,040,180)    | (41,532,209)  | (53,052,684)    | (52,766,476)    |
| Net profit after tax   |       | 112,007,290     | 109,494,005   | 88,421,139      | 87,944,127      |
| Profit attributable to ordinary shareholders                     |       |                 |               |                 |                 |
| Non controlling interest (20%)                                   |       | 502,657)        | -             | (95,402)        | -               |
| Net profit after tax to ordinary shareholders                    |       | 111,504,633     | 109,494,005   | 88,325,737      | 87,944,127      |
| Earnings per share (EPS)   |       |                 |               |                 |                 |
| of Taka 10 each  | 27    | 2.54            | 2.49          | 2.01            | 2.00            |
| Earnings per share (EPS) without<br>other income of Taka 10 each | 27    | 2.21            | 2.24          | 1.74            | 1.81            |
| Appropriation of subsidiary company's net<br>profit :            |       |                 |               |                 |                 |
| Saif Powertec Limited (parent company) -<br>80%                  |       | 2,010,628       |               |                 |                 |
| Non-controlling interest (minority interest)-<br>20%             |       | 502,657         |               |                 |                 |
|  |       | 2,513,285       |               |                 |                 |

See annexed notes

Managing Director

for Saif Powertec Limited

Director

Company Secretary

Signed in terms of our report of even date annexed

Ata Khan & Co.  
Chartered Accountants

67, Motijheel Commercial Area  
Dhaka 1000, Bangladesh  
Dated: 27 October 2014



## Saif Powertec Limited

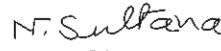
Consolidated Statement of Cash Flows for the year ended 30 June 2014

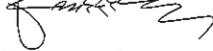
|   | Amount in Taka  |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | At 30 June 2014 |                 | At 30 June 2013 |                 |
|   | Consolidated    | The Company     | Consolidated    | The Company     |
| <b>Cash flows from operating activities</b>             |                 |                 |                 |                 |
| Cash receipt from customers                             | 1,484,542,887   | 1,418,590,056   | 1,310,545,147   | 1,268,702,488   |
| Cash paid to employees and suppliers                    | (1,567,500,084) | (1,533,330,244) | (1,060,554,180) | (1,038,681,615) |
| <b>Cash generate from operating activities</b>          | (82,957,197)    | (114,740,188)   | 249,990,967     | 230,020,873     |
| Paid against advance income tax                         | (40,116,941)    | (39,166,316)    | (49,475,131)    | (48,887,195)    |
| Interest and financial expenses                         | (164,457,303)   | (155,466,992)   | (107,306,610)   | (99,373,223)    |
| <b>Net cash provided by operating activities (A)</b>    | (287,531,441)   | (309,373,496)   | 93,209,226      | 81,760,455      |
| <b>Cash flows from investing activities</b>             |                 |                 |                 |                 |
| Purchase of property, plant and equipment               | (283,398,389)   | (283,099,689)   | (220,554,945)   | (215,401,795)   |
| Capital work-in-progress                                | (71,439,406)    | (71,439,406)    | (25,635,745)    | (11,759,000)    |
| Fixed deposit receipt (FDR)                             | (14,791,649)    | (14,791,649)    | (10,385,907)    | (10,385,907)    |
| <b>Net cash used in investing activities (B)</b>        | (369,629,444)   | (369,330,744)   | (256,576,598)   | (237,546,703)   |
| <b>Cash flows from financing activities</b>             |                 |                 |                 |                 |
| Receipt from short term loan                            | 666,248,645     | 677,509,228     | 363,400,633     | 337,042,512     |
| paid to short term loan                                 | (247,370,604)   | (247,370,604)   | (254,427,996)   | (235,305,122)   |
| Receipt from long term loan                             | 449,734,840     | 458,877,129     | 191,952,690     | 185,067,165     |
| paid to long term loan                                  | (196,498,923)   | (196,498,923)   | (140,681,187)   | (133,106,242)   |
| <b>Net cash provided by financing activities (C)</b>    | 672,113,959     | 692,516,830     | 160,244,140     | 153,698,313     |
| <b>Net changes in cash and cash equivalents (A+B+C)</b> | 14,953,074      | 13,812,590      | (3,123,231)     | (2,087,935)     |
| Opening cash and cash equivalents                       | 6,249,832       | 6,185,084       | 9,373,063       | 8,273,018       |
| Closing cash and cash equivalents                       | 21,202,906      | 19,997,674      | 6,249,832       | 6,185,084       |
| <b>Operating cash flows per share of Taka 10 each</b>   | (6.55)          | (7.05)          | 2.12            | 1.86            |

  
Managing Director

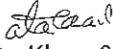
67, Motijheel Commercial Area  
Dhaka 1000, Bangladesh  
Dated: 27 October 2014

for Saif Powertec Limited

  
N. Sultana  
Director

  
Company Secretary

Signed in terms of our report of even date annexed

  
Ata Khan & Co.  
Chartered Accountants



## Saif Powertec Limited

Consolidated Statement of Changes in Equity for the year ended 30 June 2014

|  | Amount in Taka     |                    |                     |                    |                      |
|--|--------------------|--------------------|---------------------|--------------------|----------------------|
|  | Share capital      | Share premium      | Revaluation reserve | Retained earnings  | Total                |
| Balance at 01 July 2012  | 438,940,000        | 191,429,500        | 96,540,144          | 291,619,608        | 1,018,529,252        |
| Cash dividend  | -                  | -                  | -                   | (36,969,000)       | (36,969,000)         |
| Share of profit of subsidiary company                              | -                  | -                  | -                   | 381,610            | 381,610              |
| Net income for the year  | -                  | -                  | -                   | 87,944,127         | 87,944,127           |
| Balance at 30 June 2013  | <u>438,940,000</u> | <u>191,429,500</u> | <u>96,540,144</u>   | <u>342,976,344</u> | <u>1,069,885,989</u> |
| Balance at 01 July 2013  | 438,940,000        | 191,429,500        | 96,540,144          | 342,976,344        | 1,069,885,989        |
| Cash dividend  | -                  | -                  | -                   | -                  | -                    |
| Share of profit of subsidiary company                              | -                  | -                  | -                   | 2,010,628          | 2,010,628            |
| Share of pre-operating expenses of subsidiary company (adjustment) |                    |                    |                     | (3,110,341)        | (3,110,341)          |
| Net income for the year  |                    |                    |                     | 109,494,005        | 109,494,005          |
| Balance at 30 June 2014  | <u>438,940,000</u> | <u>191,429,500</u> | <u>96,540,144</u>   | <u>451,370,636</u> | <u>1,178,280,280</u> |

for Saif Powertec Limited

Managing Director

N. Sultana  
Director

Company Secretary

Signed in terms of our report of even date annexed

Ata Khan & Co.  
Chartered Accountants

67, Motijheel Commercial Area  
Dhaka 1000, Bangladesh  
Dated: 27 October 2014



# Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

## 1. Reporting entity

Saif Powertec Limited (hereinafter referred to as 'the company') was incorporated on 29 December 2003 as a private limited company under Bangladesh 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.

### 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 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 company

Saif Plastic & Polymer Industries Limited, a subsidiary company of Saif Powertec Limited was incorporated on 13 November 2010 as a private limited company under Bangladesh 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.

### 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 Bangladesh Accounting Standard (BASs) 27 "Consolidated and Separate Financial Statements". Figure used in the consolidated financial statements are based on the audited financial statements of Saif Plastic & Polymer Industries Limited, audited by other auditors. Intra group balances and unrealised income and expenses arising from intra-group transactions have been eliminated in full in preparing the consolidated financial statements.

### 1.4 Risk exposure

#### a. Interest rate risk

Interest rate risk is the risk that the company faces due to unfavourable 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, unfavourable 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 effect 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.



# Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

## 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.

## 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.

## 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.

## 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.

## 2. Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) and Companies Act 1994.

### 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 BAS/BFRS 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

Reporting period of the Company covers for 1 (one) year from 01 July 2013 to 30 June 2014.

## 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 or valuation 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."

## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### **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 on current year's addition is charged for the full year irrespective of the date(s) of acquisition. No depreciation is charged on disposal made during the year.

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              |
| Others   | 10              |

### **3.1.4 Impairment of assets**

All the fixed assets have been reviewed by the management and it was confirmed that there is no identification of impairment for which no provision is required to be made for impairment losses.

### **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 Leased assets**

All the lease transactions have been classified based on the extent to which risks and rewards incident to ownership of the assets lie with the lessor or lessee. According to this classification, all the lease transactions have been identified as finance lease as per International and Bangladesh Accounting Standard No. 17 "Leases" based on the substance of the transactions, not merely the legal form.

### **3.4 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.

### **3.5 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. No depreciation is charged on the capital work in progress which is in accordance with BAS-16.

### **3.6 Earnings per share (EPS)**

Earnings per share (EPS) is calculated in accordance with Bangladesh Accounting Standard BAS-33 "Earnings Per Share" by dividing the basic earnings by fully diluted number of ordinary shares outstanding during the year.

### **3.7 Revenue**

Revenue is measured at fair value of consideration received or receivable. Revenue from sale of goods and services is recognised when the company has transferred the significant risk and rewards of ownership of goods to the buyer and revenue and costs incurred to effect the transaction can be measured reliably in compliance with the requirements of BAS-18/ IAS-18 (revenue). In case of contract, the company recognise its sales on the basis of the completion of work or on the basis of work done by the company.



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### 3.8 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 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 BAS-7.

### 3.11 Taxation

Provision for corporate income tax has been made in this accounts based on income tax withheld from execution of contract/supply of goods under section 52 of the Income Tax Ordinance 1984 which is the final tax liability of the company under that ordinance.

### 3.12 Deferred tax

Since tax deducted at source from the invoice value is the final tax of company no differed tax provision is required to be made in this accounts.

### 3.13 Related party disclosure

As per BAS 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.

| Name of related party                     | Nature of transaction | Amount (Taka) |
|---|-----------------------|---------------|
| Tarafder Md. Ruhul Amin                   | Salary and allowances | 1,800,000     |
| Tarafder Nigar Sultana                    | Salary and allowances | 3,000,000     |
| Tarafder Md. Ruhul Saif                   | Salary and allowances | 2,400,000     |
| Ruby Chowdhury                            | Salary and allowances | 3,000,000     |
| Saif Plastic & Polymer Industries Limited | Investment in Shares  | 80,000,000    |

### 3.14 Authorisation date

The financial statements were authorised for issue by the board of directors in its meeting dated 27 October 2014.



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### 4. Property, Plants, Equipment and Building

|                               | Amount in Taka  |               |                 |               |
|-------------------------------|-----------------|---------------|-----------------|---------------|
|                               | At 30 June 2014 |               | At 30 June 2013 |               |
|                               | Consolidated    | The Company   | Consolidated    | The Company   |
| <b>Cost:</b>                  |                 |               |                 |               |
| Opening balance               | 1,153,442,261   | 1,038,139,736 | 867,887,772     | 757,738,397   |
| Add: Addition during the year | 431,019,312     | 392,606,539   | 285,554,489     | 280,401,339   |
| Closing balance (A)           | 1,584,461,573   | 1,430,746,275 | 1,153,442,261   | 1,038,139,736 |
| <b>Depreciation:</b>          |                 |               |                 |               |
| Opening balance               | 235,493,672     | 228,184,521   | 167,144,559     | 165,382,057   |
| Add : Charge for the year     | 97,305,629      | 90,141,692    | 68,349,112      | 62,802,464    |
| Closing balance (B)           | 332,799,301     | 318,326,213   | 235,493,672     | 228,184,521   |
| Written down value (A-B)      | 1,251,662,273   | 1,112,420,062 | 917,948,590     | 809,955,215   |

Details are in Annex I.

### 5. Capital works-in-progress

|                               | Amount in Taka  |               |                 |              |
|-------------------------------|-----------------|---------------|-----------------|--------------|
|                               | At 30 June 2014 |               | At 30 June 2013 |              |
|                               | Consolidated    | The Company   | Consolidated    | The Company  |
| <b>Opening balance</b>        |                 |               |                 |              |
| Opening balance               | 212,132,029     | 179,621,636   | 232,862,179     | 232,862,179  |
| Add: Addition during the year | 71,439,406      | 71,439,406    | 44,269,393      | 11,759,000   |
| Less: Transferred             | (138,017,243)   | (105,506,850) | (64,999,543)    | (64,999,543) |
| Closing balance               | 145,554,192     | 145,554,192   | 212,132,029     | 179,621,636  |

### 6. Investment in subsidiary company

The above amount was invested by the company in its subsidiary, Saif Plastic and Polymer Industries Limited in 8,000,000 ordinary shares of Taka 10 each.

### 7. Inventories

|                                  | Amount in Taka  |             |                 |             |
|----------------------------------|-----------------|-------------|-----------------|-------------|
|                                  | At 30 June 2014 |             | At 30 June 2013 |             |
| Generators                       | Consolidated    | The Company | Consolidated    | The Company |
| Generators                       | 155,265,550     | 155,265,550 | 1,447,076       | 1,447,076   |
| Spare parts                      | 104,602,169     | 104,602,169 | 44,502,995      | 44,502,995  |
| Electric goods                   | 21,204,292      | 21,204,292  | 5,549,052       | 5,549,052   |
| Closing stock subsidiary company | 17,092,718      | -           | 14,182,972      | -           |
|                                  | 298,164,729     | 281,072,011 | 65,682,095      | 51,499,123  |



# Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

**8. Accounts and others receivable**

|                                 |                    |                    |                    |                    |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Imported goods sales            | 266,780,861        | 266,780,861        | 315,864,342        | 315,864,342        |
| Contract execution              | 128,427,642        | 128,427,642        | 81,913,665         | 81,913,665         |
| Shipping agent                  | 100,299,885        | 100,299,885        | 40,810,102         | 40,810,102         |
| Receivable (Subsidiary Company) | 2,934,029          | -                  | 8,700,739          | -                  |
| Interest Receivable             | 2,000,196          | 2,000,196          | 2,280,990          | 2,280,990          |
|                                 | <b>500,442,614</b> | <b>497,508,584</b> | <b>449,569,838</b> | <b>440,869,099</b> |

**9. Advances, deposits and prepayments**

Advances to/against

|                                    |                    |                    |                    |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Land and building                  | -                  | -                  | 4,000,000          | 4,000,000          |
| VAT                                | 34,563             | -                  | 6,166,853          | 5,456,580          |
| Income tax                         | 136,601,379        | 134,872,853        | 96,484,438         | 95,706,537         |
| Income tax on share premium        | -                  | -                  | 1,579,500          | 1,579,500          |
| Salary                             | 3,536,263          | 3,536,263          | 2,469,791          | 2,461,791          |
| Vehicles                           | 6,513,851          | 6,513,851          | 5,265,551          | 5,265,551          |
| Office rent                        | 3,875,008          | 3,875,008          | 4,474,000          | 4,474,000          |
| Share issue expenses               | 5,791,320          | 5,791,320          | 1,265,000          | 1,265,000          |
| Advance against power plant work   | 95,187,350         | 95,187,350         | -                  | -                  |
| Advance against raw materials      | 228,050            | -                  | 2,530,620          | -                  |
| Advance against civil construction | 13,714,285         | 13,714,285         | -                  | -                  |
| Others                             | 91,249,284         | 91,249,284         | 63,524,304         | 57,920,624         |
|                                    | <b>356,731,353</b> | <b>354,740,214</b> | <b>187,760,057</b> | <b>178,129,583</b> |
| Deposits and prepayments           |                    |                    |                    |                    |
| Bank guarantee                     | 40,096,452         | 40,096,452         | 40,787,308         | 40,787,308         |
| L/C margin                         | 5,275,520          | 5,275,520          | 18,121,487         | 17,660,159         |
| Earnest money                      | 1,232,673          | 1,232,673          | 752,673            | 752,673            |
| Security money                     | 251,200            | 251,200            | 1,511,200          | 1,511,200          |
|                                    | <b>46,855,845</b>  | <b>46,855,845</b>  | <b>61,172,668</b>  | <b>60,711,340</b>  |
|                                    | <b>403,587,199</b> | <b>401,596,060</b> | <b>248,932,725</b> | <b>238,840,923</b> |

**10. Fixed Deposit Receipt (FDR):**

|                                |                   |                   |                   |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Dhaka Bank Limited             | 50,382,284        | 50,382,284        | 37,161,627        | 37,161,627        |
| Mercantile Bank Limited, Dhaka | 14,796,476        | 14,796,476        | 13,225,484        | 13,225,484        |
|                                | <b>65,178,760</b> | <b>65,178,760</b> | <b>50,387,111</b> | <b>50,387,111</b> |

**11. Cash and cash equivalents**

|                                | Amount in Taka    |                   |                  |                  |
|--------------------------------|-------------------|-------------------|------------------|------------------|
|                                | At 30 June 2014   | The Company       | At 30 June 2013  | The Company      |
| Cash in hand                   |                   |                   |                  |                  |
| Chittagong Office              | 9,831,781         | 9,831,781         | 1,820,646        | 1,820,646        |
| Factory                        | <b>274,448</b>    | <b>274,448</b>    | <b>249,846</b>   | <b>249,846</b>   |
| Dhaka Office                   | <b>2,399,210</b>  | <b>2,250,960</b>  | <b>2,250,170</b> | <b>2,205,292</b> |
|                                | <b>12,505,438</b> | <b>12,357,188</b> | <b>4,320,661</b> | <b>4,275,783</b> |
| Bank balances with:            |                   |                   |                  |                  |
| Bank Asia Limited              | 301,878           | 296,916           | 18,643           | 8,025            |
| Dhaka Bank Limited             | 473,031           | 473,031           | -                | -                |
| Standard Chartered Bank        | -                 | -                 | 42,753           | 42,753           |
| Mercantile Bank Limited, Dhaka | 93,181            | 93,181            | 937              | 937              |
| One Bank Limited               | 169,889           | 169,889           | 386,516          | 386,516          |
| Jamuna Bank Limited            | 452,015           | 450,491           | 629,626          | 626,837          |
| AB Bank Limited                | 35,681            | 35,681            | 26,243           | 26,243           |
| Social Islami Bank Limited     | 1,763             | 1,763             | 2,453            | 2,453            |
| The Premier Bank Limited       | 2,096             | 2,096             | 3,246            | 3,246            |
| Sonali Bank Limited            | 5,481             | 5,481             | 2,818            | 2,818            |
| Eastern Bank Limited           | 15,475            | 15,475            | 30               | 30               |
| BRAC Bank Limited              | 71,433            | 71,433            | 123,948          | 123,948          |
| Islami Bank Bangladesh Limited | 1,959,772         | 1,959,772         | 423,055          | 423,055          |
| NCC Bank Limited               | 3,158,464         | 3,158,464         | 16,984           | 16,984           |
| United Commercial Bank Limited | 1,052,756         | 2,261             | 101,891          | 101,891          |
| Southeast Bank Limited         | 83,332            | 83,332            | 150,028          | 143,565          |
| Farmers Bank Limited           | 821,223           | 821,223           | -                | -                |
|                                | <b>8,697,467</b>  | <b>7,640,486</b>  | <b>1,929,171</b> | <b>1,909,301</b> |
|                                | <b>21,202,906</b> | <b>19,997,674</b> | <b>6,249,832</b> | <b>6,185,084</b> |



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### 12. Share capital

#### Authorised capital

|   |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
| 100,000,000 ordinary shares of Taka 10 each | <u>1,000,000,000</u> | <u>1,000,000,000</u> | <u>1,000,000,000</u> | <u>1,000,000,000</u> |
|---|----------------------|----------------------|----------------------|----------------------|

#### Paid-up capital

|  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| 43894000 ordinary shares of Taka 10 each | <u>438,940,000</u> | <u>438,940,000</u> | <u>438,940,000</u> | <u>438,940,000</u> |
|--|--------------------|--------------------|--------------------|--------------------|

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

| 12.1 Shareholdings         | Percentage(%) | No. of shares | Value (Taka) |
|----------------------------|---------------|---------------|--------------|
| Directors                  | 57.89         | 25,409,500    | 254,095,000  |
| Institutional shareholders | 9.68          | 4,250,000     | 42,500,000   |
| Individual shareholders    | 32.43         | 14,234,500    | 142,345,000  |
|                            | 100           | 43,894,000    | 438,940,000  |

12.2 A distribution schedule of each class of equity security setting out the member of holders and percentage in the following categories:-

| Holdings                    | Number of Holders | Number of Shares | Amount in Taka | Total Holdings % |
|-----------------------------|-------------------|------------------|----------------|------------------|
| Less than 500 shares        | -                 | -                | -              | 0.00%            |
| 501 to 5,000 shares         | 30                | 142,200          | 1,422,000      | 0.32%            |
| 5,001 to 10,000 shares      | 45                | 446,500          | 4,465,000      | 1.02%            |
| 10,001 to 20,000 shares     | 15                | 272,000          | 2,720,000      | 0.62%            |
| 20,001 to 30,000 shares     | 30                | 762,500          | 7,625,000      | 1.74%            |
| 30,001 to 40,000 shares     | 7                 | 270,000          | 2,700,000      | 0.62%            |
| 40,001 to 50,000 shares     | 15                | 748,500          | 7,485,000      | 1.71%            |
| 50,001 to 100,000 shares    | 25                | 2,425,000        | 24,250,000     | 5.52%            |
| 100,001 to 1,000,000 shares | 20                | 6,215,000        | 62,150,000     | 14.16%           |
| Over 1,000,000 shares       | 8                 | 32,612,300       | 326,123,000    | 74.30%           |
|                             | 195               | 43,894,000       | 438,940,000    | 100.00%          |

### 13. Share premium

|                                      | Amount (Taka)      |
|--------------------------------------|--------------------|
| Received during the year             | 197,350,000        |
| Less: Write-off AIT on share premium | <u>(5,920,500)</u> |
|                                      | <u>191,429,500</u> |

Saif Powertec Limited obtained permission from Securities and Exchange Commission for issue of 10,000,000 ordinary shares of Taka 35 which includes a premium of Taka 25 against which the Company deposited income tax @ 3% under section 53H of Income Tax Ordinance (ITO) 1984 which is the final tax liability of the Company u/s 82C ITO 1984. The Company however issued 7,894,000 ordinary shares as yet. The withholding income tax on these issued shares is written off against the share premium account.

|                                | Amount in Taka    |                   |                   |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                | At 30 June 2014   | At 30 June 2013   | Consolidated      | The Company       |
| <b>14. Revaluation reserve</b> | <b>96,540,144</b> | <b>96,540,144</b> | <b>96,540,144</b> | <b>96,540,144</b> |

In 2010, land under the ownership of Saif Powertec Limited was professionally revalued by G. Kibria & Co, Chartered Accountants. 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    | 342,976,344        | 341,798,060        | 291,619,608        | 290,822,933        |
| Addition this year | 108,394,292        | 109,494,005        | 88,325,737         | 87,944,127         |
| Dividend           | -                  | -                  | (36,969,000)       | (36,969,000)       |
|                    | <b>451,370,636</b> | <b>451,292,065</b> | <b>342,976,344</b> | <b>341,798,060</b> |



# Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

## 16. Long term loan from Banks

The company has availed long-term credit facilities from the following banks:

|                                    |                    |                    |                    |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Mercantile Bank Limited            | 2,131,710          | 2,131,710          | 13,171,854         | 13,171,854         |
| Dhaka Bank Limited                 | 119,864,704        | 119,864,704        | 195,631,539        | 195,631,539        |
| Bank Asia Limited                  | 14,565,690         | 3,364,646          | 37,026,372         | 9,379,771          |
| ICB Islami Bank Limited            | -                  | -                  | 1,403,346          | 1,403,346          |
| Infrastructure Development Company | 45,841,312         | 45,841,312         | -                  | -                  |
| BD Finance                         | 305,378,605        | 305,378,605        | -                  | -                  |
|                                    | <u>487,782,020</u> | <u>476,580,976</u> | <u>247,233,110</u> | <u>219,586,510</u> |

### 16.1 Long-term loan

#### Mercantile Bank Limited

|                          |                   |                   |                   |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Opening Balance          | 22,955,390        | 22,955,390        | 76,912,305        | 76,912,305        |
| Add: Principal this year | 57,880,402        | 57,880,402        | -                 | -                 |
| Add: Interest this year  | 5,596,101         | 5,596,101         | 8,073,085         | 8,073,085         |
| Less: Payment this year  | (58,589,460)      | (58,589,460)      | (62,030,000)      | (62,030,000)      |
| Sub Total (A)            | <u>27,842,433</u> | <u>27,842,433</u> | <u>22,955,390</u> | <u>22,955,390</u> |

#### Dhaka Bank Limited

|                          |                    |                    |                    |                    |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| Opening Balance          | 272,737,271        | 272,737,271        | 152,679,869        | 152,679,869        |
| Add: Principal this year | 42,126,856         | 42,126,856         | 185,067,165        | 185,067,165        |
| Add: Interest this year  | 45,182,141         | 45,182,141         | 30,756,469         | 30,756,469         |
| Less: Payment this year  | (144,643,534)      | (144,643,534)      | (95,766,232)       | (95,766,232)       |
| Sub Total (B)            | <u>215,402,735</u> | <u>215,402,735</u> | <u>272,737,271</u> | <u>272,737,271</u> |

#### Bank Asia Limited

|                          |                   |                   |                   |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Opening Balance          | 52,232,168        | 16,283,498        | 58,972,816        | 22,334,726        |
| Add: Principal this year | 17,374,478        | 10,624,478        | 6,885,525         | -                 |
| Add: Interest this year  | 6,680,654         | 2,324,144         | 8,347,148         | 3,241,034         |
| Less: Payment this year  | (29,664,411)      | (9,415,613)       | (21,973,321)      | (9,292,263)       |
| Sub Total (C)            | <u>46,622,889</u> | <u>19,816,506</u> | <u>52,232,168</u> | <u>16,283,498</u> |

#### ICB Islamic Bank Limited

|                          |             |             |                  |                  |
|--------------------------|-------------|-------------|------------------|------------------|
| Opening Balance          | 7,888,132   | 7,888,132   | 15,976,468       | 15,976,468       |
| Add: Principal this year | -           | -           | -                | -                |
| Add: Interest this year  | 523,454     | 523,454     | 1,511,664        | 1,511,664        |
| Less: Payment this year  | (8,411,587) | (8,411,587) | (9,599,999)      | (9,599,999)      |
| Sub Total (D)            | <u>-</u>    | <u>-</u>    | <u>7,888,132</u> | <u>7,888,132</u> |

#### BD Finance

|                          |                    |                    |          |          |
|--------------------------|--------------------|--------------------|----------|----------|
| Opening Balance          | -                  | -                  | -        | -        |
| Add: Principal this year | 400,000,000        | 400,000,000        | -        | -        |
| Add: Interest this year  | 35,337,879         | 35,337,879         | -        | -        |
| Less: Payment this year  | (64,402,450)       | (64,402,450)       | -        | -        |
| Sub Total (E)            | <u>370,935,429</u> | <u>370,935,429</u> | <u>-</u> | <u>-</u> |

#### Infrastructure Development Company

|                                     |                    |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Opening Balance                     | -                  | -                  | -                  | -                  |
| Add: Principal this year            | 45,841,312         | 45,841,312         | -                  | -                  |
| Add: Interest this year             | -                  | -                  | -                  | -                  |
| Less: Payment this year             | -                  | -                  | -                  | -                  |
| Sub Total (F)                       | <u>45,841,312</u>  | <u>45,841,312</u>  | <u>-</u>           | <u>-</u>           |
| Total (A+B+C+D+E)                   | <u>706,644,798</u> | <u>679,838,415</u> | <u>355,812,961</u> | <u>319,864,291</u> |
| Less: Long-term loan                | <u>487,782,020</u> | <u>476,580,976</u> | <u>247,233,110</u> | <u>219,586,510</u> |
| Transferred to current portion loan | <u>218,862,777</u> | <u>203,257,439</u> | <u>108,579,851</u> | <u>100,277,781</u> |

## 17. Current portion of long-term loan

|                         |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Mercantile Bank Limited | 25,710,723         | 25,710,723         | 9,783,536          | 9,783,536          |
| Dhaka Bank Limited      | 95,538,031         | 95,538,031         | 77,105,732         | 77,105,732         |
| Bank Asia Limited       | 32,057,198         | 16,451,860         | 15,205,796         | 6,903,726          |
| ICB Islami Bank Limited | -                  | -                  | 6,484,786          | 6,484,786          |
| BD Finance              | 65,556,825         | 65,556,825         | -                  | -                  |
|                         | <u>218,862,777</u> | <u>203,257,439</u> | <u>108,579,850</u> | <u>100,277,781</u> |



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### 18. Short-term loan from Banks

#### Time Loan and LTR

|                         |                    |                    |                    |                   |
|-------------------------|--------------------|--------------------|--------------------|-------------------|
| Mercantile Bank Limited | 8,652,614          | 8,652,614          | 17,135,139         | 17,135,139        |
| Dhaka Bank Limited      | 44,661,493         | 44,661,493         | 62,000,413         | 62,000,413        |
| Bank Asia Limited       | 12,567,241         | -                  | 29,672,231         | 6,012,750         |
| NCC Bank Limited        | 174,170,473        | 174,170,473        | -                  | -                 |
|                         | <u>240,051,821</u> | <u>227,484,580</u> | <u>108,807,783</u> | <u>85,148,302</u> |

#### Bank Overdraft

|                         |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Dhaka Bank Limited      | 9,578,444          | 9,578,444          | 10,585,684         | 10,585,684         |
| Mercantile Bank Limited | 15,598,394         | 15,598,394         | 15,644,186         | 15,644,186         |
| Bank Asia Limited       | 10,441,068         | 5,235,727          | 11,305,398         | 5,931,713          |
| Southeast Bank Limited  | 12,150,150         | 12,150,150         | 34,926,257         | 34,926,257         |
| NCC Bank Limited        | 96,556,020         | 96,556,020         | 35,340,253         | 35,340,253         |
| Farmers Bank Limited    | 153,515,785        | 153,515,785        | -                  | -                  |
|                         | <u>297,839,862</u> | <u>292,634,520</u> | <u>107,801,778</u> | <u>102,428,092</u> |
|                         | <u>537,891,683</u> | <u>520,119,100</u> | <u>216,609,560</u> | <u>187,576,394</u> |

#### 18.1 Short-term loan

##### Mercantile Bank Limited

|                          |                  |                  |                   |                   |
|--------------------------|------------------|------------------|-------------------|-------------------|
| Opening Balance          | 17,135,139       | 17,135,139       | 17,103,437        | 17,103,437        |
| Add: Principal this year | 18,650,069       | 18,650,069       | 34,844,088        | 34,844,088        |
| Add: Interest this year  | 1,329,719        | 1,329,719        | 4,084,281         | 4,084,281         |
| Less: Payment this year  | (28,462,312)     | (28,462,312)     | (38,896,667)      | (38,896,667)      |
|                          | <u>8,652,614</u> | <u>8,652,614</u> | <u>17,135,139</u> | <u>17,135,139</u> |

##### Dhaka Bank Limited

|                          |                   |                   |                   |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Opening Balance          | 62,000,413        | 62,000,413        | 12,148,013        | 12,148,013        |
| Add: Principal this year | 151,413,019       | 151,413,019       | 79,141,058        | 79,141,058        |
| Add: Interest this year  | 5,730,396         | 5,730,396         | 5,330,082         | 5,330,082         |
| Less: Payment this year  | (174,482,335)     | (174,482,335)     | (34,618,741)      | (34,618,741)      |
|                          | <u>44,661,493</u> | <u>44,661,493</u> | <u>62,000,413</u> | <u>62,000,413</u> |

##### Bank Asia Limited

|                          |                   |              |                   |                  |
|--------------------------|-------------------|--------------|-------------------|------------------|
| Opening balance          | 29,672,231        | 6,012,750    | 17,977,690        | 1,320,420        |
| Add: Principal this year | 36,958,163        | 13,744,868   | 46,457,136        | 20,332,052       |
| Add: Interest this year  | 6,167,852         | 2,393,377    | 4,982,683         | 2,157,887        |
| Less: Payment this year  | (60,231,005)      | (22,150,995) | (39,745,279)      | (17,797,609)     |
|                          | <u>12,567,240</u> | <u>-</u>     | <u>29,672,231</u> | <u>6,012,750</u> |

##### Southeast Bank Limited

|                          |          |          |               |               |
|--------------------------|----------|----------|---------------|---------------|
| Opening Balance          | -        | -        | -             | -             |
| Add: Principal this year | -        | -        | 155,564,356   | 155,564,356   |
| Add: Interest this year  | -        | -        | 2,665,884     | 2,665,884     |
| Less: Payment this year  | -        | -        | (158,230,240) | (158,230,240) |
|                          | <u>-</u> | <u>-</u> | <u>-</u>      | <u>-</u>      |

##### NCC Bank Limited

|                          |                    |                    |                    |                   |
|--------------------------|--------------------|--------------------|--------------------|-------------------|
| Opening Balance          | -                  | -                  | -                  | -                 |
| Add: Principal this year | 205,898,926        | 205,898,926        | -                  | -                 |
| Add: Interest this year  | 16,456,370         | 16,456,370         | -                  | -                 |
| Less: Payment this year  | (48,184,823)       | (48,184,823)       | -                  | -                 |
|                          | <u>174,170,473</u> | <u>174,170,473</u> | <u>-</u>           | <u>-</u>          |
|                          | <u>240,051,820</u> | <u>227,484,580</u> | <u>108,807,782</u> | <u>85,148,302</u> |



# Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

## 19. Accounts payable

|                               | Amount in Taka    |                  |                    |                   |
|-------------------------------|-------------------|------------------|--------------------|-------------------|
|                               | At 30 June 2014   |                  | At 30 June 2013    |                   |
|                               | Consolidated      | The Company      | Consolidated       | The Company       |
| The Bengal Electric           | -                 | -                | 34,439,000         | 34,439,000        |
| A & J Traders                 | 708,045           | 708,045          | 18,438,045         | 18,438,045        |
| Doosan Infracore co, Ltd.     | -                 | -                | 15,577,260         | 15,577,260        |
| Easy Electronics              | -                 | -                | 1,282,489          | 1,282,489         |
| Euro Renewable Energy Ltd.    | -                 | -                | 2,411,807          | 2,411,807         |
| Khwaja Cable Industries Ltd.  | -                 | -                | 10,169             | 10,169            |
| Mega Technology System        | -                 | -                | 103,500            | 103,500           |
| N.W Enterprise                | -                 | -                | 4,158,125          | 4,158,125         |
| Rimso Renewable energy        | 913,541           | 913,541          | 7,451,087          | 7,451,087         |
| Model Art press               | 523,144           | 523,144          | 519,147            | 519,147           |
| JSF Technologies Limited      | -                 | -                | 748,875            | 748,875           |
| Excell Engineering & Services | 661,100           | 661,100          | -                  | -                 |
| Power Utility Bangladesh Ltd. | 340,000           | 340,000          | -                  | -                 |
| Pacific International         | 530,160           | 530,160          | -                  | -                 |
| Others                        | 2,116,335         | 2,116,335        | 6,634,203          | 6,634,203         |
| Subsidiary                    | 14,967,788        | -                | 9,090,654          | -                 |
|                               | <u>20,760,113</u> | <u>5,792,325</u> | <u>100,864,360</u> | <u>91,773,706</u> |

## 20. Accrued expenses

|                                 | At 30 June 2014    | At 30 June 2013    |
|---------------------------------|--------------------|--------------------|
|                                 | Consolidated       | The Company        |
| Salary and allowances           | 9,450,132          | 9,314,573          |
| Others payable                  | 6,538,749          | 6,538,750          |
| Office rent                     | 210,000            | 210,000            |
| Income tax payable (note: 20.1) | 190,561,778        | 188,170,093        |
| Audit fee                       | 375,000            | 350,000            |
| Service charge                  | 26,000             | 26,000             |
| Electricity bill                | 337,397            | 69,280             |
| Legal fee                       | 2,300              | 2,300              |
| Telephone bill                  | 18,258             | 18,258             |
|                                 | <u>207,519,614</u> | <u>204,699,254</u> |
|                                 |                    |                    |
|                                 | <u>172,162,487</u> | <u>170,275,878</u> |

### 20.1 Income tax provision

|                      | At 30 June 2014    | At 30 June 2013    |
|----------------------|--------------------|--------------------|
|                      | Consolidated       | The Company        |
| Opening Balance      | 147,521,598        | 146,637,884        |
| Addition this year   | 43,040,180         | 41,532,209         |
| Adjustment this year | -                  | -                  |
|                      | <u>190,561,778</u> | <u>188,170,093</u> |
|                      |                    |                    |
|                      | <u>147,521,598</u> | <u>146,637,884</u> |

## 21. Obligation to Contract Clients

|                                       | Amount in Taka  |               |                   |                   |
|---------------------------------------|-----------------|---------------|-------------------|-------------------|
|                                       | At 30 June 2014 |               | At 30 June 2013   |                   |
|                                       | Consolidated    | The Company   | Consolidated      | The Company       |
| Integra Apparels Ltd.                 | -               | -             | 1,815,000         | 1,815,000         |
| Concord Heights Management Committee  | -               | -             | 1,036,625         | 1,036,625         |
| Total Machinery and Chemical Supplier | -               | -             | 800,000           | 800,000           |
| M.A Taher                             | -               | -             | 800,000           | 800,000           |
| Others                                | 89,700          | 89,700        | 7,673,063         | 7,673,063         |
|                                       | <u>89,700</u>   | <u>89,700</u> | <u>12,124,688</u> | <u>12,124,688</u> |

## 22. Workers profit participation fund

|                       | At 30 June 2014   | At 30 June 2013  |
|-----------------------|-------------------|------------------|
|                       | Consolidated      | The Company      |
| Opening balance       | 7,035,530         | -                |
| Add: During this year | 7,551,311         | 7,035,530        |
|                       | <u>14,586,841</u> | <u>7,035,530</u> |
|                       |                   |                  |
|                       | <u>14,586,841</u> | <u>7,035,530</u> |



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### 18. Short-term loan from Banks

#### Time Loan and LTR

|                         |             |             |             |            |
|-------------------------|-------------|-------------|-------------|------------|
| Mercantile Bank Limited | 8,652,614   | 8,652,614   | 17,135,139  | 17,135,139 |
| Dhaka Bank Limited      | 44,661,493  | 44,661,493  | 62,000,413  | 62,000,413 |
| Bank Asia Limited       | 12,567,241  | -           | 29,672,231  | 6,012,750  |
| NCC Bank Limited        | 174,170,473 | 174,170,473 | -           | -          |
|                         | 240,051,821 | 227,484,580 | 108,807,783 | 85,148,302 |

#### Bank Overdraft

|                         |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|
| Dhaka Bank Limited      | 9,578,444   | 9,578,444   | 10,585,684  | 10,585,684  |
| Mercantile Bank Limited | 15,598,394  | 15,598,394  | 15,644,186  | 15,644,186  |
| Bank Asia Limited       | 10,441,068  | 5,235,727   | 11,305,398  | 5,931,713   |
| Southeast Bank Limited  | 12,150,150  | 12,150,150  | 34,926,257  | 34,926,257  |
| NCC Bank Limited        | 96,556,020  | 96,556,020  | 35,340,253  | 35,340,253  |
| Farmers Bank Limited    | 153,515,785 | 153,515,785 | -           | -           |
|                         | 297,839,862 | 292,634,520 | 107,801,778 | 102,428,092 |
|                         | 537,891,683 | 520,119,100 | 216,609,560 | 187,576,394 |

#### 18.1 Short-term loan

##### Mercantile Bank Limited

|                          |              |              |              |              |
|--------------------------|--------------|--------------|--------------|--------------|
| Opening Balance          | 17,135,139   | 17,135,139   | 17,103,437   | 17,103,437   |
| Add: Principal this year | 18,650,069   | 18,650,069   | 34,844,088   | 34,844,088   |
| Add: Interest this year  | 1,329,719    | 1,329,719    | 4,084,281    | 4,084,281    |
| Less: Payment this year  | (28,462,312) | (28,462,312) | (38,896,667) | (38,896,667) |
|                          | 8,652,614    | 8,652,614    | 17,135,139   | 17,135,139   |

##### Dhaka Bank Limited

|                          |               |               |              |              |
|--------------------------|---------------|---------------|--------------|--------------|
| Opening Balance          | 62,000,413    | 62,000,413    | 12,148,013   | 12,148,013   |
| Add: Principal this year | 151,413,019   | 151,413,019   | 79,141,058   | 79,141,058   |
| Add: Interest this year  | 5,730,396     | 5,730,396     | 5,330,082    | 5,330,082    |
| Less: Payment this year  | (174,482,335) | (174,482,335) | (34,618,741) | (34,618,741) |
|                          | 44,661,493    | 44,661,493    | 62,000,413   | 62,000,413   |

##### Bank Asia Limited

|                          |              |              |              |              |
|--------------------------|--------------|--------------|--------------|--------------|
| Opening balance          | 29,672,231   | 6,012,750    | 17,977,690   | 1,320,420    |
| Add: Principal this year | 36,958,163   | 13,744,868   | 46,457,136   | 20,332,052   |
| Add: Interest this year  | 6,167,852    | 2,393,377    | 4,982,683    | 2,157,887    |
| Less: Payment this year  | (60,231,005) | (22,150,995) | (39,745,279) | (17,797,609) |
|                          | 12,567,240   | -            | 29,672,231   | 6,012,750    |

##### Southeast Bank Limited

|                          |   |   |               |               |
|--------------------------|---|---|---------------|---------------|
| Opening Balance          | - | - | -             | -             |
| Add: Principal this year | - | - | 155,564,356   | 155,564,356   |
| Add: Interest this year  | - | - | 2,665,884     | 2,665,884     |
| Less: Payment this year  | - | - | (158,230,240) | (158,230,240) |
|                          | - | - | -             | -             |

##### NCC Bank Limited

|                          |              |              |             |            |
|--------------------------|--------------|--------------|-------------|------------|
| Opening Balance          | -            | -            | -           | -          |
| Add: Principal this year | 205,898,926  | 205,898,926  | -           | -          |
| Add: Interest this year  | 16,456,370   | 16,456,370   | -           | -          |
| Less: Payment this year  | (48,184,823) | (48,184,823) | -           | -          |
|                          | 174,170,473  | 174,170,473  | -           | -          |
|                          | 240,051,820  | 227,484,580  | 108,807,782 | 85,148,302 |



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### 19. Accounts payable

|                               | Amount in Taka    |                  |                    |                   |
|-------------------------------|-------------------|------------------|--------------------|-------------------|
|                               | At 30 June 2014   |                  | At 30 June 2013    |                   |
|                               | Consolidated      | The Company      | Consolidated       | The Company       |
| The Bengal Electric           | -                 | -                | 34,439,000         | 34,439,000        |
| A & J Traders                 | 708,045           | 708,045          | 18,438,045         | 18,438,045        |
| Doosan Infracore co, Ltd.     | -                 | -                | 15,577,260         | 15,577,260        |
| Easy Electronics              | -                 | -                | 1,282,489          | 1,282,489         |
| Euro Renewable Energy Ltd.    | -                 | -                | 2,411,807          | 2,411,807         |
| Khwaja Cable Industries Ltd.  | -                 | -                | 10,169             | 10,169            |
| Mega Technology System        | -                 | -                | 103,500            | 103,500           |
| N.W Enterprise                | -                 | -                | 4,158,125          | 4,158,125         |
| Rimso Renewable energy        | 913,541           | 913,541          | 7,451,087          | 7,451,087         |
| Model Art press               | 523,144           | 523,144          | 519,147            | 519,147           |
| JSF Technologies Limited      | -                 | -                | 748,875            | 748,875           |
| Excell Engineering & Services | 661,100           | 661,100          | -                  | -                 |
| Power Utility Bangladesh Ltd. | 340,000           | 340,000          | -                  | -                 |
| Pacific International         | 530,160           | 530,160          | -                  | -                 |
| Others                        | 2,116,335         | 2,116,335        | 6,634,203          | 6,634,203         |
| Subsidiary                    | 14,967,788        | -                | 9,090,654          | -                 |
|                               | <u>20,760,113</u> | <u>5,792,325</u> | <u>100,864,360</u> | <u>91,773,706</u> |

### 20. Accrued expenses

|                                 |                    |                    |                    |                    |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Salary and allowances           | 9,450,132          | 9,314,573          | 8,854,237          | 8,729,955          |
| Others payable                  | 6,538,749          | 6,538,750          | 14,217,750         | 14,217,750         |
| Office rent                     | 210,000            | 210,000            | 210,000            | 210,000            |
| Income tax payable (note: 20.1) | 190,561,778        | 188,170,093        | 147,521,598        | 146,637,884        |
| Audit fee                       | 375,000            | 350,000            | 375,000            | 350,000            |
| Service charge                  | 26,000             | 26,000             | 26,000             | 26,000             |
| Electricity bill                | 337,397            | 69,280             | 936,713            | 83,100             |
| Legal fee                       | 2,300              | 2,300              | 2,300              | 2,300              |
| Telephone bill                  | 18,258             | 18,258             | 18,889             | 18,889             |
|                                 | <u>207,519,614</u> | <u>204,699,254</u> | <u>172,162,487</u> | <u>170,275,878</u> |

#### 20.1 Income tax provision

|                      |                    |                    |                    |                    |
|----------------------|--------------------|--------------------|--------------------|--------------------|
| Opening Balance      | 147,521,598        | 146,637,884        | 94,468,915         | 93,871,408         |
| Addition this year   | 43,040,180         | 41,532,209         | 53,052,683         | 52,766,476         |
| Adjustment this year | -                  | -                  | -                  | -                  |
|                      | <u>190,561,778</u> | <u>188,170,093</u> | <u>147,521,598</u> | <u>146,637,884</u> |

### 21. Obligation to Contract Clients

|                                       | Amount in Taka  |               |                   |                   |
|---------------------------------------|-----------------|---------------|-------------------|-------------------|
|                                       | At 30 June 2014 |               | At 30 June 2013   |                   |
|                                       | Consolidated    | The Company   | Consolidated      | The Company       |
| Integra Apparels Ltd.                 | -               | -             | 1,815,000         | 1,815,000         |
| Concord Heights Management Committee  | -               | -             | 1,036,625         | 1,036,625         |
| Total Machinery and Chemical Supplier | -               | -             | 800,000           | 800,000           |
| M.A Taher                             | -               | -             | 800,000           | 800,000           |
| Others                                | 89,700          | 89,700        | 7,673,063         | 7,673,063         |
|                                       | <u>89,700</u>   | <u>89,700</u> | <u>12,124,688</u> | <u>12,124,688</u> |

### 22. Workers profit participation fund

|                       |                   |                   |                  |                  |
|-----------------------|-------------------|-------------------|------------------|------------------|
| Opening balance       | 7,035,530         | 7,035,530         | -                | -                |
| Add: During this year | 7,551,311         | 7,551,311         | 7,035,530        | 7,035,530        |
|                       | <u>14,586,841</u> | <u>14,586,841</u> | <u>7,035,530</u> | <u>7,035,530</u> |



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

### 23. Sales

|                           | Year ended 30 June 2014 |                   |                      |                      | The Company          |                      |
|---------------------------|-------------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
|                           | Gross revenue           | VAT               | Net revenue          | Consolidated         | Net revenue          | Consolidated         |
| Contract                  | 576,039,326             | 17,044,562        | 558,994,764          | 558,994,764          | 661,548,451          | 661,548,451          |
| Maintenance               | 253,964,088             | -                 | 253,964,088          | 253,964,088          | 66,202,951           | 66,202,951           |
| Imported goods            | 654,016,141             | 2,863,481         | 651,152,660          | 651,152,660          | 698,365,508          | 698,365,508          |
| Net sales<br>(subsidiary) |                         |                   |                      | 56,964,840           | -                    | 35,395,827           |
|                           | <u>1,484,019,555</u>    | <u>19,908,042</u> | <u>1,464,111,513</u> | <u>1,521,076,353</u> | <u>1,426,116,910</u> | <u>1,461,512,737</u> |

### 24. Cost of sales

|                             | Amount in Taka       |                    |                      |                      |
|-----------------------------|----------------------|--------------------|----------------------|----------------------|
|                             | At 30 June 2014      |                    | At 30 June 2013      |                      |
|                             | Consolidated         | The Company        | Consolidated         | The Company          |
| Maintenance (note: 24.1)    | 131,270,814          | 131,270,814        | 55,909,467           | 55,909,467           |
| Contracts (note: 24.2)      | 333,613,093          | 333,613,093        | 412,240,688          | 412,240,688          |
| Imported goods (note: 24.3) | 501,176,196          | 501,176,196        | 535,931,250          | 535,931,250          |
| Cost of sales ( note: 24.4) | <u>45,755,077</u>    | <u>-</u>           | <u>28,215,541</u>    | <u>-</u>             |
|                             | <u>1,011,815,181</u> | <u>966,060,103</u> | <u>1,032,296,946</u> | <u>1,004,081,405</u> |

#### 24.1 Maintenance

|                           |                    |                    |                   |                   |
|---------------------------|--------------------|--------------------|-------------------|-------------------|
| Wages and others expenses | 48,189,357         | 48,189,357         | 18,865,310        | 18,865,310        |
| Labour bills              | 76,347,790         | 76,347,790         | 23,038,045        | 23,038,045        |
| Fuel and oil              | 3,217,328          | 3,217,328          | 806,490           | 806,490           |
| Repair and maintenance    | 3,516,339          | 3,516,339          | 13,199,622        | 13,199,622        |
|                           | <u>131,270,814</u> | <u>131,270,814</u> | <u>55,909,467</u> | <u>55,909,467</u> |

#### 24.2 Contract

|                              |                    |                    |                    |                    |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| Wages and salary             | 109,300,396        | 109,300,396        | 117,348,160        | 117,348,160        |
| Project implementation cost  | 46,518,880         | 46,518,880         | 67,005,398         | 67,005,398         |
| Wages and others expenses    | 1,325,000          | 1,325,000          | 1,825,190          | 1,825,190          |
| Trailer and prime mover rent | 5,566,850          | 5,566,850          | 38,361,881         | 38,361,881         |
| Fuel and oil                 | 28,542,871         | 28,542,871         | 34,030,882         | 34,030,882         |
| Utility bill                 | 2,828,690          | 2,828,690          | 3,095,671          | 3,095,671          |
| Uniform expenses (dress)     | 18,250             | 18,250             | 135,000            | 135,000            |
| Repair and maintenance       | 139,119,474        | 139,119,474        | 150,275,862        | 150,275,862        |
| Hotel rent                   | 392,683            | 392,683            | 162,644            | 162,644            |
|                              | <u>333,613,093</u> | <u>333,613,093</u> | <u>412,240,688</u> | <u>412,240,688</u> |

#### 24.3 Imported goods

|                        |                    |                    |                    |                    |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| Cost of imported goods | 273,414,061        | 273,414,061        | 314,430,550        | 314,430,550        |
| Clearing charge        | 16,680,950         | 16,680,950         | 3,182,195          | 3,182,195          |
| L/C expenses           | 2,231,935          | 2,231,935          | 3,463,188          | 3,463,188          |
| Marine insurance       | 963,820            | 963,820            | 3,400,295          | 3,400,295          |
| Carriage inward        | 64,917             | 64,917             | 85,500             | 85,500             |
| Wages and salary       | 207,820,514        | 207,820,514        | 209,569,522        | 209,569,522        |
| Godown rent            | -                  | -                  | 1,800,000          | 1,800,000          |
|                        | <u>501,176,196</u> | <u>501,176,196</u> | <u>535,931,250</u> | <u>535,931,250</u> |

#### 24.4 Cost of sales of subsidiary

|  |            |   |            |   |
|--|------------|---|------------|---|
|  | 45,755,077 | - | 28,215,541 | - |
|--|------------|---|------------|---|



# Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

## 25. General and administrative expenses

|                                    | Amount in Taka     |                    |                    |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | At 30 June 2014    |                    | At 30 June 2013    |                    |
|                                    | Consolidated       | The Company        | Consolidated       | The Company        |
| Salary and allowances              | 61,388,901         | 60,637,151         | 57,429,841         | 56,750,981         |
| Office rent                        | 11,111,685         | 10,955,685         | 8,408,500          | 8,252,500          |
| Travelling and conveyance          | 6,496,953          | 6,480,838          | 24,907,700         | 24,892,470         |
| Vehicle running expenses           | 4,021,970          | 3,999,350          | 2,543,414          | 2,528,114          |
| Publicity and promotional expenses | 5,025,290          | 5,025,290          | 5,563,850          | 5,563,850          |
| Utility bills                      | 1,151,385          | 1,151,385          | 1,242,810          | 1,242,810          |
| Consultancy fee                    | 280,000            | 280,000            | 208,143            | 208,143            |
| Communication expenses             | 823,920            | 818,320            | 1,266,350          | 1,266,350          |
| Printing and stationery            | 3,305,555          | 3,296,055          | 1,975,857          | 1,967,606          |
| Employees welfare                  | 2,824,858          | 2,785,728          | 2,698,559          | 2,640,309          |
| Medical expenses                   | 113,344            | 113,344            | 23,324             | 23,324             |
| Business license fee               | 500,353            | 492,020            | 104,000            | 104,000            |
| Audit fees                         | 375,000            | 350,000            | 375,000            | 350,000            |
| Depreciation                       | 90,141,692         | 90,141,692         | 62,802,464         | 62,802,464         |
| Service charge                     | 385,432            | 364,332            | 297,000            | 297,000            |
| Telephone and mobile phone bills   | 1,448,628          | 1,446,228          | 1,441,824          | 1,433,824          |
| Postage and courier                | 138,859            | 133,259            | 183,403            | 178,103            |
| Carriage outward                   | 739,500            | 739,500            | 1,905,220          | 1,905,220          |
| Repair and maintenance             | 925,545            | 853,815            | 694,291            | 627,771            |
| Tender expenses                    | 173,758            | 173,758            | 16,879             | 16,879             |
| Share issue expenses               | -                  | -                  | 1,850,000          | 1,850,000          |
| Marketing expenses                 | 981,768            | 698,970            | 1,797,995          | 1,555,410          |
| Paper and periodicals              | 35,179             | 33,379             | 32,555             | 30,955             |
| Legal fees                         | 790,333            | 790,333            | 51,750             | 51,750             |
| Insurance premium                  | 26,493             | 26,493             | 51,402             | 51,402             |
| Sundry expenses                    | 3,337,997          | 3,337,997          | 7,399,941          | 6,940,856          |
|                                    | <u>196,544,398</u> | <u>195,124,922</u> | <u>185,272,072</u> | <u>183,532,091</u> |

## 26. Financial expenses

|                          |                    |                    |                   |                   |
|--------------------------|--------------------|--------------------|-------------------|-------------------|
| Bank interest            |                    |                    |                   |                   |
| Mercantile Bank Limited  | 9,615,617          | 9,615,617          | 14,914,091        | 14,914,091        |
| Dhaka Bank Limited       | 50,278,674         | 50,278,674         | 41,502,846        | 41,502,846        |
| ICB Islamic Bank Limited | 523,454            | 523,454            | 1,506,664         | 1,506,664         |
| Bank Asia Limited        | 14,680,145         | 5,749,655          | 14,189,116        | 6,309,369         |
| Southeast Bank Limited   | 4,078,893          | 4,078,893          | 18,654,217        | 18,654,217        |
| NCC Bank Limited         | 32,436,637         | 32,436,637         | 75,060            | 75,060            |
| Farmers Bank Limited     | 6,079,684          | 6,079,684          | -                 | -                 |
| BD Finance               | 35,337,879         | 35,337,879         | -                 | -                 |
|                          | <u>153,030,985</u> | <u>144,100,494</u> | <u>90,841,993</u> | <u>82,962,246</u> |



## Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2014

|   | Amount in Taka  |             |                 |             |
|---|-----------------|-------------|-----------------|-------------|
|   | At 30 June 2014 |             | At 30 June 2013 |             |
|   | Consolidated    | The Company | Consolidated    | The Company |
| <b>Bank charge, commission &amp; others</b> |                 |             |                 |             |
| AB Bank Limited                             | 6,563           | 6,563       | 11,204          | 11,204      |
| Bank Asia Limited                           | 529,980         | 482,740     | 807,512         | 758,780     |
| BD Finance                                  | 3,738,000       | 3,738,000   | -               | -           |
| BRAC Bank Limited                           | 22,173          | 22,173      | 16,892          | 16,892      |
| Dhaka Bank Limited                          | 3,676,298       | 3,676,298   | 8,939,367       | 8,939,367   |
| Eastern Bank Limited                        | 8,845           | 8,845       | 2,301           | 2,301       |
| Farmers Bank Limited                        | 72,853          | 72,853      | -               | -           |
| Islami Bank (Bangladesh) Limited            | 106,272         | 106,272     | 18,760          | 18,760      |
| Jamuna Bank Limited                         | 4,466           | 3,201       | 6,127           | 3,286       |
| Mercantile Bank Limited                     | 591,626         | 591,626     | 2,533,399       | 2,533,399   |
| NCC Bank Limited                            | 1,772,709       | 1,772,709   | 1,035,793       | 1,035,793   |
| ONE Bank Limited                            | 5,396           | 5,396       | 12,480          | 12,480      |
| Premier Bank Limited                        | 1,150           | 1,150       | 1,150           | 1,150       |
| Social Islami Bank Limited                  | 690             | 690         | 1,920           | 1,920       |
| Sonali Bank Limited                         | 2,545           | 2,545       | 6,481           | 6,481       |
| Southeast Bank Limited                      | 793,572         | 790,782     | 2,924,718       | 2,922,651   |
| Standard Chartered Bank                     | 5,620           | 5,620       | 122,590         | 122,590     |
| United Commercial Bank Limited              | 20,620          | 12,900      | 1,348           | 1,348       |
| Cash (Pay order, online charge etc.)        | 66,942          | 66,137      | 22,576          | 22,576      |
|   | 11,426,319      | 11,366,498  | 16,464,617      | 16,410,977  |
|   | 164,457,303     | 155,466,992 | 107,306,610     | 99,373,223  |

### 27. Earnings per share (EPS)

|  | Amount in Taka  |             |                 |             |
|--|-----------------|-------------|-----------------|-------------|
|  | At 30 June 2014 |             | At 30 June 2013 |             |
|  | Consolidated    | The Company | Consolidated    | The Company |
| <b>Earnings attributable to ordinary shares:</b> |                 |             |                 |             |
| Net profit after tax as per statement of         | 111,504,633     | 109,494,005 | 88,325,737      | 87,944,127  |
| Net profit after tax as per statement of         | 97,165,324      | 98,375,976  | 76,453,493      | 79,328,184  |
| Number of shares:                                | 43,894,000      | 43,894,000  | 43,894,000      | 43,894,000  |
| Basic earnings per share (EPS) :                 | 2.54            | 2.49        | 2.01            | 2.00        |
| (Per value of Taka 10)                           |                 |             |                 |             |
| Basic earnings per share (EPS) :                 | 2.21            | 2.24        | 1.74            | 1.81        |
| (Per value of Taka 10)                           |                 |             |                 |             |

### 28. Directors' responsibility statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

29. 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.



# Saif Powertec Limited

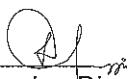
Notes to the financial statements for the year ended 30 June 2014

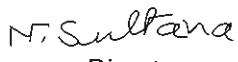
## Others

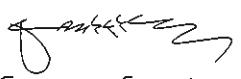
30. No. of employees who received remuneration throughout the financial year neither more than Taka 300,000 nor less than Taka 4,000 per month were 850.
31. Figures are rounded off to the nearest Taka.
32. Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation without causing any impact on the operating results for the year and value of assets and liabilities at the end of that year as shown in.
33. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
34. 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        |
| Substation                | Not applicable                  | Not applicable        |
| Contract                  | 11 nos. of RTG<br>4 nos. of QGC | 45%<br>100%           |

for Saif Powertec Limited

  
Managing Director

  
N. Sultana  
Director

  
Company Secretary

Dhaka, Bangladesh  
Dated: 27 October 2014



Details of Property, Plant and Equipment and Depreciation at 30 June 2014

Annex I

## Saif Powertec Limited

| Asset category                                      | Cost or Valuation  |             |             | Depreciation             |             |                    | Total to<br>30 June 2014 | Written down<br>value at 30 June<br>2014. |             |               |
|---|--------------------|-------------|-------------|--------------------------|-------------|--------------------|--------------------------|---|-------------|---------------|
|   | At<br>01 July 2013 | Additions   | Revaluation | Total<br>at 30 June 2014 | Rate<br>(%) | To<br>01 July 2013 | Charge for the<br>year   | Adjustment<br>on disposal                 |             |               |
| Tools and equipment                                 | 459,319,016        | 239,976,977 | -           | 699,295,993              | 10          | 140,156,460        | 55,913,953               | -   | 196,070,413 | 503,225,580   |
| Land and land development                           | 187,136,835        | 5,500,000   | -           | 192,636,835              | -           | -                  | -                        | -   | -           | 192,636,835   |
| Pre-fabricated building                             | 25,550,054         | -           | -           | 25,550,054               | 10          | 4,854,510          | 2,069,554                | -   | 6,924,064   | 18,625,990    |
| Building  | 228,794,793        | 105,506,850 | -           | 334,301,643              | 5           | 15,961,740         | 15,916,995               | -   | 31,878,735  | 302,422,908   |
| Plant and machinery                                 | 44,914,630         | -           | -           | 44,914,630               | 20          | 26,693,060         | 3,644,314                | -   | 30,337,374  | 14,577,256    |
| Motor vehicles                                      | 52,625,821         | 7,125,000   | -           | 59,750,821               | 20          | 27,310,436         | 6,488,077                | -   | 33,798,513  | 25,952,308    |
| Workshop  | 6,267,600          | -           | -           | 6,267,600                | 10          | 3,593,660          | 267,394                  | -   | 3,861,054   | 2,406,546     |
| Office and electrical equipment                     | 17,322,744         | 28,532,713  | -           | 45,855,457               | 10          | 4,955,943          | 4,089,951                | -   | 9,045,894   | 36,809,563    |
| Furniture and fixtures                              | 14,995,240         | 5,919,834   | -           | 20,915,074               | 10          | 4,112,609          | 1,680,247                | -   | 5,792,856   | 15,122,219    |
| Others  | 1,213,003          | 45,165      | -           | 1,258,168                | 10          | 546,103            | 71,207                   | -   | 617,310     | 640,859       |
| Total at 30 June 2014.                              | 1,038,139,736      | 392,606,539 | -           | 1,430,746,275            |             | 228,184,521        | 90,141,692               | -   | 318,326,213 | 1,112,420,062 |
| Total at 30 June 2013.                              | 757,738,397        | 280,401,339 | -           | 1,038,139,736            |             | 165,382,057        | 62,802,464               | -   | 228,184,521 | 809,955,215   |
| <b>Consolidated Property, Plant &amp; Equipment</b> |                    |             |             |                          |             |                    |                          |   |             |               |
| Tools and equipment                                 | 459,985,830        | 239,976,977 | -           | 699,962,807              | 10          | 140,243,146        | 55,971,966               | -   | 196,215,112 | 503,747,695   |
| Land and land development                           | 194,947,485        | 5,500,000   | -           | 200,447,485              | -           | -                  | -                        | -   | -           | 200,447,485   |
| Pre-fabricated building                             | 25,550,054         | -           | -           | 25,550,054               | 10          | 4,854,510          | 2,069,554                | -   | 6,924,064   | 18,625,990    |
| Building  | 228,794,793        | 105,506,850 | -           | 334,301,643              | 10          | 15,961,740         | 15,916,995               | -   | 31,878,735  | 302,422,908   |
| Plant and machinery                                 | 147,144,241        | 38,412,773  | -           | 185,557,014              | 20          | 33,423,176         | 10,339,927               | -   | 43,763,103  | 141,793,910   |
| Motor vehicles                                      | 56,127,821         | 7,125,000   | -           | 63,252,821               | 20          | 27,660,636         | 6,803,257                | -   | 34,463,893  | 28,788,928    |
| Workshop  | 6,267,600          | -           | -           | 6,267,600                | 10          | 3,593,660          | 267,394                  | -   | 3,861,054   | 2,406,546     |
| Office and electrical equipment                     | 17,924,594         | 28,532,713  | -           | 46,457,307               | 10          | 5,034,184          | 4,142,312                | -   | 9,176,496   | 37,280,811    |
| Furniture and fixtures                              | 15,486,840         | 5,919,834   | -           | 21,406,674               | 10          | 4,176,517          | 1,723,016                | -   | 5,899,533   | 15,507,141    |
| Others  | 1,213,003          | 45,165      | -           | 1,258,168                | 10          | 546,103            | 71,207                   | -   | 617,310     | 640,859       |
| Total at 30 June 2014.                              | 1,153,442,261      | 431,019,312 | -           | 1,584,461,573            |             | 235,493,671        | 97,305,629               | -   | 332,799,300 | 1,251,662,273 |
| Total at 30 June 2013.                              | 867,887,772        | 285,554,489 | -           | 1,153,442,261            |             | 167,144,559        | 68,349,112               | -   | 235,493,671 | 917,948,590   |



## Saif Powertec Limited

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

Amounts in Taka

| Name of the Party       | Relationship       | Nature of Transaction | Opening balance at<br>01 July 2013 | Addition during the<br>year | Adjustment | Closing balance at<br>30 June 2014 |
|-------------------------|--------------------|-----------------------|------------------------------------|-----------------------------|------------|------------------------------------|
| Tarafder Md. Ruhul Amin | Director           | Salary and allowances | -                                  | 1,800,000                   |            | 1,800,000                          |
| Tarafder Nigar Sultana  | Director           | Salary and allowances | -                                  | 3,000,000                   |            | 3,000,000                          |
| Tarafder Md. Ruhul Saif | Director           | Salary and allowances | -                                  | 2,400,000                   |            | 2,400,000                          |
| Rubyra Chowdhury        | Director           | Salary and allowances | -                                  | 3,000,000                   |            | 3,000,000                          |
| Saif Plastic & Polymer  | Subsidiary Company | Investment in Shares  | 80,000,000                         |                             |            | 80,000,000                         |
| Industries Limited(*)   |                    |                       |                                    |                             | -          |                                    |
| Total                   |                    |                       | 80,000,000                         | 10,200,000                  | -          | 90,200,000                         |

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

# Saif Powertec Limited

Transaction with Key Management Personnel of the entity:

Annex II/b

| 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.  | 10,200,000    |
| (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           |





## Saif Powertec Limited

Shareholdings Position in Subsidiary Company

Annex III

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            |
| Ruby Chowdhury          | 3%          | 300,000           | 3,000,000            |
|                         | <u>100%</u> | <u>10,000,000</u> | <u>100,000,000</u>   |

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            |
| Ruby Chowdhury  | 3%         | 300,000          | 3,000,000            |
|   | <u>20%</u> | <u>2,000,000</u> | <u>20,000,000</u>    |
| Share of profit 2013.   |            |                  | 294,571              |
| Share of profit 2014.   |            |                  | 502,657              |
| Prior adjustment of pre-operating expenses and preliminary expenses |            |                  | 20,797,228           |
|   |            |                  | (777,584)            |
|   |            |                  | 20,019,644           |

# Audited Financial Statements **2014**



**SAIF PLASTIC & POLYMER  
INDUSTRIES LIMITED**



## INDEPENDENT AUDITOR'S REPORT

To

The Shareholders of Saif Plastic & Polymer Industries Limited

We have audited the accompanying financial statements of Saif Plastic & Polymer Industries Limited (the Company) namely, Statement of Financial Position at 30 June 2014 and the related Statement of Comprehensive Income, Statement of Cash Flows and notes thereto for the year ended.

### Respective responsibilities of management and auditors

The preparation of these financial statements is the responsibility of the management of the Company. In accordance with generally accepted accounting principles and International Accounting Standards/ International Financial Reporting Standards so far adopted by the Institute of Chartered Accountants of Bangladesh as ~~Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards~~. Our responsibility is to express an independent opinion on these financial statements based on our audit.

### Basis of our audit opinion

We conducted our audit in accordance with International Standards on Auditing as applicable in Bangladesh. Those standards require that we plan and perform the audit to obtain a reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, the financial statements prepared in accordance with generally accepted accounting principles and International Accounting Standards/ International Financial Reporting Standards so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards give a true and fair view of the state of the Company's affairs as at 30 June 2014 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of Companies Act 1994.

We further report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) our examination and checking of relevant financial records, books of account, schedules and details were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the said financial statements;
- (c) 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
- (d) the said financial statements dealt with by this report are in agreement with the books of account.
- (e) the expenditure incurred and payments made were for the purpose of the Company's business for the year.

Dated, Dhaka.

The 8th September 2014

M.A. FAZAL & CO

Chartered Accountants



## Saif Plastic & Polymer Industries Limited

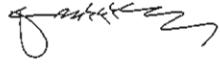
Statement of Financial Position at 30 June 2014

|                                   | Notes | Amounts in Taka    |                    |
|-----------------------------------|-------|--------------------|--------------------|
|                                   |       | At<br>30 June 2014 | At<br>30 June 2013 |
|                                   |       |                    |                    |
| <b>ASSETS</b>                     |       |                    |                    |
| Non-Current Assets                |       |                    |                    |
| Property, plant and equipment     | 3     | 139,242,211        | 107,993,375        |
| Capital works-in-progress         | 4     | -                  | 32,510,393         |
| Intangible Assets                 | 5     | -                  | 3,887,926          |
| Total Non-Current Assets          |       | 139,242,211        | 144,391,694        |
| Current Assets                    |       |                    |                    |
| Inventories                       | 6     | 17,092,718         | 14,182,972         |
| Accounts and others receivable    | 7     | 2,934,029          | 8,700,739          |
| Advance deposits and prepayment   | 8     | 1,991,139          | 10,091,802         |
| Cash and bank balances            | 9     | 1,205,232          | 64,748             |
| Total Current Assets              |       | 23,223,118         | 33,040,261         |
| Total Assets                      |       | 162,465,329        | 177,431,955        |
| <b>EQUITY AND LIABILITIES</b>     |       |                    |                    |
| Capital and Reserves              |       |                    |                    |
| Share capital                     | 10    | 100,000,000        | 100,000,000        |
| Retained earnings                 |       | 98,215             | 1,472,856          |
|                                   |       | 100,098,215        | 101,472,856        |
| Non-Current Liabilities           |       |                    |                    |
| Long term loan                    | 11    | 11,201,044         | 27,646,600         |
| Total Non-Current Liabilities     |       | 11,201,044         | 27,646,600         |
| Current Liabilities               |       |                    |                    |
| Current portion of long-term loan | 12    | 15,605,338         | 8,302,070          |
| Short term loan                   | 13    | 17,772,583         | 29,033,166         |
| Sundry creditors                  | 14    | 14,967,788         | 9,090,654          |
| Liability for Expense             | 15    | 2,820,362          | 1,886,609          |
| Total Current Liabilities         |       | 51,166,070         | 48,312,499         |
| Total Equity and Liabilities      |       | 162,465,329        | 177,431,955        |

See annexed notes

for Saif Plastic & Polymer Industries Limited

  
Chairman

  
Company Secretary

N. Sultana  
Managing Director

Signed in terms of our report of even date annexed

Dated, Dhaka.  
The 8th September 2014

  
M.A. FAZAL & CO  
Chartered Accountants



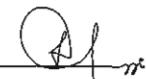
## Saif Plastic & Polymer Industries Limited

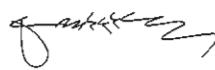
Statement of Comprehensive Income for the year ended 30 June 2014

|                                 | Notes | Amounts in Taka            |                            |
|---------------------------------|-------|----------------------------|----------------------------|
|                                 |       | Year ended<br>30 June 2014 | Year ended<br>30 June 2013 |
| <b>REVENUE</b>                  |       |                            |                            |
| Sales                           | 16    | 56,964,840                 | 35,395,827                 |
| Less: Cost of Goods Sold        | 17    | (45,755,077)               | (28,215,541)               |
| Gross Profit                    |       | 11,209,763                 | 7,180,286                  |
| <b>Less: Operating Expenses</b> |       |                            |                            |
| Administrative expenses         | 18    | (1,136,678)                | (1,497,396)                |
| Marketing and selling expenses  | 19    | (282,798)                  | (242,585)                  |
|                                 |       | (1,419,476)                | (1,739,981)                |
| Operating Profit                |       | 9,790,287                  | 5,440,305                  |
| Other income                    |       | 3,221,281                  | 3,256,301                  |
| Financial expenses              | 20    | (8,990,311)                | (7,933,387)                |
| Net Profit before Tax           |       | 4,021,256                  | 763,219                    |
| Provision for income tax        |       | 1,507,971                  | 286,207                    |
| Net Profit after Tax            |       | 2,513,285                  | 477,012                    |

See annexed notes

for Saif Plastic & Polymer Industries Limited

  
Chairman

  
Company Secretary

  
Managing Director

Dated, Dhaka.  
The 8th September 2014

Signed in terms of our report of even date annexed

  
M.A. FAZAL & CO  
Chartered Accountants



## Saif Plastic & Polymer Industries Limited

Statement of Cash Flows for the year ended 30 June 2014

|   | Amounts in Taka            |                            |
|---|----------------------------|----------------------------|
|   | Year ended<br>30 June 2014 | Year ended<br>30 June 2013 |
| Cash Flows from Operating Activities              |                            |                            |
| Cash receipt from customer                        | 65,952,831                 | 41,842,660                 |
| Cash paid to suppliers and employees              | <u>(37,617,448)</u>        | <u>(20,997,657)</u>        |
| Cash generated from operations                    | 28,335,383                 | 20,845,003                 |
| Advance, deposits and prepayment                  | 3,447,608                  | (874,907)                  |
| Advance income tax                                | (950,625)                  | (587,936)                  |
| Financial cost                                    | <u>(8,990,311)</u>         | <u>(7,933,387)</u>         |
| Net cash flow from operating activities           | 21,842,055                 | 11,448,773                 |
| Cash flow from investing activities               |                            |                            |
| Purchases of property, plant and equipment        | (298,700)                  | (5,153,150)                |
| Capital work-in-progress                          | -                          | (13,876,745)               |
| Net cash used in operating activities             | (298,700)                  | (19,029,895)               |
| Cash flow from financial activities               |                            |                            |
| Receipt / ( payment ) against long term loan-Net  | (9,142,288)                | (689,420)                  |
| Receipt / ( payment ) against short term loan-Net | <u>(11,260,583)</u>        | <u>7,235,246</u>           |
| Net cash from/(used in) financing activities      | <u>(20,402,871)</u>        | <u>6,545,826</u>           |
| Net cash inflow/( outflow) for the year           | 1,140,484                  | (1,035,296)                |
| Opening cash and cash equivalents                 | 64,748                     | 1,100,044                  |
| Closing cash and cash equivalents                 | <u>1,205,232</u>           | <u>64,748</u>              |

for Saif Plastic & Polymer Industries Limited

Chairman

Company Secretary

N. Sultana  
Managing Director

Signed in terms of our report of even date annexed

Dated, Dhaka.  
The 8th September 2014

M.A. FAZAL & CO  
Chartered Accountants



## Saif Plastic & Polymer Industries Limited

Statement of Changes in Equity for the year ended 30 June 2014

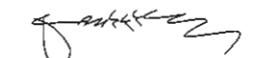
Amounts in Taka

| Particulars                       | Share capital      | Retained earnings | Total              |
|-----------------------------------|--------------------|-------------------|--------------------|
| Balance at 01 July 2012           | 100,000,000        | 995,844           | 100,995,844        |
| Net profit after tax for the year | -                  | 477,012           | 477,012            |
| Balance at 30 June 2013           | <u>100,000,000</u> | <u>1,472,856</u>  | <u>101,472,856</u> |
| Balance at 01 July 2013           | 100,000,000        | 1,472,856         | 101,472,856        |
| Pre-Operating expenses            |                    | (3,887,926)       | (3,887,926)        |
| Net profit after tax for the year | -                  | 2,513,285         | 2,513,285          |
| Balance at 30 June 2014           | <u>100,000,000</u> | <u>98,215</u>     | <u>100,098,215</u> |

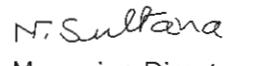
for Saif Plastic & Polymer Industries Limited



Chairman



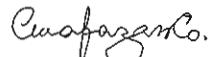
Company Secretary



N. Sultana  
Managing Director

Dated, Dhaka.  
The 8th September 2014

Signed in terms of our report of even date annexed



M.A. FAZAL & CO  
Chartered Accountants



# Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

## General

### 1. The Company and Its Activities

#### 1.1 Entity

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.

#### 1.2 Registered and Corporate Office

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

#### 1.3 Capital Structure of the Company

The authorised capital of the Company is Taka 200,000,000 divided into 20,000,000 ordinary shares of Taka 10 each.

#### 1.4 Nature of Business

The Company's plastic goods manufacture is located at Pubail, Boshugoan, Gazipur.

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.

#### 1.5 Factory Operations

Saif Plastic & Polymer Industries Limited manufacturer owned by shareholders from Bangladesh, the Company started its commercial production on 01 July 2011.

### 2. Significant Accounting Policies

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), applicable to the Company so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards (BFRSs). The disclosures of information made in accordance with the requirements of the Companies Act 1994 and the Statement of Financial Position and Statement of Comprehensive Income have been prepared in accordance with BAS-1/IAS -1 (presentation of financial statements) on accrual basis following going concern concept.

In the preparation of these financial statements, management requires information to make judgment, estimate and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimate.



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

### 2.1 Property, plant and equipment

Property, plant and equipment are stated in attached Statement of Financial Position at cost less accumulated depreciation in accordance with BAS-16/IAS-16. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

Upon disposal of items of property, plant and equipment, the cost of those assets and their related accumulated depreciation are eliminated up to the date of disposal and any gains or losses therefrom are reported in the income statement of that year.

### 2.2 Depreciation on property, plant and equipment

Depreciation charged on the basis of reducing balance method. Depreciation continues to be charged on each item of property, plant and equipment until the written down value of such fixed asset is reduced to Taka one. Depreciation on addition to fixed assets is charged from the day of their acquisition and charging of depreciation on property, plant and equipment ceases from the day on which the deletion thereof takes place.

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

| Category of property, plant and equipment | Rate (%) |
|---|----------|
| Plant and machinery                       | 5        |
| Tools & equipments                        | 10       |
| Furniture and fixture                     | 10       |
| Office equipments                         | 10       |
| Motor vehicles                            | 10       |

Land is not depreciated as it deemed to have an infinite life.

### 2.3 Capital work-in-progress

Capital work-in-progress is recorded at cost to the extent of expenditure incurred at the date of Statement of Financial Position. The amount of capital work-in-progress is transferred to appropriate asset category.

### 2.4 Accounts receivable

Accounts receivable has been stated at its original invoiced amount after deducting credit balances those have legally enforceable right to set off or are intended either to be settled.



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

### 2.5 Valuation of inventories

Inventories are stated at lower of cost and net realisable value in compliance with the requirements of Para 9 of BAS-2/IAS-2 "Inventories".

Raw materials:

Raw materials is stated at weighted average cost.

Inventories are tested for obsolesces and impairment at end of the year. Corresponding provisions are being made in the books of account, if required.

Work-in-process:

Work-in-process is stated at cost to complete the respective product. Cost comprises cost of raw materials, wages and other overheads up to the stage of completion.

Finished products:

Finished products are stated at lower of cost and net realisable value. Cost comprises cost of raw materials, wages and other direct costs those contribute in transforming raw materials into finished products. Cost is calculated using the weighted average method. Net realisable value is arrived at after deducting cost to sell from selling prices of various items.

### 2.6 Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Revenue from sale of goods is recognised when the Company has transferred significant risk and rewards of ownership of goods to the revenue and costs incurred to effect the transaction can be measured reliably in compliance with the requirements of BAS-18/IAS-18 "Revenue".

### 2.7 Borrowing costs

In compliance with the requirement of BAS-23 (Borrowing costs), borrowing costs relating to operational period of long term loans, overdraft facilities was charged to revenue account as an expense as incurred.

#### Inventories and their valuation

| Component       | Method of valuation                                  |
|-----------------|--|
| Raw materials   | Moving average cost                                  |
| Work-in-process | Cost of materials plus proportionate conversion cost |
| Finished goods  | Lower of cost and net realisable value               |



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

### 2.8 Taxation

#### Current tax:

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, and any adjustment to tax payable in respect of previous year. Provision for corporate income tax is made following the tax rate applicable for a private limited company.

### 2.9 Statement of cash flows

Statement of Cash Flows are prepared under indirect method in accordance with BAS-7/IAS-7

### 2.10 Creditors and accruals

Liabilities are recorded at the level of estimated amount payable in settlement.

### 2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, term deposits, etc which are available for use by the Company without any restrictions. There is no significant risk of change in value of the same.

### 2.12 Term loan from Bank Asia Limited

This is repayment in 60 monthly installments

#### Number of employees

The number of employees engaged for the year who received a total remuneration of Taka 6,000 and above was 35. None receiving below Taka 3,000 per month.



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

|   | Amounts in Taka    |                    |
|---|--------------------|--------------------|
|   | At<br>30 June 2014 | At<br>30 June 2013 |
| 3. Property, plant and equipment<br><u>Annex- A</u> | <u>139,242,211</u> | <u>107,993,375</u> |
| 4. Capital works -in- progress                      |                    |                    |
| Injection moulding machine- FT 220                  | -                  | 11,990,963         |
| Blowing moulding machine-JD-S4A                     | -                  | 1,783,585          |
| Mould and others                                    | -                  | 6,390,772          |
| Insurance   | -                  | 102,197            |
| Local machinery & Erection materials                | -                  | 12,242,876         |
|   | <u>-</u>           | <u>32,510,393</u>  |
| 5. Intangible Assets                                |                    |                    |
| Pre-Operating Expenses                              | 3,662,926          | 4,069,918          |
| Less: Written off                                   | -                  | 406,992            |
|   | <u>3,662,926</u>   | <u>3,662,926</u>   |
| Preliminary Expenses                                | 225,000            | 250,000            |
| Less: Written off                                   | -                  | 25,000             |
|   | <u>225,000</u>     | <u>225,000</u>     |
| Less: Prior adjustment                              | 3,887,926          | 3,887,926          |
|   | <u>3,887,926</u>   | <u>-</u>           |
|   | <u>-</u>           | <u>3,887,926</u>   |
| 6. Inventories                                      |                    |                    |
| Raw materials                                       | 11,055,600         | 11,142,920         |
| Finished goods                                      | 4,048,740          | 1,219,712          |
| Work-in-process                                     | 1,988,378          | 1,820,340          |
|   | <u>17,092,718</u>  | <u>14,182,972</u>  |
| 7. Account and others receivable                    |                    |                    |
| The IBN Sina Pharma Ind. Ltd.                       | 615,700            | 3,443,900          |
| Super oil refinery Ltd.                             | 275,680            | 1,153,666          |
| Bangladesh Edible Oil Ltd.                          | 518,930            | 2,674,095          |
| Biopharma Laboratories Ltd.                         | 764,850            | 405,762            |
| JMI Bangla Pharmaceutical Co. Ltd.                  | 426,790            | 731,400            |
| Chemico Laboratories Ltd.                           | -                  | 54,933             |
| General Pharmaceutical Ltd.                         | 243,320            | 106,400            |
| Drug International                                  | 88,760             | 130,583            |
|   | <u>2,934,029</u>   | <u>8,700,739</u>   |



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

|   | Amounts in Taka    |                    |
|---|--------------------|--------------------|
|   | At<br>30 June 2014 | At<br>30 June 2013 |
| 8. Advance deposits and prepayment          |                    |                    |
| Advance to:                                 |                    |                    |
| Advance against machinery installation work | -                  | 5,603,680          |
| Advance against raw materials               | 228,050            | 2,530,620          |
| VAT current account                         | 34,563             | 710,273            |
| L/c margin                                  | -                  | 461,328            |
| Advance income tax                          | 1,728,526          | 777,901            |
| Other advance                               | -                  | 8,000              |
|   | <b>1,991,139</b>   | <b>10,091,802</b>  |

### 9. Cash and Bank Balances

|                                |                  |               |
|--------------------------------|------------------|---------------|
| Cash in hand                   | 148,250          | 44,878        |
| Bank balances in               |                  |               |
| Bank Asia Limited              | 4,962            | 10,618        |
| Southeast Bank Limited         | -                | 6,463         |
| United Commercial Bank Limited | 1,050,496        | -             |
| Jamuna Bank Limited            | 1,524            | 2,789         |
|                                | <b>1,205,232</b> | <b>64,748</b> |



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

|   | Amounts in Taka     |                     |
|---|---------------------|---------------------|
|   | At<br>30 June 2014  | At<br>30 June 2013  |
| 10. Share Capital                                     |                     |                     |
| <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         |
| 11. Long term loan from Banks                         |                     |                     |
| Bank Asia Limited                                     | 11,201,044          | 27,646,600          |
| 11.1 Long-term loan                                   | <u>11,201,044</u>   | <u>27,646,600</u>   |
| <u>Bank Asia Limited</u>                              |                     |                     |
| Opening Balance                                       | 35,948,670          | 36,638,090          |
| Add: Principal this year                              | 6,750,000           | 6,885,525           |
| Add: Interest this year                               | 4,356,511           | 5,256,114           |
| Less: Payment this year                               | <u>(20,248,798)</u> | <u>(12,831,059)</u> |
| 26,806,382  | 35,948,670          |                     |
| 26,806,382  | 35,948,670          |                     |
| Less: Long-term loan                                  | <u>11,201,044</u>   | <u>27,646,600</u>   |
| Transferred to current portion loan                   | <u>15,605,338</u>   | <u>8,302,070</u>    |
| 12. Current portion of long-term loan                 |                     |                     |
| Bank Asia Limited                                     | 15,605,338          | 8,302,070           |
|   | <u>15,605,338</u>   | <u>8,302,070</u>    |
| 13. Short term loan                                   |                     |                     |
| <u>Loan on TR</u>                                     |                     |                     |
| Bank Asia Limited                                     | 12,567,241          | 23,659,481          |
| <u>Bank Overdraft</u>                                 |                     |                     |
| Bank Asia Limited                                     | 5,205,342           | 5,373,685           |
|   | <u>5,205,342</u>    | <u>5,373,685</u>    |
|   | <u>17,772,583</u>   | <u>29,033,166</u>   |
| 13.1 Short-term loan                                  |                     |                     |
| <u>Bank Asia Limited</u>                              |                     |                     |
| Opening Balance                                       | 23,659,481          | 16,657,246          |
| Add: Principal this year                              | 23,213,294          | 26,125,085          |
| Add: Interest this year                               | 3,774,476           | 2,824,796           |
| Less: Payment this year                               | <u>(38,080,010)</u> | <u>(21,947,646)</u> |
|   | <u>12,567,241</u>   | <u>23,659,481</u>   |



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

|                            | Amounts in Taka    |                    |
|----------------------------|--------------------|--------------------|
|                            | At<br>30 June 2014 | At<br>30 June 2013 |
| 14. Sundry Creditors       |                    |                    |
| M/s Baker Enterprise       | 4,551,236          | 2,156,998          |
| M/s. Runner Motors         | -                  | 2,701,694          |
| M.S International          | 2,140,600          | 3,543,177          |
| S.R Engineering works      | 130,415            | 40,000             |
| SQ wire & cable co. Ltd.   | 670,262            | 252,285            |
| Azad Industries            | 2,835,850          | 160,000            |
| Nazmul Plastic             | 1,894,160          | -                  |
| Brothers engineer works    | 1,276,325          | 198,500            |
| Dipti Enterprise           | 1,468,940          | 38,000             |
|                            | <u>14,967,788</u>  | <u>9,090,654</u>   |
| 15. Liability for expenses |                    |                    |
| Salary & wages             | 135,559            | 124,282            |
| Electricity bill           | 268,117            | 853,613            |
| Audit fee                  | 25,000             | 25,000             |
| Income tax payable         | 2,391,685          | 883,714            |
|                            | <u>2,820,362</u>   | <u>1,886,609</u>   |



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

|                                | Amounts in Taka            |                            |
|--------------------------------|----------------------------|----------------------------|
|                                | Year ended<br>30 June 2014 | Year ended<br>30 June 2013 |
| <b>16. Revenue</b>             |                            |                            |
| Sales                          | 56,964,840                 | 35,395,827                 |
| <b>17. Cost of goods sold</b>  |                            |                            |
| Raw materials consumption      |                            |                            |
| Opening stock of raw materials | 11,142,920                 | 6,714,465                  |
| Purchases during the year      | 36,172,700                 | 24,763,379                 |
| Closing stock of raw materials | (11,055,600)               | (11,142,920)               |
|                                | 36,260,020                 | 20,334,924                 |
| Manufacturing expenses:        |                            |                            |
| Depreciation                   | 7,163,936                  | 5,546,648                  |
| Salary & wages                 | 885,360                    | 769,105                    |
| Insurance                      | 423,574                    | 445,158                    |
| Electric bill                  | 3,005,352                  | 2,246,481                  |
| Overtime bill                  | 151,600                    | 82,620                     |
| Raw materials import charge    | 382,652                    | 378,149                    |
| Packing materials              | 417,325                    | 269,758                    |
| Carrying inward                | 62,324                     | 25,600                     |
|                                | 12,492,123                 | 9,763,519                  |
| Total Manufacturing cost       | 48,752,143                 | 30,098,443                 |
| Opening work-in process        | 1,820,340                  | 998,450                    |
| Closing work-in process        | (1,988,378)                | (1,820,340)                |
| Opening finished product       | 1,219,712                  | 158,700                    |
| Closing finished product       | (4,048,740)                | (1,219,712)                |
| Cost of goods sold             | 45,755,077                 | 28,215,541                 |



## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

Amounts in Taka

| Year ended<br>30 June 2014 | Year ended<br>30 June 2013 |
|----------------------------|----------------------------|
|----------------------------|----------------------------|

### 18. Administrative Expenses

|                        |                  |                  |
|------------------------|------------------|------------------|
| Entertainment          | 39,130           | 48,250           |
| Salary & allowances    | 741,350          | 670,560          |
| Office rent            | 156,000          | 156,000          |
| Repair and maintenance | 71,730           | 66,520           |
| Pre-operating expenses | -                | 406,992          |
| Preliminary expenses   | -                | 25,000           |
| Donation               | -                | 560              |
| Licence fee            | 8,333            | 8,333            |
| Vehicle expenses       | 22,620           | 25,300           |
| Printing & stationary  | 9,500            | 8,251            |
| Cleaner expenses       | 21,100           | 18,200           |
| Internet bill          | 5,600            | 5,600            |
| Mobile bill            | 2,400            | 2,400            |
| Conveyance             | 16,115           | 15,230           |
| Allowance              | 10,400           | 8,300            |
| Audit fee              | 25,000           | 25,000           |
| Paper and periodical   | 1,800            | 1,600            |
| Postage & courier      | 5,600            | 5,300            |
|                        | <u>1,136,678</u> | <u>1,497,396</u> |

### 19. Marketing and Selling Expenses

|                 |                |                |
|-----------------|----------------|----------------|
| Salary          | 170,480        | 176,000        |
| Carring outward | 20,900         | 12,360         |
| Conveyance      | 91,418         | 54,225         |
|                 | <u>282,798</u> | <u>242,585</u> |

## Saif Plastic & Polymer Industries Limited

Notes to financial statements for the year ended 30 June 2014

|                               | Amounts in Taka            |                            |
|-------------------------------|----------------------------|----------------------------|
|                               | Year ended<br>30 June 2014 | Year ended<br>30 June 2013 |
| <b>20. Financial Expenses</b> |                            |                            |
| Interest expenses             | 8,930,491                  | 7,879,747                  |
| Bank charges                  | 59,820                     | 53,640                     |
|                               | <b>8,990,311</b>           | <b>7,933,387</b>           |
| <b>21. Others</b>             |                            |                            |

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

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

### Saif Plastic & Polymer Industries Limited

Notes to financial statements for the period ended 30 June 2014

21.3 Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to makethem comparable with those of the current year, such rearrangement, however, had no impact on the profit and value of assets and liabilities as reported in the financial statements.

21.4 Financial statements of the Company cover one financial year from 01 July 2013 to 30 June 2014.



## Saif Plastic & Polymer Industries Limited

### 3. Property, Plant and Equipment

Amounts in Taka

| Particulars               | C O S T                       |            |                             | D E P R E C I A T I O N |                               |                          | Total as at<br>30 June 2014 | Net book value<br>at 30 June 2014 |
|---------------------------|-------------------------------|------------|-----------------------------|-------------------------|-------------------------------|--------------------------|-----------------------------|-----------------------------------|
|                           | Balance as at<br>01 July 2012 | Additions  | Total as at<br>30 June 2014 | Rate                    | Balance as at<br>01 July 2013 | Charge for the<br>period | Adjustment                  |                                   |
| Land and land development | 7,810,650                     | -          | 7,810,650                   | -                       | -                             | -                        | -                           | 7,810,650                         |
| Plant and machinery       | 102,229,611                   | 38,412,773 | 140,642,384                 | 5%                      | 6,730,116                     | 6,695,613                | -                           | 127,216,654                       |
| Motor Vehicles            | 3,502,000                     | -          | 3,502,000                   | 10%                     | 350,200                       | 315,180                  | -                           | 2,836,620                         |
| Furniture and fixture     | 491,600                       | -          | 491,600                     | 10%                     | 63,908                        | 42,769                   | -                           | 384,923                           |
| Tools and equipments      | 666,814                       | -          | 666,814                     | 10%                     | 86,686                        | 58,013                   | -                           | 522,115                           |
| Office equipments         | 601,850                       | -          | 601,850                     | 10%                     | 78,241                        | 52,361                   | -                           | 471,249                           |
| Total at 30 June 2014     | 115,302,525                   | 38,412,773 | 153,715,298                 | 0                       | 7,309,150                     | 7,163,936                | -                           | 14,473,087                        |
| Total at 30 June 2013     | 110,149,375                   | 5,153,150  | 115,302,525                 |                         | -                             | 7,659,350                | -                           | 7,659,350                         |
|                           |                               |            |                             |                         |                               |                          |                             | 107,643,175                       |

# **SAIF POWERTEC LIMITED**

Dhaka Office: Rupayan Center (8th floor), 72 Mohakhali C/A, Dhaka 1212.  
Tel: (880 2)9856358-9 Fax: (880 2) 9855949

## **FORM OF PROXY**

I/We .....  
of .....  
being shareholder(s) Saif Powertec Limited, entitled to vote hereby appoint Mr./Ms. ....  
..... As my/ our proxy to attend and vote for me/ us and on my/ our behalf at the  
11th Annual General Meeting of the Company to be held on Monday , December 15, 2014 and adjournment  
thereof and the poll that may be taken in consequence thereof.

As witness my/ our hand this.....day of .....2014

.....  
Signature of Shareholder(s)

.....  
Signature of Proxy

Date.....

.....  
Signature of Witness

( Signature of shareholder(s) must be in accordance with specimen signature with the company.)

## **ATTENDANCE**

I/ we hereby record my / our presence at the 11th Annual General Meeting of Saif Powertec Limited at  
Bashaugaon, Pubail, Gazipur on Monday , December 15, 2014 at 10.30 a.m.

Full name of shareholder.....  
( In block letter) .....  
Signature

Full name of the Proxy.....  
( In block letter) .....  
Signature

Shareholder's Folio / BO No. ....

Shareholders are requested to hand over the Attendance Slip at entrance of the meeting hall.



# **SAIF Powertec Limited**

A House of Power & Material Handling Solution

**CORPORATE OFFICE :**

72 Mohakhali C/A, (8th floor), Rupayan Centre, Dhaka-1212, Tel.: (88-02) 9825705, 9891562, 9891597, 9856358-9, 9857902, 9852454, 9854423, Fax: (88-02)9855949, Web: [www.saifpowetecltd.com](http://www.saifpowertecltd.com)

**CHITTAGONG OFFICE:**

House :09, Road : 01, Lane: 01, Block: G, Halishahar, Chittagong, Bangladesh. Tel.: (88-031) 810688, 2513466 Fax: (88-031) 725639

**SALES OFFICE:**

House # 09, Road # 08, Block # J, Baridhara, Dhaka,1212, Bangladesh Tel.: +8802-9887534, 9880573, 9888291, 9893330, 9892286, 9892287, 9893312 Fax:+8802-9893311

**FACTORY:**

Bashugaon, Pubail, Gazipur-1721, Bangladesh.