

ANNUAL REPORT 2021



A House of Power & Material Handling Solution



www.saifpowertec.com



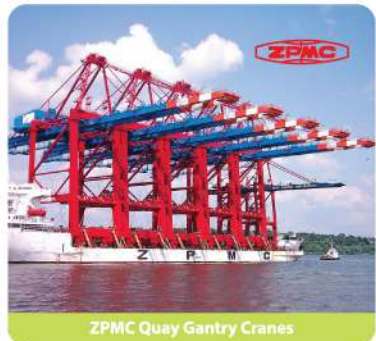
Container Terminal Operation

SAIF POWERTEC

A House of Power & Material Handling Solution



Storage Power Solutions



ZPMC Quay Gantry Cranes



ZPMC Straddle Carrier



Liebherr Reachstacker



LED Lighting Solutions



Renewable Energy



Doosan Excavator



Doosan Forklift



SMF Battery



Generators



Plastic Products



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**ANNUAL
REPORT 2021**

SAIF POWERTEC

Letter of Transmittal

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

Subject: Annual Report for the year ended on 30th June 2021.

Dear Sir(s)

We are pleased to transmit a copy of Annual Report for the year ended on 30th June 2021 including all relevant annual consolidated audited financial statements, auditor's reports, management's discussion and analysis, report or certificate on compliance of the Corporate Governance Code and Directors' Report along with the notice of the annual general meeting, etc. for your record and necessary measures.

Yours sincerely,



F. Md. Salehin
Company Secretary

SAIF POWERTEC LIMITED

Corporate Office: 72, Mohakhali C/A, Rupayan Centre (8th floor) Dhaka-1212, Bangladesh
Tel: +88-02-9856358-9, 9857902, 9841128, 9854423, 9891562, Fax: +88-02-9855949, 9893330
Email: shambhu@saifpowertec.com, Website: www.saifpowertec.com

Notice of the 18th Annual General Meeting

Notice is hereby given that the **18th Annual General Meeting (AGM)** of the Members of **Saif Powertec Limited** will be held on **Wednesday, December 29, 2021 at 11:00 A.M.** by using **Digital Platform** through the link <http://saifpower18agm.digitalagmbd.net> in accordance with the Bangladesh Securities and Exchange Commission (BSEC) order SEC/SRMIC/94-231/25 dated July 08, 2020 to transact the following businesses: -

ORDINARY BUSINESS

1. Report and Accounts:

To receive, consider and adopt the Financial Statements of the Company for the year ended on June 30, 2021 together with the Reports of the Board of Directors' and the Auditor's thereon.

2. Dividend:

To declare the dividend for the financial year ended on June 30, 2021 as recommended by the Board of Directors.

3. Election of Directors:

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

4. Appointment of Auditors:

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

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

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

6. Miscellaneous:

To transact any other related business of the Company with the permission of the Chairperson.

SPECIAL BUSINESS

7. Investment in Subsidiary Companies:

To approve investment in Subsidiary Companies of Saif Powertec Limited.

All Members of the Company are requested to attend the meeting as mentioned above.

By order of the Board of Directors



Company Secretary

Dated: Dhaka, December 05, 2021

NOTES:

- a) The Board of Directors has recommended **10% Cash Dividend** and **6% Stock Dividend** (subject to Approval of BSEC) for the year ended on June 30, 2021 subject to approval of Members of the Company in the 18th Annual General Meeting (AGM).
- b) The Record Date was **November 18, 2021 (Thursday)**. The shareholders whose names appeared in the Share Register of Members of the Company or in the Depository Register (CDBL) on the Record Date are eligible to attend/participate and vote in the Annual General Meeting through digital platform and qualify for Dividend.
- c) A member eligible to attend/participate and vote at the Annual General Meeting (AGM) may appoint a proxy in his/her stead. Scanned copy of Proxy Form duly stamped must be send through email to shambhu@saifpowertec.com not later than 48 hours before the Meeting.
- d) Annual Report, Attendance Slip and Proxy Form along with the Notice are being sent to all Members by Courier Service and/or email. The Members may also collect the same from the Share Department or website address: www.saifpowertec.com of the Company.
- e) AGM Notice, link for joining for Digital Platform (audio-visual meeting) and digital login process will be mailed to the respective member's email address available with the Company.
- f) The members will be able to submit their questions/comments, and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the members need to enter their 16-digit Beneficial Owner (BO) ID number and other credentials as proof of their identity by visiting the link <http://saifpower18agm.digitalagmbd.net>.
- g) Member whose email addresses have updated/changed subsequently are kindly requested to email at shambhu@saifpowertec.com referring their full name, BOID and email address to get the digital platform meeting invitation link.

NB: No gift and or food shall be given for attending the 18th Annual General Meeting of the Company as per rules.



SAIF POWERTEC LIMITED

AT A GLANCE

The Company was incorporated in Bangladesh as a Private Limited Company on 29th of December 2003, which was limited by shares as a Public Limited Company under the Companies Act, 1994 on 28th June 2010, along with the subdivision of shares from Taka 1000 to Taka 10 each and increased its Authorized Capital from Tk. 15.00 million to Tk. 1,000.00 million. The Company was subsequently converted into a publicly traded company with the permission of the Bangladesh Securities & Exchange Commission on 22nd April 2014, and listed on the Dhaka Stock Exchange Limited on 10th of September 2014 and on the Chittagong Stock Exchange Ltd., on 17th September 2014. At present the Paid-up Capital of the Company is Taka 3,578,666,490 and Authorized Capital is Taka 5,000,000,000.

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

VISION

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

MISSION

Our mission is to provide the highest-quality and full range of technical support services for the large

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

OBJECTIVES

To provide container handling and all related procedural activities as an efficient terminal operator cum port operator through the application of state-of-art port operation technologies 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 Information

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

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

Board of Directors

Mrs. Tarafder Nigar Sultana
Mr. Tarafder Md. Ruhul Amin
Mrs. Rubya Chowdhury
Mr. Tarafder Md. Ruhul Saif
Mr. Mohammad Saifur Rahman

Chairperson
Managing Director
Director
Director
Independent Director

Company Secretary

Mr. F. Md. Salehin

Audit Committee

Mr. Mohammad Saifur Rahman
Mr. Tarafder Md. Ruhul Saif
Mrs. Rubya Chowdhury
Mr. F. Md. Salehin

Chairperson
Member
Member
Secretary

Nomination and Remuneration Committee:

Mr. Mohammad Saifur Rahman
Mrs. Rubya Chowdhury
Mr. Tarafder Md. Ruhul Saif
Mr. F. Md. Salehin

Chairperson
Member
Member
Secretary

Management Committee

Mr. Tarafder Md. Ruhul Amin
Mr. Engr. Md. Nasiruddin Chowdhury
Mr. Md. Hasan Reza
Mr. Major Farukh Ahmed Khan (Retd)
Mr. Md. Mahmudur Rahman
Mr. Md. Shawkat Hossain Khan
Mr. Sohikul Islam Mia
Mr. Lt. Com. Tafsir Uddin Ahmed (Retd)
Mr. Captain Tanvir Husain
Mr. Abdul Mannan
Mr. S.M. Aftab Hossain
Mr. Helal Uddin Sikder, ACMA
Mr. Shajal Kumer Sharma
Mr. Md. Kamrul Hassan Khan
Mr. Md. Afshin-Uz-Zaman

Chairperson
Member
Member
Member
Member
Member
Member
Member
Member
Member
Member
Member
Member
Member
Member



BOARD OF DIRECTORS



MRS. TARAFDER NIGAR SULTANA
CHAIRPERSON



TARAFDER MD. RUHUL AMIN
MANAGING DIRECTOR



RUBYA CHOWDHURY
DIRECTOR



TARAFDER MD. RUHUL SAIF
DIRECTOR



MOHAMMAD SAIFUR RAHMAN
INDEPENDENT DIRECTOR

PHOTO GALLERY

ANNUAL GENERAL MEETINGS OF PREVIOUS YEARS



PHOTO GALLERY

ANNUAL GENERAL MEETINGS OF PREVIOUS YEARS



PHOTO GALLERY

PORT OPERATION



PHOTO GALLERY



BATTERY FACTORY



Operational Management Team

Mr. Engr. Md. Nasiruddin Chowdhury
Mr. Md. Hasan Reza
Mr. Major Farukh Ahmed Khan (Retd)
Mr. Md. Mahmudur Rahman
Mr. Sohikul Islam Mia
Mr. Lt. Comd. Tafsir Uddin Ahmed (Retd)
Mr. Captain Tanvir Husain
Mr. Abdul Mannan
Mr. S.M. Aftab Hossain
Mr. Helal Uddin Sikder, ACMA
Mr. Shajal Kumer Sharma
Mr. Md. Kamrul Hassan Khan
Mr. Md. Afshin-Uz-Zaman

Registered Office

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

Sales Office: (Dhaka)

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

Factory

Bashugaoan, Pubail, Gazipur-1721, Bangladesh.

Chattogram Office

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

Khulna Office

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

Auditors

Ashraf Uddin & Co.
Chartered Accountants
142/B Green Road (3rd and 4th Floor),
Dhaka-1215.
Chamber: Rahman Chamber (5th Floor),
12-13, Motijheel C/A, Dhaka.
Email: info@aucbd.com,
website: www.aucbd.com

Listing

Dhaka Stock Exchange Limited
Chittagong Stock Exchange Ltd.

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

Listing Recognition

Scrip Code. 20625,
Trading Code: SAIFPOWER

Insurer

Eastland Insurance Company Limited, Dhaka.

Credit Rating Agency

Credit Rating Agency of Bangladesh Ltd.
(CRAB)

Subsidiary Companies

Saif Plastic & Polymer Industries Limited
Saif Port Holdings Limited
Saif Logistics Alliance Limited

Website:www.saifpowertecLtd.com

Bankers

1. Dhaka Bank Limited
2. Mercantile Bank Limited
3. One Bank Limited
4. Jamuna Bank Limited
5. AB Bank Limited
6. Premier Bank Limited
7. Sonali Bank Limited
8. Eastern Bank Limited
9. BRAC Bank Limited
10. Islami Bank Bangladesh Limited
11. United Commercial Bank Limited
12. Southeast Bank Limited
13. NCC Bank Limited
14. Padma Bank Limited
15. Premier Bank Limited
16. Trust Bank Limited
17. NRB Commercial Bank Limited
18. Midland Bank Limited
19. South Bangla Agriculture & Commerce Bank Ltd.



CHAIRPERSON'S STATEMENT

Bismillahir Rahmanir Rahim

**Dear Valued Members of
Saif Powertec Limited**

Assalamu Alaikum,

It is indeed a great honor and privilege for me to greet you all at the 18th Annual General Meeting and place before you the Annual Report including all relevant annual consolidated audited financial statements, auditor's reports, management's discussion and analysis, report or certificate on compliance of the Corporate Governance Code and Directors' Report along with the notice of the annual general meeting, etc. for the year ended on June 30th, 2021.

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

- Profit after tax was Taka 626,348,819 compared to Taka 388,152,443 in the previous year. The Company's Board of Directors is also concerned about the Members' interest and has recommended 10% cash dividend and 6% stock dividend for all valued Members.

- The Net Asset Value per share has gone up to Taka 17.11
- Total Assets rose to Taka 19,100,387,711.00

Further I would like to explain to you about the activities of the subsidiary company "Saif Plastic and Polymer Industries Limited". The Performance of Sales trend has been decreased as compared to the last financial year due to economic downturn effect regarding COVID-19 pandemic situation.

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

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

Bangladesh has an impressive track record of growth and poverty reduction. It has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, and stable macroeconomic conditions. Continued recovery in exports and consumption will help growth rates pick up to 6.4 percent in fiscal year 2021-22.

Bangladesh tells the world a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971 with per capita GDP tenth lowest in the world, Bangladesh reached lower-middle-income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of \$1.90 a day (using 2011 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

Challenges

Bangladesh, like other countries, faces the daunting challenge of fully recovering from the COVID-19 pandemic which has constrained economic activities and reversed some of the gains achieved in the last decade. The COVID-19 pandemic decelerated economic growth in 2020. The pace of poverty reduction slowed down, exports declined, inequality increased across several dimensions and the poverty rate in 2020 increased to 18.1 percent from 14.4 percent. Nevertheless, strong remittance inflows and a rebound in export market has helped the economy to start recovering gradually.

To recover fully and achieve its growth ambitions of achieving upper-middle income status, Bangladesh needs to address the challenge of containing COVID-19. Vaccinating the population will reduce the incidence of the disease and mortality and enable the full resumption of economic activities. Bangladesh also needs to address the challenge of creating jobs/employment opportunities through a competitive business environment, increased human capital and skilled labor force, efficient infrastructure, and a policy environment that attracts private investments.

Other development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions. Addressing infrastructure gaps would accelerate growth and reduce spatial disparities in opportunities across regions and within cities. Addressing vulnerability to climate change and natural disasters will help Bangladesh in continuously building resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for the next generation.

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

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

N. Sultana
Tarafder Nigar Sultana
Chairperson



MESSAGE FROM THE MANAGING DIRECTOR

Bismillahir Rahmanir Rahim

**Dear Valued Members of
Saif Powertec Limited**

Assalamu Alaikum,

With the expression of my heartfelt thanks and gratitude to you for the support and faith you placed on us and our accomplishment, on behalf of the Board of Directors of the company as well as on my behalf, I take the opportunity to welcome you all at the 18th Annual General Meeting of the Company and thank you for taking the trouble to attend the meeting.

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

Sustained economic growth has created an increased demand for energy, transport and urbanization. Insufficient planning and investment have resulted in severe infrastructure bottlenecks, congestion and pollution. To become an upper-middle income economy, continued sound macroeconomic management, financial sector stability, structural reforms, investment in human capital, higher female labor force participation, and global integration will be important. Improving infrastructure as well as the business climate would allow new productive sectors to develop and generate quality employment.

Bangladesh is both an inspiration and a challenge for policymakers and practitioners of development. While the country recorded strong performance in income growth and human development, Bangladesh faces daunting challenges with an increased level of vulnerability with about 39 million people still living below the national poverty line.

The COVID-19 pandemic will deepen the challenges including a decline in exports, lower private investment, and job losses. Investment and exports are likely to continue suffering amid uncertainty about the recovery of global demand. The poor and vulnerable are more impacted with income loss and poverty may rise. The implementation of the government's COVID-19 response program will remain a paramount priority.

Creating more and better jobs for its youth remains a critical priority for Bangladesh to turn around and achieve its development vision. To do so, Bangladesh will need to remove the barriers to higher investment posed by low access to reliable and affordable power, poor transportation infrastructure, limited availability of serviced land, uncertain and complex business regulation, among others. Challenges related to COVID-19, rapid urbanization and climate change need to be addressed through long-term planning.

With the right policies, flexible planning and timely action, Bangladesh can accelerate its recovery from the economic downturn and continue to progress towards upper-middle income status.

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

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

Your Company has established new Battery unit situated at Pubail, Gazipur Dhaka, financed out of IPO, Rights Share Issue & own fund, which were commenced from August 05, 2017 and going to produce different types of batteries for the domestic market and export global markets. SAIF solar division holds major market share in Bangladesh and has been expanding very rapidly across the country.

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

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

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

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

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



Tarafder Md. Ruhul Amin
Managing Director

DIRECTORS' REPORT TO THE SHAREHOLDERS

Bismillahir Rahmanir Rahim

Dear Valued Members:

On behalf of the Board of Directors, I welcome you all to the 18th Annual General Meeting of SAIF POWERTEC LIMITED.

It is a matter of immense pleasure to present the Director's Report together with the Consolidated Annual Financial Statement of the Company for the year ended June 30, 2021 to you to consider, adopt and approve the same.

An Industry Outlook and Possible Future Development in the Industry

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

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



The Segment-wise or Product-wise Performance

The company has been involved with technical consultation with service providers, manufacturers, import and local sales

Years	Product performance	Turnover		Production capacity		Capacity utilization	
		Consolidated	The company	Consolidated	The company	Consolidated	The company
2020-2021	Contract	2,795,576,509	2,795,576,509		657,000 Containers		60%
	Maintenance	279,924,097	279,924,097		657,000 Containers		60%
	Imported goods	146,598,454	146,598,454		Not applicable		Not applicable
	Manufacturing (Battery)	1,522,453,996	1,522,453,996		550,000 Pcs		45%
	Subsidiary	50,528,713	-			48%	
2019-2020	Contract	2,124,787,313	2,124,787,313		657,000 Containers		68%
	Maintenance	260,970,531	260,970,531		657,000 Containers		60%
	Imported goods	497,323,582	497,323,582		Not applicable		Not applicable
	Manufacturing (Battery)	904,302,178	904,302,178		550,000 Pcs		45%
	Subsidiary	61,178,398				60%	
2018-2019	Contract	2,060,545,031	2,060,545,031		657,000 Containers		68%
	Maintenance	399,193,362	399,193,362		657,000 Containers		60%
	Imported goods	733,207,385	733,207,385		Not applicable		Not applicable
	Manufacturing (Battery)	692,399,617	692,399,617		550,000 Pcs		45%
	Subsidiary	83,518,003	-			68%	
2017-2018	Contract	2,176,473,270	2,176,473,270		657,000 Containers		68%
	Maintenance	387,085,887	387,085,887		657,000 Containers		60%
	Imported goods	7,98,870,207	7,98,870,207		Not applicable		Not applicable
	Manufacturing (Battery)	801,074,818	801,074,818				
	Subsidiary	75,375,085	-			62%	
2016-2017	Contract	1,875,981,227	1,875,981,227		657,000 Containers		68%
	Maintenance	494,611,949	494,611,949		657,000 Containers		60%
	Imported goods	568,941,649	568,941,649		Not applicable		Not applicable
	Subsidiary	68,526,475	-			62%	

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

Internal risk factors

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

External risk factors

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

Threat to sustainability and negative impact on environment

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

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

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

Particulars	2020-2021		2019-2020		Increase/(Decrease)	
	Consolidated	The company	Consolidated	The company	Consolidated	The company
Sales	4,795,081,769	4,744,553,056	3,848,562,002	3,787,383,604	24.59%	25.27%
Cost of Sales	(2,813,027,764)	(2,774,847,671)	(2,023,878,143)	(1,979,974,259)	38.99%	40.15%
Gross Profit Margin	1,982,054,005	1,969,705,385	1,824,683,859	1,807,409,345	8.62%	8.98%
Profit from operations	1,438,495,012	1,439,172,818	1,275,039,949	1,271,636,929	12.82%	13.17%
Net profit after WPPF	836,120,049	836,799,025	518,382,352	514,962,682	61.29%	62.50%
Net Profit of the year	626,348,819	627,599,269	388,152,444	386,222,010	61.37%	62.50%

(a) Cost of Sales

Compared to that of the previous financial year, the cost of sales of the year under the report witnessed at 38.99% increase due to Sales and Consumption increased.

(b) Gross Profit Margin

Compared with that of the previous year, the Gross Profit (GP) Margin in the year under report recorded at 8.62% increase due to sales increased.

(c) Net Profit Margin

The Net Profit Margin, in relation to the turnover of the year under report, was 61.37% increases due to sales value were increased.

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

There was no extraordinary gain or loss in the financial statement under report during the financial year 2020-2021 except Taka 29,457,036/- Interest on FDR against bank guarantee and others.

Detailed discussion on related party transaction

There were no related party transactions during the financial year July 01, 2020 to June 30, 2021 except the director's remuneration and Short-term employees benefits of Taka 44,065,935/-. Which have been details disclosed in the Annex II/a of the Consolidated Audited Financial Statements

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

The Company has been raised up its fund through Rights Issue (RI) issuing 116,295,348 shares @ Taka 15/- each (including Taka 5/- premium per share) totaling Taka 1,744,430,220/- (One Hundred Seventy-Four Crore Forty-Four Lakh Thirty Thousand Two Hundred and Twenty) only according to Bangladesh Securities and Exchange Commission approval for issuance of rights shares vide letter no. BSEC/CI/RI-108/2016/27 dated January 17, 2017. The Right Issue Proceeds Utilization has been audited in quarterly basis by Ahmed Zaker & Co., Chartered Accountants and as on March 31, 2020 Rights issue proceeds has been fully utilized by the company.

There were no any Utilization of proceed raised through public issue, right issue and/or through any other instruments during the year.

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

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

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

Due to worldwide economic downturn effect regarding COVID-19 pandemic situation started since November 17, 2019 therefore significant deviation happened in quarterly Financial Performance income to the Company business operation.

A Statement of Remuneration paid to Directors including Independent Directors.

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

Directors also report that

- a) The Financial Statements prepared by the management of Saif Powertec Limited fairly present its state of affairs, the result of its operations, cash flows and changes in its equity.
- b) Proper books of account of Saif Powertec Limited have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- g) There are no significant doubts regarding the Saif Powertec Limited's ability to continue as a going concern.
- h) No bonus share or stock dividend has been or shall be declared as interim dividend.

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

Particulars	2020-2021		2019-2020	
	Consolidated	Consolidated	Consolidated	The company
Turnover	4,795,081,769	4,744,553,056	3,848,562,002	3,787,383,604
Cost of Sales	2,813,027,764	2,774,847,671	2,023,878,143	1,979,974,259
Gross Profit	1,982,054,005	1,969,705,385	1,824,683,859	1,807,409,345
Net Profit	626,348,819	627,599,269	388,152,443	386,222,010

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

Current year's EPS has been increased due to increasing Contract sales to the Company business operation.

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

Details	2020-2021		2019-2020		2018-2019		2017-2018		2016-2017	
	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company
Turnover	4,795,081,769	4,744,553,056	3,848,562,002	3,787,383,604	3,968,863,398	3,885,345,395	4,238,879,267	4,163,504,182	3,008,061,300	2,939,534,825
Cost of Sales	2,813,027,764	2,774,847,671	2,023,878,143	1,979,974,259	2,014,078,363	1,958,701,103	2,312,471,910	2,261,201,857	1,318,062,992	1,269,148,106
Gross Profit	198,205,4005	1,969,705,385	1,824,683,859	1,807,409,345	1,954,785,035	1,926,644,292	1,926,407,357	1,902,302,325	1,689,998,308	1,670,386,719
Operating Profit	1,438,495,012	1,439,172,818	1,275,039,949	1,271,636,929	1,477,813,023	1,454,849,488	1,509,528,790	1,489,978,199	1,437,042,404	1,419,783,238
Profit before Tax & Reserve	836,120,049	836,799,025	518,382,352	514,962,682	687,633,012	664,479,800	901,278,461	880,861,962	864,362,628	846,025,713
Profit after Tax	626,348,819	627,599,269	388,152,444	386,222,010	510,333,965	498,359,849	671,263,052	660,646,471	644,054,481	634,519,284
Proposed Declared Dividend		16% (10% Cash and 6% Stock)		10% (5% Cash and 5% Stock)		10% (4% Cash and 6% Stock)		13% (5% Cash and 8% Stock)		33% (5% Cash excluding Sponsors and Directors and 28% Stock)
Earnings per Share	1.75	1.75	1.14	1.13	1.59	1.55	2.25	2.22	3.22	3.17

Dividend:

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

The Board of Directors of the company has recommended dividend 16% (10% Cash and 6% Stock) for the year ended June 30, 2021.

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

The Board of Directors had 18 meetings during the year ended June 30, 2021. Name of the Directors and number of meetings attended are given below:

Name of Directors	Meeting Held	Meeting Attended
Mrs. Tarafder Nigar Sultana	25	25
Mr. Tarafder Md. Ruhul Amin	25	25
Mrs. Rubya Chowdhury	25	25
Mr. Tarafder Md. Ruhul Saif	25	25
Mr. Mohammad Saifur Rahman	25	25

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

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

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

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

Shareholding Pattern

Pattern of Shareholding as at 30 June 2021

Sl. No.	Member's Group	Status	No. of Share Held	Percentage
a)	Share held by Parent/Subsidiary/Associated Company and other related parties		Nil	-
b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
	Mrs. Tarafder Nigar Sultana	Chairperson	63,140,272	17.64%
	Mr. Tarafder Md. Ruhul Amin	Managing Director	64,847,781	18.12%
	Mrs. Rubya Chowdhury	Director	7,683,111	2.15%
	Mr. Tarafder Md. Ruhul Saif	Director	7,683,111	2.15%
	Mr. Mohammad Saifur Rahman	Independent Director	Nil	-
	F. Md. Salehin	Company Secretary	Nil	
	Md. Hasan Reza	Chief Financial Officer	Nil	
	Helal Uddin Sikder, ACMA	Head of Internal Audit & Compliance	Nil	
c)	Executives		Nil	-
	Mr. Engr. Md. Nasiruddin Chowdhury	Additional Managing Director	Nil	-
	Mr. Mahmudur Rahman	Chief Operation Officer, Sales & Marketing	Nil	-
	Mr. Sohikul Islam Mia	Chief Operation Officer, Solar Division	Nil	-
	Mr. Lt. Comd. Tafsir Uddin Ahmed (Retd)	Chief Operation Officer (CTED)	Nil	-
	Mr. Captain Tanvir Husain	Chief Operation Officer (CCT & NCT)	Nil	-
d)	Shareholders holding 10% or more voting right:			
	Mrs. Tarafder Nigar Sultana	Chairperson	63,140,272	17.64%
	Mr. Tarafder Md. Ruhul Amin	Managing Director	64,847,781	18.12%

Short Bio-Data of Directors:

Mrs. Tarafder Nigar Sultana, Chairperson

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

Mr. Tarafder Md. Ruhul Amin, Managing Director

Mr. Tarafder Md. Ruhul Amin is the Managing Director of SAIF Powertec Limited. Mr. Amin has a Diploma in Power Engineering from Khulna Polytechnical Institute, Khulna. He has been in the business for more than 20 years. He has a vast business experience in indenting of construction & Material Handling Equipment, import of power generation equipment, manufacturing electrical transformers, solar power system and container handling with port operation. He is also sponsor director of Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited (subsidiary companies of Saif Powertec Limited).

Mrs. Rubya Chowdhury, Director

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

Mr. Tarafder Md. Ruhul Saif, Director

Mr. Tarafder Md. Ruhul Saif is Director of SAIF Powertec Limited. He obtained Diploma in Business Administration from School of Applied Studies, Singapore. He has a wide business experience in indenting, import of power generation equipment, manufacturing electrical transformers. He is a sponsor director Saif Port Holdings Limited (subsidiary companies of Saif Powertec Limited) and also a member of the Audit Committee & Nomination and Remuneration Committee of the Company.

Mr. Mohammad Saifur Rahman, Independent Director

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

Director's Involvement in Other Companies

Name	Company	Status
Mrs. Tarafder Nigar Sultana	Saif Powertec Limited	Chairperson
	Saif Plastic & Polymer Industries Limited	Managing Director
	Saif Port Holdings Limited	Director
	E-Engineering Limited	Managing Director
	Trust Regional Equity Limited	Director
Tarafder Md. Ruhul Amin	Saif Powertec Limited	Managing Director
	Saif Plastic & Polymer Industries Limited	Chairperson
	Saif Port Holdings Limited	Chairperson
	E-Engineering Limited	Chairperson
	Trust Regional Equity Limited	Chairperson
	Saif Logistics Alliance Limited	Chairperson nominated by Saif Powertec Limited
Mrs. Rubya Chowdhury	Saif Powertec Limited	Director
	Saif Plastic & Polymer Industries Limited	Director
	Saif Port Holdings Limited	Director
	E-Engineering Limited	Director
	Trust Regional Equity Limited	Managing Director
Mr. Tarafder Md. Ruhul Saif	Saif Powertec Limited	Director
	Saif Port Holdings Limited	Managing Director
	E-Engineering Limited	Director
	Trust Regional Equity Limited	Director
	Saif Logistics Alliance Limited	Managing Director nominated by Saif Powertec Limited
Mr. Mohammad Saifur Rahman	Saif Powertec Limited	Independent Director
	Saif Plastic & Polymer Industries Limited	Independent Director
	Saif Port Holdings Limited	Independent Director
	Saif Logistics Alliance Limited	Independent Director

Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and

The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.

Financial Results

The company's financial results for the year ended June 30, 2021 with recommendation of appropriations are as follows:

Particulars	Amount in Taka
Net Profit for the year 2020-2021	627,599,269
Profit Brought Forwarded	818,056,890
Profit Available for Appropriation	1,445,656,159
Appropriations:	
Proposed Dividend 16% (10% Cash and 6% Stock)	572,586,638
Transferred to Retained Earnings	873,069,520

Reason for declaration stock dividend and utilization:

- 1) To invest in subsidiary company;
- 2) Increase the 21,471,998 shares of stock outstanding;
- 3) Move Taka 214,719,980 it's retained earnings to paid-in capital, and
- 4) Minimize distributing Taka 214,719,980 in cash to its stockholders.

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

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

Financial Statements:

Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules, 2020 and other applicable rules and regulations. The financial data are captured from the financial reports generated from the system. These financial statements, once prepared, are reviewed initially by the CFO and CEO and then by the Audit Committee. After thorough scrutiny, the financial reports are placed before the Board for final review and adoption.

Environment Role

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

Human Resources Development

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

Business Activities

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

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

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

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

Research and Development

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

Purchase Manual

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

Subsidiary Companies

Saif Powertec Limited has held 80% shares of Saif Plastic & Polymer Industries Limited since November 30, 2010, 65% shares of Saif Port Holdings Limited since July 23, 2017 and 80% shares of Saif Logistic Alliance Limited since September 27, 2021. As required by the Corporate Governance Code, minutes of the Board meeting of the subsidiary companies of Saif Plastic & Polymer Industries Limited and Saif Port Holdings Limited are now being placed regularly for review at the following Board meeting of this holding company, and the affairs of the subsidiary companies are also reviewed at such Board meeting of this holding company.

Directors' Appointment, Retirement and Re-Appointment

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

At the forthcoming 18th Annual General Meeting of the Company, the following Directors will retire and will be eligible for reappointment

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

Appointment of Auditor

The existing auditor "Ashraf Uddin & Co." Chartered Accountants were appointed as the statutory auditor of the Company at 17th Annual General Meeting held on December 29, 2020 and "Ashraf Uddin & Co." Chartered Accountants have expressed their willingness to be appointed as statutory auditors of the company. The Board recommends their appointment for the year 2021-2022 and to continue till the next Annual General meeting.

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

In compliance with BSEC notification, we are required to appoint Compliance Auditor regarding Certificate on Compliance of Corporate Governance Code for the company. **“A.K.M. Delwer Hussain & Associates”** Cost & Management Accountants have expressed their willingness to be appointed as Compliance Auditor regarding Certificate on Compliance of Corporate Governance Code of the company. The Board recommends their appointment for the year 2021-2022 and to continue till the next Annual General meeting.

Audit Committee

The Audit Committee has been headed by Mr. Mohammad Saifur Rahman, Independent Director. The other two members of the committee are Mrs. Rubya Chowdhury and Mr. Tarafder Md. Ruhul Saif. All members are independent and responsible or accountable to the Board of Directors.

Nomination and Remuneration Committee:

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

Internal Control System

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

Code of Conduct

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

Compliance of Corporate Governance Code

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

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

Appreciation

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

For me and on behalf of the Board of Directors

N. Sultana

Tarafder Nigar Sultana
Chairperson

Management Discussion and Analysis on Financial Position and Performance

In the last five financial years the Company achieved a well growth in terms of business activities as well as in sales volume. In 2016-2017, sales volume was Taka 3,008,061,300 and in 2020-2021 the sales volume of the Company has raised at Taka 4,795,081,769 gained a potential growth in overall business activities of the Company. In line with increased business volume in the last five years, net profit after tax has been decreased at Taka 626,348,819 in 2020-2021 from the amount of net profit of Taka 644,054,481 in 2016-2017.

In the last five financial years, net operating cash flow per share for the year the year 2017, 2018, 2019, 2020 and 2021 net operating cash flow per share were positive. In the backdrop of above scenario, it indicates that the company is moving forward and it has good promise and great potential to achieve more business growth in the long run.

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

The Economic Condition of Bangladesh

Export:

Like many other third-world countries, Bangladesh relies heavily on export to fulfill the needs of its densely populated nation. The country's export earnings witnessed 14.02 percent increase in August 2021 as compared to same period in the previous year, mainly driven by increased exports of agricultural products, chemical products, specialized textile, plastic products, oven garments, knitwear and frozen & live fish. On the other hand, total export earnings decreased by 2.60% in August 2021 (USD million 3,383.07) from the export earnings (USD million 3,473.43) of previous month (July 2021).

Import:

Generally, in developed countries, exports are greater than or closer to import payments. But in Bangladesh Exports always fall short of Import payments at a good margin. However, import payments during the month of July 2021 in the FY 2021-22 stand upper by 21.60 percent to USD 5,141.10 million, against USD 4,228.00 million during the same month July 2020 of FY 2020-21.

Worker's Remittance:

Worker's remittance is the key foreign earning source of Bangladesh to fill-up the huge gap between foreign exchange earnings and expenditure. Total remittance receipt during the month of August 2021 FY 2021-22 decreased by 7.83 percent to USD 1,810.10 million, against USD 1,963.94 million from the previous year.

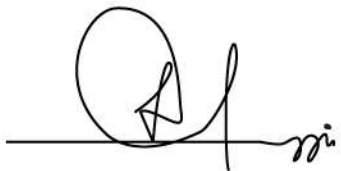
Foreign Exchange Reserve:

In August 2021 the gross foreign exchange reserves increased by 4.84 percent to USD 48,059.99 million against USD 45,842.20 million in July 2021.

Inflation:

The average inflation in August 2021 stood at 5.53 percent as 5.54 percent in July 2021. Although, Bangladesh has never experienced a negative economic growth during the last 47 years since its independence and maintained around 6% GDP growth rate for last one and half decade, the high rate of inflation always lessened the benefit of good GDP rate.

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



Tarafder Md. Ruhul Amin
Managing Director



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

October 25, 2021

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2021.

Dear Sir (s),

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

- (1) The Financial Statements of Saif Powertec Limited for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company’s state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management’s use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company’s affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company’s Board of Directors or its members.

Sincerely yours,



Tarafder Md. Ruhul Amin
Chief Executive Officer (CEO)



Md. Hasan Reza
Chief Financial Officer (CFO)



A. K. M. Delwer Hussain & Associates Cost & Management Accountants

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

We have examined the compliance status to the Corporate Governance Code by **Saif Powertec Limited** for the year ended on June 30, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

For A. K. M. Delwer Hussain & Associates

A. K. M. Delwer Hussain FCMA
Principal & CEO

Place - Dhaka.
Date- December 01, 2021

Saif Powertec Limited

Status of Compliance with the Corporate Governance Code (CGC)

For the Year ended 30th June, 2021

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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	Board of Directors:			
1(1)	Board's Size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		
1.2	Independent Directors:			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1(2) (b)	For the purpose of this clause "independent director" means a director-			
1(2) (b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2) (b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	√		
1(2) (b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2) (b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1(2) (b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1(2) (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2) (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		

1(2) (b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2) (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2) (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.	√		
1.3	Qualification of Independent director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	-	-
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	-	-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	-	-	Mr. Mohammad Saifur Rahman (B. Sc Engineering, Mechanical from BUET) appointed as an Independent Director and he was a former official of government in the position 4th Grade of the national pay scale.

1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	-
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such issue arose
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose
1.5	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		

1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		

1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			The Board of Directors recommended 16% dividend (10% Cash and 6% Stock) for the year ended June 30, 2021
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5) (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1(5) (xxiii)(c)	Executives; and	√		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5) (xxiv)(a)	A brief resume of the directors.	√		
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas; and	√		
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5) (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		

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

2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)			No such incidence arose.
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		

3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.0	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5.0	Audit Committee			
5 (1)	Responsibility to the Board of Directors:			
5 (1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5 (1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5 (1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5 (2)	Constitution of the Audit Committee:			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5 (2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such vacancy arose
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5 (3)	Chairperson of the Audit Committee:			
5 (3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5 (3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incidence arose.

5 (3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5 (4)	Meeting of the Audit Committee:			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
5 (4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5 (5)	Role of Audit Committee:			
5 (5)(a)	The Audit Committee shall: Oversee the financial reporting process;	√		
5 (5)(b)	Monitor choice of accounting policies and principles;	√		
5 (5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5 (5)(d)	Oversee hiring and performance of external auditors;	√		
5 (5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5 (5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5 (5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5 (5)(h)	Review the adequacy of internal audit function;	√		
5 (5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5 (5)(j)	Review statement of all related party transactions submitted by the management;	√		
5 (5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			No such event found
5 (5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5 (5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		

5.6	Reporting of the Audit Committee			
5 (6)(a)	Reporting to the Board of Directors:			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5 (6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5 (6)(a)(ii)(a)	Report on conflicts of interests;			No such event occurred
5 (6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			No such event occurred
5 (6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such event occurred
5 (6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No such event occurred
5 (6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such event found
5 (7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6.0	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors:			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		
6(2)	Constitution of the NRC:			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		

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

6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	√		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.0	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		

7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8.0	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9.0	Reporting and Compliance of Corporate Governance.			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Saif Powertec Limited

Audit Committee Report:

The Audit Committee of Saif Powertec Limited is appointed by the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC) notification. The Audit Committee ensuring good governance of the Company and it is a sub-committee of the Board. The Audit Committee consists of three members, of which one is independent director who is chairperson of the committee. Meetings of the Committee were attended by the Managing Director, Chief Financial Officer of the Company on invitation.

The Composition of the Audit Committee

The terms of reference of Audit Committee has been set up by the Board of Directors in accordance with BSEC notification. The existing members of the committee are:

Chairperson	: Mr. Mohammad Saifur Rahman
Member	: Mr. Tarafder Md. Ruhul Saif
Member	: Mrs. Rubya Chowdhury
Member Secretary	: Mr. F. Md. Salehin

Four (4) meetings of Audit Committee were held during the year under review. In all meetings internal auditor gave presentation to the committee which covered internal audit plan, number of audits carried out during the year, audit observations, audit recommendations and status of its implementation. Audit Committee also met external auditor to discuss their observations on statutory audit and their recommendations for improvement.

Role of Audit Committee

The Audit Committee is empowered with Boards oversight responsibility to investigate any activity within its terms of reference. The Committee reports to Board of Directors as per terms of reference, on the activities assigned. The role of the committee includes:

The Audit Committee is empowered with Boards oversight responsibility to investigate any activity within its terms of reference. The Committee reports to Board of Directors as per terms of reference, on the activities assigned. The role of the committee includes:

- Review the financial statement with respect to presentation, disclosure and accuracy of data.
- Monitor and review effectiveness of internal and external audit.
- Review effectiveness of the financial internal control of the Company.
- Review effectiveness of risk management system of the Company.
- Review ethical standard and procedures to ensure compliance with regulatory and financial reporting requirements.
- Any other activities as per audit committee charter.

Meeting

There were four meetings during the period. The quorum shall be not less than two directors, one of whom, at least, shall be independent director.

The audit committee may invite such other person (e.g., the CEO, CFO, internal auditor) to its meetings, as it deems necessary. The external auditor shall sometimes, normally attend the meetings of the committee at which it communicates audit risks and planning and the full year results. Company Secretary shall act as the secretary of the committee.

Activities carried out by the Audit Committee:

Audit Committee acted as per guideline mentioned in the charter of the Committee. The Committee reviewed effectiveness of internal control and external audit procedures and reports thereon and regularly updates the Board of Directors on their observations and status of control environment. The members of Committee were apprised duly by:

- The external auditor on accounting policies, internal controls, compliance of statutory provisions of law and other regulatory authorities, Compliance of IAS and IFRS and appropriateness of disclosure in the Financial Statements. The committee reviewed the audit findings and management responses.
- The Chief Financial Officer on financial performance of the Company for the period under review.

Reporting

Pursuant to condition # 5(6)(a) of the Corporate Governance Code–2018 issued by BSEC, the Committee reports that it did not find any conflict of interest, any fraud, irregularity or material defect in the internal control system. There also are no infringement of laws, rules and regulations.

After due verification Audit Committee formed the opinion that adequate financial control and procedures are in place to provide reasonable assurance that the Company's resources are safeguarded and the financial position of the Company is well managed.

On behalf of the Audit Committee.



Mohammad Saifur Rahman
Chairperson, Audit Committee

Saif Powertec Limited

Report on the Nomination & Remuneration Committee (NRC):

The Nomination & Remuneration Committee of Saif Powertec Limited is appointed by the Board of Directors, as required by Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) notification. The NRC consists of three members, of whom one is independent director who is the chairperson of the committee and other two are non-executive directors. Company Secretary is the secretary of the committee.

Pursuant to code 6.5(c) of the codes of corporate governance, the Nomination & Remuneration Policy of the Company is presented hereunder at a glance:

Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee (NRC) was set up with clear terms of reference. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The Nomination and Remuneration Committee (NRC) shall conduct at least one meeting a year, consider its own act and terms of reference to ensure that it is functioning at maximum usefulness and recommend any updates necessary to the Board for consent.

During the year, NRC recommended all Directors including Independent Director and Managing director to the Board as required to identify individuals who are qualified to become Directors in accordance with the nomination criteria laid down, and recommend their appointment/re-appointment and removal to the Board.

The Composition of the NRC

The Board of Directors has appointed the Nomination & Remuneration Committee comprising three members including of whom one is independent director who is the chairperson of the committee and other two are non-executive directors. Company Secretary is the secretary of the committee. The following members of the Committee are:

Chairperson	: Mr. Mohammad Saifur Rahman
Member	: Mrs. Rubya Chowdhury
Member	: Mr. Tarafder Md. Ruhul Saif
Member Secretary	: Mr. F. Md. Salehin

The Responsibilities of the Nomination Committee

The Committee shall be independent and responsible or accountable to the Board and to the Shareholders. The responsibilities of the Committee are as follows:

- Review and recommend the size and composition of the Board, including review of Board succession plans and the succession of the Chairperson.
- Review and recommend a policy to the Board relating to the nomination criteria for determining qualifications, positive attributes, experiences and Independence of Directors and top-level executives.
- Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top level executive position in accordance with the nomination criteria laid down, and recommend their appointment/re-appointment and removal to the Board.
- Review and recommend to the Board the policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Review the Code of Conduct of Board on a periodic basis, and recommend any amendments for Board consideration.
- Ensure that an effective induction process is in place for any newly appointed Director and regularly review its effectiveness.
- Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- Developing, recommending and reviewing annually the Company's human resources and training policies.
- Review and recommend a policy to Board relating to the remuneration of the Directors and top level executive, considering the following:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully,
 - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - Remuneration to Directors and top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Assist the Board to formulate the criteria for evaluation of performance of the Board including Independent Director.
- Review and recommend to the Board the meeting attendance fees for the Non-Executive Directors of the Board.
- Recommend a report to the Board on activities of the Committee during the financial year.
- Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Country's Laws, Rules and Regulations.

On behalf of the Nomination & Remuneration Committee



Mohammad Saifur Rahman
Chairperson
Nomination & Remuneration Committee (NRC)





BUREAU
VERITAS

Bureau Veritas Certification



SAIF POWERTEC LTD.



HEAD OFFICE: 72, MOHAKHALI C/A, RUPAYAN CENTER (8TH FLOOR),
DHAKA - 1212, BANGLADESH.

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System Standard detailed below.

Standard

ISO 14001:2015

Scope of certification

- CONTAINER TERMINAL OPERATION
- CONTAINER HANDLING EQUIPMENT MAINTAINENCE MANAGEMENT
- PORT DEVELOPMENT WORKS
- SALES, MARKETING & AFTER SALES SERVICE OF GENERATOR, EQUIPMENT, SUBSTATION & SWITCHGEAR
- SUPPLY & INSTALLATION OF POWER PLANT, PETROCHEMICAL PLANT, METROLOGICAL & RENEWABLE ENERGY SOLUTION
- SUPPLY OF SPARE PARTS

Original cycle start date: **29 November 2021**

Expiry date of previous cycle: **Not Applicable**

Certification Audit date: **13 November 2021**

Certification cycle start date: **29 November 2021**

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **28 November 2024**

Certificate No. **IND.21.8080/EM/U**

Version: **1**

Revision date: **29 November 2021**

Signed on behalf of BVCH SAS UK Branch
Jagdheesh N. MANIAN
Head – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division



0008



Certification body address: **5th Floor, 66 Prescott Street, London, E1 8HG, United Kingdom.**

Local office: **Bureau Veritas (Bangladesh) Pvt. Ltd.
Symphony (5th Floor), Plot- SE(F)9, Road-142
South Avenue, Gulshan-1, Dhaka-1212, Bangladesh.**

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization. To check this certificate validity please call + 88 (02) 8836765.

MANAGEMENT SYSTEM CERTIFICATE

Certificate No:
10000405443-MSC-UKAS-IND

Initial certification date:
27 December 2011

Valid:
27 December 2020 - 26 December 2023

This is to certify that the management system of

Saif Powertec Limited

H.O.: 72, Rupayan Centre, 8th Floor, Mohakhali C/A, Dhaka, Bangladesh, 1212
and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Quality Management System standard:
ISO 9001:2015

This certificate is valid for the following scope:

- **Installation, commissioning & overhauling of plant equipment such as boilers and generators in power plant & petrochemical industries**
- **Container terminal operation and container handling equipment maintenance**
- **Sales and after-sales service of generators (diesel, gas & marine), construction equipment and material handling equipment**
- **Supply of hydrological equipment**
- **Manufacture of transformers & HT/LT panels and commissioning & maintenance of substations**
- **Supply of off-grid and on-grid solar home systems/streetlights with LED lights & electronics**

Place and date:
Chennai, 10 December 2020



For the issuing office:
DNV GL - Business Assurance
ROMA, No. 10, GST Road, Alandur,
Chennai - PIN - 600 016, India


Sivadasan Madiyath
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV GL Business Assurance UK Limited, 4th Floor, Vivo Building, 30 Stamford Street, London, SE1 9LQ, United Kingdom.
TEL: +44(0) 203 816 4000. www.dnvgl.co.uk



**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS-2021**



Independent Auditor's Report TO THE SHAREHOLDERS OF SAIF POWERTEC LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of **Saif Powertec Limited** and its subsidiaries (the 'Group') as well as the separate financial statements of **Saif Powertec Limited** (the 'Company'), which comprise the consolidated and separate statement of financial position as at 30th June, 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30th June, 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matters

We refer to note no: 3.14 & 26 regarding Workers Profit Participation and Welfare Fund in accordance with Bangladesh Labour Act-2006 and status of compliance regarding creating provision for the fund, disbursement of the fund and position of separate bank account in line with Bangladesh Labour Rules-2015. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

1. Revenue Recognition Ref: Note 3.06 & 27.00	
Key audit matters	How our audit address the matter
<p>The company in current year recognized revenue of Tk. 4,795,081,769/- for the year.</p> <p>Revenue recognition have significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing.</p> <p>As per IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p>	<ul style="list-style-type: none"> - We clearly encoded the total procedure of process starting from receipt of customer order to realization of export revenue. - We tested the key controls over approval of export order, signing off documents by appropriate personnel and input sales data into system in a complete & accurate manner. <p>We also reviewed the sales contract agreements with different buyer.</p> <ul style="list-style-type: none"> - We tested the correctness of journal entries and recalculate the amount shown in sales ledger and make sure that the carry forward figure is accurate. - We carefully checked that, no unusual journal entries were made at the period end and also check the transactions/entries just before and after the balance sheet date to confirm cut off. - We also considered the bank confirmation letter stating the actual sales revenue collected by the bank on behalf of the company and the actual amount of AIT against export revenue.
2. Adopted & Compliance with IASs & IFRSs Ref: Note 2.7	
Key audit matters	How our audit address the matter
<p>The company has adopted new financial reporting standards and applied changes in its accounting policy and judgment in the preparation of financial statements for the year under audit.</p> <p>Adoption and application of new reporting standards require careful professional judgment and assumption. They have widespread impact on the preparation of the financial statements. Improper application may result in significant deviation among key performance indicators of the company.</p>	<ul style="list-style-type: none"> - Obtained an understanding from the management regard company policy in adoption of new International Accounting & Financial Reporting Standards. - We reviewed the process followed by the management in adopting and implementing new standards of reporting. - Assesses the assumptions made while applying those standards. - Analyze the impact on overall financial results due to adoption of new IFRS. - Carried out recalculation where necessary. - We checked the adequacy and appropriateness of disclosure requirements.

3.Inventory Valuation Ref: Note 3.2 & 7.00	
Key audit matters	How our audit address the matter
<p>The company has shown sum of Tk. 1,187,680,090/- as closing inventory which represents 6.22% of total assets & 16.50 % of total current assets.</p> <p>Inventories are usually carried in financial statements at the lower of cost and net realizable value. Since frequent changes in customer demand is unavoidable in manufacturing industry and a large quantity of raw material is held. As a result, there is risk that the carrying value of inventory exceeds net realizable value.</p>	<p>Our audit approach includes but not limited to the followings:</p> <ul style="list-style-type: none"> - We gained a clear understanding of recording and valuation methods and operating effectiveness regarding Inventory. - We made sure that closing balances care carried forward correctly and current year purchase amounts are in agreement with ledger balances. - We reviewed the company's policy of accounting for obsolete, damaged & slow moving items along with procedure for disposal. - We have checked the physical safeguard of inventory held at warehouse of the company. - We also reviewed the requisition process of inventory and control on dispatch of items. - We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory.
4. Capital work in progress Ref: Note 5.00	
Key audit matters	How our audit address the matter
<p>In the year ended 30th June, 2021 the company accounted for Capital project in progress closing balance of Tk.7,499,734,091/- & Tk. 1,174,701,501/- has been capitalized as addition to fixed asset.</p> <p>The closing balance represents around 39% of total assets and there is chances of over/under statement.</p>	<ul style="list-style-type: none"> - We have checked that the correct account balances are carried forward in Capital Work in Progress account and calculate the mathematical accuracy of the total amount presented. - We reviewed the documents in support of the total amount of investment in capital project and make sure none of them is irrelevant with current year (cut off). - We inspected the physical existence of the assets capitalized in current year along with the verification of company's legal rights on those assets. - We evaluate the appropriateness of disclosures in financial statements.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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


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

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

Report on other Legal and Regulatory Requirements

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

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



Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2110271046AS943045

Place: Dhaka
Date: 27/10/2021

Consolidated Statement of Financial Position
as at 30 June 2021

Particulars	Notes	Amount in Taka			
		At 30 June 2021		At 30 June 2020	
		<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>
Assets:					
Non-current assets					
Property, plant and equipment	4	4,401,747,843	4,146,449,161	3,442,839,961	3,285,478,091
Capital works-in-progress	5	7,499,734,091	2,759,554,984	5,169,267,376	3,452,287,021
Investment in subsidiary companies	6	-	112,500,000	-	112,500,000
		11,901,481,935	7,018,504,145	8,612,107,337	6,850,265,112
Current assets					
Inventories	7	1,187,680,090	1,183,172,475	1,168,045,641	1,165,081,817
Accounts and others receivable	8	1,736,950,663	1,717,816,273	1,564,005,380	1,541,977,260
Advances, deposits and prepayments	9	3,244,925,094	2,255,486,636	2,644,063,365	2,323,678,773
Fixed deposit receipt (FDR)	10	510,639,058	510,639,058	410,242,033	410,242,033
Cash and cash equivalents	11	518,710,871	516,289,317	213,508,101	142,475,225
		7,198,905,776	6,183,403,759	5,999,864,520	5,583,455,108
Total assets		19,100,387,711	13,201,907,904	14,611,971,857	12,433,720,220
Equity and Liabilities:					
Capital and reserves					
Share capital	12	3,578,666,490	3,578,666,490	3,408,253,800	3,408,253,800
Share premium	13	976,713,054	976,713,054	976,713,054	976,713,054
Revaluation reserve	14	82,059,122	82,059,122	82,059,122	82,059,122
Amount to be distributed as dividend	15	572,586,638	572,586,638	340,825,380	340,825,380
Retained earnings	16	914,217,938	873,069,520	860,455,757	818,056,890
		6,124,243,242	6,083,094,824	5,668,307,113	5,625,908,246
Non-controlling interest	17	43,850,028	-	46,128,336	-
		6,168,093,270	6,083,094,824	5,714,435,449	5,625,908,246
Non-current liabilities					
Long term loan from banks and NBFIs	18	6,765,564,981	1,001,078,276	3,593,684,939	1,553,288,546
Deferred tax liability	20	238,622,555	213,256,528	182,943,464	158,023,459
		7,004,187,536	1,214,334,804	3,776,628,403	1,711,312,005
Current Liabilities					
Current portion of long-term loan	19	1,778,373,479	1,778,373,479	1,219,260,701	1,219,260,701
Short term loan	21	2,629,762,633	2,629,762,633	1,966,394,455	1,966,394,455
Share money refundable		1,227,750	1,227,750	1,227,750	1,227,750
Accounts payable	22	85,374,550	82,371,330	95,461,389	89,338,236
Undistributed Profit (Cash Dividend)	23	29,819,340	29,819,340	34,555,516	34,555,516
Accrued expenses	24	1,173,372,505	1,161,757,096	1,015,087,798	1,005,812,914
Share money deposit (SPPIL)		9,010,000	-	9,010,000	-
Obligation to Contract		-	-	579,985,194	579,985,194
Workers profit participation/Welfare fund	26	221,166,647	221,166,647	199,925,203	199,925,203
		5,928,106,904	5,904,478,275	5,120,908,005	5,096,499,970
Total shareholders' equity and liabilities		19,100,387,711	13,201,907,904	14,611,971,857	12,433,720,220
Net asset value per share of Taka 10 each	32	17.11	17.00	16.63	16.51
Net asset value per share without revaluation of Taka 10 each	32	16.88	16.77	16.39	16.27

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

N. Sultana
Chairman

[Signature]
Managing Director

[Signature]
Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka
27 October 2021

[Signature]
Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2110271046AS943045

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2021

Particulars	Notes	Amount in Taka			
		1st July 2020 to 30 June 2021		1st July 2019 to 30 June 2020	
		Consolidated	The Company	Consolidated	The Company
Revenue					
Sales (net)	27	4,795,081,769	4,744,553,056	3,848,562,002	3,787,383,604
Cost of sales	28	(2,813,027,764)	(2,774,847,671)	(2,023,878,143)	(1,979,974,259)
Gross profit		1,982,054,005	1,969,705,385	1,824,683,859	1,807,409,345
General and administrative expenses	29	(543,558,994)	(530,532,567)	(549,643,911)	(535,772,416)
Profit from operations		1,438,495,012	1,439,172,818	1,275,039,949	1,271,636,929
Other income		29,457,036	29,258,351	33,296,768	33,110,244
Finance expenses	30	(589,992,048)	(589,792,193)	(764,206,231)	(764,036,357)
Net profit before WPPF		877,960,000	878,638,976	544,130,486	540,710,816
Workers profit participation/Welfare fund		(41,839,951)	(41,839,951)	(25,748,134)	(25,748,134)
Net profit after WPPF		836,120,049	836,799,025	518,382,352	514,962,682
Income tax expenses	31	(212,049,538)	(209,199,756)	(131,624,126)	(128,740,671)
Net profit after tax		624,070,510	627,599,269	386,758,226	386,222,010
Profit attributable to ordinary shareholders					
Total Non controlling interest (20% and 35%)		2,278,308	-	1,394,217	-
		626,348,819	627,599,269	388,152,443	386,222,010
Basic Earnings per share	33	1.75	1.75	1.08	1.08
Diluted Earnings per share	33	1.75	1.75	1.08	1.08
Appropriation of subsidiary company's net profit :					
Saif Powertec Limited (parent company) - 80%		5,563,963		8,436,758	
Non-controlling interest (minority interest) - 20%		1,390,991		2,109,189	
		6,954,953		10,545,947	
Saif Powertec Limited (parent company) - 65%		(6,814,413)		(6,506,326)	
Non-controlling interest (minority interest) - 35%		(3,669,299)		(3,503,406)	
		(10,483,712)		(10,009,732)	

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

N. Sultana
Chairman

[Signature]
Managing Director

[Signature]
Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka
27 October 2021

[Signature]
Md. Mohiuddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
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DVC: 2110271046AS943045

Consolidated Statement of Changes in Equity
for the year ended 30 June 2021

Amounts in Taka

Particulars	Share capital	Share premium	Amount to be distributed as dividend	Revaluation reserve	Retained earnings	Non-Controlling Interest	Total
Balance at 01 July 2019	3,215,333,780	976,713,054	-	82,059,122	1,134,662,064	47,522,553	5,456,290,573
Net income for the year	-	-	-	-	388,152,444	-	388,152,444
Issue of Bonus Shares	192,920,020	-	-	-	(192,920,020)	-	-
Cash Dividend paid	-	-	-	-	(128,613,351)	-	(128,613,351)
Amount to be distributed as dividend	-	-	340,825,380	-	(340,825,380)	-	-
Share of profit of subsidiary (SPHL)	-	-	-	-	-	(3,503,406)	(3,503,406)
Share of profit of subsidiary (SPPIL)	-	-	-	-	-	2,109,189	2,109,189
Balance at 30 June 2020	3,408,253,800	976,713,054	340,825,380	82,059,122	860,455,757	46,128,336	5,714,435,449
Balance at 01 July 2020	3,408,253,800	976,713,054	340,825,380	82,059,122	860,455,757	46,128,336	5,714,435,449
Net income for the year	-	-	-	-	626,348,819	-	626,348,819
Issue of Bonus Shares	170,412,690	-	(170,412,690)	-	-	-	-
Cash Dividend paid	-	-	(170,412,690)	-	-	-	(170,412,690)
Amount to be distributed as dividend	-	-	572,586,638	-	(572,586,638)	-	-
Share of profit of subsidiary (SPHL)	-	-	-	-	-	(3,669,299)	(3,669,299)
Share of profit of subsidiary (SPPIL)	-	-	-	-	-	1,390,991	1,390,991
Balance at 30 June 2021	3,578,666,490	976,713,054	572,586,638	82,059,122	914,217,937	43,850,028	6,168,093,270

N. Sultana
Chairman

[Signature]
Managing Director

[Signature]
Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Dated: Dhaka
27 October 2021

Consolidated Statement of Cash Flows
for the year ended 30 June 2021

Particulars	Amount in Taka			
	Year ended 30 June 2021		Year ended 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
Cash flows from operating activities				
Cash receipt from customers and others	4,071,608,327	4,017,987,200	3,845,172,866	3,791,471,428
Cash paid to employees and suppliers	(2,887,565,171)	(2,761,939,237)	2,504,750,860)	(2,321,408,826)
Cash generate from operating activities	1,184,043,156	1,256,047,963	1,340,422,006	1,470,062,602
Paid against WPPF	(19,568,581)	(19,568,581)	-	-
Paid against advance income tax	(164,607,840)	(164,012,317)	(180,206,285)	(179,176,229)
Net cash provided by operating activities (A)	999,866,735	1,072,467,065	1,160,215,721	1,290,886,373
Cash flows from investing activities				
Purchase of property, plant and equipment	(145,055,850)	(37,691,711)	(142,348,298)	(111,261,223)
Capital works-in-progress	(3,722,709,701)	(465,893,864)	(1,644,443,428)	(264,902,288)
Fixed deposit receipt (FDR)	(100,397,025)	(100,397,025)	(48,244,266)	(48,244,266)
Net cash used in investing activities (B)	(3,968,162,576)	(603,982,600)	(1,835,035,992)	(424,407,777)
Cash flows from financing activities				
Short term loan received	1,478,583,161	1,478,583,161	1,257,624,820	1,257,624,820
Short term loan re-paid	(815,214,984)	(815,214,984)	(1,619,107,571)	(1,619,107,571)
Interest and financial expenses	(589,992,047)	(589,792,193)	(764,206,230)	(764,036,357)
Cash dividend paid	(175,148,866)	(175,148,866)	(99,657,670)	(99,657,670)
Long term loan received	3,982,431,913	573,505,154	1,965,373,143	415,347,683
Long term loan re-paid	(607,160,566)	(566,602,645)	(187,919,571)	(187,919,571)
Net cash provided by financing activities (C)	3,273,498,611	(94,670,373)	552,106,921	(997,748,666)
Effect of exchange rate change on cash and cash equivalents	-	-	-	-
Net changes in cash and cash equivalents (A+B+C)	305,202,770	373,814,092	(122,713,350)	(131,270,070)
Opening cash and cash equivalents	213,508,101	142,475,225	336,221,451	273,745,295
Closing cash and cash equivalents	518,710,871	516,289,317	213,508,101	142,475,225
Net Operating cash flows per share (Note: 31)	2.79	3.00	3.24	3.61

N. Sultana
Chairman

[Signature]
Managing Director

[Signature]
Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Dated: Dhaka
27 October 2021

Saif Powertec Limited

Notes to the financial statements as at and for the year ended 30 June 2021

1. Reporting entity

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

1.1 Nature of business

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

1.2 Subsidiary Companies

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

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

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

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

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

1.3 Basis of consolidation

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

Transactions eliminated on consolidation

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

Non-controlling Interest

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

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

1.4 Risk exposure

a. Interest rate risk

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

Management perception:

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

b. Exchange Rate Risk

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

Management perception:

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

c. Industry risks

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

Management perception:

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

d. Market Risks

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

Management perception:

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

e. Technology Related Risks

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

Management perception:

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

f. Potential or Existing Government Regulations

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

Management perception:

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

g. Operational Risks

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

Management perception:

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

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgments

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

2.5 Reporting period

The financial reporting period of the company covers one year from 01 July 2020 to 30 June 2021.

2.6 Comparative Information and Rearrangement Thereof

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

2.7 Corporate Accounting Standards Practiced

Applicable International Accounting Standards (IASs) are as follows:

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

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

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

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

2.8 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI)—debt investment; Fair Value through Other Comprehensive Income (FVOCI)—equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

it is held within a business model whose objective is to hold assets to collect contractual cash flows; and Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

2.9 Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortised cost.

2.10 Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

2.11 Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on The Company’s historical experience and informed credit assessment and including forward-looking information. The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by The company to actions such as realizing security (if any is held).

2.12 Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. At each reporting date, the company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company expected that they have no credit losses on Trade Receivables.

The company did not account for any loss allowance in respect of ECL and assumes all its credit as recoverable within stipulated time frame. Since almost all the service contracts of the company is mainly with the Government, the Management considered all credit status as good.

2.13 Presentation of impairment

Loss allowances (if any) for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset. Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement if any.

2.14 IFRS-16 Leases:

An entity shall assess a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In line with IFRS-16 Leases, an entity shall determine the lease term as the non-cancellable period of a lease together with both:

- i Period covered by the option to extend the lease and;
- ii Period covered by the option to terminate the lease.

Initial measurement of right of use asset shall be measured at cost and subsequently either by fair value or follow revaluation model.

The company does not hold any such right of use of asset for non-cancellable period of time in exchange for any consideration.

2.15 IFRS-8 Operating Segments:

All entities shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. As per IFRS-8 Operating Segments, an operating segments is a component of an entity;

- i that engaged in business, earns revenue & incur expenses;
- ii economic results and performance evaluated by chief operating decision maker on regular basis and;
- iii for which discrete financial information is available.

The company disclosed financial information regarding Saif Plastic & Polymer Industries Limited & Saif Port Holdings Limited as separate and consolidated form throughout the financial statement.

3. Significant accounting policies

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

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

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

3.1.2 Subsequent costs

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

3.1.3 Depreciation on property, plant and equipment

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

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

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

3.1.4 Impairment of assets

I) Financial Assets

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

II) Non-Financial assets

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

3.2 Inventories

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

3.3 Provisions

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

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

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

3.4 Capital works-in-progress

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

3.5 Earnings per share (EPS)

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

*This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

Diluted Earnings per share

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

3.6 Revenue

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

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

3.7 Trade receivables

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

3.9 Finance income and expenses

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

3.10 Cash and cash equivalents

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

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

3.11 Taxation

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

3.10 Deferred tax

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

3.12 Foreign Currency Transaction

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

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

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

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

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

3.13 Employee Benefits:

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

3.14 Contribution to Workers’ Profit Participation and Welfare Funds

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (amendment-2013). The Company recognizes contribution to Workers Profit Participation and Welfare Fund in the accounts from the year 2019-2020. The fund transfer is under process and will be paid after completion of necessary legal process.

The company made provision for WPPF in line with section 234 (a) chapter-XV (Workers ‘participation in Companies Profits) of Bangladesh Labour Act-2006 and complied with section 234 (b). Transfer of the amount to a separate bank account is under process. The management of the company tried to disburse the amount to workers through banking channel but in fact, it was very hard to find a separate bank account of all the workers. Considering circumstance and requirement for compliance with chapter-XV section 234 (a) 7 (b) of Bangladesh Labour Act-2006, the management of the Company decided to pay out the benefit in cash basis.

3.15 Related party disclosure

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

Notes to the financial statements as at and for the year ended 30 June 2021

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
4 Property, plant and equipment				
Cost:				
Opening balance	4,955,018,542	4,741,324,972	4,101,604,794	3,918,998,299
Add: Addition during the year	1,319,757,351	1,212,393,212	853,413,748	822,326,673
Closing balance (A)	6,274,775,893	5,953,718,184	4,955,018,542	4,741,324,972
Depreciation:				
Opening balance	1,512,178,581	1,455,846,881	1,229,361,052	1,183,879,620
Add: Charge for the year	360,849,468	351,422,143	282,817,529	271,967,261
Closing balance (B)	1,873,028,050	1,807,269,023	1,512,178,581	1,455,846,881
Written down value (A-B)	4,401,747,843	4,146,449,161	3,442,839,961	3,285,478,091
Details are in Annex I.				
5 Capital works-in-progress				
Opening balance	5,169,267,376	3,452,287,021	4,241,409,848	4,040,242,555
Add: Addition during the year	3,505,168,216	481,969,464	1,636,435,863	120,622,801
Less: Transferred during the year	(1,174,701,501)	(1,174,701,501)	(708,578,335)	(708,578,335)
Closing balance	7,499,734,091	2,759,554,984	5,169,267,376	3,452,287,021
This represents cost incurred for Land, Construction of Building, Machineries and other Capital expenditure out of which Taka 1,162,477,994 from right issue fund.				
6 Investment in subsidiary companies				
Investment in Saif Plastic and Polymer Industries Limited (8,000,000 ordinary shares @ Taka 10 each)		80,000,000		80,000,000
Investment in Saif Port Holdings Limited (3,250,000 ordinary shares @ Taka 10 each)		32,500,000		32,500,000
		112,500,000		112,500,000
7 Inventories				
Generators	21,568,246	21,568,246	22,918,970	22,918,970
Spare parts	213,594,682	213,594,682	172,568,456	172,568,456
Electric goods	269,202,398	269,202,398	210,030,999	210,030,999
Manufacturing (Battery) Note 7.01	678,807,149	678,807,149	759,563,392	759,563,392
Closing stock subsidiary company	4,507,615	-	2,963,824	-
Total	1,187,680,090	1,183,172,475	1,168,045,641	1,165,081,817
7.01 Manufacturing (Battery)				
Raw materials	231,524,582	231,524,582	295,125,462	295,125,462
Work In Process	198,586,725	198,586,725	215,869,466	215,869,466
Finished Goods	248,695,842	248,695,842	248,568,464	248,568,464
Total	678,807,149	678,807,149	759,563,392	759,563,392

8 Accounts and others receivable

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
Imported goods sales	505,923,992	505,923,992	585,003,219	585,003,219
Contract execution	377,626,290	377,626,290	256,854,522	256,854,522
Manufacturing	575,370,791	575,370,791	515,014,312	515,014,312
Shipping agent	250,934,999	250,934,999	180,568,242	180,568,242
Receivable (Subsidiary Company)	19,134,390	-	22,028,120	-
Interest Receivable	7,960,201	7,960,201	4,536,965	4,536,965
Total	1,736,950,663	1,717,816,273	1,564,005,380	1,541,977,260
Dues upto 6 months	1,213,433,733	1,199,035,758	1,080,727,717	1,063,964,309
Dues above 6 months	523,516,930	518,780,515	483,277,663	478,012,951
Total	1,736,950,663	1,717,816,273	1,564,005,380	1,541,977,260

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

Receivable considered good in respect of which the company is fully secured.	-	-	-	-
Receivable considered good in respect of which the company holds no security other than the debtor personal security.	1,736,950,663	1,717,816,273	1,564,005,380	1,541,977,260
Receivables considered doubtful bad.	-	-	-	-
Receivable to Directors.	-	-	-	-
Receivables due by common management.	-	-	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-	-	-
Total	1,736,950,663	1,717,816,273	1,564,005,380	1,541,977,260

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
9 Advances, deposits and prepayments				
Advances to/against				
VAT Currant Account	48,530,314	48,200,786	51,480,426	49,555,229
Income tax	1,165,603,093	1,155,819,883	1,000,995,253	991,807,566
Salary	7,856,800	7,856,800	2,428,735	2,428,735
Office rent	21,758,400	21,758,400	4,433,350	4,433,350
Advance against work	842,936,801	465,726,519	787,926,440	481,802,119
Others	514,972,497	507,856,898	664,541,720	661,394,333
Sub-total	2,601,657,905	2,207,219,286	2,511,805,924	2,191,421,332
Deposits and prepayments:				
Bank guarantee	13,485,506	9,414,206	70,586,372	70,586,372
L/C margin	615,451,789	24,523,250	47,341,175	47,341,175
Earnest money	10,200	10,200	10,200	10,200
Security money	14,319,694	14,319,694	14,319,694	14,319,694
Sub-total	643,267,189	48,267,350	132,257,441	132,257,441
Total	3,244,925,094	2,255,486,636	2,644,063,365	2,323,678,773
Dues upto 6 months	931,405,555	305,547,314	408,078,721	316,509,561
Dues above 6 months	2,313,519,539	1,949,939,322	2,235,984,644	2,007,169,212
Total	3,244,925,094	2,255,486,636	2,644,063,365	2,323,678,773
10 Fixed Deposit Receipt (FDR):				
Dhaka Bank Limited	206,638,615	206,638,615	133,346,373	133,346,373
Padma Bank Limited	112,764,495	112,764,495	107,925,240	107,925,240
Premier Leasing & Finance Ltd	75,793,313	75,793,313	71,056,969	71,056,969
Fareast Finance and Investment Ltd.	-	-	80,242,231	80,242,231
National Bank Limited	71,271,978	71,271,978	-	-
NCC Bank Limited	44,170,657	44,170,657	17,671,220	17,671,220
Total	510,639,058	510,639,058	410,242,033	410,242,033
11 Cash and cash equivalents				
Cash in hand				
Branch Office	15,248,232	15,248,232	16,058,645	16,058,645
Factory	2,576,485	2,576,485	2,685,854	2,685,854
Dhaka Office	8,500,552	7,405,828	10,304,068	9,472,684
	26,325,269	25,230,545	29,048,567	28,217,183
Bank balances with:				
Bank Asia Limited	11	-	207	196
Bangladesh Commerce Bank Limited	30,970	30,970	24,904,897	24,904,897
Dhaka Bank Limited	424,500,802	424,409,332	21,683,893	21,590,324
Mercantile Bank Limited, Dhaka	45,478	45,478	48,850	48,850
One Bank Limited	2,721,011	2,721,011	3,733,433	3,733,433
Jamuna Bank Limited	2,569,897	2,569,897	103,881	103,881
AB Bank Limited	2,567	2,567	3,257	3,257
The Premier Bank Limited	5,471	5,471	391	391
Sonali Bank Limited	208,513	208,513	12,794,851	12,794,851
South Bangla Agriculture & Commerce Bank Ltd	9,405	9,405	-	-

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
BRAC Bank Limited	453,630	453,630	455,782	455,782
Islami Bank Bangladesh Limited	12,978,497	12,978,497	7,387,931	7,387,931
NCC Bank Limited	1,856,773	1,856,773	494,970	494,970
NRB Commercial Bank Limited	2,872	2,872	3,563	3,563
United Commercial Bank Limited	1,183,946	151,997	517,933	138,739
Southeast Bank Limited	78,292	78,292	96,623	96,623
Padma Bank Limited	23,844,157	23,671,511	22,808,945	22,635,459
Dutch Bangla Bank Ltd	774,094	774,094	11,693,168	11,693,168
Standard Bank Limited	465,117	465,117	466,015	466,015
National Bank Limited	114,132	98,060	69,539,860	
Dhaka Bank Limited (Rights)	13,150	13,150	14,346	14,346
Dhaka Bank Limited (IPO)	2,917,289	2,917,289	2,861,842	2,861,842
Padma Bank Limited (IPO)	-	-	-	-
Shahajalal Islami Bank Limited	8,504	8,504	-	-
Eastern Bank Limited	11,719	11,719	16,356	16,356
Trust Bank Limited	17,540,351	17,540,351	4,763,743	4,763,743
Midland Bank Limited	26,290	26,290	49,425	49,425
Al Arafah Islami Bank Limited	22,664	7,982	15,372	-
	492,385,602	491,058,772	184,459,534	114,258,042
Total	518,710,871	516,289,317	213,508,101	142,475,225

		Amount in Taka			
		At 30 June 2021		At 30 June 2020	
		Consolidated	The Company	Consolidated	The Company
12	Share capital				
	Authorised capital				
	500,000,000 ordinary shares of Taka 10 each	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
	Paid-up capital				
	137,689,348 ordinary shares @ Tk.10 each in cash	1,376,893,480	1,376,893,480	1,376,893,480	1,376,893,480
	220,177,301 ordinary shares @ Tk.10 each in Bonus	2,201,773,010	2,201,773,010	2,031,360,320	2,031,360,320
	Total	3,578,666,490	3,578,666,490	3,408,253,800	3,408,253,800
	Paid-up Capital has been increased to Taka 3,578,666,490 through allotment of Bonus shares @ 5% dated December 29, 2020.				
	Company's shareholding position as on the dates of balance sheet were as under:				
12.1	<u>Shareholdings</u>		<u>Percentage (%)</u>	<u>No. of shares</u>	<u>Value (Taka)</u>
	Directors and Sponsor		40.06	143,354,275	1,433,542,750
	Institutional shareholders		17.46	62,483,517	624,835,170
	Individual shareholders		42.48	152,028,857	1,520,288,570
	Total		100.00	357,866,649	3,578,666,490
13	Share premium	976,713,054	976,713,054	976,713,054	976,713,054
14	Revaluation reserve	82,059,122	82,059,122	82,059,122	82,059,122
	In 2010, land under the ownership of Saif Powertec Limited was professionally revalued by G. Kibria & Co, Chartered Accountants. at Fair market value was estimated at Taka 121,734,000 as against net book value of Taka 25,193,856 resulting in a revaluation surplus of Taka 96,540,144 which was accounted for and transferred to revaluation reserve. The company does not feel it necessary to revalue its property during the year since the value does not differ significantly from its carrying amount.				
15	Amount to be distributed as Dividend				
	Opening Balance	340,825,380	340,825,380	-	-
	Add: Addition this year	572,586,638	572,586,638	340,825,380	340,825,380
	Less: 5% Cash Dividend adjustment for the year ended June 30, 2020	(170,412,690)	(170,412,690)	-	-
	Less: 5% Stock Dividend adjustment for the year ended June 30, 2020	(170,412,690)	(170,412,690)	-	-
	Total	572,586,638	572,586,638	340,825,380	340,825,380
16	Retained earnings:				
	Opening Balance	860,455,757	818,056,890	1,134,662,064	1,094,193,631
	Add: Addition this year	626,348,819	627,599,269	388,152,444	386,222,010
	Less: Amount to be distributed as dividend as per U/S-16G of ITO, 1984.	(572,586,638)	(572,586,638)	(340,825,380)	(340,825,380)
	Less: Dividend @ 10% (4% Cash and 6% Stock) for the year ended June 30, 2019	-	-	(321,533,371)	(321,533,371)
	Total	914,217,938	873,069,520	860,455,757	818,056,890

Amount in Taka			
At 30 June 2021		At 30 June 2020	
Consolidated	The Company	Consolidated	The Company

17 Non Controlling Interest:

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

This is made up as follows:

A. Subsidiary Share Capital	100,000,000	100,000,000
B. Saif Powertec Limited invest to Subsidiary Company	80,000,000	80,000,000
Percentage of holding share of Subsidiary company By SPL (B/A)	80%	80%
Non Controlling interest Percentage	20%	20%
C. Non controlling interest on Share Capital	20,000,000	20,000,000
Opening Retained earnings	61,541,218	50,995,271
D. Non controlling interest on Opening retained earnings @20% Restated	12,308,244	10,199,054
Current years profit of subsidiaries	6,954,953	10,545,947
E. Non controlling interest on current years profit of subsidiary @ 20%	1,390,991	2,109,189
Total Non controlling Interest of SPPIIL (C+D+E)	33,699,234	32,308,243

17.02: Non-Controlling Interest of Saif Port Holdings Limited

This is made up as follows:

A. Subsidiary Share Capital	50,000,000	50,000,000
B. Saif Powertec Limited invest to Subsidiary Company	32,500,000	32,500,000
Percentage of holding share of Subsidiary company By SPHL (B/A)	65%	65%
Non Controlling interest Percentage	35%	35%
C. Non controlling interest on Share Capital	17,500,000	17,500,000
Opening profit of subsidiaries	(10,514,020)	(504,288)
D. Non controlling interest on current years profit of subsidiary @ 35%	(3,679,907)	(176,501)
Current years profit of subsidiaries	(10,483,712)	(10,009,732)
E. Non controlling interest on current years profit of subsidiary @ 35%	(3,669,299)	(3,503,406)
Total Non controlling Interest of SPHL (C+D+E)	10,150,794	13,820,093
Total Non controlling Interest	43,850,028	46,128,336

Amount in Taka			
At 30 June 2021		At 30 June 2020	
Consolidated	The Company	Consolidated	The Company
18	Long term loan from Banks and NBFIs		
The company has availed long-term credit facilities from the following banks:			
Dhaka Bank Limited	218,519,251	218,519,251	-
One Bank Limited	165,001,012	165,001,012	605,504,905
Premier Bank Limited	2,381,760	2,381,760	103,107,975
United Commercial Bank Limited	175,833,085	175,833,085	
Infrastructure Development Company Limited	179,759,413	179,759,413	181,759,413
Bangladesh Finance and Investment Company Limited	24,140,352	24,140,352	76,672,613
Hajj Finance Company Limited	-	-	20,660,680
Premier Leasing and Finance Limited	235,443,403	235,443,403	299,171,849
Fareast Finance and Investment Ltd	-	-	251,684,897
National Bank Limited	5,764,486,705	-	2,040,396,392
IPDC Finance Limited	-	-	7,961,304
LankaBangla Finance Ltd.	-	-	6,764,910
	6,765,564,981	1,001,078,276	3,593,684,939
			1,553,288,546

18.1 Long-term loan

Dhaka Bank Limited

Opening Balance	21,884,859	21,884,859	66,549,170	66,549,170
Add: Principal this year	323,505,154	323,505,154	-	-
Add: Interest this year	22,853,015	22,853,015	5,936,584	5,936,584
Less: Payment this year	(68,194,770)	(68,194,770)	(50,600,895)	(50,600,895)
Sub Total (A)	300,048,258	300,048,258	21,884,859	21,884,859

One Bank Limited

Opening Balance	1,015,692,679	1,015,692,679	660,542,663	660,542,663
Add: Principal this year	-	-	355,000,000	355,000,000
Add: Interest this year	101,107,841	101,107,841	113,889,446	113,889,446
Less: Payment this year	(186,584,363)	(186,584,363)	(113,739,430)	(113,739,430)
Sub Total (B)	930,216,157	930,216,157	1,015,692,679	1,015,692,679

Premier Bank Limited

Opening Balance	444,135,240	444,135,240	513,741,209	513,741,209
Add: Principal this year	-	-	-	-
Add: Interest this year	38,992,843	38,992,843	61,949,591	61,949,591
Less: Payment this year	(109,936,754)	(109,936,754)	(131,555,560)	(131,555,560)
Sub Total (C)	373,191,329	373,191,329	444,135,240	444,135,240

Bangladesh Finance and Investment Company Limited

Opening Balance	240,932,743	240,932,743	245,535,311	245,535,311
Add: Principal this year	-	-	-	-
Add: Interest this year	39,000,596	39,000,596	38,797,432	38,797,432
Less: Payment this year	(43,091,280)	(43,091,280)	(43,400,000)	(43,400,000)
Sub Total (D)	236,842,059	236,842,059	240,932,743	240,932,743

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
<u>Infrastructure Development Company Limited</u>				
Opening Balance	181,759,413	181,759,413	236,759,413	236,759,413
Add: Principal this year	-	-	-	-
Add: Interest this year	-	-	-	-
Less: Payment this year	(2,000,000)	(2,000,000)	(55,000,000)	(55,000,000)
Sub Total (E)	179,759,413	179,759,413	181,759,413	181,759,413
<u>Premier Leasing & Finance Limited</u>				
Opening Balance	394,418,833	394,418,833	394,758,099	394,758,099
Add: Principal this year	-	-	-	-
Add: Interest this year	56,263,986	56,263,986	65,351,841	65,351,841
Less: Payment this year	(61,891,408)	(61,891,408)	(65,691,107)	(65,691,107)
Sub Total (F)	388,791,411	388,791,411	394,418,833	394,418,833
<u>Fareast Finance and Investment Ltd</u>				
Opening Balance	323,026,700	323,026,700	253,855,655	253,855,655
Add: Principal this year	-	-	60,347,683	60,347,683
Add: Interest this year	24,050,930	24,050,930	44,196,562	44,196,562
Less: Payment this year	(347,077,630)	(347,077,630)	(35,373,200)	(35,373,200)
Sub Total (G)	-	-	323,026,700	323,026,700

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
<u>IPDC Finance Limited</u>				
Opening Balance	32,193,247	32,193,247	35,777,728	35,777,728
Add: Principal this year	-	-	-	-
Add: Interest this year	5,843,758	5,843,758	4,312,856	4,312,856
Less: Payment this year	(10,953,017)	(10,953,017)	(7,897,337)	(7,897,337)
Sub Total (H)	27,083,988	27,083,988	32,193,247	32,193,247
<u>Haji Finance Company Limited</u>				
Opening Balance	90,285,838	90,285,838	102,985,779	102,985,779
Add: Principal this year	-	-	-	-
Add: Interest this year	23,160,421	23,160,421	9,500,059	9,500,059
Less: Payment this year	(14,482,522)	(14,482,522)	(22,200,000)	(22,200,000)
Sub Total (I)	98,963,737	98,963,737	90,285,838	90,285,838
<u>National Bank Limited</u>				
Opening Balance	2,040,396,392	-	352,068,976	-
Add: Principal this year	3,408,926,759	-	1,550,025,460	-
Add: Interest this year	355,721,476	-	164,626,010	-
Less: Payment this year	(40,557,921)	-	(26,324,054)	-
Sub Total (J)	5,764,486,706	-	2,040,396,392	-
<u>United Commercial Bank Limited</u>				
Opening Balance	-	-	-	-
Add: Principal this year	250,000,000	250,000,000	-	-
Add: Interest this year	17,654,654	17,654,654	-	-
Less: Payment this year	(48,065,399)	(48,065,399)	-	-
Sub Total (K)	219,589,255	219,589,255	-	-
<u>LankaBangla Finance Limited</u>				
Opening Balance	28,219,697	28,219,697	34,616,110	34,616,110
Add: Principal this year	-	-	-	-
Add: Interest this year	3,950,250	3,950,250	4,624,973	4,624,973
Less: Payment this year	(7,203,796)	(7,203,796)	(11,021,386)	(11,021,386)
Sub Total (K)	24,966,151	24,966,151	28,219,697	28,219,697
Total (A+B+C+D+E+F+G+H+I+J+K+L)	8,543,938,460	2,779,451,755	4,812,945,639	2,772,549,247
Less: Long-term loan	6,765,564,981	1,001,078,276	3,593,684,938	1,553,288,546
Transferred to current portion loan	1,778,373,479	1,778,373,479	1,219,260,701	1,219,260,701

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

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
19 Current portion of long-term loan				
Dhaka Bank Limited	81,529,004	81,529,004	21,884,857	21,884,857
Bangladesh Finance and Investment Company Limited	212,701,707	212,701,707	164,260,130	164,260,130
One Bank Limited	765,215,144	765,215,144	410,187,773	410,187,773
Premier Bank Limited	370,809,568	370,809,568	341,027,264	341,027,264
United Commercial Bank Limited	43,756,170	43,756,170		
Premier Leasing and Finance Limited	153,348,008	153,348,008	95,246,984	95,246,984
Fareast Finance and Investment Ltd	-	-	71,341,803	71,341,803
LankaBangla Finance Limited	24,966,153	24,966,153	21,454,789	21,454,789
IPDC Finance Limited	27,083,988	27,083,988	24,231,943	24,231,943
Hajj Finance Company Limited	98,963,737	98,963,737	69,625,158	69,625,158
Total	1,778,373,479	1,778,373,479	1,219,260,701	1,219,260,701
20 Deferred Tax Liability:	-	-	-	-
Deferred tax liability end of the period	213,256,528	213,256,528	158,023,459	158,023,459
Deferred Tax liability (Subsidiary Com.)	25,366,027	-	24,920,005	-
Total	238,622,555	213,256,528	182,943,464	158,023,459
Details are shown in Annexure -V				
21 Short-term loan				
<u>Time Loan and LTR</u>				
Dhaka Bank Limited	233,838,911	233,838,911	257,805,136	257,805,136
Bangladesh Commerce Bank Limited	20,776,554	20,776,554	236,922,880	236,922,880
One Bank Limited	678,747,801	678,747,801	669,725,459	669,725,459
United Commercial Bank Limited	378,449,625	378,449,625	-	-
	1,311,812,891	1,311,812,891	1,164,453,475	1,164,453,475

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
Bank Overdraft				
Dhaka Bank Limited	219,880,581	219,880,581	191,348,005	191,348,005
NCC Bank Limited	101,328,149	101,328,149	-	-
One Bank Limited	195,254,144	195,254,144	106,815,021	106,815,021
United Commercial Bank Limited	102,245,435	102,245,435	-	-
National Bank Limited	699,241,433	699,241,433	503,777,954	503,777,954
	<u>1,317,949,742</u>	<u>1,317,949,742</u>	<u>801,940,980</u>	<u>801,940,980</u>
	<u>2,629,762,633</u>	<u>2,629,762,633</u>	<u>1,966,394,455</u>	<u>1,966,394,455</u>
21.01 Time Loan and LTR				
<u>Dhaka Bank Limited</u>				
Opening Balance	257,805,137	257,805,137	176,859,082	176,859,082
Add: Principal this year	72,825,021	72,825,021	502,229,139	502,229,139
Add: Interest this year	24,662,239	24,662,239	23,363,668	23,363,668
Less: Payment this year	(334,515,843)	(334,515,843)	(444,646,752)	(444,646,752)
	<u>20,776,554</u>	<u>20,776,554</u>	<u>257,805,137</u>	<u>257,805,137</u>
<u>One Bank Limited</u>				
Opening balance	669,725,460	669,725,460	1,008,525,133	1,008,525,133
Add: Principal this year	461,013,378	461,013,378	570,932,784	570,932,784
Add: Interest this year	63,997,033	63,997,033	115,576,419	115,576,419
Less: Payment this year	(515,988,070)	(515,988,070)	(1,025,308,876)	(1,025,308,876)
	<u>678,747,801</u>	<u>678,747,801</u>	<u>669,725,460</u>	<u>669,725,460</u>
<u>NCC Bank Limited</u>				
Opening balance	-	-	2,716,800	2,716,800
Add: Principal this year	-	-	-	-
Add: Interest this year	-	-	168,873	168,873
Less: Payment this year	-	-	(2,885,673)	(2,885,673)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>United Commercial Bank Limited</u>				
Opening balance	-	-	-	-
Add: Principal this year	428,736,000	428,736,000	-	-
Add: Interest this year	22,736,486	22,736,486	-	-
Less: Payment this year	(73,022,861)	(73,022,861)	-	-
	<u>378,449,625</u>	<u>378,449,625</u>	<u>-</u>	<u>-</u>
<u>Bangladesh Commerce Bank Limited</u>				
Opening balance	236,922,879	236,922,879	218,290,525	218,290,525
Add: Principal this year	-	-	231,596,168	231,596,168
Add: Interest this year	21,785,333	21,785,333	35,326,143	35,326,143
Less: Payment this year	(24,869,301)	(24,869,301)	(248,289,957)	(248,289,957)
	<u>233,838,911</u>	<u>233,838,911</u>	<u>236,922,879</u>	<u>236,922,879</u>
<u>Fareast Finance and Investment Limited</u>				
Opening balance	-	-	72,411,416	72,411,416
Add: Principal this year	-	-	-	-
Add: Interest this year	-	-	5,582,497	5,582,497
Less: Payment this year	-	-	(77,993,913)	(77,993,913)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Notes to the financial statements as at and for the year ended 30 June 2021

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
22 Accounts payable				
A & J Traders	7,258,460	7,258,460	7,965,000	7,965,000
M. H Chy	8,941,679	8,941,679	9,333,800	9,333,800
Model Art press	325,585	325,585	945,826	945,826
Deferred L/C Liabilities	57,586,850	57,586,850	62,548,346	62,548,346
Others	8,258,756	8,258,756	8,545,264	8,545,264
Subsidiary	3,003,220	-	6,123,153	-
Total	85,374,550	82,371,330	95,461,389	89,338,236
Dues upto 6 months	68,663,493	67,775,371	54,226,839	51,655,115
Dues above 6 months	16,711,057	14,595,959	41,234,550	37,683,121
Total	85,374,550	82,371,330	95,461,389	89,338,236
23 Undistributed Profit (Cash Dividend)				
Opening balance	34,555,516	34,555,516	5,599,835	5,599,835
Add: Addition during the year	170,412,690	170,412,690	128,613,351	128,613,351
Less : Adjustment during the year	(175,148,866)	(175,148,866)	(99,657,670)	(99,657,670)
Closing balance	29,819,340	29,819,340	34,555,516	34,555,516
24 Accrued expenses				
Salary and allowances	32,081,838	31,287,958	33,578,406	32,889,563
Others payable	201,593	185,768	162,307	152,543
Tax Payable against WPPF	1,029,925	1,029,925	-	-
Office rent	1,765,900	1,613,900	1,741,500	1,589,500
Income tax payable (Note: 24.01)	1,128,800,203	1,118,444,363	972,429,755	964,477,675
Audit fee	475,000	350,000	400,000	350,000
Service charge	55,250	55,250	53,500	53,500
Utility bill	8,953,210	8,780,345	6,713,850	6,291,652
Telephone bill	9,586	9,586	8,480	8,480
Total	1,173,372,505	1,161,757,096	1,015,087,798	1,005,812,914
24.01 Income tax provision				
Opening Balance	972,429,755	964,477,676	875,312,098	871,170,495
Addition during the year	156,370,447	153,966,687	97,117,657	93,307,181
Total	1,128,800,203	1,118,444,363	972,429,755	964,477,676
25 Obligation to Contract				
Opening balance	579,985,194	579,985,194	401,020,802	401,020,802
Add: Addition during the year	-	-	178,964,392	178,964,392
Less : Adjustment during the year	(579,985,194)	(579,985,194)	-	-
Closing balance	-	-	579,985,194	579,985,194
26 Workers profit participation/Welfare fund				
Opening balance	199,925,203	199,925,203	174,177,069	174,177,069
Add: During this year	41,839,951	41,839,951	25,748,134	25,748,134
Less: Adjustment During the year	(20,598,507)	(20,598,507)	-	-
Total	221,166,647	221,166,647	199,925,203	199,925,203

Notes to the financial statements as at and for the year ended 30 June 2021

	At 30 June 2021				At 30 June 2020	
	Gross revenue	VAT	Net revenue	Consolidated	Net revenue	Consolidated
27 Sales						
Contract	2,953,210,622	157,634,113	2,795,576,509	2,795,576,509	2,124,787,313	2,124,787,313
Maintenance	279,924,097	-	279,924,097	279,924,097	260,970,531	260,970,531
Imported goods	149,856,339	3,257,885	146,598,454	146,598,454	497,323,582	497,323,582
Manufacturing (Battery)	1,750,822,095	228,368,099	1,522,453,996	1,522,453,996	904,302,178	904,302,178
Net sales (subsidiary)	-	-	-	50,528,713	-	61,178,398
Total	5,133,813,153	389,260,097	4,744,553,056	4,795,081,769	3,787,383,604	3,848,562,002
28 Cost of sales						
Contracts (Note 28.01)			1,042,718,544	1,042,718,544	631,202,235	631,202,235
Maintenance (Note 28.02)			166,786,953	166,786,953	159,449,636	159,449,636
Imported goods (Note 28.03)			126,340,781	126,340,781	311,175,690	311,175,690
Manufacturing (Note 28.04)			1,439,001,393	1,439,001,393	878,146,698	878,146,698
Cost of sales (Note 28.05)			38,180,093	-	43,903,884	-
Total			2,813,027,764	2,774,847,671	2,023,878,143	1,979,974,259
28.01 Contracts:						
Wages and salary			137,052,842	137,052,842	138,545,720	138,545,720
Project implementation cost			863,384,711	863,384,711	310,323,004	310,323,004
Wages and others expenses			4,025,876	4,025,876	6,956,428	6,956,428
Trailer and prime mover rent			6,025,483	6,025,483	5,986,852	5,986,852
Fuel and oil			11,458,985	11,458,985	11,532,546	11,532,546
Utility bill			5,385,768	5,385,768	5,525,466	5,525,466
Uniform expenses (dress)			1,458,753	1,458,753	562,536	562,536
Repair and maintenance			13,865,872	13,865,872	151,253,201	151,253,201
Hotel rent			60,254	60,254	516,482	516,482
Total			1,042,718,544	1,042,718,544	631,202,235	631,202,235
28.02 Maintenance:						
Wages and others expenses			65,685,174	65,685,174	69,530,602	69,530,602
Labour bills			96,317,849	96,317,849	85,246,854	85,246,854
Fuel and oil			2,948,685	2,948,685	3,736,524	3,736,524
Repair and maintenance			1,835,245	1,835,245	935,656	935,656
Total			166,786,953	166,786,953	159,449,636	159,449,636

		Amount in Taka			
		At 30 June 2021		At 30 June 2020	
		Consolidated	The Company	Consolidated	The Company
28.03	Imported goods:				
	Cost of imported goods	64,285,701	64,285,701	188,868,246	188,868,246
	Clearing charge and others	205,824	205,824	715,243	715,243
	L/C expenses	62,542	62,542	1,789,523	1,789,523
	Marine insurance	201,586	201,586	1,135,682	1,135,682
	Carriage inward	102,585	102,585	1,098,753	1,098,753
	Wages and salary	61,482,543	61,482,543	117,568,243	117,568,243
	Total	126,340,781	126,340,781	311,175,690	311,175,690
28.04	Manufacturing:				
	Raw materials consumption				
	Opening stock of raw materials	295,125,462	295,125,462	456,648,808	456,648,808
	Purchases during the year	905,470,582	905,470,582	313,920,527	313,920,527
	Closing stock of raw materials	(231,524,582)	(231,524,582)	(295,125,462)	(295,125,462)
		969,071,462	969,071,462	475,443,873	475,443,873
	Manufacturing expenses:				
	Clearing charge & others	9,894,240	9,894,240	7,994,240	7,994,240
	L/C expenses and others	15,584,992	15,584,992	16,043,615	16,043,615
	Depreciation	201,249,850	201,249,850	111,643,951	111,643,951
	Marine insurance and others	3,925,846	3,925,846	6,299,316	6,299,316
	Utilities	90,609,570	90,609,570	65,379,405	65,379,405
	Carriage inward	8,365,845	8,365,845	5,968,823	5,968,823
	Wages and salary	115,758,464	115,758,464	115,622,222	115,622,222
	Others	7,385,761	7,385,761	4,959,850	4,959,850
	Total	452,774,568	452,774,568	333,911,422	333,911,422
	Total Manufacturing Expenses	1,421,846,030	1,421,846,030	809,355,295	809,355,295
	Opening work-in process	215,869,466	215,869,466	286,574,558	286,574,558
	Closing work-in process	(198,586,725)	(198,586,725)	(215,869,466)	(215,869,466)
	Opening finished product	248,568,464	248,568,464	246,654,776	246,654,776
	Closing finished product	(248,695,842)	(248,695,842)	(248,568,464)	(248,568,464)
	Cost of Sales	1,439,001,393	1,439,001,393	878,146,698	878,146,698
28.05	Cost of sales of subsidiary	38,180,093	-	43,903,884	-

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
29 General and administrative expenses				
Salary and allowances	125,273,423	119,287,585	123,626,938	117,866,750
Office rent	23,450,482	22,586,482	22,628,934	21,764,936
Travelling and conveyance	1,166,686	1,052,646	2,558,210	2,443,780
Vehicle running expenses	6,490,665	6,242,855	8,827,323	8,581,787
Publicity, promotional and CSR expenses	120,399,920	120,399,920	123,626,645	123,626,645
Utility bills	3,289,685	3,289,685	3,232,306	3,232,306
Communication expenses	1,272,568	1,248,568	884,491	860,491
Printing and stationery	3,656,195	3,584,682	3,223,718	3,149,731
Employees welfare	5,611,660	5,425,862	4,033,080	3,849,555
Medical expenses	3,658,246	3,658,246	1,562,531	1,562,531
Business license fee	337,680	191,258	326,081	184,265
Depreciation	154,395,088	150,172,293	165,722,735	160,323,310
Service charge	722,850	645,865	705,891	627,779
Telephone and mobile phone bills	1,629,798	1,568,975	2,135,124	2,076,560
Postage and courier	493,472	470,358	494,282	463,005
Carriage outward	851,254	851,254	1,061,344	1,061,344
Repair and maintenance	1,994,457	1,725,482	1,103,304	833,251
Tender expenses	976,854	976,854	987,078	987,078
Marketing salary and expenses	78,185,607	77,685,942	76,800,832	76,301,899
Audit fee	475,000	350,000	400,000	350,000
Paper and periodicals	72,066	51,254	60,013	38,803
Sundry expenses	9,155,338	9,066,501	5,643,051	5,586,611
Total	543,558,994	530,532,567	549,643,911	535,772,416

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
30 Financial expenses				
Bank interest				
Dhaka Bank Limited	70,455,440	70,455,440	57,973,762	57,973,762
One Bank Limited	178,597,248	178,597,248	245,217,269	245,217,269
NCC Bank Limited	1,404,824	1,404,824	3,611,279	3,611,279
Bangladesh Finance and Investment Company Limited	39,000,596	39,000,596	38,797,432	38,797,432
Hajj Finance Company Limited	23,160,421	23,160,421	9,500,059	9,500,059
Premier Leasing and Finance Limited	56,263,986	56,263,986	65,351,841	65,351,841
United Commercial Bank Limited	45,910,967	45,910,967	-	-
The Premier Bank Limited	38,992,843	38,992,843	61,949,591	61,949,591
Bangladesh Commerce Bank Limited	21,785,333	21,785,333	35,326,143	35,326,143
National Bank Limited	50,174,780	50,174,780	68,746,197	8,746,197
IPDC Finance Limited	5,843,758	5,843,758	4,312,856	312,856
Fareast Finance and Investment Limited	24,050,930	24,050,930	144,743,549	144,743,549
LankaBangla Finance Limited	3,950,250	3,950,250	4,624,973	4,624,973
	<u>559,591,376</u>	<u>59,591,376</u>	<u>740,154,951</u>	<u>740,154,951</u>
Bank charge, commission & others.				
AB Bank Limited	690	690	34,780	34,780
Bank Asia Limited	-	-	3,765	3,765
Bangladesh Commerce Bank Limited	4,625	4,625	54,250	54,250
BRAC Bank Limited	3,140	3,140	1,530	1,530
Dhaka Bank Limited	17,548,956	17,548,956	12,344,924	12,344,924
Padma Bank Limited	1,530	1,530	1,536	1,536
Islami Bank (Bangladesh) Limited	46,688	46,688	71,383	71,383
Jamuna Bank Limited	4,020	4,020	14,103	14,103
Mercantile Bank Limited	5,118	5,118	9,315	9,315
NCC Bank Limited	3,812,020	3,812,020	4,307,767	4,307,767
ONE Bank Limited	6,715,309	6,715,309	4,794,261	4,794,261
South Bangla Agriculture Bank Limited	595	595		
Shajalal Islami Bank Ltd	517	517		
Sonali Bank Limited	33,920	33,920	58,743	58,743
Premier Bank Limited	25,919	25,919	108,348	08,348
Southeast Bank Limited	18,829	18,829	32,920	32,920
Standard Bank Limited	898	898	955	955
Dutch Bangla Bank Limited	53,204	53,204	75,115	75,115
Cash, loan processing and others	1,514,269	1,514,269	1,561,361	1,561,361
United Commercial Bank Limited	195,162	195,162	41,532	41,532
Trust Bank Limited	26,877	26,877	37,203	37,203
NRB Commercial Bank Limited	690	690	690	690
National Bank Limited	162,690	162,690	26,350	26,350
Midland Bank Limited	23,134	23,134	300,575	300,575
Al Arafah Islami Bank Ltd	2,017	2,017		
Subsidiary Company	199,855	-	169,874	
	<u>30,400,672</u>	<u>30,200,817</u>	<u>24,051,280</u>	<u>23,881,406</u>
Total	589,992,048	589,792,193	764,206,231	764,036,357

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
31 Income Tax Expense:				
Current tax payable (Note: 31.01)	156,370,447	153,966,687	97,117,657	93,307,181
Gain on Deferred tax liabilities for rate change	(1,875,315)	-	(1,846,219)	-
Deferred tax expenses	57,554,406	55,233,069	36,352,688	35,433,490
Total	212,049,538	209,199,756	131,624,126	128,740,671
31.01 Current tax payable (The Company):				
Income before tax during the year	836,799,025	836,799,025	514,962,682	514,962,682
Add: Accounting depreciation	351,422,142	351,422,142	271,967,260	271,967,260
Less: Tax depreciation	(572,354,418)	(572,354,418)	(413,701,219)	(413,701,219)
Taxable Income	615,866,749	615,866,749	373,228,723	373,228,723
Tax Rate	25%	25%	25%	25%
Current Tax	153,966,687	153,966,687	93,307,181	93,307,181
Add: Tax on Subsidiaries	2,403,760	-	3,810,476	-
Total	156,370,447	153,966,687	97,117,657	93,307,181
32 Net asset value per share (NAV)				
Shareholders Equity and Reserve	6,124,243,242	6,083,094,824	5,668,307,113	5,625,908,246
Number of shares	357,866,649	357,866,649	340,825,380	340,825,380
Net asset value per share of Taka 10 each	17.11	17.00	16.63	16.51
Shareholders Equity and Reserve without revaluation reserve	6,042,184,120	6,001,035,702	5,586,247,991	5,543,849,124
Number of shares	357,866,649	357,866,649	340,825,380	340,825,380
Net asset value per share without revaluation of Taka 10 each	16.88	16.77	16.39	16.27

	Amount in Taka			
	At 30 June 2021		At 30 June 2020	
	Consolidated	The Company	Consolidated	The Company
33 Earnings per share (EPS)				
Basic Earning per share:				
Earnings attributable to ordinary shares:				
Net profit after tax as per statement of comprehensive income	626,348,819	627,599,269	388,152,443	386,222,010
Number of shares (Note 33.01):	357,866,649	357,866,649	357,866,649	357,866,649
Basic Earning per share (Per value of Taka 10)	1.75	1.75	1.08	1.08
Diluted Earnings per share:				
Net profit after tax as per statement of comprehensive income	626,348,819	627,599,269	388,152,443	386,222,010
Number of shares (Note 33.01):	357,866,649	357,866,649	357,866,649	357,866,649
Diluted Basic Earning per share (Per value of Taka 10)	1.75	1.75	1.08	1.08
33.01 Number of shares:				
Opening Balance/weighted average outstanding no. of shares	340,825,380	340,825,380	321,533,378	321,533,378
Bonus Shares	17,041,269	17,041,269	36,333,271	36,333,271
	357,866,649	357,866,649	357,866,649	357,866,649
34 Net Operating cash flows per share				
Net cash provided by operating activities	999,866,735	1,072,467,065	1,160,215,721	1,290,886,373
Number of shares	357,866,649	357,866,649	357,866,649	357,866,649
Net Operating cash flows per share	2.79	3.00	3.24	3.61
35 Reconciliation of Profit/Loss before tax to Cash Generate from Operation				
Net Profit/(Loss) before WPPF & before Tax	877,960,000	878,638,976	544,130,486	540,710,816
Add: Depreciation	360,849,468	351,422,143	282,817,530	271,967,261
Add: Finance Cost	589,992,048	589,792,193	764,206,231	764,036,357
(Increase)/Decrease in Advance Deposit and Prepayment	(27,598,769)	52,116,537	(694,018,648)	(555,146,238)
(Increase)/Decrease in Accounts and others receivable	(172,945,283)	(175,839,013)	(215,650,296)	(207,986,813)
(Increase)/Decrease in Inventories	(19,634,449)	(18,090,658)	286,089,428	285,034,336
Increase/(Decrease) in obligation to contract	(579,985,194)	(579,985,194)	178,964,392	178,964,392
Increase/(Decrease) in Accounts Payable	(10,086,837)	(6,966,906)	13,498,454	13,122,208
Increase/(Decrease) in WPPF	(20,598,507)	(20,598,507)	-	-
Increase/(Decrease) Accrued Expenses	1,914,259	1,977,494	178,144	184,054
Net cash provided by operating activities	999,866,735	1,072,467,065	1,160,215,721	1,290,886,373

36 Directors' responsibility statements

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

37 Events after the Reporting Period.

In compliance with the requirements of BAS-10: " Events after the reporting period", post balance sheet adjusting events that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material, in applicable cases.

There was no events after reporting period of such importance for which adjustment to be given or disclosure is required except 10% cash dividend and 6% stock dividend [June 30, 2020: 5% cash and 5% stock dividend) as recommended in the meeting of Board of Directors held on 27 October, 2021 (June 30, 2020: 10 November, 2021).

38 Authorisation for issue:

These financial statements have been authorised for issue by the Board of Directors of the company on 27 October, 2021

Others

39 Number of Employees

All the employees receive salary/wages in excess of tk. 5000 per month

Number of permanent staff

1,839

40 Figures are rounded off to the nearest Taka.

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

42 Production capacity and current utilization

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

Details of Property, Plant and Equipment (except Manufacturing unit) and Depreciation at 30 June 2021.

Asset category	Cost and Valuation					Depreciation				Written down value at 30 June 2021	
	At 01 July 2020	Additions	Revaluation	Adjustment/disposal	Total at 30 June 2021	Rate (%)	To 01 July 2020	Charge for the Period	Adjustment on disposal		Total at 30 June 2021
Tools and equipment	1,325,349,503	-	-	-	1,325,349,503	10	673,498,671	65,185,083	-	738,683,754	586,665,749
Land and land development	394,558,474	-	-	-	394,558,474	-	-	-	-	-	394,558,474
Pre-fabricated building	25,550,054	-	-	-	25,550,054	10	15,433,967	1,011,609	-	16,445,575	9,104,479
Building	345,897,448	-	-	-	345,897,448	5	114,746,270	11,557,559	-	126,303,829	219,593,619
Plant and machinery	316,149,699	288,825,084	-	-	604,974,783	20	155,340,965	49,005,631	-	204,346,595	400,628,188
Motor vehicles	264,067,992	6,646,157	-	-	270,714,149	20	174,241,393	18,260,300	-	192,501,693	78,212,456
Workshop	6,353,600	-	-	-	6,353,600	10	5,019,649	133,395	-	5,153,044	1,200,556
Office and electrical equipment	56,131,046	-	-	-	56,131,046	10	29,955,957	2,617,509	-	32,573,466	23,557,580
Furniture and fixtures	40,132,533	-	-	-	40,132,533	10	19,162,503	2,097,003	-	21,259,506	18,873,027
Others	2,057,082	5,100,000	-	-	7,157,082	10	1,140,048	304,204	-	1,444,252	5,712,830
Sub-Total at 30 June 2021	2,776,247,431	300,571,241	-	-	3,076,818,672		1,188,539,422	150,172,293	-	1,338,711,715	1,738,106,957
Sub-Total at 30 June 2020	2,664,986,208	111,261,223	-	-	2,776,247,431		1,028,216,112	160,323,310	-	1,188,539,422	1,587,708,009

Manufacturing Unit

Details of Property, Plant and Equipment and Depreciation at 30 June 2021

Asset category	Cost and Valuation					Depreciation				Written down value at 30 June 2021	
	At 01 July 2020	Additions	Revaluation	Adjustment/disposal	Total at 30 June 2021	Rate (%)	To 01 July 2020	Charge for the Period	Adjustment on disposal		Total at 30 June 2021
Tools and equipment	87,604,990	72,561,000	-	-	160,165,990	10	23,021,631	13,441,090	-	36,462,721	123,703,269
Land and land development	227,828,980	10,007,100	-	-	237,836,080	-	-	-	-	-	237,836,080
Building	173,248,812	17,406,001	-	-	190,654,813	5	20,821,382	8,468,424	-	29,289,806	161,365,007
Plant and machinery	1,417,028,360	811,847,870	-	-	2,228,876,230	10	204,929,721	174,263,060	-	379,192,780	1,849,683,450
Motor vehicles	17,784,365	-	-	-	17,784,365	20	7,843,275	1,988,218	-	9,831,493	7,952,872
Office and electrical equipment	12,724,837	-	-	-	12,724,837	10	3,262,612	946,223	-	4,208,834	8,516,003
Furniture and fixtures	27,245,202	-	-	-	27,245,202	10	7,025,267	2,021,993	-	9,047,261	18,197,941
Others	1,611,995	-	-	-	1,611,995	10	403,571	120,842	-	524,413	1,087,582
Sub-Total at 30 June 2021	1,965,077,541	911,821,971	-	-	2,876,899,512		267,307,458	201,249,850	-	468,557,308	2,408,342,204
Sub-Total at 30 June 2020	1,254,012,091	711,065,450	-	-	1,965,077,541		155,663,508	111,643,951	-	267,307,458	1,697,770,083
Total at 30 June 2021	4,741,324,972	1,212,393,212	-	-	5,953,718,184		1,455,846,880	351,422,143	-	1,807,269,023	4,146,449,161
Total at 30 June 2020	3,918,998,299	822,326,673	-	-	4,741,324,972		1,183,879,620	271,967,261	-	1,455,846,880	3,285,478,091

**Consolidated Property, Plant & Equipment
Details of Property, Plant and Equipment and Depreciation at 30 June 2021**

Asset category	Cost and Valuation				Depreciation			Written down value at 30 June 2021			
	At 01 July 2020	Additions	Revaluation	Adjustment/disposal	Total at 30 June 2021	Rate (%)	To 01 July 2020		Charge for the Period	Adjustment on disposal	Total at 30 June 2021
Tools and equipment	1,415,675,322	72,561,000	-	-	1,488,236,322	-	696,909,642	78,653,921	-	775,563,563	712,672,759
Land and land development	645,013,160	90,337,952	-	-	735,351,112	-	-	-	-	-	735,351,112
Pre-fabricated building	25,550,054	-	-	-	25,550,054	-	15,433,967	1,011,609	-	16,445,575	9,104,479
Building	519,146,260	17,406,001	-	-	536,552,261	-	135,567,652	20,025,983	-	155,593,635	380,958,626
Plant and machinery	1,879,849,469	1,100,672,954	-	-	2,980,522,423	-	408,198,198	228,308,586	-	636,506,784	2,344,015,639
Motor vehicles	317,099,913	31,187,490	-	-	348,287,403	-	186,839,577	24,218,083	-	211,057,660	137,229,743
Workshop	6,353,600	-	-	-	6,353,600	-	5,019,649	133,395	-	5,153,044	1,200,556
Office and electrical equipment	70,565,596	249,080	-	-	70,814,676	-	33,642,196	3,700,228	-	37,342,424	33,472,252
Furniture and fixtures	72,096,092	2,242,874	-	-	74,338,966	-	29,024,082	4,372,618	-	33,396,700	40,942,266
Others	3,669,077	5,100,000	-	-	8,769,077	-	1,543,619	425,046	-	1,968,665	6,800,412
Sub-Total at 30 June 2021	4,955,018,543	1,319,757,351	-	-	6,274,775,894	-	1,512,178,582	360,849,468	-	1,873,028,050	4,401,747,843
Sub-Total at 30 June 2020	4,101,604,795	853,413,748	-	-	4,955,018,543	-	1,129,361,052	282,817,529	-	1,512,178,581	3,442,839,961

Annex II/a

Related party disclosure

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

Name of the Party	Relationship	Nature of Transaction	Amounts in Taka			
			Opening balance as at 01 July 2020 Dr/(Cr)	Dr	Cr	Closing balance at 30 June 2021 Dr/(Cr)
Taraftder Md. Ruhul Amin	Director	Salary and allowances	(300,000)	3,311,250	3,611,250	(300,000)
Taraftder Nigar Sultana	Director	Salary and allowances	-	-	-	-
Taraftder Md. Ruhul Saif	Director	Salary and allowances	-	-	-	-
Rubya Chowdhury	Director	Salary and allowances	-	-	-	-
Saif Port Holdings Limited (*)	Subsidiary Company	Investment in Shares	32,500,000	-	-	32,500,000
Saif Plastic & Polymer Industries Limited(**)	Subsidiary Company	Investment in Shares	80,000,000	-	-	80,000,000
Total			112,200,000	3,311,250	3,611,250	112,200,000

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

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

Annex II/b

Transaction with Key Management Personnel of the entity:

No.	Particulars	Value in Taka
(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	3,311,250
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

As per IAS- 24:

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

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

	44,065,935
	-
	-
	-
	-
Total	44,065,935

Annex III

Shareholdings Position in Subsidiary Company

Total shareholding:

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

Non-controlling interest

	%	Number of shares	Value of shares/Taka
Tarafder Md. Ruhul Amin	14%	1,400,000	14,000,000
Tarafder Nigar Sultana	3%	300,000	3,000,000
Rubya Chowdhury	3%	300,000	3,000,000
	20%	2,000,000	20,000,000
Opening balance			32,308,243
Profit share for this year			1,390,991
			33,699,234

Annex IV

Shareholdings Position in Subsidiary Company (SPHL)

Total shareholding:

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

Non-controlling interest

	%	Number of shares	Value of shares/Taka
Tarafder Md. Ruhul Amin	13%	650,000	6,500,000
Tarafder Nigar Sultana	8%	400,000	4,000,000
Rubya Chowdhury	5%	250,000	2,500,000
Tarafder Md. Ruhul Saif	5%	250,000	2,500,000
Tasnim Tarafder	4%	200,000	2,000,000
	35%	1,750,000	17,500,000
Opening balance			13,820,093
Profit share for this year			(3,669,299)
			10,150,794

Annexure-V

Calculation of Deferred Tax (The Company):

Particulars	30, June 2021	30, June 2020
a) On cost:		
Carrying amount of Property Plant & Equipment:	3,514,054,607	2,663,090,638
Tax base of Property Plant & Equipment:	2,718,952,584	2,088,920,890
Taxable/(deductible) temporary deference	795,102,023	574,169,748
Tax rate	25%	25%
Deferred tax (Assets) / Liability at the end of the year	198,775,506	143,542,437
Deferred tax (income) /expense recognized in Statement of Profit or Loss and Other Comprehensive Income	55,233,069	35,433,490
b) On Revaluation:		
Carrying amount of Property Plant & Equipment:	96,540,144	96,540,144
Tax base of Property Plant & Equipment:		
Taxable/(deductible) temporary deference	96,540,144	96,540,144
Tax rate	15%	15%
Deferred tax (Assets) / Liability at the end of the year	14,481,022	14,481,022
Deferred tax (income) /expense recognized in Statement of Changes in Equity		
Total Deferred tax (Assets) / Liability at the end of the period/year (a+b)	213,256,528	158,023,459



**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS-2021**



**SAIF PLASTIC & POLYMER
INDUSTRIES LIMITED**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Saif Plastic & Polymer Industries Limited

Opinion

We have audited the financial statements of “Saif Plastic & Polymer Industries Limited” which comprise the statement of Financial Position as at June 30, 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

We also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the project so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of comprehensive income and statement of receipts & payments dealt with by the report are in agreement with the books of account.

Place, Dhaka
Dated: 23 October, 2021


M M Yasin & Co.
Chartered Accountants
DVC: 2110231001AS235087

**SAIF PLASTIC & POLYMER INDUSTRIES LIMITED****Statement of Financial Position as at 30 June 2021**


	Notes	Amounts in Taka	
		30 th June 2021	30 th June 2020
ASSETS:			
Non-Current Assets			
Property, plant and equipment	3	119,271,794	124,476,323
Capital Work-in-Progress		54,613,088	44,427,264
Total Non-Current Assets		173,884,882	168,903,587
Current Assets			
Inventories	4	4,507,615	2,963,824
Accounts and others receivable	5	19,134,390	22,028,120
Advance deposits and prepayment	6	15,491,189	15,216,657
Cash and bank balances	7	1,527,364	893,541
Total Current Assets		40,660,558	41,102,142
Total Assets		214,545,440	210,005,729
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	8	100,000,000	100,000,000
Retained earnings	9	68,496,171	61,541,218
		168,496,171	161,541,218
Non-Current Liabilities			
Deferred Tax liability	10	22,857,087	24,379,093
Share Money Deposit		9,010,000	9,010,000
Total Non-Current Liabilities		31,867,087	33,389,093
Current Liabilities			
Sundry creditors	11	3,003,220	6,123,153
Liability for Expense	12	11,178,961	8,952,265
Total Current Liabilities		14,182,181	15,075,418
Total Equity and Liabilities		214,545,440	210,005,729
Net asset value per share of Taka 10 each		16.85	16.15
See annexed notes			

The annexed notes form an integral part of these Financial Statements.


Chairman


Managing Director

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE


M M Yasin & Co.
Chartered Accountants
DVC: 2110231001AS235087

Dated: Dhaka
23 October 2021

**SAIF PLASTIC & POLYMER INDUSTRIES LIMITED****Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2021**


	Notes	Amounts in Taka	
		1st July 2020 to 30 June 2021	1st July 2019 to 30 June 2020
REVENUE:			
Sales	13	50,528,713	61,178,398
Less: Cost of Goods Sold	14	(38,180,093)	(43,903,884)
Gross Profit		12,348,620	17,274,514
<u>Less: Operating Expenses:</u>			
Administrative expenses	15	(4,166,463)	(4,060,629)
Marketing and selling expenses	16	(499,665)	(498,933)
		(4,666,128)	(4,559,562)
Operating Profit		7,682,492	12,714,952
Add: Other income		198,685	186,524
Less: Financial expenses	17	(44,470)	(12,987)
Net Profit before Tax		7,836,707	12,888,489
<u>Less: Income tax expenses</u>			
Current tax	18	(2,403,760)	(3,810,476)
Gain on Deferred tax liabilities for rate change		1,875,315	1,846,219
Deferred tax (expense)/income		(353,309)	(378,286)
Net Profit after Tax		6,954,953	10,545,947
Earning Per Share (EPS)		0.70	1.05
See annexed notes			

The annexed notes form an integral part of these Financial Statements.


Chairman


Managing Director

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE


M M Yasin & Co.
Chartered Accountants
DVC: 2110231001AS235087

Dated: Dhaka
23 October 2021

**Statement of Changes in Equity
For the year ended 30 June 2021**

Particulars	Share capital	Amounts in Taka	
		Retained earnings	Total
Balance at 01 July 2019	100,000,000	50,995,271	150,995,271
Profit during the period	-	10,545,947	10,545,947
Balance at 30 June 2020	100,000,000	61,541,218	161,541,218
Balance at 01 July 2020	100,000,000	61,541,218	161,541,218
Profit during the period	-	6,954,953	6,954,953
Balance at 30 June 2021	100,000,000	68,496,171	168,496,171

The annexed notes form an integral part of these Financial Statements.


Chairman


Managing Director

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka
23 October 2021


M M Yasin & Co.
Chartered Accountants
DVC: 2110231001AS235087



**Statement of Cash Flow
For the year ended 30 June 2021**


	Amounts in Taka	
	1st July 2020 to 30 June 2021	1st July 2019 to 30 June 2020
Cash Flows from Operating Activities		
Cash receipt from customer	53,621,127	53,701,438
Cash paid to suppliers and employees	(42,482,478)	(41,581,262)
Cash generated from operations	11,138,649	12,120,176
Advance, deposits and prepayment	163,341	259,956
Advance income tax deducted	(595,523)	(1,030,056)
Net cash flow from operating activities	10,706,467	11,350,076
Cash flow from investing activities		
Purchases of property, plant and equipment	-	(1,691,900)
Capital works-in-progress	(10,185,824)	(8,667,822)
Advance against civil work	157,650	(2,030,034)
Net cash used in operating activities	(10,028,174)	(12,389,756)
Cash flow from financial activities		
Financial cost	(44,470)	(12,987)
Net cash from/(used in) financing activities	(44,470)	(12,987)
Net cash inflow/(outflow) for the period	633,823	(1,052,667)
Opening cash and cash equivalents	893,541	1,946,208
Closing cash and cash equivalents	1,527,364	893,541
Net Operating cash flows per share	1.07	1.14

The annexed notes form an integral part of these Financial Statements.


Chairman


Managing Director

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE


M M Yasin & Co.
Chartered Accountants
DVC: 2110231001AS235087

Dated: Dhaka
23 October 2021



1 Legal form of the enterprise

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

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

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

Nature of business

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

2 Basis of preparation

2.01 Corporate financial statements and reporting

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

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

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

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

2.02 Fundamental accounting concepts/ assumptions

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

2.03 Going concern

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



2.04 Compliance with BAS & BFRS

The following BAS is applicable to the financial statements for the period under review:

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Cash Flows Statement
- IAS 8 Accounting policies , Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 12 Income Taxes
- IAS 16 Property, Plant And Equipment
- IAS 18 Revenue
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments: Presentation
- IAS 33 Earnings Per Share
- IAS 36 Impairment of Assets
- IAS 37 Provision , Contingent Liabilities and Contingent Assets
- IAS 39 Financial Instruments: Recognition and Measurement

The following BFRS is applicable to the financial statements for the period under review:

- IFRS 1 First-time Adoption of Bangladesh Financial Reporting Standards
- IFRS 15 Revenue from contracts with customers

2.05 Reporting period

The period of the financial statements covers from 01 July 2020 to 30 June 2021

2.06 Events after the reporting period.

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

2.07 Functional and presentational (Reporting) currency

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



2.08 Comparative information and rearrangement thereof

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

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

2.09 Summary of significant accounting policies

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

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

2.10 Recognition of tangible fixed assets

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

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

2.11 Depreciation of tangible fixed assets

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

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



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

2.12 Revenue recognition

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

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

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

2.13 Accrued expenses and other payables

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

2.14 Inventories

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

2.15 Cash and Cash Equivalents

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

2.16 Statements of Cash Flows:

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



2.17 Borrowing costs

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

2.18 Income-tax expense

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date any adjustment to tax payable in respect of previous year. Provision for corporate income tax is made @ 32.50% applicable for a private limited company.

Deferred tax

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

2.19 Foreign Currency Transaction:

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

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

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

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

2.20 Related party disclosures

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

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



Notes to financial statements for the period ended 30 June 2021

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

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

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

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

2.21 Financial Instruments

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

Financial assets:

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

Financial liability:

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



2.22 Earnings Per Share

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

Diluted Earnings per share

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

2.23 Impairment of Assets:

I) Financial Assets

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

II) Non-Financial assets

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

2.24 Provision , Contingent Liabilities and Contingent Assets :

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

2.25 Financial statements comprises:

(a) Statement of Financial Position as at 30 June 2021.

(b) Statement of Profit or Loss and other Comprehensive income for the year ended 30 June 2021.

(c) Statement of Cash Flows for the year ended 30 June 2021.

(d) Statement of Changes in equity for the year ended 30 June 2021.

(e) Notes, comprising a summary of significant accounting policies and other explanatory information.

**Notes to financial statements for the period ended 30 June 2021**

	Amounts in Taka	
	At 30 June 2021	At 30 June 2020
3 <u>Property, plant and equipment</u>	119,271,794	124,476,323
<u>Annex- A</u>		
4 <u>Inventories</u>		
Raw materials	1,775,982	1,325,485
Finished goods	1,445,985	852,645
Work-in-process	1,285,648	785,694
	4,507,615	2,963,824
5 <u>Account and others receivable</u>		
JMI Bangla Pharmaceutical Co. Ltd.	1,530,652	3,126,353
Brac Dairy	936,896	43,080
BIBS Pharma Ltd.	822,738	822,738
ACI Foods	2,765,443	554,913
ACI Oil	596,964	1,175,908
Beacon Pharma	263,470	523,962
Navan Pharma	561,450	4,113,570
Hamdard	22,304	1,528,056
Mundi Pharma	1,655,053	767,044
Incepta Pharma	1,118,073	1,007,958
Jayson Pharma	3,307,259	4,553,878
Jayson Nature	381,524	596,621
Golden Harvest	1,652,951	1,687,557
Others	3,519,613	1,526,482
	19,134,390	22,028,120
6 <u>Advance deposits and prepayment</u>		
<u>Advance to:</u>		
Advance against raw materials	-	-
VAT current account	329,528	1,925,197
LC Margin	1,432,328	-
Advance income tax	9,783,210	9,187,687
Advance against Work	3,946,123	4,103,773
	15,491,189	15,216,657



Notes to financial statements for the period ended 30 June 2021

		Amounts in Taka				
		At	At			
		30 June 2021	30 June 2020			
7	<u>Cash and Bank Balances</u>					
	Cash in hand	234,856	251,528			
	Bank balances in					
	Bank Asia Limited	11	11			
	United Commercial Bank Limited	1,031,949	379,194			
	Dhaka Bank Limited	73,220	73,950			
	Padma Bank Limited	172,646	173,486			
	Al Arafa Islami Bank Limited	14,682	15,372			
		1,527,364	893,541			
8	<u>Share Capital</u>					
	<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			
9	<u>Retained Earnings</u>					
	Opening balance	61,541,218	50,995,271			
	Profit after tax during the year	6,954,953	10,545,947			
	Closing balance	68,496,171	61,541,218			
10	<u>Deferred tax liability</u>					
	For the year ended : 30 June 2021					
	Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate	Amount in Taka
	Property Plant and Equipment	119,271,794	43,081,504	76,190,290	30.00%	22,857,087
	Due to reduced tax rate deferred tax income in previous year					
	Deferred Tax liability end of the year					22,857,087
	For the year ended : 30 June 2020					
	Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate	Amount in Taka
	Property Plant and Equipment	124,476,323	49,463,730	75,012,593	32.50%	24,379,093
	Deferred Tax liability end of the year					24,379,093

**Notes to financial statements for the period ended 30 June 2021**

		Amounts in Taka	
		At 30 June 2021	At 30 June 2020
11	Sundry Creditors		
	Rani House & CO	841,000	2,339,803
	Zaman Polytech	172,500	174,225
	Maa Enterprise	1,648,120	1,762,800
	Colour Plus Masterbatch		52,900
	H R Solution	115,000	1,616,500
	New Model Art		38,125
	Hossain Enterprise		24,000
	Colorplus Mastrebatch Co.	154,000	-
	Others	72,600	114,800
		3,003,220	6,123,153
12	Liability for expenses		
	Salary & wages	398,256	400,987
	Electricity bill	172,865	422,198
	Rent	152,000	152,000
	Audit fee	100,000	25,000
	Income tax payable (12.01)	10,355,840	7,952,080
		11,178,961	8,952,265
12.01	Income tax payable		
	Opening Balance	7,952,080	4,141,604
	Add: Current year's provision	2,403,760	3,810,476
	Closing Balance	10,355,840	7,952,080

**Notes to financial statements for the period ended 30 June 2021**

		Amounts in Taka	
		Period from 1 July 2020 to 30 June 2021	Period from 1 July 2019 to 30 June 2020
13	<u>Revenue</u>		
	Sales	50,528,713	61,178,398
14	<u>Cost of goods sold</u>		
	Raw materials consumption		
	Opening stock of raw materials	1,325,485	1,956,464
	Purchases during the year	28,525,122	28,458,433
	Closing stock of raw materials	(1,775,982)	(1,325,485)
		28,074,625	29,089,412
	Manufacturing expenses:		
	Depreciation	5,204,530	5,450,844
	Salary & wages	2,158,658	2,144,250
	Insurance	42,542	34,247
	Electricity bill	2,012,585	4,692,474
	Overtime bill	135,425	175,000
	Factory rent	1,200,000	1,200,000
	Raw materials import charge	132,584	81,744
	Packing materials	142,583	322,744
	Carriage inward	169,855	289,056
		11,198,762	14,390,359
	Total Manufacturing cost	39,273,387	43,479,771
	Opening work-in process	785,694	994,355
	Closing work-in process	(1,445,985)	(785,694)
	Opening finished product	852,645	1,068,097
	Closing finished product	(1,285,648)	(852,645)
	Cost of goods sold	38,180,093	43,903,884

**Notes to financial statements for the period ended 30 June 2021**

	Amounts in Taka	
	Period from 1 July 2020 to 30 June 2021	Period from 1 July 2019 to 30 June 2020
15 <u>Administrative Expenses</u>		
Entertainment	115,284	114,593
Salary & allowances	2,398,576	2,377,016
Office rent	624,000	624,000
Repair and maintenance	268,975	270,053
Audit fee	100,000	25,000
License fee	125,876	123,254
Vehicle expenses	165,264	163,980
Printing & stationary	40,255	39,807
Cleaner expenses	76,985	78,112
Internet bill	24,000	24,000
Mobile bill	30,258	29,531
Conveyance	85,365	83,394
Allowance	40,256	39,812
Paper and periodical	9,528	9,140
Postage & courier	19,856	19,805
Misc Expenses	41,985	39,132
	4,166,463	4,060,629
16 <u>Marketing and Selling Expenses</u>		
Salary	409,865	406,200
Carriage outward	21,542	20,853
Conveyance	68,258	71,880
	499,665	498,933



Notes to financial statements for the period ended 30 June 2021

		Amounts in Taka	
		Period from 1 July 2020 to 30 June 2021	Period from 1 July 2019 to 30 June 2020
17	Financial Expenses		
	Bank charges	44,470	12,987
		44,470	12,987
18	Income tax expenses		
	Current tax payable (Note-18.01)	2,403,760	3,810,476
	Reversal of deferred Tax 2.50% rate difference	(1,875,315)	(1,846,219)
	Deferred tax expenses (Note-18.02b)	353,309	378,286
	Total	881,754	2,342,543
18.01	Current tax payable		
	The above balance is made up as follows:		
	Income tax on business income	2,344,154	3,749,856
	Income tax on other income	59,606	60,620
	Reversal of Deferred Tax for 2.50% rate difference	-	-
	Total	2,403,760	3,810,476
a)	Income tax on business income:		
	Net Profit before tax during the period except other income	7,638,022	12,701,965
	Add: Accounting depreciation	5,204,530	5,450,844
	Less: Tax depreciation	(5,028,706)	(6,614,790)
	Taxable Profit/(Loss)	7,813,846	11,538,019
	Unused Tax loss carry forward from previous year	-	-
	Current year set-off	7,813,846	11,538,019
	Unused Tax loss carry forward profit after loss set-off	7,813,846	11,538,019
	Tax Rate	30.00%	32.50%
	Income Tax on other Income	2,344,154	3,749,856
b)	Income tax on other income		
	Other income during the period	198,685	186,524
		198,685	186,524
	Tax Rate	30.00%	32.50%
	Income Tax on other Income	59,606	60,620
	Closing Deferred Tax Liability	22,857,087	24,379,093
	Opening Deferred Tax Liability	24,379,093	25,847,026
	Gain on Deferred tax liabilities for rate change	(1,875,315)	(1,846,219)
		353,309	378,286

19 Others

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

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


Notes to financial statements for the period ended 30 June 2021
Annex - A
3. Property, Plant and Equipment.

Particulars	C O S T				D E P R E C I A T I O N				Net book value at 30 June 2021	
	Balance as at 01 July 2020	Additions during the year	Sale/ Disposal/ Adjustment during the year	Total as at 30 June 2021	Rate	Balance as at 01 July 2020	Charge for the year	Adjustment during the year		Total as at 30 June 2021
Land and land development	22,625,706	-	-	22,625,706	-	-	-	-	-	22,625,706
Plant and machinery	147,445,925	-	-	147,445,925	5%	47,835,281	4,980,532	-	52,815,814	94,630,111
Motor Vehicles	3,502,000	-	-	3,502,000	10%	1,994,504	150,750	-	2,145,253	1,356,747
Furniture and fixture	491,600	-	-	491,600	10%	287,036	20,456	-	307,493	184,107
Tools and equipments	666,814	-	-	666,814	10%	389,340	27,747	-	417,088	249,726
Office equipments	601,850	-	-	601,850	10%	351,409	25,044	-	376,453	225,397
Total at 30 June 2021	175,333,895	-	-	175,333,895	-	50,857,571	5,204,530	-	56,062,101	119,271,794
Total at 30 June 2020	173,641,995	1,691,900	-	175,333,895	-	45,406,728	5,450,844	-	50,857,571	124,476,323

Amounts in Taka



**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS-2021**



INDEPENDENT AUDITOR'S REPORT

To

The Shareholders of Saif Port Holdings Limited

Ref: MAKC/SPHL/DL.09.21/25

Report on the financial statements

We have audited the accompanying financial statements of **Saif Port Holdings Limited** which comprise the **Statement Of Financial Position** as at **30th June- 2021** and **Statement of Comprehensive Income, Statements Of Changes In Equity, Statements Of Cash Flows** and summary of significant accounting policies and other explanatory information for the year ended **30th June- 2021**.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, and other applicable laws & regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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 International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) give a true and fair view of the state of the affairs of financial position of the Company as at 30th June- 2021 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act, 1994 and other applicable laws and regulations.

We further report that:

- (a) we have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the project so far as it appeared from our examination of those books;
- (c) The company's maintained proper books of accounts so far as it appeared from our examination; and
- (d) The Financial Statements are in agreement with the books of accounts maintained by the company and examined us.

Dated, Dhaka; 18 October 2021



Mohammad Ata Karim & Co.
Chartered Accountants
DVC: 2110230066AS585625

Statement of Financial Position as at 30 June 2021

	Notes	Amounts in Taka	
		At 30 June 2021	At 30 June 2020
ASSETS			
Non-Current Assets	Annex- A	136,026,889	32,885,546
Capital Work-in-Progress	3	4,685,566,019	1,672,553,091
Total Non-Current Assets		4,821,592,908	1,705,438,637
Current Assets			
Advance deposits and prepayment	4	973,947,268	305,167,933
Cash and bank balances	5	894,190	70,139,335
Total Current Assets		974,841,458	375,307,268
Total Assets		5,796,434,366	2,080,745,905
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	6	50,000,000	50,000,000
Retained earnings		(20,997,732)	(10,514,020)
		29,002,268	39,485,980
Non-Current Liabilities			
Long term loan	7	5,764,486,706	2,040,396,392
Deferred Tax liabilities	11	2,508,940	540,912
Total Non-Current Liabilities		5,766,995,646	2,040,937,304
Current Liabilities			
Accrued Expenses	8	436,451	322,621
Total Current Liabilities		436,451	322,621
Total Equity and Liabilities		5,796,434,366	2,080,745,905
Net asset value per share of Taka 10 each		5.80	7.90

See annexed notes


for Saif Port Holdings Limited


Chairman


Managing Director


Company Secretary

Dated, Dhaka; 18 October 2021


Mohamad Ata Karim & Co.
Chartered Accountants
DVC: 2110230066AS585625

**Statement of Profit or Loss and other Comprehensive Income
For the year 30 June 2021**

Amounts in Taka		
Notes	Period from 1 July 2020 to 30 June 2021	Period from 1 July 2019 to 30 June 2020
REVENUE		
Sales	-	-
<u>Less: Cost of Goods Sold</u>	-	-
Gross Profit	-	-
<u>Less: Operating Expenses:</u>		
Administrative expenses	9 (8,360,300)	(9,311,934)
Marketing and selling expenses	-	-
	(8,360,300)	(9,311,934)
Operating Profit	(8,360,300)	(9,311,934)
Add: Other income	-	-
<u>Less: Financial expenses</u>	10 (155,384)	(156,886)
Net Profit before Tax	(8,515,684)	(9,468,820)
<u>Less: Income tax expenses</u>		
Current tax	-	-
Deferred tax (expense)/income	11 (1,968,028)	(540,912)
Net Profit after Tax	(10,483,712)	(10,009,732)
Earning Per Share (EPS)	(2.10)	(2.00)
See annexed notes		


for Saif Port Holdings Limited


Chairman


Managing Director


Company Secretary

Dated, Dhaka; 18 October 2021


Mohammad Ata Karim & Co.
Chartered Accountants
DVC: 2110230066AS585625

Statement of Cash Flow
For the year 30 June 2021

Amounts in Taka

	Period from 1 July 2020 to 30 June 2021	Period from 1 July 2019 to 30 June 2020
Cash Flows from Operating Activities		
Cash receipt from customer	-	-
Cash paid to suppliers and employees	(4,023,674)	(3,918,417)
Cash generated from operations	(4,023,674)	(3,918,417)
Advance, deposits and prepayment	(79,283,124)	(138,102,310)
Net cash flow from operating activities	(83,306,798)	(142,020,727)
Cash flow from investing activities		
Capital works-in-progress	(3,246,787,663)	(1,368,843,284)
Purchase of Property and Equipment	(107,364,139)	(29,395,175)
Net cash used in operating activities	(3,354,151,802)	(1,398,238,459)
Cash flow from financial activities		
Share Capital	-	-
Financial Expenses	(155,384)	(156,886)
Loan received from Bank	3,408,926,759	1,550,025,460
Loan repaid to Bank	(40,557,921)	-
Net cash from/(used in) financing activities	3,368,213,454	1,549,868,574
Net cash inflow/(outflow) for the period	(69,245,146)	9,609,388
Opening cash and cash equivalents	70,139,336	60,529,948
Closing cash and cash equivalents	894,190	70,139,336
Net Operating cash flows per share	(16.66)	(28.40)


for Saif Port Holdings Limited


Chairman


Managing Director


Company Secretary

Dated, Dhaka; 18 October 2021


Mohamad Ata Karim & Co.
Chartered Accountants
DVC: 2110230066AS585625



**Statement of Changes in Equity
For the year 30 June 2021**

Particulars	Share capital	Retained earnings	Amounts in Taka
			Total
Opening balance	50,000,000	(504,288)	49,495,712
Profit during the year	-	(10,009,732)	(10,009,732)
Balance at 30 June 2020	<u>50,000,000</u>	<u>(10,514,020)</u>	<u>39,485,980</u>
Opening balance	50,000,000	(10,514,020)	39,485,980
Profit during the year	-	(10,483,712)	(10,483,712)
Balance at 30 June 2021	<u>50,000,000</u>	<u>(20,997,732)</u>	<u>29,002,268</u>


for Saif Port Holdings Limited


 Chairman


 Managing Director


 Company Secretary

Dated, Dhaka; 18 October 2021


Mohammad Ata Karim & Co.
 Chartered Accountants
 DVC: 2110230066AS585625



Notes to financial statements for the period ended 30 June 2021.

1 Legal form of the enterprise

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

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

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

Nature of business

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

2 Basis of preparation

2.01 Corporate financial statements and reporting

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

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

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

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

2.02 Fundamental accounting concepts/ assumptions

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

2.03 Going concern

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

Notes to financial statements for the period ended 30 June 2021.

2.04 Compliance with IAS & IFRS

The following BAS is applicable to the financial statements for the period under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flows Statement
IAS 8	Accounting policies , Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant And Equipment
IAS 18	Revenue
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provision , Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement

The following BFRS is applicable to the financial statements for the period under review:

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards
IFRS 15	Revenue from contracts with customers

2.05 Reporting period

The period of the financial statements covers from 01 July 2020 to 30 June 2021

2.06 Events after the reporting period.

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

2.07 Functional and presentational (Reporting) currency

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

2.08 Comparative information and rearrangement thereof

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

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

2.09 Summary of significant accounting policies

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

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

2.10 Recognition of tangible fixed assets

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

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

2.11 Depreciation of tangible fixed assets

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

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

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

Notes to financial statements for the period ended 30 June 2021.

2.12 Revenue recognition

No Revenue is incurred to input the account for during the period

2.13 Accrued expenses and other payables

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

2.14 Inventories

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

2.15 Cash and Cash Equivalents

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

2.16 Statements of Cash Flows:

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

2.17 Borrowing costs

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

2.18 Income-tax expense

Current tax is the expected tax payable on the taxable income for the year , using tax rates enacted or substantially enacted at the reporting date any adjustment to tax payable in respect of previous year. Provision for corporate income tax is made @ 32.50% applicable for a private limited company.

Deferred tax

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

2.19 Foreign Currency Transaction:

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

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

Notes to financial statements for the period ended 30 June 2021.

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

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

2.20 Related party disclosures

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

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

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

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

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

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

2.21 Financial Instruments

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

Financial assets:

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

Financial liability:

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

2.22 Earnings Per Share

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

Diluted Earnings per share

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

2.23 Impairment of Assets:

I) Financial Assets

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

II) Non-Financial assets

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

2.24 Provision, Contingent Liabilities and Contingent Assets :

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

2.25 Financial statements comprises:

- Statement of Financial Position as at 30 June 2021
- Statement of Profit or Loss and other Comprehensive income for the year ended 30 June 2021.
- Statement of Cash Flows for the nine months year ended 30 June 2021.
- Statement of Changes in equity for the nine months year ended 30 June 2021.
- Notes, comprising a summary of significant accounting policies and other explanatory information.



Notes to financial statements for the period ended 30 June 2021

	Amounts in Taka	
	At 30 June 2021	At 30 June 2020
3 Capital Work-in-Progress		
Opening Balance	1,672,553,091	165,407,851
Add: Addition during the year	3,013,012,928	1,507,145,240
Less: Transferred during the year	-	-
Closing Balance	4,685,566,019	1,672,553,091
4 Advance deposits and prepayment		
<u>Advance to:</u>		
Advance against works	373,264,158	302,020,546
Bank Guarantee	4,071,300	-
LC Margin	589,496,211	-
Advance against others	7,115,599	3,147,387
	973,947,268	305,167,933
5 Cash and Bank Balances		
Cash in hand	859,868	579,856
Bank balances in		
National Bank Limited	16,072	69,539,860
Dhaka Bank Limited	18,250	19,619
NBL-Escrow Account	-	-
	894,190	70,139,335
6 Share Capital		
<u>Authorised capital</u>		
10,000,000 ordinary shares of Taka 10 each	100,000,000	100,000,000
<u>Issued, subscribed, called and paid up capital</u>		
5,000,000 ordinary shares of Taka 10 each	50,000,000	50,000,000
7 Long Term Loan		
National Bank Limited		
Opening Balance	2,040,396,392	352,068,976
Add: Principal this year	3,408,926,759	1,550,025,460
Add: Interest this year	355,721,476	138,301,956
Less: Payment this year	(40,557,921)	-
Total	5,764,486,706	2,040,396,392

Notes to financial statements for the period ended 30 June 2021.

		Amounts in Taka	
		At	At
		30 June 2021	30 June 2020
8	Accrued Expenses		
	Salaries	395,625	287,857
	Audit fee	25,000	25,000
	Others	15,826	9,764
	Total	436,451	322,621
9	<u>Administrative Expenses</u>		
	Entertainment	30,258	29,120
	Salary & allowances	3,587,262	3,383,172
	Office rent	240,000	240,000
	Depreciation	4,222,796	5,399,425
	Audit fee	25,000	25,000
	License fee	20,546	18,562
	Vehicle expenses	82,546	81,556
	Printing & stationery	31,258	34,180
	Mobile bill	30,565	29,033
	Conveyance	28,675	31,036
	Paper and periodical	11,284	12,070
	Postage & courier	3,258	11,472
	Misc Expenses	46,852	17,308
		8,360,300	9,311,934
10	<u>Financial expenses</u>	155,384	156,886
		155,384	156,886
11	Calculation of Deferred Tax		
	Carrying amount of Property Plant & Equipment:	136,026,889	32,885,546
	Tax base of Property Plant & Equipment:	127,663,754	31,221,202
	Taxable/(deductible) temporary deferrence	8,363,135	1,664,344
	Tax Rate	30.00%	32.50%
	Deferred Tax liability at the end of the year	2,508,940	540,912
	Deferred Tax Expenses /(Income)	1,968,028	540,912

Notes to financial statements for the period ended 30 June 2021.

Annex-A

Property, Plant and Equipment

Amounts in Taka

Particulars	C O S T						D E P R E C I A T I O N					Net book value at 30 June 2021
	Balance as at 01 July 2020	Additions during the year	Sale/ Disposal/ Adjustment during the year	Total as at 30 June 2021	Rate	Balance as at 01 July 2020	Charge for the year	Adjustment during the year	Total as at 30 June 2021			
Land and land development	-	80,330,852	-	80,330,852	-	-	-	-	-	80,330,852		
Plant and machinery	1,279,500	-	-	1,279,500	5%	92,231	59,363	-	151,594	1,127,906		
Motor Vehicles	31,745,555	24,541,333	-	56,286,888	10%	2,760,404	3,818,815	-	6,579,219	49,707,669		
Furniture and fixture	4,226,757	2,242,874	-	6,469,631	10%	2,549,276	233,165	-	2,782,441	3,687,190		
Tools and equipments	-	-	-	-	10%	-	-	-	-	-		
Office equipments	1,107,863	249,080	-	1,356,943	10%	72,218	111,452	-	183,670	1,173,273		
Total at 30 June 2021	38,359,675	107,364,139	-	145,723,814		5,474,129	4,222,796	-	9,696,925	136,026,889		
Total at 30 June 2020	8,964,500	29,395,175	-	38,359,675		74,704	5,399,425	-	5,474,129	32,885,546		

72, Mohakhali C/A, Rupayan Center (8th Floor), Dhaka-1212

Tel: (880 2) 9856358-9, Fax: (880 2) 9855949

Proxy Form

I/Weof
.....
.....being member(s) Saif Powertec Limited, entitle to vote hereby appoint Mr./Mrs./MS
..... of
.....as my/our proxy to
attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the company to be held on Wednesday,
the 29th day of December 2021 by using Digital Platform through the link <http://saifpower18agm.digitalagmbd.net> at
11.00 A.M. and at any adjournment thereof.

As witness my hand this day of 2021 signed by the said
in presence of

.....
Signature of the Proxy

Date



.....
Signature of the Member(s)

Register BO ID.....

Dated

NOTE: A member entitled to attend/participate and vote at the Annual General Meeting may appoint at Proxy to attend/participate and vote in his/her stead. Scanned copy of Proxy Form duly stamped must be send through email to shambhu@saifpowertec.com not later than 48 hours before the Meeting.

Signature verified

.....
Authorized Signatory
Saif Powertec Limited

SAIF POWERTEC LIMITED

72, Mohakhali C/A, Rupayan Center (8th Floor), Dhaka-1212

Tel: (880 2) 9856358-9, Fax: (880 2) 9855949

Members’/Proxy Attendance Slip

I/We hereby record my attendance/ participation at the 17th Annual General Meeting being held on Wednesday, the 29th day of December 2021 by using Digital Platform through the link <http://saifpower18agm.digitalagmbd.net> at 11.00 A.M.

Name of Member(s)/Proxy.....

Register BO ID holding of Ordinary
Shares of Saif Powertec Limited.

.....
Signature of Member(s)/Proxy



A House of Power & Material Handling Solution

Corporate Office:

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

Sales Office:

Khawaja Tower
95, Bir Uttam AK Khandakar Road
Mohakhali C/A, Dhaka 1212, Bangladesh.
Tel: +88 02 222293312, 222288291,
222283574, 222295008

Chittagong Office:

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

Factories:

SAIF Battery Factory: Bashugaon,
Pubail, Gazipur.
SAIF LED Factory: Tumulia, Kaligonj, Gazipur.
SAIF Plastic & Polymer Factory:
Tumulia, Kaligonj, Gazipur.

www.saifpowertec.com