

SAIF POWERTEC LIMITED
72, Mohakhali C/A,
Rupayan Centre (8th Floor) Dhaka 1212

AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2016

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INDEPENDENT AUDITORS' REPORT

To The shareholders of

Saif Powertec Limited & Its Subsidiary

We have audited the accompanying financial statements of **Saif Powertec Limited & Its Subsidiary**, which comprise the Statement of Financial Position as at 30 June 2016 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended 30 June 2016.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs)/Bangladesh Accounting Standards (BASs), the Companies Act 1994, the Securities and Exchange Rules 1987, 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 Bangladesh Standards on Auditing (BSAs). 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.



Basis of Opinion

We have conducted the audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we have obtained reasonable assurance about whether the Financial Statements are free from 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 presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs)/ Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of the company as at 30 June 2016 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, the Securities and Exchange Rules 1987 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 company so far as it appeared from our examination of those books;
- (c) The company's statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- (d) The expenditure incurred was for the purpose of the company's business.

Dated: Dhaka,
26 October 2016


Mahfel Huq & Co.
Chartered Accountants



Saif Powertec Limited
Consolidated Statement of Financial Position
as at 30 June 2016

		Amount in Taka					
		At 30 June 2016		At 30 June 2015		At 01 July 2014	
Notes		Consolidated	The Company	Consolidated Re-stated	The Company Re-stated	Consolidated Re-stated	The Company Re-stated
Assets							
Non-current assets							
	Property, plant and equipment	4	1,612,862,138	1,483,778,544	1,489,940,540	1,357,480,653	1,251,662,273
	Capital works-in-progress	5	2,154,601,625	2,154,601,625	609,981,792	609,981,792	145,554,192
	Investment in subsidiary company	6	-	80,000,000	-	80,000,000	-
			3,767,463,763	3,718,380,169	2,099,922,332	2,047,462,445	1,397,216,465
Current assets							
	Inventories	7	495,561,389	492,204,690	484,602,027	477,940,429	298,164,729
	Accounts and others receivable	8	815,897,071	812,766,401	665,821,895	658,067,339	500,442,614
	Advances, deposits and prepayments	9	827,623,061	822,163,723	476,459,627	473,410,617	403,587,199
	Fixed deposit receipt (FDR)	10	227,402,573	227,402,573	163,329,031	163,329,031	65,178,760
	Cash and cash equivalents	11	56,677,885	55,601,762	195,610,251	193,839,997	21,202,906
			2,423,161,979	2,410,139,149	1,985,822,831	1,966,587,413	1,288,576,207
			6,190,625,742	6,128,519,319	4,085,745,162	4,014,049,858	2,685,792,672
Total assets							
Equity and liabilities							
Capital and reserves							
	Share capital	12	915,711,400	915,711,400	709,853,800	709,853,800	438,940,000
	Share premium	13	418,345,180	418,345,180	418,345,180	418,345,180	191,429,500
	Revaluation reserve	14	82,059,122	82,059,122	82,059,122	82,059,122	82,059,122
	Retained earnings	15	710,032,817	701,690,276	514,494,606	512,473,869	451,271,399
			2,126,148,519	2,117,805,978	1,724,752,708	1,722,731,971	1,163,700,021
			2,148,234,154	2,117,805,978	1,745,257,893	1,722,731,971	1,183,694,855
Non-controlling interest							
		16	-	-	-	-	-
			-	-	-	-	-
Non-current liabilities							
	Long term loan from banks and NBFIs	17	1,213,149,869	1,213,149,869	666,493,563	666,493,563	487,782,020
	Deferred tax liability	19	66,005,062	58,749,000	50,895,185	47,288,925	43,920,802
			1,279,154,931	1,271,898,869	717,388,748	713,782,488	531,702,822
Current Liabilities							
	Current portion of long-term loan	18	259,140,617	259,140,617	241,701,807	221,534,831	218,862,777
	Short term loan	20	1,464,592,974	1,464,592,974	1,088,141,936	1,076,203,713	537,891,683
	Share money refundable		1,242,750	1,242,750	1,260,000	1,260,000	-
	Accounts payable	21	447,240,532	424,337,012	30,998,159	18,354,237	20,760,113
	Accrued expenses	22	347,094,353	345,575,689	232,726,191	231,912,189	178,203,882
	Obligation to contract clients	23	189,316,735	189,316,735	-	-	89,700
	Workers profit participation/Welfare fund	24	54,608,695	54,608,695	28,270,428	28,270,428	14,586,841
			2,763,236,657	2,738,814,472	1,623,098,521	1,577,535,399	970,394,995
			6,190,625,742	6,128,519,319	4,085,745,162	4,014,049,858	2,685,792,672
Total shareholders' equity and liabilities							
	Net asset value per share of Taka 10 each		23.22	23.13	24.30	24.27	26.51
	Net asset value per share without revaluation of Taka 10 each		22.32	22.23	23.14	23.11	24.64

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

Managing Director

Director

for Saif Powertec Limited

Chief Financial Officer

Company Secretary

This is the Statement of Financial Position referred to in our separate report of even date.

Dated, Dhaka; 26 October 2016



Mahfel Huq & Co.
Chartered Accountants

Saif Powertec Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30th June 2016

		Amount in Taka			
		1st July 2015 to 30 June 2016		1st July 2014 to 30 June 2015	
Notes		Consolidated	The Company	Consolidated Re-stated	The Company Re-stated
Revenue					
Sales (net)	25	2,149,180,726	2,092,298,608	1,757,076,090	1,703,336,739
Cost of sales	26	(1,061,092,859)	(1,018,556,255)	(1,019,278,849)	(977,081,706)
Gross profit		1,088,087,867	1,073,742,353	737,797,241	726,255,033
General and administrative expenses	27	(223,397,433)	(221,524,413)	(210,892,820)	(209,385,541)
Profit from operations		864,690,435	852,217,940	526,904,421	516,869,492
Other income		37,153,175	35,423,866	46,739,940	45,662,420
Finance costs	28	(336,582,684)	(334,538,195)	(282,363,251)	(275,176,577)
Net profit before WPPF		565,260,926	553,103,611	291,281,110	287,355,335
Workers profit participation/Welfare fund		(26,338,267)	(26,338,267)	(13,683,587)	(13,683,587)
Net profit after WPPF		538,922,658	526,765,345	277,597,522	273,671,748
Income tax expenses	29	(135,946,397)	(131,691,337)	(62,950,164)	(61,576,143)
Net profit after tax		402,976,262	395,074,007	214,647,357	212,095,604
Profit attributable to ordinary shareholders					
Non controlling interest (20%)		(1,580,451)	-	(510,351)	-
		401,395,811	395,074,007	214,137,007	212,095,604
Basic Earnings per share	30	4.38	4.31	3.07	3.04
Re-stated Earnings per share	30	4.38	4.31	2.37	2.35

Appropriation of subsidiary company's net profit :

Saif Powertec Limited (parent company) - 80%	6,321,803	2,041,403
Non-controlling interest (minority interest) - 20%	1,580,451	510,351
	7,902,254	2,551,754

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


Managing Director

for Saif Powertec Limited


Director


Chief Financial Officer


Company Secretary

This is the Statement of Comprehensive Income referred to in our separate report of even date.

Dated, Dhaka; 26 October 2016




Mahfel Huq & Co.
Chartered Accountants

Saif Powertec Limited
Consolidated Statement of Changes in Equity
for the year ended 30th June 2016

	Amounts in Taka				
	Share capital	Share premium	Revaluation reserve	Retained earnings	Non-Controlling Interest
					Total
					(Re-stated)
Balance at 01 July 2014	438,940,000	191,429,500	96,540,144	451,370,636	20,019,644
Less: Provision for minimum tax payable as per section 16 CCC of the ITO 1984 - Subsidiary				(99,237)	(99,237)
Deferred tax liability	-	-	(14,481,022)	-	(24,810)
Opening balance re-stated	438,940,000	191,429,500	82,059,122	451,271,399	19,994,834
					1,183,694,855
Issue of shares	120,000,000	226,915,680	-	-	346,915,680
Issue of Bonus Shares	150,913,800	-	-	(150,913,800)	-
Share of profit of subsidiary company	-	-	-	-	510,351
Net income for the year				214,137,007	214,137,007
Balance at 30 June 2015	709,853,800	418,345,180	82,059,122	514,494,606	20,505,185
					1,745,257,893
Balance at 01 July 2015	709,853,800	418,345,180	82,059,122	514,494,606	20,505,185
Issue of Bonus Shares	205,857,600	-	-	(205,857,600)	-
Capital paid by Non -Controlling inst.	-	-	-	401,395,811	401,395,811
Net income for the period	-	-	-	-	1,580,451
Share of profit of subsidiary company	-	-	-	-	1,580,451
Balance at 30 June 2016	915,711,400	418,345,180	82,059,122	710,032,817	22,085,635
					2,148,234,154


Managing Director


Director


Chief Financial Officer


Company Secretary

Dated, Dhaka; 26 October 2016




Mahfel Huq & Co.
Chartered Accountants

Saif Powertec Limited
Consolidated Statement of Cash Flows
for the year ended 30th June 2016

Amount in Taka				
Year ended 30 June 2016		Year ended 30 June 2015		
Consolidated	The Company	Consolidated	The Company	
		Re-stated	Re-stated	
Cash flows from operating activities				
Cash receipt from customers and others	2,225,575,460	2,162,340,147	1,638,436,749	1,588,440,404
Cash paid to employees and suppliers	(1,255,014,893)	(1,229,955,992)	(1,229,497,065)	(1,200,746,446)
Cash generate from operating activities	970,560,567	932,384,155	408,939,684	387,693,959
Paid against advance income tax	(89,643,193)	(87,993,853)	(66,118,482)	(65,098,219)
Net cash provided by operating activities (A)	880,917,374	844,390,302	342,821,202	322,595,740
Cash flows from investing activities				
Purchase of property, plant and equipment	(99,248,404)	(96,176,889)	(167,102,944)	(167,102,944)
Capital works-in-progress	(1,295,633,057)	(1,295,633,057)	(637,289,203)	(637,289,203)
Fixed deposit receipt (FDR)	(64,073,542)	(64,073,542)	(98,150,271)	(98,150,271)
Advance against property plant & equipment	(164,840,956)	(164,840,956)	(96,569,014)	(96,569,014)
Net cash used in investing activities (B)	(1,623,795,959)	(1,620,724,444)	(999,111,432)	(999,111,432)
Cash flows from financing activities				
Short term loan received	1,228,627,276	1,228,627,276	844,260,880	850,095,240
Short term loan re-paid	(852,176,238)	(840,238,015)	(294,010,627)	(294,010,627)
Proceed from Issuance of Share Capital (IPO)	-	-	120,000,000	120,000,000
Interest and financial expenses	(336,582,684)	(334,538,195)	(282,363,251)	(275,176,577)
Share premium received	-	-	240,000,000	240,000,000
Share money deposit received/(refunded)	(17,250)	(17,250)	1,260,000	1,260,000
Long term loan received	927,348,341	927,348,341	445,897,806	452,537,212
Long term loan re-paid	(363,253,226)	(343,086,250)	(244,347,233)	(244,347,233)
Net cash provided by financing activities (C)	603,946,219	638,095,907	830,697,575	850,358,015
Net changes in cash and cash equivalents (A+B+C)	(138,932,366)	(138,238,235)	174,407,345	173,842,323
Opening cash and cash equivalents	195,610,251	193,839,997	21,202,906	19,997,674
Closing cash and cash equivalents	56,677,885	55,601,762	195,610,251	193,839,997
Net Operating cash flows per share				
	9.62	9.22	4.91	4.62


Managing Director


Director

for Saif Powertec Limited


Chief Financial Officer


Company Secretary

Dated, Dhaka; 26 October 2016




Mahfel Huq & Co.
Chartered Accountants



Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

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 72, Mohakhali, Rupayan Centre (8th Floor), Dhaka 1212.

1.1 Nature of business

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

1.2 Subsidiary company

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

Subsidiaries are entities controlled by Saif Powertec Limited (The Company). Control exists when Saif Plastic & Polymer Industries 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 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 Bangladesh Accounting Standard (BASs) 10 "Consolidated Financial Statements". The accounting policies of the subsidiary have been changed when necessary to align them with the policies adopted by the group. During the year statement of financial position, statement of profit or loss and other comprehensive income, and statement of cash flow has been consolidated on the basis of audited financial statements which was audited by M A Fazal & Co., Chartered Accountants.

Transactions eliminated on consolidation

The financial statements of the subsidiaries has been consolidated in accordance with Bangladesh Accounting Standard (BASs) 10 "Consolidated Financial Statements". Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group 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 comprehensive income, and statement of cash flow 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 Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) and Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax Act 1991 and 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 BAS/BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.5 Reporting period

Reporting period of the Company cover for 1 (one) year from 01 July 2015 to 30 June 2016.

2.6 Comparative Information and Rearrangement Thereof

In accordance with the provisions of BAS-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 BAS -8 "Accounting Policies, Changes in Accounting Estimated and Errors"

2.7 Corporate Accounting Standards Practiced

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

BAS

BAS 1	:	Presentation of Financial Statements
BAS 2	:	Inventories
BAS 7	:	Statements of Cash Flows
BAS 8	:	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	:	Events after the Reporting Period
BAS 12	:	Income Taxes
BAS 16	:	Property, Plant and Equipment
BAS 18	:	Revenue
BAS 19	:	Employee Benefits
BAS 21	:	The Effects of Changes in Foreign Exchange Rates
BAS 23	:	Borrowing Costs
BAS 24	:	Related Party Disclosures
BAS 27	:	Separate Financial Statements
BAS 32	:	Financial Instruments: Presentation
BAS 33	:	Earnings Per Share
BAS 34	:	Interim Financial Reporting
BAS 36	:	Impairment of Assets
BAS 37	:	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	:	Intangible Assets
BAS 39	:	Financial Instruments: Recognition and Measurement

BFRS

BFRS-7	Financial Instruments : Disclosure
BFRS-10	Consolidated Financial Statements



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. After considering the useful life of the assets as per BAS-16, 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
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 BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations;

- when the company has an obligation (legal or constructive) as a result of past events;
- when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 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. No depreciation is charged on the capital work in progress which is in accordance with BAS-16.

3.5 Earnings per share (EPS)

This has been calculated in compliance with the requirement of BAS-33 : Earnings per share by dividing the net earnings after Tax 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.

3.6 Revenue

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

3.7 Trade receivables

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

3.8 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 Comprehensive Income using the effective interest rate.





3.8 Cash and cash equivalents

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

Cash flows from operating activities have been presented under direct method as per BAS-7.

3.9 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. The company has introduced Deferred Tax as per provision of BAS-12 (Income Taxes) during the year and comparative information has been re-stated accordingly.

3.11 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 BAS 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.

3.12 Related party disclosure

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



Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

Amount in Taka				
At 30 June 2016		At 30 June 2015		
Consolidated	The Company	Consolidated	The Company	
4 Property, Plants, Equipment				
Cost:				
Opening balance	1,930,939,971	1,777,224,673	1,584,461,573	1,430,746,275
Add: Addition during the year	252,279,581	249,208,066	346,478,398	346,478,398
Closing balance (A)	2,183,219,552	2,026,432,739	1,930,939,971	1,777,224,673
Depreciation:				
Opening balance	440,999,431	419,744,020	332,799,301	318,326,213
Add: Charge for the year	129,357,983	122,910,175	108,200,130	101,417,807
Closing balance (B)	570,357,414	542,654,195	440,999,431	419,744,020
Written down value (A-B)	1,612,862,138	1,483,778,544	1,489,940,540	1,357,480,653
Details are in <u>Annex I.</u>				
5 Capital works-in-progress				
Opening balance	609,981,792	609,981,792	145,554,192	145,554,192
Add: Addition during the year	1,697,651,010	1,697,651,010	637,289,203	637,289,203
Less: Transferred	(153,031,177)	(153,031,177)	(172,861,603)	(172,861,603)
Closing balance	2,154,601,625	2,154,601,625	609,981,792	609,981,792
This represents cost incurred for Construction of Building, Machineries and other Capital expenditure.				
6 Investment in subsidiary company				
Amount in Taka 80,000,000 was invested by the company in its subsidiary, Saif Plastic and Polymer Industries Limited in 8,000,000 ordinary shares of Taka 10 each.				
7 Inventories				
Generators	143,518,296	143,518,296	236,409,222	236,409,222
Spare parts	226,917,099	226,917,099	187,166,007	187,166,007
Electric goods	121,769,295	121,769,295	54,365,200	54,365,200
Closing stock subsidiary company	3,356,699	-	6,661,598	-
	495,561,389	492,204,690	484,602,027	477,940,429
8 Accounts and others receivable				
Imported goods sales	485,366,210	485,366,210	397,798,020	397,798,020
Contract execution	208,891,016	208,891,016	125,451,966	125,451,966
Shipping agent	116,325,830	116,325,830	130,496,378	130,496,378
Receivable (Subsidiary Company)	3,130,670	-	7,754,556	-
Interest Receivable	2,183,345	2,183,345	4,320,975	4,320,975
	815,897,071	812,766,401	665,821,895	658,067,339
Dues upto 6 months	424,184,887	422,557,252	344,299,900	336,545,344
Dues above 6 months	391,712,184	390,209,149	321,521,995	321,521,995
Total	815,897,071	812,766,401	665,821,895	658,067,339
9 Advances, deposits and prepayments				
Advances to/against				
VAT	1,061,209	-	98,221	-
Income tax	292,363,054	287,964,925	202,719,861	199,971,072
Salary	4,215,621	4,215,621	3,727,316	3,727,316
Office rent	1,200,028	1,200,028	3,965,008	3,965,008
Advance against work	285,563,241	285,563,241	96,452,350	96,452,350
Advance against civil construction	-	-	24,269,935	24,269,935
Others	160,770,191	160,770,191	115,532,150	115,532,150
	745,173,344	739,714,006	446,764,841	443,917,831

Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

Amount in Taka				
At 30 June 2016		At 30 June 2015		
Consolidated	The Company	Consolidated	The Company	
Deposits and prepayments:				
Bank guarantee	42,760,016	42,760,016	23,808,345	23,808,345
L/C margin	24,483,050	24,483,050	3,843,408	3,641,408
Earnest money	10,200	10,200	1,987,663	1,987,663
Security money	15,196,451	15,196,451	55,370	55,370
	82,449,717	82,449,717	29,694,786	29,492,786
	827,623,061	822,163,723	476,459,627	473,410,617
Dues upto 6 months	293,392,375	291,457,040	169,143,168	168,060,769
Dues above 6 months	534,230,686	530,706,683	307,316,459	305,349,848
Total	827,623,061	822,163,723	476,459,627	473,410,617
10 Fixed Deposit Receipt (FDR):				
Dhaka Bank Limited	83,222,214	83,222,214	66,587,089	66,587,089
Farmers Bank Limited	94,180,359	94,180,359	96,741,942	96,741,942
Premier Leasing & Finance Ltd	50,000,000	50,000,000	-	-
	227,402,573	227,402,573	163,329,031	163,329,031
11 Cash and cash equivalents				
Cash in hand				
Branch Office	21,124,524	21,124,524	10,010,669	10,010,669
Factory	1,015,623	1,015,623	755,620	755,620
Dhaka Office	2,728,236	2,523,701	2,543,664	2,355,410
	24,868,383	24,663,848	13,309,953	13,121,699
Bank balances with:				
Bank Asia Limited	3,523	2,161	268,454	229,921
Dhaka Bank Limited	2,792,697	2,792,697	920,176	920,176
Mercantile Bank Limited, Dhaka	892,689	892,689	4,578,277	4,578,277
One Bank Limited	344,411	344,411	580,153	580,153
Jamuna Bank Limited	1,448,311	1,448,311	1,224,860	1,224,860
AB Bank Limited	39,992	39,992	402,977	402,977
Social Islami Bank Limited	-	-	613	613
The Premier Bank Limited	5,279,934	5,279,934	946	946
Sonali Bank Limited	24,333	24,333	6,303	6,303
Eastern Bank Limited	12,750	12,750	13,899	13,899
BRAC Bank Limited	99,469	99,469	24,590	24,590
Islami Bank Bangladesh Limited	1,664,366	1,664,366	5,232,173	5,232,173
NCC Bank Limited	358,049	358,049	86,392	86,392
United Commercial Bank Limited	856,654	51	1,391,572	1,182
Southeast Bank Limited	49,772	49,772	37,206	37,206
Farmers Bank Limited	13,979,673	13,966,050	11,146,522	10,993,445
Dutch Bangla Bank Ltd	1,040,292	1,040,292	1,548,173	1,548,173
Standard Bank Limited	486,900	486,900	-	-
Dhaka Bank Limited (IPO)	2,355,288	2,355,288	2,413,496	2,413,496
Farmers Bank Limited (IPO)	80,399	80,399	152,423,516	152,423,516
	31,809,502	30,937,914	182,300,298	180,718,298
	56,677,885	55,601,762	195,610,251	193,839,997





Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

Amount in Taka			
At 30 June 2016		At 30 June 2015	
Consolidated	The Company	Consolidated	The Company

Bangladesh Finance and Investment Company Limited

Opening Balance	357,619,142	357,619,142	370,935,429	370,935,429
Add: Principal this year	-	-	-	-
Add: Interest this year	47,381,596	47,381,596	59,820,483	59,820,483
Less: Payment this year	(81,001,100)	(81,001,100)	(73,136,770)	(73,136,770)
Sub Total (F)	323,999,638	323,999,638	357,619,142	357,619,142

Infrastructure Development Company Limited

Opening Balance	163,595,067	163,595,067	45,841,312	45,841,312
Add: Principal this year	137,126,697	137,126,697	119,663,396	119,663,396
Add: Interest this year	14,699,550	14,699,550	-	-
Less: Payment this year	(27,025,131)	(27,025,131)	(1,909,641)	(1,909,641)
Sub Total (G)	288,396,183	288,396,183	163,595,067	163,595,067

Nature	Long term loan
Purpose	Working Capital
Tenure	1 Year to 6 Years
Repayment	25/01/2022
Rate of interest	15.5% to 17.50%
Security	Registered mortgage of 82.00 decimal land situated at Khilgaon, Gazipur. Lien of readily saleable 4,118,834 shares. Hypothecation underlying assets, 32.43 Decimal land at Basugaon, pubail, 32.20 Decimal land at khilgaon, pubail, 122 dec. Bashugaon, Gazipur. 8.77decimals land at Gazipur Sadar, 69.80 decimal land at khilgaon, Gazipur.

Premier Leasing & Finance Limited

Opening Balance	-	-	-	-
Add: Principal this year	350,000,000	350,000,000	-	-
Add: Interest this year	4,010,417	4,010,417	-	-
Less: Payment this year	(4,010,417)	(4,010,417)	-	-
Sub Total (H)	350,000,000	350,000,000	-	-

Haji Finance Company Limited

Opening Balance	70,000,000	70,000,000	-	-
Add: Principal this year	150,000,000	150,000,000	70,000,000	70,000,000
Add: Interest this year	16,639,807	16,639,807	-	-
Less: Payment this year	(43,483,773)	(43,483,773)	-	-
Sub Total (I)	193,156,034	193,156,034	70,000,000	70,000,000
Total (A+B+C+D+E+F+G+H+I)	1,472,290,487	1,472,290,487	908,195,371	888,028,395
Less: Long-term loan	1,213,149,869	1,213,149,869	666,493,563	666,493,563
Transferred to current portion loan	259,140,618	259,140,618	241,701,808	221,534,832

18 Current portion of long-term loan

Dhaka Bank Limited	96,643,588	96,643,588	100,201,477	100,201,477
Bank Asia Limited	-	-	23,409,595	3,242,619
Farmers Bank Limited	9,688,467	9,688,467	7,613,075	7,613,075
Bangladesh Finance and Investment Company Limited	53,940,061	53,940,061	77,995,724	77,995,724
NCC Bank Limited	9,021,267	9,021,267	-	-
Premier Leasing and Finance Limited	34,180,745	34,180,745	-	-
Haji Finance Company Limited	55,666,489	55,666,489	32,481,936	32,481,936
	259,140,617	259,140,617	241,701,807	221,534,831

19 Deferred Tax Liability:

Deferred tax liability end of the year	58,749,000	58,749,000	47,288,925	47,288,925
Deferred Tax liability (Subsidiary Com.)	7,256,062	-	3,606,260	-
	66,005,062	58,749,000	50,895,185	47,288,925



Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

	Amount in Taka			
	At 30 June 2016		At 30 June 2015	
	Consolidated	The Company	Consolidated	The Company
20 Short-term loan from Banks				
<u>Time Loan and LTR</u>				
Mercantile Bank Limited	-	-	-	-
Dhaka Bank Limited	251,675,144	251,675,144	262,474,359	262,474,359
Bank Asia Limited	-	-	6,120,012	-
NCC Bank Limited	13,066,216	13,066,216	234,133,452	234,133,452
Farmers Bank Limited	277,262,617	277,262,617	134,824,968	134,824,968
	542,003,977	542,003,977	637,552,791	631,432,779
<u>Bank Overdraft</u>				
Dhaka Bank Limited	30,272,403	30,272,403	26,063,256	26,063,256
Bank Asia Limited	-	-	12,041,952	6,223,741
NCC Bank Limited	55,759,785	55,759,785	67,334,248	67,334,248
Farmers Bank Limited	413,601,202	413,601,202	345,149,689	345,149,689
The Premier Bank Limited	422,955,607	422,955,607	-	-
	922,588,997	922,588,997	450,589,145	444,770,934
	1,464,592,974	1,464,592,974	1,088,141,936	1,076,203,713
20.01 Short-term loan				
<u>Mercantile Bank Limited</u>				
Opening Balance	-	-	8,652,614	8,652,614
Add: Principal this year	-	-	7,493,788	7,493,788
Add: Interest this year	-	-	295,617	295,617
Less: Payment this year	-	-	(16,442,019)	(16,442,019)
	-	-	-	-
<u>Dhaka Bank Limited</u>				
Opening Balance	262,474,359	262,474,359	44,661,493	44,661,493
Add: Principal this year	458,120,450	458,120,450	442,176,597	442,176,597
Add: Interest this year	45,502,726	45,502,726	21,898,236	21,898,236
Less: Payment this year	(514,422,391)	(514,422,391)	(246,261,967)	(246,261,967)
	251,675,144	251,675,144	262,474,359	262,474,359
<u>Bank Asia Limited</u>				
Opening balance	6,120,012	-	12,567,240	-
Add: Principal this year	-	-	17,787,175	12,225,258
Add: Interest this year	149,371	-	3,510,646	1,916,471
Less: Payment this year	(6,269,383)	-	(27,745,049)	(14,141,729)
	-	-	6,120,012	-
<u>NCC Bank Limited</u>				
Opening balance	234,133,452	234,133,452	174,170,473	174,170,473
Add: Principal this year	-	-	30,427,173	30,427,173
Add: Interest this year	18,513,415	18,513,415	37,479,948	37,479,948
Less: Payment this year	(239,580,651)	(239,580,651)	(7,944,142)	(7,944,142)
	13,066,216	13,066,216	234,133,452	234,133,452
<u>Farmers Bank Limited</u>				
Opening balance	134,824,968	134,824,968	-	-
Add: Principal this year	292,688,763	292,688,763	205,636,010	205,636,010
Add: Interest this year	43,996,411	43,996,411	19,733,005	19,733,005
Less: Payment this year	(194,247,525)	(194,247,525)	(90,544,047)	(90,544,047)
	277,262,617	277,262,617	134,824,968	134,824,968
	542,003,977	542,003,977	637,552,791	631,432,779

Nature	Short term loan
Purpose	Working Capital
Tenure	1 Year
Repayment	30/09/2016
Rate of interest	2% to 17%
Security	Pledge of 3.225 Million Ordinary Share of SAIF Powerte Limited, Hypothecation underlying assets, 32.43 Decimal land at Basugaon, pubail, 32.20 Decimal land at khilgaon, pubail, 122 dec. Bashugaon , Gazipur.



Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

		Amount in Taka			
		At 30 June 2016		At 30 June 2015	
		Consolidated	The Company	Consolidated	The Company
21 Accounts payable					
A & J Traders		541,621	541,621	945,602	945,602
M.S International		19,971,624	19,971,624	9,627,376	9,627,375
Rimso Renewable energy		-	-	3,383,500	3,383,500
Model Art press		342,202	342,202	450,000	450,000
Excell Engineering & Services		321,407	321,407	952,120	952,120
Pacific International		-	-	352,120	352,120
Deferred L/C Liabilities		402,017,953	402,017,953	-	-
Others		1,142,205	1,142,205	2,643,520	2,643,520
Subsidiary		22,903,520	-	12,643,921	-
		447,240,532	424,337,012	30,998,159	18,354,237
Dues upto 6 months		244,329,407	231,824,086	17,358,969	10,278,373
Dues above 6 months		202,911,125	192,512,926	13,639,190	8,075,864
Total		447,240,532	424,337,012	30,998,159	18,354,237
22 Accrued expenses					
Salary and allowances		6,432,218	6,231,079	9,162,860	9,012,560
Others payable		970,354	970,354	5,143,260	5,143,260
Office rent		360,000	360,000	360,000	360,000
Income tax payable (note: 22.01)		338,058,345	337,169,594	217,221,825	216,938,333
Audit fee		375,000	350,000	375,000	350,000
Service charge		26,000	26,000	26,000	26,000
Electricity bill		860,097	456,320	430,830	75,620
Telephone bill		12,341	12,341	6,416	6,416
		347,094,353	345,575,689	232,726,191	231,912,189
22.01 Income tax provision					
Opening Balance		217,221,825	216,938,333	190,561,778	188,170,093
Add: Provision for Minimum Tax payable as per section 16CCC of the ITO 1984-				124,046	-
Less: Retrospective adjustment for Deferred Tax for application of BAS 12: Income Taxes		-	-	(29,439,780)	(27,048,095)
Opening balance -restated		217,221,825	216,938,333	161,246,044	161,121,998
Addition this year		120,836,520	120,231,262	55,975,781	55,816,335
		338,058,345	337,169,595	217,221,825	216,938,333
23 Obligation to Contract Clients		189,316,735	189,316,735	-	-
24 Workers profit participation/Welfare fund					
Opening balance		28,270,428	28,270,428	14,586,841	14,586,841
Add: During this year		26,338,267	26,338,267	13,683,587	13,683,587
		54,608,695	54,608,695	28,270,428	28,270,428
No interest has been provided on Workers profit participation fund.					
25 Sales					
		Year ended 30 June 2016		Year ended 30 June 2015	
		Gross revenue	VAT	Net revenue	Consolidated
Contract	1,455,560,557	77,921,141	1,377,639,416	1,377,639,416	677,305,184
Maintenance	350,503,677	-	350,503,677	350,503,677	346,264,121
Imported goods	367,217,800	3,062,285	364,155,515	364,155,515	679,767,434
Net sales (subsidiary)	-	-	-	56,882,118	53,739,351
	2,173,282,034	80,983,426	2,092,298,608	2,149,180,726	1,757,076,090



Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

	Amount in Taka			
	At 30 June 2016		At 30 June 2015	
	Consolidated	The Company	Consolidated	The Company
26 Cost of sales				
Maintenance (note 26.1)	149,250,360	149,250,360	115,904,010	115,904,010
Contracts (note 26.2)	403,820,174	403,820,174	308,860,451	308,860,451
Imported goods (note 26.3)	465,485,721	465,485,721	552,317,245	552,317,245
Cost of sales (note 26.4)	42,536,604		42,197,143	-
	<u>1,061,092,859</u>	<u>1,018,556,255</u>	<u>1,019,278,849</u>	<u>977,081,706</u>
26.01 Maintenance				
Wages and others expenses	65,455,371	65,455,371	45,518,370	45,518,370
Labour bills	79,543,258	79,543,258	65,378,216	65,378,216
Fuel and oil	1,587,210	1,587,210	1,355,210	1,355,210
Repair and maintenance	2,664,521	2,664,521	3,652,214	3,652,214
	<u>149,250,360</u>	<u>149,250,360</u>	<u>115,904,010</u>	<u>115,904,010</u>
26.02 Contract				
Wages and salary	115,369,820	115,369,820	105,060,920	105,060,920
Project implementation cost	69,545,214	69,545,214	43,506,210	43,506,210
Wages and others expenses	1,045,210	1,045,210	1,312,620	1,312,620
Trailer and prime mover rent	5,534,120	5,534,120	4,760,321	4,760,321
Fuel and oil	10,526,325	10,526,325	25,535,610	25,535,610
Utility bill	4,521,403	4,521,403	3,593,820	3,593,820
Uniform expenses (dress)	701,200	701,200	24,500	24,500
Repair and maintenance	195,521,250	195,521,250	124,533,250	124,533,250
Hotel rent	1,055,632	1,055,632	533,200	533,200
	<u>403,820,174</u>	<u>403,820,174</u>	<u>308,860,451</u>	<u>308,860,451</u>
26.03 Imported goods				
Cost of imported goods	324,587,120	324,587,120	350,688,263	350,688,263
Clearing charge	2,236,410	2,236,410	33,462,674	33,462,674
L/C expenses	4,017,914	4,017,914	2,805,976	2,805,976
Marine insurance	4,143,886	4,143,886	2,149,392	2,149,392
Carriage inward	355,210	355,210	620,120	620,120
Wages and salary	130,145,181	130,145,181	162,590,820	162,590,820
	<u>465,485,721</u>	<u>465,485,721</u>	<u>552,317,245</u>	<u>552,317,245</u>
26.04 Cost of sales of subsidiary	<u>42,536,604</u>	<u>-</u>	<u>42,197,143</u>	<u>-</u>
27 General and administrative expenses				
Salary and allowances	50,953,895	50,166,210	62,138,410	61,395,680
Office rent	10,777,600	10,621,600	13,408,000	13,252,000
Travelling and conveyance	2,584,316	2,563,240	6,064,001	6,045,380
Vehicle running expenses	1,383,192	1,325,621	2,659,270	2,633,450
Publicity and promotional expenses	17,563,250	17,563,250	4,953,621	4,953,621
Utility bills	1,321,402	1,321,402	1,590,920	1,585,320
Communication expenses	858,140	852,140	915,831	915,831
Printing and stationery	1,890,235	1,877,240	2,654,858	2,643,608
Employees welfare	2,288,225	2,236,412	3,847,838	3,812,624
Medical expenses	55,621	55,621	155,420	155,420
Business license fee	707,005	432,330	574,305	492,020
Depreciation	122,910,175	122,910,175	101,417,807	101,417,807
Service charge	321,434	301,200	423,650	423,650
Telephone and mobile phone bills	1,500,036	1,492,641	1,288,620	1,285,620
Postage and courier	57,336	52,871	149,800	145,600
Carriage outward	913,852	913,852	953,620	953,620
Repair and maintenance	1,119,838	1,020,114	939,849	846,528
Tender expenses	155,620	155,620	98,621	98,621
Marketing expenses	1,055,402	763,210	958,150	675,920
Audit fee	695,625	651,875	375,000	350,000
Paper and periodicals	30,759	28,314	37,908	35,600
Insurance premium			2,125,000	2,125,000
Sundry expenses	4,254,475	4,219,475	3,162,321	3,142,621
	<u>223,397,433</u>	<u>221,524,413</u>	<u>210,892,820</u>	<u>209,385,541</u>



Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

28 Financial expenses

Bank interest

	Amount in Taka			
	At 30 June 2016		At 30 June 2015	
	Consolidated	The Company	Consolidated	The Company
Mercantile Bank Limited	-	-	2,099,017	2,099,017
Dhaka Bank Limited	99,502,988	99,502,988	70,549,694	70,549,694
Bank Asia Limited	3,369,980	1,388,203	12,005,799	4,867,540
Southeast Bank Limited	-	-	1,276,276	1,276,276
NCC Bank Limited	32,621,162	32,621,162	52,445,451	52,445,451
Farmers Bank Limited	93,344,245	93,344,245	71,194,256	71,194,256
Bangladesh Finance and Investment Company Limited	47,381,596	47,381,596	59,820,483	59,820,483
Hajj Finance Company Limited	16,639,807	16,639,807	-	-
Premier Leasing and Finance Limited	5,810,417	5,810,417	-	-
The Premier Bank Limited	8,336,818	8,336,818	-	-
AB Bank Limited	-	-	-	-
Infrastructure Development Company Limited	14,699,550	14,699,550	-	-
	321,706,563	319,724,786	269,390,976	262,252,717

Bank charge, commission & others

AB Bank Limited	28,200	28,200	2,618	2,618
Bank Asia Limited	31,566	31,566	572,706	572,706
BRAC Bank Limited	19,715	19,715	7,305	7,305
Dhaka Bank Limited	11,419,143	11,419,143	8,764,779	8,764,779
Farmers Bank Limited	1,065,360	1,065,360	292,684	292,684
Islami Bank (Bangladesh) Limited	143,069	143,069	32,502	32,502
Jamuna Bank Limited	6,829	6,829	791	791
Mercantile Bank Limited	29,850	29,850	2,306,168	2,306,168
NCC Bank Limited	1,767,971	1,767,971	530,036	530,036
ONE Bank Limited	33,183	33,183	16,170	16,170
Sonali Bank Limited	9,005	9,005	2,265	2,265
Eastern Bank Limited	1,150	1,150	1,500	1,500
Premier Bank Limited	85,010	85,010	1,000	1,000
Social Islami Bank Limited	613	613	1,000	1,000
Southeast Bank Limited	27,052	27,052	9,470	9,470
Dutch Bangla Bank Limited	128,374	128,374	125,663	125,663
United Commercial bank Limited	1,150	1,150	1,000	1,000
Standard Bank Limited	600	600	-	-
Cash	15,569	15,569	256,203	256,203
Subsidiary Company	62,712	-	48,415	-
	14,876,121	14,813,409	12,972,275	12,923,860
	336,582,684	334,538,195	282,363,251	275,176,577

29 Income Tax Expense:

Current tax payable(Note: 29.01)	120,836,520	120,231,262	55,975,781	55,816,335
Deferred tax expenses	15,109,877	11,460,075	6,974,383	5,759,808
Total	135,946,397	131,691,337	62,950,164	61,576,143

29.01 Current tax payable (The Company):

Income before tax during the year	526,765,345	526,765,345	273,671,748	273,671,748
Add: Accounting depreciation	122,910,175	122,910,175	101,417,807	101,417,807
Less: Tax depreciation	(154,169,183)	(154,169,183)	(148,874,002)	(148,874,002)
Taxable Income	495,506,337	495,506,337	226,215,553	226,215,553
Tax Rate	25%	25%	22.50%	22.50%
Current Tax	123,876,584	123,876,584	50,898,499	50,898,499
Income tax for rate difference	(3,645,323)	(3,645,323)	4,917,835	4,917,835
Add: Tax on Subsidiaries	605,258	-	159,446	-
	120,836,520	120,231,262	55,975,781	55,816,335

Saif Powertec Limited

Notes to the financial statements for the year ended 30 June 2016

	Amount in Taka			
	At 30 June 2016		At 30 June 2015	
	Consolidated	The Company	Consolidated	The Company
30 Earnings per share (EPS)				
Basic Earning per share:				
Earnings attributable to ordinary shares:				
Net profit after tax as per statement of comprehensive	401,395,811	395,074,007	214,137,007	212,095,604
Weighted average Number of shares (Note 30.01):	91,571,140	91,571,140	69,768,942	69,768,942
Basic Earning per share (Per value of Taka 10)	4.38	4.31	3.07	3.04
Re-stated Earning per share				
Net profit after tax as per statement of comprehensive	401,395,811	395,074,007	214,137,007	212,095,604
Weighted average Number of shares for re-statement (Note 30.02):	91,571,140	91,571,140	90,354,082	90,354,082
Basic Earning per share (Per value of Taka 10)	4.38	4.31	2.37	2.35

30.01 Calculation of weighted average number of shares:

Particulars	30.06.2016	30.06.2016	30.06.2015	30.06.2015
43,894,000 Shares for 365 days	-	-	43,894,000	43,894,000
12,000,000 Shares for 328 days	-	-	10,783,562	10,783,562
15,091,380 bonus shares for 365 days	-	-	15,091,380	15,091,380
70,985,380 share for 365 days	70,985,380	70,985,380	-	-
20,585,760 bonus shares for 365 days	20,585,760	20,585,760	-	-
Total	91,571,140	91,571,140	69,768,942	69,768,942

30.02 Calculation of weighted average number of shares for re-statement:

Particulars	30.06.2016	30.06.2016	30.06.2015	30.06.2015
43,894,000 Shares for 365 days	-	-	43,894,000	43,894,000
12,000,000 Shares for 328 days	-	-	10,783,562	10,783,562
15,091,380 bonus shares for 365 days	-	-	15,091,380	15,091,380
70,985,380 share for 365 days	70,985,380	70,985,380	-	-
20,585,760 bonus shares for 365 days	20,585,760	20,585,760	20,585,140	20,585,140
Total	91,571,140	91,571,140	90,354,082	90,354,082

31 Prior Year Adjustment:

Income Tax Provision:

As income tax provision provided earlier is the amount of current and deferred tax before applying deferred tax. Therefore deferred tax liability of Tk. 27,048,095 up to June 30, 2014 deducted from income tax provision to correct the opening balance as shown under:

Opening balance 30-06-2014	188,170,093
Less: Retrospective adjustment of deferred tax for application of BAS 12 : Income Taxes:	(27,048,095)
Re-stated opening balance	161,121,998

32 Directors' responsibility statements

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





33 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 accounting or disclosure is required to be adjusted except dividend @ 5% cash and 27% stock (June 30, 2015: 29% stock) as recommended in the meeting of Board of Directors held on 26 October, 2016 (June 30, 2015: 20 September, 2015)

Others

34 Number of Employees

All the employees receive salary/wages in excess of tk. 3000 per month

Number of permanent staff 952

Number of permanent workers

Number of temporary staff/worker

Total 952

35 Figures are rounded off to the nearest Taka.

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

37 Production capacity and current utilization

Name of Product / Service

Capacity

Capacity Utilizations

Chittagong Port Operation

657,000 containers per year

60%

Maintenance

657,000 containers per year

60%

Import

Not applicable

Not applicable

Sub-contract

Not applicable

Not applicable

Solar

Not applicable

Not applicable

Substation

Not applicable

Not applicable

Contract

11 nos. of RTG

45%

4 nos. of QGC

100%



Annex I

Saif Powertec Limited

Details of Property, Plant and Equipment and Depreciation at 30 June 2016

Asset category	Cost and Valuation				Depreciation				Written down value at 30 June 2016		
	At 01 July 2015	Additions	Revaluation	Adjustment/ disposal	Total at 30 June 2016	Rate (%)	To 01 July 2015	Charge for the year		Adjustme nt on disposal	Total to 30 June 2016
Tools and equipment	930,732,506	209,456,700	-	-	1,140,189,206	10	256,572,003	78,349,838	-	334,921,841	805,267,365
Land and land development	218,170,075	7,046,288	-	-	225,216,363	-	-	-	-	-	225,216,363
Pre-fabricated building	25,550,054	-	-	-	25,550,054	10	8,786,663	1,676,340	-	10,463,003	15,087,051
Building	334,301,643	-	-	-	334,301,643	5	46,999,881	14,365,088	-	61,364,969	272,936,674
Plant and machinery	80,276,724	-	-	-	80,276,724	20	40,325,245	7,990,296	-	48,315,541	31,961,183
Motor vehicles	108,270,821	28,937,700	-	-	137,208,521	20	41,911,905	14,718,669	-	56,630,574	80,577,947
Workshop	6,267,600	86,000	-	-	6,353,600	10	4,101,709	218,739	-	4,320,448	2,033,152
Office and electrical equipment	49,992,747	1,826,220	-	-	51,818,967	10	12,966,867	3,871,977	-	16,838,844	34,980,124
Furniture and fixtures	22,314,924	1,789,688	-	-	24,104,612	10	7,394,957	1,646,723	-	9,041,680	15,062,932
Others	1,347,579	65,470	-	-	1,413,049	10	684,790	72,505	-	757,295	655,754
Total at 30 June 2016	1,777,224,673	249,208,066	-	-	2,026,432,739		419,744,020	122,910,175	-	542,654,195	1,483,778,544
Total at 30 June 2015	1,430,746,275	346,478,398	-	-	1,777,224,673		318,326,213	101,417,807	-	419,744,020	1,357,480,653

Consolidated Property, Plant & Equipment

Tools and equipment	931,399,320	211,510,715	-	-	1,142,910,035	10	256,768,913	78,396,828	-	335,165,742	807,744,293
Land and land development	225,980,725	8,063,788	-	-	234,044,513	-	-	-	-	-	234,044,513
Pre-fabricated building	25,550,054	-	-	-	25,550,054	10	8,786,663	1,676,340	-	10,463,003	15,087,051
Building	334,301,643	-	-	-	334,301,643	10	46,999,881	14,365,088	-	61,364,969	272,936,674
Plant and machinery	220,919,108	-	-	-	220,919,108	20	60,111,807	14,058,762	-	74,170,569	146,748,538
Motor vehicles	111,772,822	28,937,700	-	-	140,710,522	20	42,860,947	14,973,965	-	57,834,912	82,875,610
Workshop	6,267,600	86,000	-	-	6,353,600	10	4,101,709	218,739	-	4,320,448	2,033,152
Office and electrical equipment	50,594,597	1,826,220	-	-	52,420,817	10	13,144,593	3,914,389	-	17,058,982	35,361,835
Furniture and fixtures	22,806,524	1,789,688	-	-	24,596,212	10	7,540,126	1,681,366	-	9,221,493	15,374,719
Others	1,347,579	65,470	-	-	1,413,049	10	684,790	72,505	-	757,295	655,753
Total at 30 June 2016	1,930,939,972	252,279,581	-	-	2,183,219,553		440,999,430	129,357,983	-	570,357,413	1,612,862,137
Total at 30 June 2015	1,584,461,573	346,478,398	-	-	1,930,939,971		332,799,300	108,200,130	-	440,999,431	1,489,940,540



Saif Powertec Limited
Related party disclosure

Annex II/a

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

Name of the Party	Relationship	Nature of Transaction	Amounts in Taka		Closing balance at 30 June 2016 Dr/(Cr)
			Dr	Cr	
Tarafder Md. Ruhul Amin	Director	Salary and allowances	1,800,000	1,800,000	(150,000)
Tarafder Nigar Sultana	Director	Salary and allowances	3,000,000	3,000,000	(250,000)
Tarafder Md. Ruhul Saif	Director	Salary and allowances	2,400,000	2,400,000	(200,000)
Rubya Chowdhury	Director	Salary and allowances	3,000,000	3,000,000	(250,000)
Saif Plastic & Polymer Industries Limited(*)	Subsidiary Company	Investment in Shares	80,000,000	-	80,000,000
Total			10,200,000	10,200,000	79,150,000

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



Saif Powertec Limited

Transaction with Key Management Personnel of the entity:

Annex II/b

No.	Particulars	Value in Taka
(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	10,200,000
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent	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 BAS- 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

10,200,000
-
-
-
10,200,000

Total:





Saif Powertec Limited
Shareholdings Position in Subsidiary Company

Annex III

Total shareholding:

	%	Number of shares	Value of shares/Taka
Saif Powertec Limited	80%	8,000,000	80,000,000
Tarafder Md. Ruhul Amin	14%	1,400,000	14,000,000
Tarafder Nigar Sultana	3%	300,000	3,000,000
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 share of profit			529,995
			20,529,995
Less: Adjustment for prior year deferred tax liability			(24,810)
Opening balance restated			20,505,185
Profit share for this period			1,580,451
			22,085,635

