

**S. F. AHMED & CO.**  
**Chartered Accountants**

**Saif Powertec Limited**

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Auditors' report and consolidated financial statements  
for the year ended 30 June 2011

**Saif Powertec Limited**  
72 Mahakhali  
Rupayan Centre, Dhaka 1212

**Saif Powertec Limited**

Auditors' report and consolidated financial statements  
for the year ended 30 June 2011

**S. F. AHMED & CO**

Chartered Accountants

House 25, Road 13A, Block D, Banani, Dhaka 1213, Bangladesh

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Auditors' Report to the Shareholders of Saif Powertec Limited on Consolidated Financial Statements

We have audited the accompanying financial statements of Saif Powertec Limited (the Company) and its Group namely, Statement of Financial Position (Balance Sheet) as at 30 June 2011 and the related Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and notes thereto for the year then ended.

Respective responsibilities of management and auditors

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

Basis of our audit opinion

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

Opinion


In our opinion, the financial statements of the Company and its Group, prepared in accordance with generally accepted accounting principles and International Accounting Standards/ International Financial Reporting Standards so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards give a true and fair view of the state of the Company's affairs and its Group as at 30 June 2011 and of the results of their operations and their cash flows for the year then ended and comply with the requirements of Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We further report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- our examination and checking of relevant financial records, books of account, schedules and details were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the said financial statements;
- proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- the said financial statements dealt with by this report are in agreement with the books of account.
- the expenditure incurred and payments made were for the purpose of the Company's business for the year.

House 25, Road 13A, Block D  
Banani, Dhaka 1213, Bangladesh  
Dated, 10 October 2011



  
S. F. AHMED & CO  
Chartered Accountants



## Saif Powertec Limited

Consolidated Statement of Financial Position (Balance Sheet) at 30 June 2011

		Amounts in Taka		
		Consolidated	The Company	
	Notes	At 30 June 2011	At 30 June 2011	At 31 Dec 2010
<b>ASSETS</b>				
Non-Current Assets				
Tangible Assets				
Property, plant and equipment	4	561,710,474	468,016,636	386,993,600
Capital works-in-progress	5	259,311,264	259,311,264	189,717,408
Investment in subsidiary company	6	-	80,000,000	-
Intangible Assets				
Pre-operating expenses		4,319,918	-	-
		825,341,656	807,327,900	576,711,008
Current Assets				
Inventories	7	64,389,012	42,734,326	34,715,391
Accounts receivable	8	227,117,782	227,117,782	228,741,100
Advances, deposits and prepayments	9	258,040,645	237,598,387	149,931,976
Cash and cash equivalents	10	100,168,027	92,864,861	21,885,221
		649,715,466	600,315,356	435,273,688
Total Assets		1,475,057,122	1,407,643,256	1,011,984,696
<b>EQUITY AND LIABILITIES</b>				
Capital and Reserves				
Share capital	11	438,940,000	438,940,000	15,000,000
Proposed stock dividend		-	-	315,000,000
Share premium	11.2	191,429,500	191,429,500	-
Revaluation reserve	12	96,540,144	96,540,144	96,540,144
Retained earnings		159,470,513	159,470,513	33,378,043
		886,380,157	886,380,157	459,918,187
Minorities interest	Annex III	20,000,000	-	-
		906,380,157	886,380,157	459,918,187
Non-Current Liabilities				
Borrowings from banks	13	171,760,470	152,219,802	240,283,041
		171,760,470	152,219,802	240,283,041
Current Liabilities				
Current portion of long-term borrowings	14	186,751,967	163,890,086	148,650,695
Accounts payable	15	8,297,245	8,297,245	15,700,692
Bank overdraft	16	55,794,308	50,782,991	51,144,719
Accrued expenses	17	107,955,681	107,955,681	64,822,616
Obligation to contract clients	18	38,117,294	38,117,294	31,464,746
		396,916,495	369,043,297	311,783,468
Total Shareholders' Equity and Liabilities		1,475,057,122	1,407,643,256	1,011,984,696
Net Asset Value Per Share of Taka 10 each		20.19	20.19	13.94

See annexed notes

Managing Director

for Saif Powertec Limited  
Director N. Sultana

Company Secretary

House 25, Road 13A, Block D  
Banani, Dhaka 1213, Bangladesh  
Dated, 10 October 2011

Signed in terms of our report of even date annexed

S. F. AHMED & CO  
Chartered Accountants

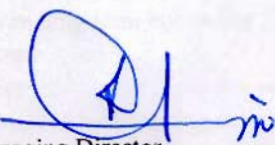
Saif Powertec Limited

Consolidated Statement of Comprehensive Income (Income Statement)  
for the year ended 30 June 2011

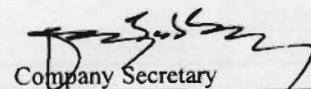
		Amounts in Taka		
		Consolidated	The Company	
		Year ended	Year ended	Year ended
Notes		30 June 2011	30 June 2011	30 June 2010
REVENUE				
	19	970,688,918	970,688,918	794,260,158
Sales				
	20	(570,339,937)	(570,339,937)	(437,441,468)
Cost of Sales				
		400,348,981	400,348,981	356,818,690
Gross Profit				
	21	(135,685,749)	(135,685,749)	(76,537,162)
General and Administrative Expenses				
Profit from Operations		264,663,232	264,663,232	280,281,528
		4,851,273	4,851,273	-
Other Income				
	22	(73,887,340)	(73,887,340)	(54,830,462)
Finance Costs				
Net Profit Before Tax		195,627,165	195,627,165	225,451,066
		(39,534,695)	(39,534,695)	(32,148,628)
Income Tax Expenses				
Net Profit After Tax		156,092,470	156,092,470	193,302,438
Earnings per Share (EPS) of Taka10 each				
(Weighted Average)	23	4.10	4.10	5.86

See annexed notes

for Saif Powertec Limited

  
Managing Director

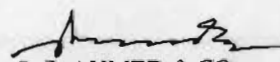
  
Director

  
Company Secretary



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House 25, Road 13A, Block D  
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Dated, 10 October 2011

  
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Chartered Accountants

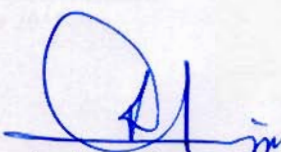


Saif Powertec Limited

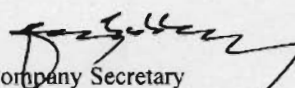
Consolidated Statement of Cash Flows for the year ended 30 June 2011

	Amounts in Taka		
	Consolidated Year ended 30 June 2011	The Company Year ended 30 June 2011	Year ended 30 June 2010
Cash Flows from Operating Activities			
Cash receipt from customers	972,312,236	972,312,236	659,704,500
Cash paid to employees and suppliers	(676,576,609)	(676,576,608)	(475,689,371)
Paid against advances, deposits and prepayments	(108,108,669)	(87,666,411)	(64,223,956)
Received against contract in advance	6,652,543	6,652,543	31,464,746
Interest and financial expenses	(69,036,061)	(69,036,061)	(54,830,462)
Inventories	(21,654,686)	-	-
Net cash provided by operating activities (A)	103,588,754	145,685,699	96,425,457
Cash Flows from Investing Activities			
Investment in shares	(80,000,000)	(80,000,000)	-
Purchase of property, plant and equipment	(285,583,821)	(191,889,984)	(235,611,537)
Pre-operating expenses	(4,319,918)	-	-
Net cash used in investing activities (B)	(369,903,739)	(271,889,984)	(235,611,537)
Cash Flows from Financing Activities			
Share capital	178,940,000	78,940,000	-
Share premium	191,429,500	191,429,500	-
Proceeds from long-term borrowing	(53,283,180)	(72,823,848)	123,126,885
Bank overdraft	4,649,590	(361,728)	41,846,047
Lease finance	22,861,881	-	(30,695,836)
Net cash provided by financing activities (C)	344,597,791	197,183,924	134,277,096
Net changes in cash and cash equivalents (A+B+C)	78,282,806	70,979,640	(4,908,984)
Opening cash and cash equivalents	21,885,221	21,885,221	26,794,205
Closing cash and cash equivalents	100,168,027	92,864,861	21,885,221
Operating cash flows per share (per value of Taka 10 each)	2.36	3.32	2.92

for Saif Powertec Limited

  
Managing Director

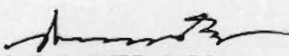
  
Director

  
Company Secretary

Signed in terms of our report of even date annexed



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Dated, 10 October 2011

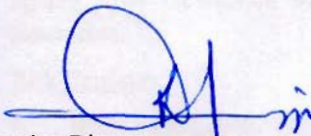
  
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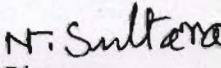
Saif Powertec Limited

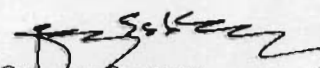
Consolidated Statement of Changes in Equity for the year ended 30 June 2011

	Amounts in Taka				
	Ordinary share capital	Share premium	Proposed bonus shares	Revaluation reserve	Retained earnings
Balance at 01 July 2009	15,000,000	-	-	-	155,075,605
Net income for the year	-	-	-	-	193,302,438
Revaluation of land	-	-	-	96,540,144	-
Proposed stock dividend	-	-	315,000,000	-	(315,000,000)
Balance at 30 June 2010	15,000,000	-	315,000,000	96,540,144	33,378,043
Balance at 01 July 2010	15,000,000	-	315,000,000	96,540,144	33,378,043
Issue of shares	78,940,000	-	-	-	-
Stock dividend for 2010	-	-	30,000,000	-	(30,000,000)
Net income for the year	-	-	-	-	156,092,470
Share premium	-	197,350,000	-	-	-
Withholding tax on share premium	-	(5,920,500)	-	-	-
Issue of bonus shares	345,000,000	-	(345,000,000)	-	-
Balance at 30 June 2011	438,940,000	191,429,500	-	96,540,144	159,470,513

for Saif Powertec Limited

  
Managing Director

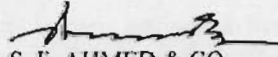
  
Director

  
Company Secretary



Signed in terms of our report of even date annexed

House 25, Road 13A, Block D  
Banani, Dhaka 1213, Bangladesh  
Dated, 10 October 2011

  
S. F. AHMED & CO  
Chartered Accountants



1. Reporting Entity

Saif Powertec Limited (hereinafter referred to as 'the Company') was incorporated on 29 December 2003 as a private limited company under Bangladesh Companies Act 1994. The Company has since been converted to a public limited company vide its special resolution as adopted by its shareholders in its Extra Ordinary General Meeting held on 28 June 2010. The registered office of the company is 72 Mohakhali, Rupayan Centre(8th Floor), Dhaka-1212.

Principal activity of the Company is to carry on business of design, drawing and building for power plant, high voltage and extra high voltage sub-station and distribution and grid lines and establish, run, and manufacturing and assembling of all electrical equipment of high, medium and low voltage.

1.1 Subsidiary Company

Saif Plastic & Polymer Industries Limited, a subsidiary company of Saif Powertec Limited was incorporated on 13 November 2010 as a private limited company under Bangladesh Companies Act 1994 with an authorised capital of Taka 200,000,000 divided into 20,000,000 ordinary Shares of Taka 10 each and paid up capital of Taka 100,000,000. Saif Powertec Limited holds 80% shares of Saif Plastic & Polymer Industries Limited. The registered office of the subsidiary is 72 Mohakhali, Rupayan Centre (8th Floor), Dhaka 1212. Polymer Industries Limited has not started its commercial operation during the year.

1.2 Basis of Consolidation

The financial Statements of the company and its subsidiary, as mentioned in note 1.1 have been consolidated in accordance with Bangladesh Accounting Standard (BASs) 27" Consolidated and Separate Financial Statements". Figure used in the consolidated financial statements are based on the audited financial statements of Saif Plastic & Polymer Industries Limited, audited by other auditors. Intra group balances and unrealised income and expenses arising from intra-group transactions have been eliminated in full in preparing the consolidated financial statements.

1.3 Risk Exposure

a. Interest Rate Risk

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

b. Exchange Rate Risk

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

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.





d. Market Risks

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

e. Technology Related Risks

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

f. Potential or Existing Government Regulations

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

g. Operational

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 accidents losses, etc.

2. Basis of Preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentational currency

These financial statements are prepared in Bangladesh 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 covers for 1 (one) year from 01 July 2010 to 30 June 2011.

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 equipment3.1.1 Recognition and measurement

Property, plant and equipment are measured at cost 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 on current year's addition is charged for the full year irrespective of the date(s) of acquisition. No depreciation is charged on disposal made during the year.

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

<u>Category of property, plant and equipment</u>	<u>Rate (%)</u>
Furniture and fixtures	10
Office and electrical equipment	10
Tools and equipment	10
Workshop	10
Vehicles	20
Plant and machinery	20
Others	10

3.1.4 Impairment of assets

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

3.2 Inventories

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

3.3 Leased assets

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





3.4 Provisions

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

3.5 Capital Works-in-Progress

Capital-work-in-progress is stated at cost. These are expensed of a capital nature directly incurred in the construction of factory building.

3.6 Earnings Per Share (EPS)

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

3.7 Revenue

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

3.8 Trade receivables

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

3.9 Finance income and expenses

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

3.10 Cash and cash equivalents

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

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

3.11 Taxation

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

3.12 Deferred tax

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



3.13 Related party disclosure

As per BAS 24: Related Party Disclosure, parties are considered to be related if one has the ability to control or exercise significant influence over other in making financial and operating decisions.

<u>Name of related party</u>	<u>Nature of transaction</u>	<u>Amount (Taka)</u>
Tarafder Md. Ruhul Amin	Advance against purchase of building Rupayan Centre, Mohakahli	60,675,000
Tarafder Md. Ruhul Amin and Tarafder Nigar Sultana	Advance against purchase of land Pubail, Gazipur	40,983,362
Tarafder Md. Ruhul Amin, Tarafder Nigar Sultana, Tarafder Md Ruhul Saif and Rubya Sultana	Remuneration	5,258,640
Saif Plastic & Polymer Industries Limited	Investment in Shares	80,000,000
		<u>186,917,002</u>

Details are in Annex II.

3.14 Authorisation date

The financial statements were authorised for issue by the board of directors in its meeting dated 10 October 2011.

4. Property, Plants and Equipment

Cost:

Opening balance

Add: Addition during the year

Add: Revaluation

Closing balance (A)

Depreciation:

Opening balance

Add: Charge for the year

Less: Disposal/Adjustment

Closing balance (B)

Written down value (A-B)

Details are in Annex I.

5. Capital Works-in-Progress

Building:

Opening balance

Add: Addition during the year

Closing balance

6. Investment in subsidiary company

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

Consolidated	Amounts in Taka	
	The Company	
	At	At
30 June 2011	30 June 2011	30 June 2010
461,240,285	461,240,285	229,980,593
215,989,965	122,296,127	134,719,548
-	-	96,540,144
<u>677,230,250</u>	<u>583,536,412</u>	<u>461,240,285</u>
74,246,685	74,246,685	40,931,036
41,273,091	41,273,091	33,315,649
-	-	-
<u>115,519,776</u>	<u>115,519,776</u>	<u>74,246,685</u>
<u>561,710,474</u>	<u>468,016,636</u>	<u>386,993,600</u>





	Amounts in Taka		
	Consolidated	The Company	
	At 30 June 2011	At 30 June 2011	At 30 June 2010
<b>7. Inventories</b>			
Generators	19,579,333	19,579,333	22,643,134
Spare parts	17,879,144	17,879,144	6,796,408
Electric goods	5,275,849	5,275,849	5,275,849
Raw materials	21,654,686	-	-
	<u>64,389,012</u>	<u>42,734,326</u>	<u>34,715,391</u>
<b>8. Accounts Receivable against</b>			
Imported sales	51,154,258	51,154,258	35,370,783
Contract execution	55,225,331	55,225,331	80,359,022
Shipping agent and others	120,738,193	120,738,193	113,011,295
	<u>227,117,782</u>	<u>227,117,782</u>	<u>228,741,100</u>
<b>9. Advances, Deposits and Prepayments</b>			
Advances to/against			
Office building	60,675,000	60,675,000	60,000,000
Income tax	61,678,066	61,678,066	41,187,001
Land and building	44,983,362	44,983,362	27,422,262
Works	35,162,511	17,662,511	5,945,575
VAT	7,541,053	5,456,580	5,456,580
Salary	1,028,665	1,028,665	135,943
Vehicles	4,200,000	4,200,000	-
Office rent	3,890,000	3,890,000	-
Share issue expenses	6,689,687	6,689,687	-
AIT on share premium	1,579,500	1,579,500	-
	<u>228,285,629</u>	<u>207,843,371</u>	<u>140,147,361</u>
Deposits and prepayments			
Bank guarantee	25,878,211	25,878,211	5,851,647
L/C margin	3,191,132	3,191,132	3,688,295
Earnest money	490,673	490,673	244,673
Security money	1,052,785	195,000	-
	<u>29,755,016</u>	<u>29,755,016</u>	<u>9,784,615</u>
	<u>258,040,645</u>	<u>237,598,387</u>	<u>149,931,976</u>



	Amounts in Taka		
	Consolidated	The Company	
	At 30 June 2011	At 30 June 2011	At 30 June 2010
<b>10. Cash and Cash Equivalents</b>			
Cash in hand			
Chittagong Office	1,802,155	1,802,155	3,285,658
Dhaka Office	9,557,370	2,446,734	428,488
	11,359,525	4,248,889	3,714,146
Bank balances with:			
Bank Asia Limited	49,029,037	48,836,507	-
Dhaka Bank Limited	17,005,211	17,005,211	6,006,729
Standard Chartered Bank	11,030,864	11,030,864	-
Mercantile Bank Limited, Dhaka	10,963,029	10,963,029	11,043,768
One Bank Limited	726,077	726,077	495,543
Jamuna Bank Limited	23,362	23,362	7,977
AB Bank Limited	11,778	11,778	4,828
Social Islami Bank Limited	7,025	7,025	1,280
The Premier Bank Limited	5,896	5,896	16,740
Sonal Bank Limited	3,432	3,432	3,591
Eastern Bank Limited	2,791	2,791	-
Mercantile Bank Limited, Chittagong	-	-	539,492
Southeast Bank Limited	-	-	52,127
	88,808,502	88,615,972	18,172,075
	100,168,027	92,864,861	21,886,221

**11. Share Capital**

Authorised capital			
100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000	1,000,000,000
Issued subscribed and paid-up capital			
9,394,000/1,500,000 ordinary shares of Taka 10 each fully paid up	93,940,000	93,940,000	15,000,000
34,500,000 bonus shares of Taka 10 each	345,000,000	345,000,000	-
	438,940,000	438,940,000	15,000,000

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

	Percentage(%)	No. of shares	Value (Taka)	Value (Taka)
<b>11.1 Shareholdings</b>				
Directors	77/100	33,718,800	337,188,000	15,000,000
Institutional shareholders	5	2,075,000	20,750,000	-
Individual shareholders	18	8,100,200	81,002,000	-
	100	43,894,000	438,940,000	15,000,000

**11.2 Share Premium**

Received during the year	197,350,000	-
Less : Write-off AIT on share premium	(5,920,500)	-
	191,429,500	-

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





	Amounts in Taka		
	Consolidated	The Company	
	At 30 June 2011	At 30 June 2011	At 30 June 2010
12. <u>Revaluation Reserve</u>	96,540,144	96,540,144	96,540,144
In 2010, land under the ownership of Saif Powertec Limited was professionally revalued by G. Kibria & Co, Chartered Accountants. Fair market value was estimated at Taka 121,734,000 as against net book value of Taka 25,193,856 resulting in a revaluation surplus of Taka 96,540,144 which was accounted for and transferred to revaluation reserve.			
13. <u>Borrowings from Banks</u>			
The Company has availed long-term credit facilities from the following banks:			
Mercantile Bank Limited	51,986,735	51,986,735	113,778,503
Dhaka Bank Limited	70,637,443	70,637,443	104,129,805
Bank Asia Limited	36,181,909	16,641,241	22,374,733
ICB Islami Bank Limited	12,954,383	12,954,383	-
	171,760,470	152,219,802	240,283,041
14. <u>Current portion of long-term borrowings</u>			
Mercantile Bank Limited	96,410,643	96,410,643	97,355,355
Dhaka Bank Limited	38,039,491	38,039,491	1,760,872
Bank Asia Limited	44,308,357	21,446,476	20,679,132
ICB Islami Bank Limited	7,993,476	7,993,476	22,225,960
Social Islami Bank Limited	-	-	6,629,376
	186,751,967	163,890,086	148,650,695
15. <u>Accounts Payable</u>			
Nitol Motors Limited	5,226,800	5,226,800	6,572,400
Sigma Lubricants	747,250	747,250	-
Navana Petroleum Limited	689,000	689,000	444,000
Pacific International	495,550	495,550	-
G.S Lubricants Bangladesh	365,540	365,540	-
Bogra Motors	339,340	339,340	722,620
SET Linings GMBH	159,150	159,150	-
Farhadul Islam	109,500	109,500	-
A & S Engineers Ltd	101,246	101,246	-
Faria Enterprise	41,400	41,400	-
White Products and Electronics	14,400	14,400	-
Nazrul Islam	4,500	4,500	-
Mashiur Rahman	2,600	2,600	-
BRB Cables	969	969	-
South West Limited	-	-	6,000,000
Azad Trading	-	-	1,961,672
	8,297,245	8,297,245	15,700,692



	Amounts in Taka		
	Consolidated	The Company	
	At 30 June 2011	At 30 June 2011	At 30 June 2010
<b>16. Bank Overdraft</b>			
Dhaka Bank Limited	30,296,548	30,296,548	30,771,608
Mercantile Bank Limited	15,387,900	15,387,900	15,477,583
Bank Asia Limited	10,109,860	5,098,543	4,895,528
	<u>55,794,308</u>	<u>50,782,991</u>	<u>51,144,719</u>
<b>17. Accrued Expenses</b>			
Income tax payable	102,452,431	102,452,431	62,917,736
Salary and allowances	3,311,593	3,311,593	1,214,300
Office rent	817,512	817,512	-
Remuneration	581,696	581,696	-
Audit fee	300,000	300,000	330,000
Service charge	260,000	260,000	20,000
Electricity bills	181,690	181,690	257,749
Legal fee	37,300	37,300	60,000
Telephone bill	13,459	13,459	22,831
	<u>107,955,681</u>	<u>107,955,681</u>	<u>64,822,616</u>
<b>18. Obligation to Contract Clients</b>			
Advance from Billeli Energy CPE S.R.L	31,062,078	31,062,078	-
A.K.M Emdadul Huque	3,300,000	3,300,000	-
Concord Heights Management Committee	1,036,625	1,036,625	-
Total Machinery and Chemical Supplier	800,000	800,000	800,000
M.A Taher	800,000	800,000	-
R. R. Developer Co. Limited	300,000	300,000	300,000
Shamsul Huque Khandaker	300,000	300,000	300,000
Zia Fertilizer Company Limited	-	-	20,396,577
Rural Power Company Limited	-	-	6,868,169
Shaheen Cable Wire Drawing Limited	-	-	1,500,000
Premier CNG	-	-	600,000
Rupsha Tyres and Chemicals Limited	-	-	600,000
Haji Sizing Mills	-	-	100,000
Others	518,591	518,591	-
	<u>38,117,294</u>	<u>38,117,294</u>	<u>31,464,746</u>





	Amounts in Taka				
	Consolidated		The Company		
	Year ended		Year ended	Year ended	
	30 June 2011		30 June 2011	30 June 2010	
<b>19. Sales</b>					
	Year ended 30 June 2011				
	Gross revenue	VAT	Net revenue		
Contract	280,520,213	11,930,956	268,589,257	268,589,257	351,736,876
Maintenance	363,827,959	-	363,827,959	363,827,959	324,479,549
Import	170,142,424	5,747,512	164,394,912	164,394,912	101,784,743
Sub-contracts	173,876,790	-	173,876,790	173,876,790	16,258,990
	<u>988,367,386</u>	<u>17,678,468</u>	<u>970,688,918</u>	<u>970,688,918</u>	<u>794,260,158</u>
<b>20. Cost of Sales</b>					
Maintenance (note 20.1)			279,957,885	279,957,885	212,758,945
Contracts (note 20.2)			129,275,355	129,275,355	143,048,752
Import (note 20.3)			134,453,002	134,453,002	77,478,371
Sub- contracts ( note 20.4)			26,653,695	26,653,695	4,155,400
			<u>570,339,937</u>	<u>570,339,937</u>	<u>437,441,468</u>
<b>20.1 Maintenance</b>					
Wages and others expenses			220,479,592	220,479,592	182,392,900
Labour bills			33,933,485	33,933,485	13,784,180
Fuel and oil			15,367,000	15,367,000	9,434,400
Food charge			5,707,099	5,707,099	5,626,086
Repair and maintenance			3,886,284	3,886,284	934,562
Gate pass fee			584,425	584,425	584,485
Hotel rent			-	-	2,332
			<u>279,957,885</u>	<u>279,957,885</u>	<u>212,758,945</u>
<b>20.2 Contract</b>					
Wages and salary			116,390,512	116,390,512	140,200,853
Trailer and prime mover rent			5,137,800	5,137,800	42,000
Fuel and oil			1,723,131	1,723,131	629,555
Levy charge			1,503,348	1,503,348	-
Utility bill			1,180,925	1,180,925	-
Uniform expenses (dress)			985,206	985,206	-
Food charge			945,178	945,178	332,093
Repair and maintenance			491,721	491,721	366,881
Insurance premium			327,012	327,012	-
Hotel rent			320,522	320,522	24,500
Clearing charge			270,000	270,000	-
Vehicle maintenance			-	-	758,730
Carriage inward			-	-	374,730
Gate pass fee			-	-	207,195
House rent			-	-	100,000
Demurrage charge			-	-	12,215
			<u>129,275,355</u>	<u>129,275,355</u>	<u>143,048,752</u>



	Amounts in Taka		
	Consolidated	The Company	
	Year ended 30 June 2011	Year ended 30 June 2011	Year ended 30 June 2010
<b>20.3 Import</b>			
Cost of imported equipment	125,162,527	125,162,527	70,500,905
Clearing charge	5,501,536	5,501,536	4,789,694
L/C expenses	698,850	698,850	1,256,196
Margin insurance	1,341,954	1,341,954	829,476
Carriage inward	761,760	761,760	102,100
Daily wages	428,375	428,375	-
Godown rent	558,000	558,000	-
	<u>134,453,002</u>	<u>134,453,002</u>	<u>77,478,371</u>
<b>20.4 Sub-contracts</b>			
Clearing & forwarding expenses	4,364,615	4,364,615	-
Project implementation cost	13,814,638	13,814,638	-
Wages and others expenses	8,474,442	8,474,442	4,155,400
	<u>26,653,695</u>	<u>26,653,695</u>	<u>4,155,400</u>
<b>21. General and Administrative Expenses</b>			
Depreciation	41,273,091	41,273,091	33,315,649
Salary and allowances	30,541,574	30,541,574	15,712,784
Directors' remuneration	5,858,640	5,858,640	3,240,000
Office rent	5,727,272	5,727,272	3,026,000
Travelling and conveyance	17,349,720	17,349,720	2,476,576
Vehicle running expenses	3,768,398	3,768,398	2,377,951
Publicity and promotional expenses	6,121,733	6,121,733	1,912,938
Utility bills	1,671,800	1,671,800	1,269,471
Consultancy fee	2,376,572	2,376,572	1,122,500
Communication expenses	1,399,960	1,399,960	1,104,503
Printing and stationery	3,322,308	3,322,308	1,003,261
Employees welfare	1,573,976	1,573,976	549,635
Medical expenses	553,880	553,880	525,386
Business licence fee	44,790	44,790	465,260
Audit fees	300,000	300,000	300,000
Service charge	240,000	240,000	240,000
Telephone and mobile phone bills	406,310	406,310	199,869
Postage and courier	286,529	286,529	155,930
Inspection fee	-	-	144,800
Carriage outward	1,135,500	1,135,500	111,500
Repair and maintenance	1,771,364	1,771,364	78,643
Tender expenses	73,584	73,584	74,905
Marketing expenses	2,435,178	2,435,178	71,000
Paper and periodicals	39,562	39,562	40,836
Office decoration	-	-	27,300
Legal fees	107,380	107,380	-
Insurance premium	22,170	22,170	-
Sundry expenses	7,284,458	7,284,458	6,990,465
	<u>135,685,749</u>	<u>135,685,749</u>	<u>76,537,162</u>





	Amounts in Taka		
	Consolidated	The Company	
	Year ended 30 June 2011	Year ended 30 June 2011	Year ended 30 June 2010
<b>22. Financial Expenses</b>			
Interest on term loan			
Southeast Bank Limited	-	-	25,463,397
Mercantile Bank Limited	28,370,280	28,370,280	8,199,756
Dhaka Bank Limited	23,165,260	23,165,260	4,824,146
ICB Islamic Bank Limited	8,681,145	8,681,145	4,055,781
Bank Asia Limited	6,340,852	6,340,852	2,066,411
Social Islami Bank Limited	12,901	12,901	1,051,135
	<u>66,570,438</u>	<u>66,570,438</u>	<u>45,660,626</u>
Interest on lease finance			
LankaBangla finance Limited	-	-	6,165,216
One Bank Limited	-	-	121,911
Eastern Bank Limited	-	-	66,509
Prime Bank Limited	-	-	10,450
	<u>-</u>	<u>-</u>	<u>6,364,086</u>
Bank charges, etc	<u>7,316,902</u>	<u>7,316,902</u>	<u>2,805,750</u>
	<u>73,887,340</u>	<u>73,887,340</u>	<u>54,830,462</u>
<b>23. Basic Earnings per Share (EPS) on Net</b>			
(Par Value of Taka 10)	<u>4.10</u>	<u>4.10</u>	<u>5.37</u>
Earnings attributable to Ordinary Shares:			
Net profit after tax as per statement of comprehensive	154,371,235	154,371,235	193,302,438
Weighted Average Number of Shares:	37,622,055	37,622,055	36,000,000
Particulars	No. of shares	Weight	
Shares Outstanding as on 01 July 2010	1,500,000	365	1,500,000
Bonus shares issued	34,500,000	365	34,500,000
New shares issued 17 April 2011	7,894,000	75	1,622,055
			<u>37,622,055</u>
Basic Earnings per share (EPS) on Net Profit After Tax:	<u>4.10</u>	<u>4.10</u>	<u>5.86</u>
(Par Value of Taka 10)			

**24. Directors Responsibility Statements**

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

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



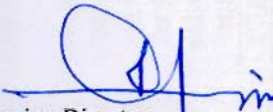
Saif Powertec Limited

Notes to the financial statements at and for the year ended 30 June 2011

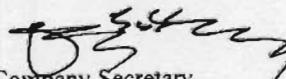
Others

26. No. of employees who received remuneration throughout the financial year neither more than Taka 131,500 nor less than Taka 4,000 per month were 49.
27. Figures are rounded off to the nearest Taka.
28. Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation without causing any impact on the operating results for the year and value of assets and liabilities at the end of that year as shown in.
29. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

for Saif Powertec Limited

  
Managing Director

  
Director

  
Company Secretary

Dhaka, Bangladesh  
Dated, 10 October 2011





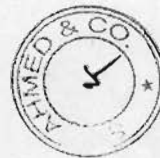
Saif Powertec Limited

Details of Property, Plant and Equipment and Depreciation at 30 June 2011

Asset category	C o s t o r V a l u a t i o n					D e p r e c i a t i o n					Written down value at 30 June 2011
	At 01 July 2010	Additions	Revaluation	Adjustment / disposal	Total at 30 June 2011	Rate (%)	To 01 July 2010	Charge for the year	Adjustment on disposal	Total to 30 June 2011	
Tools and equipment	270,189,906	84,255,065	-	-	354,444,971	10	42,153,496	31,229,148	-	73,382,643	281,062,328
Land and land development	121,734,000	16,029,810	-	-	137,763,810	-	-	-	-	-	137,763,810
Plant and machinery	34,664,630	-	-	-	34,664,630	20	15,091,252	3,914,676	-	19,005,928	15,658,702
Motor vehicles	18,685,821	13,540,000	-	-	32,225,821	20	10,594,209	4,326,323	-	14,920,532	17,305,289
Workshop	6,267,600	-	-	-	6,267,600	10	2,599,644	366,796	-	2,966,439	3,301,161
Office and electrical equipment	5,058,300	3,947,040	-	-	9,005,340	10	2,016,143	698,920	-	2,715,062	6,290,278
Furniture and fixtures	3,892,320	4,119,269	-	-	8,011,589	10	1,487,049	652,454	-	2,139,503	5,872,086
Others	747,708	404,943	-	-	1,152,651	10	304,894	84,776	-	389,669	762,982
Total at 30 June 2011	461,240,285	122,296,127	-	-	583,536,412		74,246,686	41,273,091	-	115,519,777	468,016,635
Total at 30 June 2010	229,980,593	134,719,548	96,540,144	-	461,240,285		40,931,036	33,315,650	-	74,246,686	386,993,600

Consolidated Property, Plant & Equipment

Tools and equipment	270,189,906	84,560,585	-	-	354,750,491	10	42,153,496	31,229,148	-	73,382,644	281,367,848
Land and land development	121,734,000	16,029,810	-	-	137,763,810	-	-	-	-	-	137,763,810
Plant and machinery	34,664,630	92,951,611	-	-	127,616,241	20	15,091,252	3,914,676	-	19,005,927	108,610,314
Motor vehicles	18,685,821	13,540,000	-	-	32,225,821	20	10,594,209	4,326,323	-	14,920,531	17,305,290
Workshop	6,267,600	-	-	-	6,267,600	10	2,599,644	366,796	-	2,966,440	3,301,160
Office and electrical equipment	5,058,300	4,098,247	-	-	9,156,547	10	2,016,143	698,920	-	2,715,062	6,441,485
Furniture and fixtures	3,892,320	4,404,769	-	-	8,297,089	10	1,487,049	652,454	-	2,139,503	6,157,586
Others	747,708	404,943	-	-	1,152,651	10	304,894	84,776	-	389,670	762,981
Total at 30 June 2011	461,240,285	215,989,965	-	-	677,230,250		74,246,686	41,273,091	-	115,519,776	561,710,474



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 transactions and amounts in Taka

Name of the Party	Relationship	Nature of Transaction	Opening balance at 01 July 2010	Addition during the year	Adjustment	Closing balance at 30 June 2011
Tarafder Md. Ruhul Amin	Director	Advance against purchase of building Rupayan Centre, Mohakhali	60,000,000	675,000	-	60,675,000
Tarafder Md. Ruhul Amin and Trafder Nigar Sultana	Director	Advance against purchase of Land at Pubail, Gazipur	27,422,262	13,561,100	-	40,983,362
Tarafder Md. Ruhul amin and Trafder Nigar Sultana	Director	Remuneration	-	5,258,640	-	5,258,640
Saif Plastic & Polymer Industries Limited(*)	Subsidiary Company	Investment in Shares	-	80,000,000	-	80,000,000
Total			87,422,262	99,494,740	-	186,917,002

(\*)The company hold 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	5,258,640
(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	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



if Powertec Limited  
Shareholdings Position in Subsidiary Company

Annex III

<u>Name of shareholder</u>	<u>%</u>	<u>Number of Shares</u>	<u>Value of Shares/Taka</u>
aiif Powertec Limited	80%	8,000,000	80,000,000
arafder Md. Ruhul Amin	14%	1,400,000	14,000,000
arafder Nigar Sultana	3%	300,000	3,000,000
ubya Sultana Rumi	3%	300,000	3,000,000
	100%	10,000,000	100,000,000

Minority Interest

<u>Name of shareholder</u>	<u>%</u>	<u>Number of Shares</u>	<u>Value of Shares/Taka</u>
arafder Md. Ruhul Amin	14%	1,400,000	14,000,000
arafder Nigar Sultana	3%	300,000	3,000,000
ubya Sultana Rumi	3%	300,000	3,000,000
	20%	2,000,000	20,000,000

