



RIGHTS SHARE OFFER DOCUMENT

Date: January 17, 2017

Rights Offer of **116,295,348** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.15.00** each including a **premium of Tk.5.00** per share, totaling **Tk.1,744,430,220.00** offered on the basis of **01[R]:01**, i.e. 01 (one) Rights Share for every 01 (one) existing share held on the record date.

RECORD DATE FOR ENTITLEMENT OF RIGHTS OFFER

Record Date	February 07, 2017	
Date of Subscription	Opens on	Closes on
	February 28, 2017	March 20, 2017
Within banking hours both days inclusive		

MANAGERS TO THE ISSUE



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FULLY UNDERWRITTEN BY

Banco Finance And Investment Limited Baitul View Tower (11 th floor), 56/1 Purana Paltan, Dhaka-1000	Alpha Capital Management Limited Eastern Arzoo Complex (7 th Floor), 61, Bijoyagar, Dhaka-1000
ICB Capital Management Limited Green City Edge (5 th & 6 th Floor) 89, Kakrail Dhaka-1000	AFC Capital Limited Tanaka Tower (2 nd floor), 42/1/Gha, Segun Bagicha, Dhaka-1000
Roots Investment Ltd. Diganta Tower (Level-1), 12/1 Ram Krishna Mission Road., Dhaka 1203	AAA Finance & Investment Limited Suite # 404, Amin Court (4 th floor), 62-63 Motijheel C.A. Dhaka-1000

CREDIT RATING STATUS

	Rating Year	Long Term	Short Term
Entity Rating	2015	BBB ₁	ST-3
Date of Rating	23 June 2016		
Rating Assigned By: Credit Rating Agency of Bangladesh Ltd (CRAB)			

BANKERS TO THE ISSUE

BRAC Bank Limited 1, Gulshan Avenue, Gulshan-1, Dhaka-1212	Prime Bank Limited Adamjee Court Annex Building-2, 119-120, Motijheel C/A, Dhaka-1000
Investment Corporation of Bangladesh (ICB) 8, DIT Avenue (Level 14-17), Dhaka-1000	



SAIF POWERTEC LIMITED

Rupayan Center (8th floor), 72 Mohakhali C/ A, Dhaka 1212.
 Phone: 880-2-9825705, 9891562, 9891597, 9856358-9, Fax: 880-2-9855949,
 Email: saifop@bdmail.net, Web: www.saifpowertecld.com

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

TABLE OF CONTENTS

Reference	Particulars	Page Number
Rule-8(a)	Date of the rights share offer document	Cover Page
Rule-8(b)	Amount of rights share, divided into number of shares, per value and the issue price of each share, and number of right offered for each existing share.	Cover Page
Additional	Definition and Elaboration of the abbreviated words.	IV
	Corporate Information	1
Rule – 8 (c)	Highlight of the rights offer, risk factors, and management plans for reduction of such risks	2-5
	Highlight of the rights offer [History of the Company, Corporate Status and Background, Nature of Business, The Rights Issue and Issue Price]	2-3
	Risk Factor and Management Perception About the Risks	3-5
Rule – 8 (d)	Date and Time of Opening and Closing of Subscription	5
Rule – 8 (e)	Purposes of raising fund through rights share, specifying clearly the heads and amount of the fund utilization, and identifying various proposed projects with heads and amount of expenditure for each projects, and also highlights of such projects	5
	Purpose of the raising fund through rights issue	5
Additional	Five years Information Regarding AGM Held and Dividend Declared	5
Rule – 8 (f)	Name of the products manufactured or to be manufactured or services rendered or to be rendered by the issuer together with capacity or proposed capacity of the existing and proposed projects vis-a-vis capacity utilized by the existing project during the last three years or such shorter period during which the issuer was in commercial operation.	6-6
	Existing Services Rendered by the Company	6
Additional	Equity Structure of the Company	6
	Financial Highlights of the Previous Years	6
Rule – 8 (g)	If the issue price of rights share is higher than the par value thereof, justification of the premium should be stated with reference to	7-8
	Net Asset Value Per Share	7
	Average Market Price Per Share	8
Rule – 8 (h)	Cash flows statement, profit and loss account, balance sheet, changes in equity and notes to the accounts of the issuer	09-34
	Auditors' report to the shareholders of Saif Powertec Limited	9-10
	Statements of Financial Position	11
	Statement of Comprehensive Income	12
	Statement of Changes in Equity	13
	Statement of Cash Flows	14
	Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information	15-34
	Cash flows statement, profit and loss account, balance sheet, changes in equity and notes to the accounts of the subsidiary	35-50
	Auditors' report to the shareholders of Saif Plastic & Polymer Industries Limited	35
	Statements of Financial Position	36
	Statement of Comprehensive Income	37
	Statement of Cash Flows	38
	Statement of Changes in Equity	39
	Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information	40-50
Rule – 8 (i)	Summarized cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the 5 (five) years immediately preceding the issue of rights share offer document or for such shorter period during which the issuer was in commercial operation.	51-54
	Auditors Report in pursuance of section 135(1) under Para 24(1) of part – II of the Third Schedule of Companies Act 1994 and Ratio of Saif Powertec Limited	51-53
	Auditors' Certificate Of Compliances Of Conditions Of The Corporate Governance Guidelines to the shareholders [SEC/CMRRCD/2006-158/134/Admin/44 Dated 7august 2012]	54

Rule – 8 (j)	Length of time during which the issuer has carried on business	55
Rule – 8 (k)	Implementation schedule for completion of each segment of the project alongwith the proposed dates of trial and commercial operation of the proposed project	55-56
Rule – 8 (l)	Quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital of the issuer on the date of the rights share offer document.	57-57
	Quantity of shares held by each director on the date of the rights share offer document.	57
	Composition of shareholding position of the company	57
	Beneficial owners holding shares 5% or Above	57
Rule – 8 (m)	Name, address, description and occupation of directors; managing director, managers and company secretary of the company	58
	Board of Directors	58
	Management & Executives	58
Rule – 8 (n)	Name of the public listed companies under common management	59
Rule – 8 (o)	Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter, and also the name and address of issue manager, auditors, legal adviser and banker to the rights issue	59
	Classified Information and Underwriters	59
	Underwriters' Obligation	60
Rule – 8 (p)	Particulars along with the terms and conditions of the material contracts including vendors' agreement, underwriting agreement, issue management agreement, agreement with the banker to the issue and contract for acquisition of property, plant and equipment	60-62
	Terms and Condition of Right Issue [Basis of the Offer, Entitlement, Acceptance of Offer, Renunciation. General, Condition of Subscription, Payment of Share Price, Lock-in on Rights Share and Other]	60-61
	Material Contracts [Bankers to the Issue, Underwriters, Manager to the Issue, Vendor's agreement & Contract for Acquisition of property]	61-62
Rule – 8 (q)	Number of rights shares that the directors are going to subscribe, and in case they propose to make renunciation, the reasons and extent of such renunciation	62
	Directors' take-up in the Rights Offer	62
Rule – 8 (r)	Statement of actual utilization of fund raised by public offering of shares or rights shares, if any, prior to the proposed rights issue vis-a-vis plan thereof.	63
	Declaration regarding utilization of previous fund (IPO)	63
Rule – 8 (s)	Application form for depositing the subscription money with the bankers to the issue for the rights share, with the provision for renunciation of the rights offer	82-86
	Application Form-A, Bankers to the Issue	82-84
	Renunciation Form-B & C	85-86
Rule – 8 (t)	Declaration about the responsibility of the issue manager, the underwriter, the auditors and the directors in Forms-A, B, C, and D respectively	64-66
	Form-A & Form-B	64
	Form-C & Form-D	65-66
Rule – 8 (u)	A statement that a lock-in on the rights shares of the directors (including their renounced shares) for a period of three years from the date of closure of the rights share subscription shall be operative	67
	Statement of Lock-in on the Rights Shares	67
Rule – 8 (v)	A declaration that the rights shares to be issued in dematerialized form and that the subscribing shareholders have to apply with respective depository accounts	Cover Page
Rule – 8 (w)	Credit Rating Report of the Issuer	68-80

**DEFINITION AND ELABORATION OF THE ABBREVIATED
WORDS AND TECHNICAL TERMS USED IN THE RIGHTS OFFER DOCUMENT**

Acronym	Elaboration
Allotment	: Letter of Allotment for Shares
BB	: Bangladesh Bank
BSEC	: Bangladesh Securities and Exchange Commission
BO A/C	: Beneficial Owner Account or Depository Account
CDBL	: Central Depository Bangladesh Ltd.
Commission	: Bangladesh Securities and Exchange Commission
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
EPS	: Earnings Per Share
Issue	: Rights Issue
Issuer Company	: Saif Powertec Limited
Issue Managers	: Banco Finance And Investment Limited & ICB Capital Management Limited
NAV	: Net Asset Value of the Company
Offering Price	: Price of the Securities of Saif Powertec Limited being Offered
Registered Office	: Head Office of the Company
RI	: Rights Issue
Rights Issue Rules	: Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	: Registrar of Joint Stock Companies & Firms
ROD	: Rights Share Offer Document
Securities	: Shares of Saif Powertec Limited
Share Market	: Market of the Securities in Bangladesh
SPL	: Saif Powertec Limited
Sponsors	: The Sponsor Shareholders of Saif Powertec Limited
Stockholders	: Shareholders
Subscription	: Application Money
The Company	: Saif Powertec Limited



RIGHTS ISSUE OF SHARES

January 18, 2017

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Company in the 2nd Extra Ordinary General Meeting (EGM) held on dated 17.07.2016 approved Rights Shares issue proposal of 183,142,280 Ordinary Shares of Tk. 10.00 each issuing at a price of Tk. 20.00 including a premium of Tk. 10.00 each totaling Tk. 3,662,845,600.00 offered on the basis of 2(R):1 (i.e. two rights share for one existing share held). Later the Board of Directors in its Board Meeting held on October 26, 2016 recommended to revise the Rights Offer for issuance of 116,295,348 Ordinary shares at Tk.15.00 each including a premium of Tk.5.00 per share at the rate of 01[R]:01, i.e. 01 (one) rights share for every 01 (one) existing share held on the record date which has been approved in the 13th AGM held on December 18, 2016. The purpose of issuance of Rights Share is to raise further paid up capital for expansion of the battery project and to pay off debts of the company.

Having satisfactory operation, the Company has earned Net Profit (after Tax) of Tk.402,976,262 for the year ended on 30.06.2016. The success could have been possible with the support of our customers and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Company, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared according to the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Bangladesh Securities and Exchange Commission is enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

Tarafder Md. Ruhul Amin
Managing Director

CORPORATE INFORMATION



SAIF POWERTEC LIMITED

Rupayan Center (8th floor), 72 Mohakhali C/ A, Dhaka 1212.
Phone: 880-2-9825705, 9891562, 9891597, 9856358-9, Fax: 880-2-9855949,
Email: saifop@bdmail.net, Web: www.saifpowerteccltd.com

Company Milestones

Stock Summary & Financial Information

Authorized Capital	Tk.	5,000.00 Million	As per Audited Financial Statements for the year ended 30 June 2016
Paid up Capital *	Tk.	1,162.95 Million	
Total Shareholders' Equity	Tk.	2,126.15 Million	
Total Assets	Tk.	6,190.63 Million	
Total Operating Profit	Tk.	864.69 Million	
Net Cash Generated from Operating activities	Tk.	880.92 Million	
No. of Employees		952 Persons	

Corporate History

Incorporation of the Company	C-51420(1715)/2003	December 29, 2003
Commencement of Business	N/A	N/A
Conversion to Public Ltd. Company	N/A	June 28, 2010
BOI Registration	L-40051411045-H	November 17, 2014
TIN Certificate	248762153542	
VAT Registration	18121026309	
Trade License	0340739	
Import Registration Certificate	BA-151153	
Head Office	Rupayan Center (8 th floor), 72 Mohakhali C/ A, Dhaka 1212	
Factory	Bashugaon, Pubail, Gazipur-1721, Dhaka	

Board of Directors

Chairman	Mrs. Tarafder Nigar Sultana
Managing Director	Mr. Tarafder Md. Ruhul Amin
Director	Mrs. Rubya Chowdhury
	Mr. Tarafder Md. Ruhul Saif
Independent Director	Mr. Md. Jalal Uddin Ahmed Chaudhury

Corporate Officials

Company Secretary	Mr. F. M. Salehin
Chief Financial Officer	Mr. Md. Hasan Reza

Others Information

Statutory Auditors	Mahfel Huq & Co. Chartered Accountants BGIC Tower, 4 th floor, 34, Topkhana Road, Dhaka-1000. Tel: +88 02 9553143, 9581786; Fax: 88 02 9571005, Website: www.mahfelhuq.com ; E-mail: mh@mahfelhuq.com
Legal Advisor	Omar H. Khan (Joy) LLB (Hons) University of London, Barrister- at- Law (Lincoln's Inn. UK) Advocate, Supreme Court of Bangladesh Khair Mansion (4th Floor), 235/2 Elephant Road, Dhaka-1205

* After considering 27% stock dividend.

Corporate Status and Background

Saif Powertec Limited was incorporated in Bangladesh as a private limited company on December 29, 2003 and subsequently converted into public limited company on 2010.

SPL became listed with Stock Exchanges during September 2014. The registered office and principal place of business of the company is located at Rupayan Center (8th floor), 72 Mohakhali C/ A, Dhaka 1212 and its factory is situated at Bashugaon, Pubail, Gazipur-1721, Dhaka.

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).

History of the Company

SAIF initiated its business for sales & service of Construction , material handling & Power Generation equipment in Bangladesh through exclusive Agreements with the world renowned Manufacturers such as DOSSAN INFRACORE CO. LIMITED (DAEWOO HEAVY INDUSTRIESE LIMITED), MITSUBISHI HEAVY INDUSTRIES LIMITED, JAPAN , BABCOCK BORSIG POWER SERVICE GMBH, KARRENA , FOSTER WHEELER , ANA NAVIDS, CARMANAH TECHNOLOGIES ETC.

In 2004, we had been appointed by the Chittagong Port Authority (CPA) as long term contractor for repair-maintenance with parts supply and supervision of operation of 4 nos. MITSUBISHI Quay side Gantry Crane (QGC) & 5 nos. ZPMC Rubber Tyred Gantry (RTG) Crane under Chittagong Port.

In 2006, we have signed a contract with CPA for Operation (Import discharging & Export Loading) of 4 nos. QGC with transportation of the Container from Shore to Yard & Yard to Shore by using our own Tractor-Trailer

In 2007, we got the Contract for complete Terminal Operation as Terminal Operator for Chittagong Container Terminal (CCT) & 2 Berths of New mooring Container Terminal (NCT). Total 5 numbers of berths are operated by SAIF with international standard.

Up to DECEMBER/2007 SAIF has handled 455000 TEUS Container & 340 Nos. of Vessels both in CCT & NCT SAIF has already introduced the method to find out the Container location through SMS from any Mobile Phone in Bangladesh almost instantly. In April/2008 SAIF, is going to introduce the State of the Art Technology as CTMS with their associates of local software Company under MESH RADIO NET WORKING inside the Terminal. After successful completion of CTMS system, we can provide the REAL-TIME POSITIONING of each container within CCT & NCT.

Vision

"To remain abreast of time technologically and managerially. To be a world class port operator. To provide solution by applying world's best & advanced technical know-how with the best combination of local & foreign expertise. To make firm contribution towards the growth of national economy & GDP."

Mission

"Establishing our national identity all over the world by our innovative success. Exploring new avenues for increasing customers support as well as business growth. Monitoring the customers' perception, that exploring opportunities in all possible areas."

The Rights Issue

Saif Powertec Limited plans to increase paid-up capital through issuance of Rights Shares. The Board of Directors of Saif Powertec Limited in its 137th meeting held on May 29, 2016, recommended for issuance of Rights Share on the basis of 02[R]:01, i.e. 02 (two) right shares for every 01 (one) existing share held on the record date for entitlement. The Rights offer is issuance of **183,142,280** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a premium of **Tk.10.00** per share, totaling **Tk.3,662,845,600.00** offered on the basis of 02[R]:01, i.e. 02 (two) right shares for every 01 (one) existing share held on the record date. Later the Board of Directors in its Board Meeting held on October 26, 2016 recommended to revise the Rights Offer of the Company to issue **116,295,348** Ordinary shares at **Tk.15.00** each including a premium of **Tk.5.00** per share at the rate of 01[R]:01, i.e. 01 (one) rights share for every 01 (one) existing share held on the record date which has been approved in the 13th AGM held on December 18, 2016.

Issue Price

The Rights offer is issuance of **116,295,348** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.15.00** each including a premium of **Tk.5.00** per share, totaling **Tk.1,744,430,220.00** offered on the basis of **01[R]:01**, i.e. 01 (one) rights share for every 01 (one) existing share held on the record date.

RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT THE RISKS [see rule-8(c)]

Risk is always associated with investments and investing in the company involves inherent risk factors. There are a number of factors, both specific to Saif Powertec Limited and of a general nature, which may affect the future operating and financial performance of the Company and the value of an investment. Some of these factors can be mitigated by the use of safeguards and appropriate managerial action. However, many are outside the control of the Company and cannot be mitigated. The objective of risk management system of the Company is to identify measure and manage risks in order to ensure the company's asset quality and protect between of our stakeholders.

The information given below does not assert to be exhaustive. Additional risks or uncertainties are presently not known to the company or that are currently deemed immaterial may also have a material adverse effect on the Company's business, financial condition and operating results. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

Prior to accepting their Entitlements, Applicants should carefully consider the following risk factors, as well as the other information contained in this right offer documents.

INTEREST RATE RISK

Interest rate risk is the risk that Company faces due to unfavorable movement in the interest rates. Changes in the Government's monetary policy, along with increased demand for loans/investments trend 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

In order to manage this risk and overcome it, the Company shall exercise good management in its cash flows, coupled with continued strength in sales and marketing. SPL is to ensure that the debt repayments are met on schedule, even if the interest rates were to rise.

EXCHANGE RATE RISK

Exchange rate risk occurs due to changes in exchange rates. As the Company import equipments/raw materials from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company.

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.

INDUSTRY RISK

Profitability may reduce

The Company is operating in a highly competitive industry with low profit & highly sensitive to the market. Moreover the Company faces competition from a number of private sector mills those are found to be very aggressive in the market. Inability of offering competitive products will hinder the Company's growth potential.

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 a competitor.

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.

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.

POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

The Company operates under Company's Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991 and other related regulations. 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.

POTENTIAL CHANGES IN THE GLOBAL OR NATIONAL POLICIES

The performance of the Company may be affected due to unavoidable circumstances both in Bangladesh and worldwide, such as war, tourism, political unrest in the country or customer countries. Changes in global or national policies may also adversely affect the economy in general.

Management Perception

The risk due to changes in global or national policies is beyond control of any company. The management of the company is always concerned about the prevailing and future changes in the global and national policy and shall respond appropriately and timely to safeguard its interest. The company's strong brand image and worldwide customer base will enable it to withstand any such potential threats.

HISTORY OF NON-OPERATION, IF ANY

Is there any history for the Company to become non-operative from its commercial operation?

Management Perception

No, there is no history of non-operation since commercial operation. To overcome these uncertainties, the Company has its own power backup, scientific inventory management and continuous market promotion systems, which reduce the non-operating risk.

OPERATIONAL RISK

Non-availability of materials/equipments/services may affect the smooth operational activities of the Company. On the other hand, the equipments may face operational and mechanical failure due to natural disaster, terrorist attack, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

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

DATE & TIME OF OPENING AND CLOSING OF SUBSCRIPTION [see rule-8(d)]

Subscription opens for the rights shares offer on **February 28, 2017** and subscription closes for the rights shares offer on **March 20, 2017**.

PURPOSE OF RAISING FUND THROUGH RIGHTS ISSUE [see rule-8(e)]

The purpose of issuance of Rights Share is to raise further paid up capital for expansion of the battery project and to pay off debts of the company.

Sd/-
Tarafder Md. Ruhul Amin
Managing Director

Sd/-
Md. Hasan Reza
Chief Financial Officer

5 (FIVE) YEARS INFORMATION REGARDING AGM HELD AND DIVIDEND DECLARED BY THE COMPANY

Financial Year	AGM Title	Date of AGM Held and Dividend Declared	Rate of Dividend	
			Stock	Cash
2011-2012	9 th AGM	30.12.2012	-	20%
2012-2013	10 th AGM	30.12.2013	-	-
2013-2014	11 th AGM	15.12.2014	27%	-
2014-2015	12 th AGM	12.11.2015	29%	-
2015-2016	13 th AGM	18.12.2016	27%	5%

EXISTING SERVICES RENDERED BY THE COMPANY [see rule-8(f)]

Manufacturing:

- i) Design, manufacturing of distribution transformer up to 2 MVA (11/0.4 kv) and related power distribution equipment like substation, switchgear etc.
- ii) Assembling of complete solar power system.

Sales and marketing:

- i) Import and selling of power generating equipments diesel generator, solar power producing equipment, emergency power back up system (IPS, UPS etc.)
- ii) Importing and selling of construction and material handling equipment like excavator, wheel loader, dump truck and fork lift truck.
- iii) Sale of power plant equipment and spare to Gas Turbine & Steam Turbine Generator power plant.
- iv) Sale of import equipment to Ashugonj Fertilizer and Chemical Company Limited.

Service providing:

- i) Sea Port (Chittagong) Terminal operation with single point basis from off shore intake to on shore delivery.
- ii) Long term service contractor (LTSC) of all key handling equipment (QGCs & RTGs) of Chittagong Port.
- iii) Service and overhauling of power plant and Fertilizer Factories.

Market for product & services

SPL is a concern of manufacturing, for electro-mechanical infrastructure including sales activities company. The main beneficiaries of our products and services are Public sectors (Chittagong Port Authorities, DGDP, BCIC, BPDB, REB, and BIWTA etc) and Private Sectors (Heavy Garments Industries, Food and Beverage, Real Estate and general public etc).

EQUITY STRUCTURE OF THE COMPANY

Sl. No.	Particulars	June 30, 2016 Taka
A	Paid-up Capital	915,711,400
	Share Premium	418,345,180
	Revaluation Reserve	82,059,122
	Retained earnings	710,032,817
	Total Shareholders' Equity	2,126,148,519
B	Total Number of Shares (After considering 27% stock dividend)	116,295,348
C	Equity Based Value per share with revaluation reserve	18.28
D	Equity Based Value per share without revaluation reserve	17.58

FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

(Amount in BDT)

Particulars	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011
Share Capital	915,711,400	709,853,800	438,940,000	438,940,000	438,940,000	438,940,000
Share premium	418,345,180	418,345,180	191,429,500	191,429,500	191,429,500	191,429,500
Revaluation Reserve	82,059,122	92,678,538	96,540,144	96,540,144	96,540,144	96,540,144
Retained earnings	710,032,817	514,502,171	451,370,636	342,976,344	291,619,607	159,470,513
Total Equity	2,126,148,519	1,724,752,708	1,163,700,021	1,069,885,988	1,018,529,251	886,380,157
Net Profit after Tax	402,976,262	214,647,357	111,504,633	88,325,737	150,698,595	156,092,470
Number of Shares	91,571,140	70,985,380	43,894,000	43,894,000	43,894,000	43,894,000
Face Value	10.00	10.00	10.00	10.00	10.00	10.00
NAV Per Share	23.22	24.30	26.51	24.29	23.11	20.10
EPS	4.38	2.37	2.54	2.01	3.44	4.10
Dividend	Cash: 5% Stock: 27%	Cash: Nil Stock: 29%	Cash: Nil Stock: 27%	Cash: Nil Stock: Nil	Cash: 20% Stock: Nil	Cash: 10% Stock: Nil
Cash flow from Operating activities	880,917,374	342,821,202	37,092,058	149,915,127	176,079,757	172,624,815
Net Operating Cash Flow per Share (NOCFPS)	9.62	4.91	0.85	3.42	4.01	3.93

IF THE ISSUE PRICE OF RIGHTS SHARE IS HIGHER THAN THE PAR VALUE THEREOF, JUSTIFICATION OF THE PREMIUM SHOULD BE STATED WITH REFERENCE TO- [see rule-8(g)]

The rights issue price at Tk.15.00 each per share is justified as per the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) as given in the table below:

Valuation Methods		Offer Price (Taka)
Method (i)	Net Asset Value per Share	18.28
Method (ii)	Historical Earnings Based Value per Share	28.66
Method (iii)	Average Market Price per Share	51.55

Method (i): Net Assets Value per share

Particulars		As on June 30, 2016 Amount (BDT)
A	Non-Current Assets:	
	Property, Plant & Equipment	1,612,862,138
	Capital Work-in-progress	2,154,601,625
	Investment in subsidiary company	-
	Total Non-Current Assets	3,767,463,763
	Current Assets	
	Inventories	495,561,389
	Accounts and others receivable	815,897,071
	Advances, deposits and prepayments	827,623,061
	Fixed deposite receipt (FDR)	227,402,573
Cash and cash equivalents	56,677,885	
	Total Current Assets	2,423,161,979
	Total Assets	6,190,625,742
B	Non-Current Liabilities	
	Long Term Loan from banks	1,213,149,869
	Deferred Tax Liability	66,005,062
	Total Non-Current Liabilities	1,279,154,931
	Current Liabilities	
	Current Portion of Long Term Loan	259,140,617
	Short term loan	1,464,592,974
	Share money refundable	1,242,750
	Accounts payable	447,240,532
	Accrued expenses	347,094,353
Obligation to contract clients	189,316,735	
Workers profit participation/Welfare fund	54,608,695	
	Total Current Liabilities	2,763,236,657
	Total Liabilities	4,042,391,588
C=(A-B)	Net Asset with non-controlling interest	2,148,234,154
D	Non-controlling Interest	22,085,635
E=(C-D)	Net Asset without non-controlling interest	2,126,148,519
F	Total Number of Share (After considering 27% stock dividend)	116,295,348
G=(E/F)	Net Asset Value (NAV) Per Share	18.28

NAV is also equivalent to the Equity Based Value per share which is depicted below:

Sl. No.	Particulars	June 30, 2016 Taka
A	Paid-up Capital	915,711,400
	Share Premium	418,345,180
	Revaluation Reserve	82,059,122
	Retained earnings	710,032,817
	Total Shareholders' Equity	2,126,148,519
B	Total Number of Shares (After considering 27% stock dividend)	116,295,348
C	Equity Based Value per share with revaluation reserve	18.28
D	Equity Based Value per share without revaluation reserve	17.58

Method (ii): Historical Earnings Based Value per Share

Year	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
30-Jun-16	91,571,140	402,976,262	0.3112	125,411,845.08
30-Jun-15	70,985,380	214,647,357	0.2413	51,783,920.85
30-Jun-14	43,894,000	111,504,633	0.1492	16,634,070.76
30-Jun-13	43,894,000	88,421,139	0.1492	13,190,514.54
30-Jun-12	43,894,000	150,897,764	0.1492	22,510,670.77
	294,238,520	968,447,155	1.0000	229,531,022.00
Total Number of Share (After considering 27% stock dividend)				116,295,348
Weighted Average Earnings per Share (EPS)				1.9737
Market PE (November, 2016)				14.52
Earnings Based Value per Share				28.66

Method (iii): Average Market Price per Share

(Amount in BDT)

Date	Market Performance	
	Face Value	Price
Market price per shares as on 29 December 2016	10.00	50.60
Market price per shares as on 30 November 2016	10.00	48.90
Market price per shares as on 31 October 2016	10.00	56.90
Market price per shares as on 29 September 2016	10.00	54.00
Market price per shares as on 31 August 2016	10.00	52.10
Market price per shares as on 31 July 2016	10.00	46.80
Average Market Price per Share	10.00	51.55

(Source: DSE Monthly Review, Considering Taka 10.00 per share)

Independent Auditors' Report
On the Financial Statements 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 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

Sd/-
MAHFEL HUQ & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

Notes	Amount in Taka						
	At 30 June 2016		At 30 June 2015		At 01 July 2014		
	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	1,112,420,062
Capital works-in-progress	5	2,154,601,625	2,154,601,625	609,981,792	609,981,792	145,554,192	145,554,192
Investment in subsidiary company	6	-	80,000,000	-	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	1,337,974,254
Current assets							
Inventories	7	495,561,389	492,204,690	484,602,027	477,940,429	298,164,729	281,072,011
Accounts and others receivable	8	815,897,071	812,766,401	665,821,895	658,067,339	500,442,614	497,508,584
Advances, deposits and prepayments	9	827,623,061	822,163,723	476,459,627	473,410,617	403,587,199	401,596,060
Fixed deposit receipt (FDR)	10	227,402,573	227,402,573	163,329,031	163,329,031	65,178,760	65,178,760
Cash and cash equivalents	11	56,677,885	55,601,762	195,610,251	193,839,997	21,202,906	19,997,674
		2,423,161,979	2,410,139,149	1,985,822,831	1,966,587,413	1,288,576,207	1,265,353,089
Total assets		6,190,625,742	6,128,519,319	4,085,745,162	4,014,049,858	2,685,792,672	2,603,327,343
Equity and liabilities							
Capital and reserves							
Share capital	12	915,711,400	915,711,400	709,853,800	709,853,800	438,940,000	438,940,000
Share premium	13	418,345,180	418,345,180	418,345,180	418,345,180	191,429,500	191,429,500
Revaluation reserve	14	82,059,122	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	451,292,065
		2,126,148,519	2,117,805,978	1,724,752,708	1,722,731,971	1,163,700,021	1,163,720,687
Non-controlling interest	16	22,085,635	-	20,505,185	-	19,994,834	-
		2,148,234,154	2,117,805,978	1,745,257,893	1,722,731,971	1,183,694,855	1,163,720,687
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	476,580,976
Deferred tax liability	19	66,005,062	58,749,000	50,895,185	47,288,925	43,920,802	41,529,117
		1,279,154,931	1,271,898,869	717,388,748	713,782,488	531,702,822	518,110,093
Current Liabilities							
Current portion of long-term loan	18	259,140,617	259,140,617	241,701,807	221,534,831	218,862,777	203,257,438
Short term loan	20	1,464,592,974	1,464,592,974	1,088,141,936	1,076,203,713	537,891,683	520,119,100
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	5,792,325
Accrued expenses	22	347,094,353	345,575,689	232,726,191	231,912,189	178,203,882	177,651,159
Obligation to contract clients	23	189,316,735	189,316,735	-	-	89,700	89,700
Workers profit participation/Welfare fund	24	54,608,695	54,608,695	28,270,428	28,270,428	14,586,841	14,586,841
		2,763,236,657	2,738,814,472	1,623,098,521	1,577,535,399	970,394,995	921,496,563
Total shareholders' equity and liabilities		6,190,625,742	6,128,519,319	4,085,745,162	4,014,049,858	2,685,792,672	2,603,327,343
Net asset value per share of Taka 10 each		23.22	23.13	24.30	24.27	26.51	26.51
Net asset value per share without revaluation of Taka 10 each		22.32	22.23	23.14	23.11	24.64	24.64

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

for Saif Powertec Limited


Managing Director


Director


Chief Financial Officer


Company Secretary

Dated, Dhaka: 26 October 2016

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


Mahfel Huq & Co.
Chartered Accounts

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2016**

	Notes	Amount in Taka			
		1st July 2015 to 30 June 2016		1st July 2014 to 30 June 2015	
		<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u> Re-stated	<u>The Company</u> 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.
for Saif Powertec Limited


Managing Director


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 Accounts

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016**

Amounts in Taka

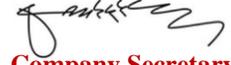
	Share capital	Share premium	Revaluation reserve	Retained earnings	Non-Controlling Interest	Total
						(Re-stated)
Balance at 01 July 2014	438,940,000	191,429,500	96,540,144	451,370,636	20,019,644	1,198,299,924
Less: Provision for minimum tax payable as per section 16 CCC of the ITO 1984 - Subsidiary				(99,237)		(99,237)
Deferred tax liability	-	-	(14,481,022)	-	(24,810)	(14,505,832)
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	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	1,745,257,893
Issue of Bonus Shares	205,857,600	-	-	(205,857,600)	-	-
Capital paid by Non -Controlling inst.						
Net income for the period	-	-	-	401,395,811		401,395,811
Share of profit of subsidiary company	-	-	-	-	1,580,451	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

for Saif Powertec Limited


Chief Financial Officer


Company Secretary

Dated, Dhaka; 26 October 2016


Mahfel Huq & Co.
Chartered Accounts

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016

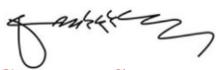
	Amount in Taka			
	Year ended 30 June 2016		Year ended 30 June 2015	
	Consolidated	The Company	Consolidated Re-stated	The Company Re-stated
Cash flows from operating activities				
Cash receipt from customers and others	2,225,575,460	2,162,340,147	1,638,436,749	1,588,440,404
Cash paid to employees and 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 Accounts

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 Financial Reporting Standard (BFRS) 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 Financial Reporting Standard (BFRS) 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-1: Presentation of Financial Statements, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

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 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 36	:	Impairment of Assets
BAS 37	:	Provisions, Contingent Liabilities and Contingent 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 capitalized as part of that equipment.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized 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 recognized 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 realizable 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 recognized 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;

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

3.4 Capital works-in-progress

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

3.8 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues. Finance expenses comprise interest expense on borrowings, bank charges and guarantee costs. All borrowing costs are recognized 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.

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 up to 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 up to 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	
		<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>
12	Share capital				
	Authorised capital				
	500,000,000 ordinary shares of Taka 10 each	<u>5,000,000,000</u>	<u>5,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
	Paid-up capital				
	21,394,000 ordinary shares @ Tk.10 each in cash	213,940,000	213,940,000	213,940,000	213,940,000
	70,177,140 ordinary shares @ Tk.10 each in Bonus	701,771,400	701,771,400	495,913,800	495,913,800
		<u>915,711,400</u>	<u>915,711,400</u>	<u>709,853,800</u>	<u>709,853,800</u>
	During the year Paid-up Capital has been increased to Taka 915,711,400.00 through allotment of bonus shares (29%) dated November 12, 2015. Company's shareholding position as on the dates of balance sheet were as under:				
12.1	Shareholdings	Percentage (%)		No. of shares	Value (Taka)
	Directors and Sponsor	40.06		36,681,587	366,815,870
	Institutional shareholders	18.26		16,720,825	167,208,250
	Individual shareholders	41.68		38,168,728	381,687,280
		<u>100</u>		<u>91,571,140</u>	<u>915,711,400</u>
13	Share premium				
		Amount (Taka)	Amount (Taka)	Amount (Taka)	Amount (Taka)
	Opening balance	418,345,180	418,345,180	418,345,180	418,345,180
	Received during the period	-	-	-	-
		<u>418,345,180</u>	<u>418,345,180</u>	<u>418,345,180</u>	<u>418,345,180</u>
14	Revaluation reserve				
	Opening balance	82,059,122	82,059,122	96,540,144	96,540,144
	Less: Retrospective adjustment for Deferred Tax	-	-	(14,481,022)	(14,481,022)
	Re-stated opening balance	82,059,122	82,059,122	82,059,122	82,059,122
	Less: Deferred Tax Income/(Expenses) during the period	-	-	-	-
		<u>82,059,122</u>	<u>82,059,122</u>	<u>82,059,122</u>	<u>82,059,122</u>
	In 2010, land under the ownership of Saif Powertec Limited was professionally revalued by G. Kibria & Co, Chartered Accountants. at Fair market value was estimated at Taka 121,734,000 as against net book value of Taka 25,193,856 resulting in a revaluation surplus of Taka 96,540,144 which was accounted for and transferred to revaluation reserve. The company does not feel it necessary to revalue its property during the year since the value does not differ significantly from its carrying amount.				
15	Retained earnings:				
	Opening Balance	514,494,606	512,473,869	451,370,636	451,292,065
	Less: Provision for Minimum Tax payable as per section 16 CCC of the ITO 1984-Subsidiary			(99,237)	
	Opening balance re-stated	<u>514,494,606</u>	<u>512,473,869</u>	<u>451,271,399</u>	<u>451,292,065</u>
	Add: Addition this year	401,395,811	395,074,007	214,137,007	212,095,604
	Less: Stock Dividend @ 29% (2014: 27%)	(205,857,600)	(205,857,600)	(150,913,800)	(150,913,800)
		<u>710,032,817</u>	<u>701,690,276</u>	<u>514,494,606</u>	<u>512,473,869</u>
16	Non-Controlling Interest:				
	This is made up as follows:				
	A. Subsidiary Share Capital	100,000,000		100,000,000	
	B. Saif Powertec Limited invest to Subsidiary Company	80,000,000		80,000,000	
	Percentage of holding share of Subsidiary company By SPL (B/A)	80%		80%	
	Non-Controlling interest Percentage	20%		20%	
	C. Non-controlling interest on Share Capital	20,000,000		20,000,000	
	Opening Retained earnings	2,525,923		(25,831)	
	D. Non-controlling interest on Opening retained earnings @ 20% Restated	505,185		(5,166)	
	Current year's profit of subsidiaries	7,902,254		2,551,754	
	E. Non-controlling interest on current year's profit of subsidiary @ 20%	1,580,451		510,351	
	Total Non-controlling Interest (C+D+E)	<u>22,085,635</u>		<u>20,505,185</u>	

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	
	<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>
17 Long term loan from Banks and NBFIs				
The company has availed long-term credit facilities from the following banks:				
Mercantile Bank Limited	-	-	-	-
Dhaka Bank Limited	177,201,370	177,201,370	170,063,735	170,063,735
Bank Asia Limited	-	-	-	-
Farmers Bank Limited	5,680,794	5,680,794	15,693,279	15,693,279
Infrastructure Development Company Limited	288,396,183	288,396,183	163,595,067	163,595,067
Bangladesh Finance and Investment Company Limited	270,059,577	270,059,577	279,623,418	279,623,418
Hajj Finance Company Limited	137,489,545	137,489,545	37,518,064	37,518,064
Premier Leasing and Finance Limited	315,819,255	315,819,255	-	-
NCC Bank Limited	18,503,145	18,503,145	-	-
	1,213,149,869	1,213,149,869	666,493,563	666,493,563
17.1 Long-term loan				
<u>Mercantile Bank Limited</u>				
Opening Balance	-	-	27,842,433	27,842,433
Add: Principal this year	-	-	-	-
Add: Interest this year	-	-	1,280,421	1,280,421
Less: Payment this year	-	-	(29,122,854)	(29,122,854)
Sub Total (A)	-	-	-	-
<u>Dhaka Bank Limited</u>				
Opening Balance	270,265,213	270,265,213	215,402,735	215,402,735
Add: Principal this year	260,221,644	260,221,644	237,889,701	237,889,701
Add: Interest this year	50,114,533	50,114,533	50,427,907	50,427,907
Less: Payment this year	(306,756,431)	(306,756,431)	(233,455,131)	(233,455,131)
Sub Total (B)	273,844,959	273,844,959	270,265,212	270,265,212
<u>Bank Asia Limited</u>				
Opening Balance	23,409,596	3,242,620	46,622,889	19,816,507
Add: Principal this year	-	-	9,540,000	-
Add: Interest this year	1,596,715	113,707	5,894,004	1,969,205
Less: Payment this year	(25,006,311)	(3,356,327)	(38,647,297)	(18,543,092)
Sub Total (C)	-	-	23,409,596	3,242,620
<u>Farmers Bank Limited</u>				
Opening Balance	23,306,354	23,306,354	-	-
Add: Principal this year	-	-	24,984,115	24,984,115
Add: Interest this year	3,266,220	3,266,220	3,260,852	3,260,852
Less: Payment this year	(11,203,313)	(11,203,313)	(4,938,613)	(4,938,613)
Sub Total (D)	5,369,261	15,369,261	23,306,354	23,306,354
<u>NCC Bank Limited</u>				
Opening Balance	-	-	-	-
Add: Principal this year	30,000,000	30,000,000	-	-
Add: Interest this year	1,656,412	1,656,412	-	-
Less: Payment this year	(4,132,000)	(4,132,000)	-	-
Sub Total (E)	27,524,412	27,524,412	-	-

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	
		<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>
<u>Bangladesh Finance and Investment Company Limited</u>					
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
<u>Infrastructure Development Company Limited</u>					
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		1/25/2022			
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.			
<u>Premier Leasing & Finance Limited</u>					
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	-	-
<u>Hajj Finance Company Limited</u>					
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	-	-
	Hajj 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	
		<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>
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
		<u>542,003,977</u>	<u>542,003,977</u>	<u>637,552,791</u>	<u>631,432,779</u>
	<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	-	-
		<u>922,588,997</u>	<u>922,588,997</u>	<u>450,589,145</u>	<u>444,770,934</u>
		<u>1,464,592,974</u>	<u>1,464,592,974</u>	<u>1,088,141,936</u>	<u>1,076,203,713</u>
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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<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)
		<u>251,675,144</u>	<u>251,675,144</u>	<u>262,474,359</u>	<u>262,474,359</u>
	<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)
		<u>-</u>	<u>-</u>	<u>6,120,012</u>	<u>-</u>
	<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)
		<u>13,066,216</u>	<u>13,066,216</u>	<u>234,133,452</u>	<u>234,133,452</u>
	<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)
		<u>277,262,617</u>	<u>277,262,617</u>	<u>134,824,968</u>	<u>134,824,968</u>
		<u>542,003,977</u>	<u>542,003,977</u>	<u>637,552,791</u>	<u>631,432,779</u>
	Nature	Short term loan			
	Purpose	Working Capital			
	Tenure	1 Year			
	Repayment	9/30/2016			
	Rate of interest	2% to 17%			
	Security	Pledge of 3.225 Million Ordinary Share of SAIF Powertec Limited, Hypothecation underlying assets, 32.43 Decimal land at Basugaon, pubail, 32.20 Decimal land at khilgaon, pubail, 122 dec. Bashugaon , Gazipur.			

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			
	<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>		
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 up to 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-Subsidiary	-	-	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		
	<u>Gross revenue</u>	<u>VAT</u>	<u>Net revenue</u>	<u>Consolidated</u>	<u>Net revenue</u>	<u>Consolidated</u>
Contract	1,455,560,557	77,921,141	1,377,639,416	1,377,639,416	677,305,184	677,305,184
Maintenance	350,503,677	-	350,503,677	350,503,677	346,264,121	346,264,121
Imported goods	367,217,800	3,062,285	364,155,515	364,155,515	679,767,434	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	1,703,336,739	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	
		<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>
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>42,197,143</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

		Amount in Taka			
		At 30 June 2016		At 30 June 2015	
		<u>Consolidated</u>	<u>The Company</u>	<u>Consolidated</u>	<u>The Company</u>
28	Financial expenses				
	Bank interest				
	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	-	-
		<u>321,706,563</u>	<u>319,724,786</u>	<u>269,390,976</u>	<u>262,252,717</u>
	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	-
		<u>14,876,121</u>	<u>14,813,409</u>	<u>12,972,275</u>	<u>12,923,860</u>
		<u>336,582,684</u>	<u>334,538,195</u>	<u>282,363,251</u>	<u>275,176,577</u>
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	<u>135,946,397</u>	<u>131,691,337</u>	<u>62,950,164</u>	<u>61,576,143</u>
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	<u>495,506,337</u>	<u>495,506,337</u>	<u>226,215,553</u>	<u>226,215,553</u>
	Tax Rate	25%	25%	22.50%	22.50%
	Current Tax	<u>123,876,584</u>	<u>123,876,584</u>	<u>50,898,499</u>	<u>50,898,499</u>
	Income tax for rate difference	(3,645,323)	(3,645,323)	4,917,835	4,917,835
	Add: Tax on Subsidiaries	<u>605,258</u>	<u>-</u>	<u>159,446</u>	<u>-</u>
		<u>120,836,520</u>	<u>120,231,262</u>	<u>55,975,781</u>	<u>55,816,335</u>

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 Earnings per share:				
	Earnings attributable to ordinary shares:				
	Net profit after tax as per statement of comprehensive income	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 Earnings 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 income	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 Earnings 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	<u>952</u>

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

<u>Name of Product / Service</u>	<u>Capacity</u>	<u>Capacity Utilizations</u>
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%

SAIF POWERTEC LIMITED
Annex I
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	Adjustment 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	11,510,715	-	-	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			
			Opening balance at 01 July 2015 Dr/(Cr)	Dr	Cr	Closing balance at 30 June 2016 Dr/(Cr)
Tarafder Md. Ruhul Amin	Director	Salary and allowances	(150,000)	1,800,000	1,800,000	(150,000)
Tarafder Nigar Sultana	Director	Salary and allowances	(250,000)	3,000,000	3,000,000	(250,000)
Tarafder Md. Ruhul Saif	Director	Salary and allowances	(200,000)	2,400,000	2,400,000	(200,000)
Rubya Chowdhury	Director	Salary and allowances	(250,000)	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			79,150,000	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 or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

As per BAS- 24:

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

(a) Short-term employee benefits	10,200,000
(b) Post-employee benefits	-
(c) Other long term benefits	-
(d) termination benefits and	-
(e) share- based payment	-
Total:	10,200,000

SAIF POWERTEC LIMITED

Shareholdings Position in Subsidiary Company

Annex III

Total shareholding:

	<u>%</u>	<u>Number of shares</u>	<u>Value of shares/Taka</u>
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

	<u>%</u>	<u>Number of shares</u>	<u>Value of shares/Taka</u>
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

**INDEPENDENT AUDITOR'S REPORT
To The Shareholders of**



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

We have audited the accompanying financial statements of Saif Plastic & Polymer Industries Limited (the Company) namely, Statement of Financial Position at 30 June 2016 and the related Statement of Profit or Loss and other Comprehensive Income, Statement of Cash Flows Statement of Changes in Equity and notes thereto for the year ended.

Respective responsibilities of management and auditors

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

Basis of our audit opinion

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

Opinion

In our opinion, the financial statements prepared in accordance with generally accepted accounting principles and International Accounting Standards/ International Financial Reporting Standards so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the results of its operations and its cash flows for the period then ended and comply with the requirements of Companies Act 1994.

We further report that:

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

Thanking you

Yours Faithfully

M A FAZAL & CO.

Chartered Accountants

Dated, Dhaka. The 24th October 2016

29. Bangabandhu Avenue (2nd Floor), Dhaka-1000. Phone: Off: 9551991, Res: 9031152, 9038106

Fax (880-2): 9571824 E-mail:shamima499@gmail.com



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

72, Mohakhali, Rupayan Center (8th Floor), Commercial Area, Dhaka-1212

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

Notes	Amounts in Taka			
	At 30 June 2016	At 30 June 2015 (Re-Stated)	At 01 July 2014 (Re-Stated)	
ASSETS				
Non-Current Assets				
Property, plant and equipment	3	129,083,595	132,459,887	139,242,211
Total Non-Current Assets		129,083,595	132,459,887	139,242,211
Current Assets				
Inventories	4	3,356,699	6,661,598	17,092,718
Accounts and others receivable	5	3,130,670	7,754,556	2,934,029
Advance deposits and prepayment	6	5,459,338	3,049,010	1,991,139
Cash and bank balances	7	1,076,123	1,770,254	1,205,232
Total Current Assets		13,022,830	19,235,418	23,223,118
Total Assets		142,106,425	151,695,305	162,465,329
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	8	100,000,000	100,000,000	100,000,000
Retained earnings	9	10,428,177	2,525,923	(25,831)
		110,428,177	102,525,923	99,974,169
Non-Current Liabilities				
Deferred Tax liability	10	7,256,062	3,606,260	2,391,685
Long term loan	11	-	-	11,201,044
Total Non-Current Liabilities		7,256,062	3,606,260	13,592,729
Current Liabilities				
Current portion of long-term loan	12	-	20,166,976	15,605,338
Short term loan	13	-	11,938,223	17,772,583
Sundry creditors	14	22,903,520	12,643,921	14,967,788
Liability for Expense	15	1,518,666	814,002	552,723
Total Current Liabilities		24,422,186	45,563,122	48,898,431
Total Equity and Liabilities		142,106,425	151,695,305	162,465,329
Net asset value per share of Taka 10 each		11.04	10.25	10.00
See annexed notes				

for Saif Plastic & Polymer Industries Limited

Company Secretary

Chairman

Managing Director

Examined and found correct subject to our separate report of even date annexed

M.A. FAZAL & Co.
Chartered Accountants



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

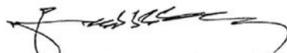
72, Mohakhali, Rupayan Center (8th Floor), Commercial Area, Dhaka-1212

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

Amounts in Taka			
Notes	Period from 1 July 2015 to 30 June 2016	Period from 1 July 2014 to 30 June 2015	Re-stated
REVENUE			
Sales	16	56,882,118	53,739,351
<u>Less: Cost of Goods Sold</u>	17	(42,536,604)	(42,197,143)
Gross Profit		14,345,514	11,542,208
Less: Operating Expenses:			
Administrative expenses	18	(1,580,828)	(1,225,049)
Marketing and selling expenses	19	(292,192)	(282,230)
		(1,873,020)	(1,507,279)
Operating Profit		12,472,494	10,034,929
Add: Other income		1,729,309	1,077,520
Less: Financial expenses	20	(2,044,489)	(7,186,674)
Net Profit before Tax		12,157,314	3,925,775
<u>Less: Income tax expenses</u>	21	(4,255,060)	(1,374,021)
Current tax		(605,258)	(159,446)
Deferred tax (expense)/income		(3,649,802)	(1,214,575)
Net Profit after Tax		7,902,254	2,551,754
Earnings Per Share (EPS)		0.79	0.26
See annexed notes			

for Saif Plastic & Polymer Industries Limited


Company Secretary


Chairman


Managing Director

Examined and found correct subject to our
separate report of even date annexed


M.A. FAZAL & Co.
Chartered Accountants



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

72, Mohakhali, Rupayan Center (8th Floor), Commercial Area, Dhaka-1212

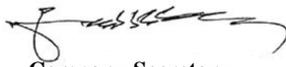
STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

Amounts in Taka

	Period ended 30 June 2016	Period ended 30 June 2015 Re-stated
Cash Flows from Operating Activities		
Cash receipt from customer	63,235,313	49,996,344
Cash paid to suppliers and employees	(24,297,914)	(28,713,011)
Cash generated from operations	38,937,399	21,283,333
Advance, deposits and prepayment	(760,988)	(37,608)
Advance income tax deducted	(1,649,340)	(1,020,263)
Net cash flow from operating activities	36,527,071	20,225,462
Cash flow from investing activities		
Purchases of property, plant and equipment	(3,071,515)	-
Net cash used in operating activities	(3,071,515)	-
Cash flow from financial activities		
Receipt against long term loan	-	9,540,000
Payment against long term loan	(20,166,976)	(16,179,406)
Financial cost	(2,044,489)	(7,186,674)
Receipt against short term loan	-	5,561,917
Payment against short term loan	(11,938,223)	(11,396,277)
Net cash from/(used in) financing activities	(34,149,688)	(19,660,440)
Net cash inflow/(outflow) for the period	(694,131)	565,022
Opening cash and cash equivalents	1,770,254	1,205,232
Closing cash and cash equivalents	1,076,123	1,770,254
Net Operating cash flows per share	3.65	2.02

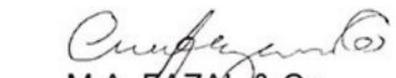
for Saif Plastic & Polymer Industries Limited


Company Secretary


Chairman


Managing Director

Examined and found correct subject to our separate report of even date annexed


M.A. FAZAL & Co.
Chartered Accountants



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

72, Mohakhali, Rupayan Center (8th Floor), Commercial Area, Dhaka-1212

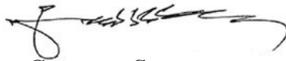
STATEMENT OF CHANGES EQUITY

For the year ended 30 June 2016

Amounts in Taka

Particulars	Share capital	Retained earnings	Total
Balance at 01 July 2014	100,000,000	98,215	100,098,215
		-	-
Add: Provision for Minimum Tax payable as per section 16 CCC of the ITO 1984		(124,046)	(124,046)
Opening balance restated		(25,831)	99,974,169
Net profit during the year	-	2,551,754	2,551,754
Balance as on 30 June 2015	100,000,000	2,525,923	102,525,923
Balance at 01 July 2015	100,000,000	2,525,923	102,525,923
Profit during the year	-	7,902,254	7,902,254
	-	-	-
Balance at 30 June 2016	100,000,000	10,428,177	110,428,177

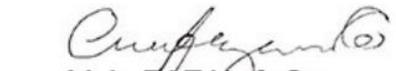
for Saif Plastic & Polymer Industries Limited


Company Secretary


Chairman


Managing Director

Examined and found correct subject to our separate report of even date annexed


M.A. FAZAL & Co.
Chartered Accountants



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

72, Mohakhali, Rupayan Center (8th Floor), Commercial Area, Dhaka-1212

NOTES TO THE ACCOUNTS

As on 30 June 2016

1 Legal form of the enterprise

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

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

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

Nature of business

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

2 Basis of preparation

2.01 Corporate financial statements and reporting

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

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

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

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

2.02 Fundamental accounting concepts/ assumptions

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

2.03 Going concern

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

2.04 Compliance with BAS & BFRS

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

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Cash Flows Statement
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 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 32	Financial Instruments: Presentation
BAS 33	Earnings Per Share
BAS 36	Impairment of Assets
BAS 37	Provision , Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement

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

BFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards
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2.05 Reporting period

The period of the financial statements covers from 01 July 2015 to 30 June 2016.

2.06 Events after the reporting period

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

2.07 Functional and presentational (Reporting) currency

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

2.08 Comparative information and rearrangement thereof

In accordance with the provisions of 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"

2.09 Summary of significant accounting policies

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

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

2.10 Recognition of tangible fixed assets

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

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

2.11 Depreciation of tangible fixed assets

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

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

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

2.12 Revenue recognition

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

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

2.13 Accrued expenses and other payables

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

2.14 Inventories

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

2.15 Cash and Cash Equivalents

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

2.16 Statements of Cash Flows

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

2.17 Borrowing costs

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

2.18 Income-tax expense

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date any adjustment to tax payable in respect of previous year. Provision for corporate income tax is made @35% applicable for a private limited company.

Deferred tax

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

2.19 Foreign Currency Transaction

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

At the end of each reporting period, in compliance with the provision of 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 period in which they arise.

2.20 Related party disclosures

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

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

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

Disclosure of above as required by BAS- 24 as under

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

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

2.21 Financial Instruments

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

Financial assets

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

Financial liability

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

2.22 Earnings Per Share

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

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents number of ordinary share outstanding during the year.

Diluted Earnings per share

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

2.23 Impairment of Assets

I) Financial Assets

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

II) Non-Financial assets

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

2.24 Provision , Contingent Liabilities and Contingent Assets

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

2.25 Financial statements comprises

- Statement of Financial Position as at 30 June 2016.
- Statement of Profit or Loss and other Comprehensive income for the year ended 30 June 2016.
- Statement of Cash Flows for the year ended 30 June 2016.
- Statement of Changes in equity for the year ended 30 June 2016.
- Notes, comprising a summary of significant accounting policies and other explanatory information.



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

72, Mohakhali, Rupayan Center (8th Floor), Commercial Area, Dhaka-1212

NOTES TO THE ACCOUNTS

As on 30 June 2016

		Amounts in Taka	
		At 30 June 2016	At 30 June 2015
3	Property, plant and equipment		
	<u>Annex- A</u>		
4	Inventories		
	Raw materials	1,822,396	4,592,395
	Finished goods	839,787	1,213,582
	Work-in-process	694,516	855,621
		3,356,699	6,661,598
5	Account and others receivable		
	Super oil refinery Ltd.	-	780,627
	Biopharma Laboratories Ltd.	270,944	140,000
	JMI Bangla Pharmaceutical Co. Ltd.	379,465	960,982
	The IBN Sina Unionani	-	-
	Bangladesh Edible Oil Ltd.	-	-
	BIBS Pharma Ltd.	422,738	532,776
	IBN Haisam	326,261	339,750
	ACI Foods	225,250	1,087,054
	Novo Pharma	-	1,357,746
	Beacon Pharma	218,896	218,896
	Navan Pharma	307,400	1,488,925
	General Pharmaceutical Ltd.	-	-
	Drug International	12,176	847,800
	ACME Lab	141,721	-
	Hamim Group	82,725	-
	Jayson Nature	342,528	-
	Others	400,566	-
		3,130,670	7,754,556
6	Advance deposits and prepayment		
	<u>Advance to:</u>		
	Advance against raw materials		
	VAT current account	1,061,209	98,221
	L/c margin	-	202,000
	Advance income tax	4,398,129	2,748,789
		5,459,338	3,049,010
7	Cash and Bank Balances		
	Cash in hand	204,535	188,254
	Bank balances in		
	Bank Asia Limited	1,362	38,533
	United Commercial Bank Limited	856,603	1,390,390
	Jamuna Bank Limited		
	The Farmers Bank Limited	13,623	153,077
		1,076,123	1,770,254
8	Share Capital		
	<u>Authorized capital</u>		
	20,000,000 ordinary shares of Taka 10 each	200,000,000	200,000,000
	<u>Issued, subscribed, called and paid up capital</u>		
	10,000,000 ordinary shares of Taka 10 each	100,000,000	100,000,000
9	Retained Earnings		
	Opening balance	2,525,923	98,215
	Less: Provision for Minimum Tax payable as per section 16 CCC of the ITO 1984	-	(124,046)
	Re-stared opening balance	2,525,923	(25,831)
	Adjustment for Pre-Operation expenses	-	-
	Profit after tax during the year	7,902,254	2,551,754
	Closing balance	10,428,177	2,525,923

10 Deferred tax liability

For the year ended : 30 June 2016

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate
Property Plant and Equipment	129,083,595	66,111,136	62,972,459	35.00%
Unused tax loss carry forward	-	(42,240,854)	(42,240,854)	35.00%
Deferred Tax liability end of the year				

For the year : 30 June 2015

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate
Property Plant and Equipment	132,459,887	77,216,005	55,243,882	35.00%
Unused tax loss carry forward	-	(44,940,282)	(44,940,282)	35.00%
Deferred Tax liability end of the year				

For the year : 30 June 2014

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate
Property Plant and Equipment	139,242,211	94,406,941	44,835,270	37.50%
Unused tax loss carry forward		(38,457,444)	(38,457,444)	37.50%
Deferred Tax liability end of the year				

		Amounts in Taka	
		At 30 June 2016	At 30 June 2015
11	<u>Long term loan</u> Bank Asia Limited	-	-
11.01	<u>Long-term loan</u> <u>Bank Asia Limited</u> Opening Balance	20,166,976	26,806,382
	Add: Principal this year	-	9,540,000
	Add: Interest this year	1,140,978	3,924,799
	Less: Payment this year	(21,307,954)	(20,104,205)
		-	20,166,976
	Less: Transferred to current portion loan	-	20,166,976
	Long-term loan	-	-
12	<u>Current portion of long-term loan</u> Bank Asia Limited	-	20,166,976
		-	20,166,976
13	<u>Short term loan</u> <u>Loan on TR</u> Bank Asia Limited	-	6,120,013
		-	6,120,013
	Bank Overdraft Bank Asia Limited	-	5,818,210
		-	5,818,210
		-	11,938,223
13.01	<u>Short-term loan</u> <u>Bank Asia Limited</u> Opening Balance	6,120,013	12,567,241
	Add: Principal this year	-	5,561,917
	Add: Interest this year	149,371	1,594,175
	Less: Payment this year	(6,269,384)	(13,603,320)
		-	6,120,013
14	<u>Sundry Creditors</u> M/s Baker Enterprise	3,836,207	2,755,820
	M.S International	4,120,959	1,566,210
	S.R Engineering works	331,852	98,245
	SQ wire & cable co. Ltd.	-	-
	Azad Industries	2,698,779	3,134,650
	Nazmul Plastic	3,590,157	2,430,200
	Brothers engineer works	1,223,001	814,276
	Excell Engineering and services	4,820,534	-
	Dipti Enterprise	1,935,361	1,844,520
	High teck Packaging	184,870	-
	Un Noor Enterprise	51,300	-
	Ashraf tools	110,500	-
		22,903,520	12,643,921
15	<u>Liability for expenses</u> Salary & wages	201,139	150,300
	Electricity bill	403,777	355,210
	Audit fee	25,000	25,000
	Income tax payable	888,750	283,492
		1,518,666	814,002
15.01	<u>Income tax payable</u> Opening Balance	283,492	2,391,685
	Less: Retrospective adjustment for Deferred Tax for application of BAS 12: Income Taxes	-	(2,391,685)
	Add: Provision for Minimum Tax payable as per section 16CCC of the ITO 1984	-	124,046
	Re-stated opening balance	283,492	124,046
	Add: Current year's provision	605,258	159,446
	Closing Balance	888,750	283,492

Amounts in Taka

		Year ended 30 June 2016	Year ended 30 June 2015
16	<u>Revenue</u>		
	Sales	56,882,118	53,739,351
17	<u>Cost of goods sold</u>		
	Raw materials consumption		
	Opening stock of raw materials	4,592,395	11,055,600
	Purchases during the year	24,649,442	17,296,693
	Closing stock of raw materials	(1,822,396)	(4,592,395)
		<u>27,419,441</u>	<u>23,759,898</u>
	<u>Manufacturing expenses:</u>		
	Depreciation	6,447,808	6,782,323
	Salary & wages	1,430,214	1,190,650
	Insurance	320,877	259,334
	Electricity bill	4,845,320	4,287,251
	Overtime bill	187,568	219,200
	Factory rent	300,000	300,000
	Raw materials import charge	137,180	655,631
	Packing materials	823,546	688,320
	Carriage inward	89,750	86,621
		<u>14,582,263</u>	<u>14,469,330</u>
	<u>Total Manufacturing cost</u>	<u>42,001,704</u>	<u>38,229,228</u>
	Opening work-in process	855,621	1,988,378
	Closing work-in process	(694,516)	(855,621)
	Opening finished product	1,213,582	4,048,740
	Closing finished product	(839,787)	(1,213,582)
	<u>Cost of goods sold</u>	<u>42,536,604</u>	<u>42,197,143</u>
18	<u>Administrative Expenses</u>		
	Entertainment	37,568	35,214
	Salary & allowances	787,685	730,210
	Office rent	156,000	156,000
	Repair and maintenance	99,724	93,321
	Audit fee	43,750	25,000
	License fee	274,675	82,285
	Vehicle expenses	57,571	25,820
	Printing & stationary	12,995	11,250
	Cleaner expenses	20,234	19,700
	Internet bill	6,000	5,600
	Mobile bill	7,395	3,000
	Conveyance	21,076	18,621
	Allowance	14,245	12,520
	Paper and periodical	2,445	2,308
	Postage & courier	4,465	4,200
	Misc Expenses	35,000	-
		<u>1,580,828</u>	<u>1,225,049</u>

		Amounts in Taka	
		Year ended 30 June 2016	Year ended 30 June 2015
19	<u>Marketing and Selling Expenses</u>		
	Salary	195,765	178,200
	Carriage outward	17,995	15,710
	Conveyance	78,432	88,320
		292,192	282,230
20	<u>Financial Expenses</u>		
	Interest expenses	1,981,777	7,138,259
	Bank charges	62,712	48,415
		2,044,489	7,186,674
21	<u>Income tax expenses</u>		
	Current tax payable (Note-21.01)	605,258	159,446
	Deferred tax expenses (Note-10)	3,649,802	1,214,575
	Total	4,255,060	1,374,021
21.01	<u>Current tax payable</u>		
	The above balance is made up as follows:		
	Income tax on business income	-	-
	Income tax on other income	605,258	-
	Reversal of Deferred Tax for 2.50% rate difference	-	159,446
	Total	605,258	159,446
a)	<u>Income tax on business income:</u>		
	Net Profit before tax during the period except other income	10,428,005	2,848,255
	Add: Accounting depreciation	6,447,808	6,782,323
	Less: Tax depreciation	(14,176,384)	(17,190,936)
	Taxable Profit/(Loss)	2,699,429	(7,560,358)
	Unused Tax loss carry forward from previous year	(44,940,282)	(38,457,444)
	Current year set-off	2,699,429	1,077,520
	Unused Tax loss carry forward	(42,240,854)	(44,940,282)
b)	<u>Income tax on other income</u>		
	Other income during the period	1,729,309	1,077,520
	Less: Set Off against Current Loss	-	(1,077,520)
		1,729,309	-
	Tax Rate	35.00%	35.00%
	Income Tax on other Income	605,258	-

As the company has current loss during the year from July 1, 2014 to June 30, 2015 other income has been set off with such loss.



SAIF PLASTIC & POLYMER INDUSTRIES LIMITED

72, Mohakhali, Rupayan Center (8th Floor), Commercial Area, Dhaka-1212

Property, Plant and Equipment

For the year ended 30 June 2016

Annex- A

3.

Amounts in Taka

Particulars	C O S T				D E P R E C I A T I O N					Net book value at 30 June 2016
	Balance as at 01 July 2015	Additions during the year	Sale/ Disposal/ Adjustment during the year	Total as at 30 June 2016	Rate	Balance as at 01 July 2015	Charge for the year	Adjustment during the year	Total as at 30 June 2016	
Land and land development	7,810,650	1,017,500	-	8,828,150	-	-	-	-	-	8,828,150
Plant and machinery	140,642,384	2,054,015	-	142,696,399	5%	19,786,562	6,068,466	-	25,855,028	116,841,370
Motor Vehicles	3,502,000	-	-	3,502,000	10%	949,042	255,296	-	1,204,338	2,297,662
Furniture and fixture	491,600	-	-	491,600	10%	145,169	34,643	-	179,813	311,787
Tools and equipment's	666,814	-	-	666,814	10%	196,910	46,990	-	243,901	422,913
Office equipment's	601,850	-	-	601,850	10%	177,726	42,412	-	220,139	381,711
Total at 30 June 2016	153,715,298	3,071,515	-	156,786,813		21,255,410	6,447,808	-	27,703,218	129,083,595
Total at 30 June 2015	153,715,298	-	-	153,715,298		14,473,087	6,782,323	-	21,255,410	132,459,887

SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS IMMEDIATELY PRECEDING THE ISSUE OF RIGHTS SHARE OFFER DOCUMENT OR FOR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION [see rule-8(i)]

Auditors Report in pursuance of section 135(1) under Para 24(1) of part – II of the Third Schedule of Companies Act 1994

We, as the auditors, have examined the financial statements of Saif Powertec Limited for the year ended 30 June 2016 which was audited by Mahfel Huq & Co and figures extracted from the Financial Statements for the years ended 30 June 2015, 2014, 2013 which were audited by Ata Khan & Co., Chartered Accountants and remaining years ended 30 June 2012 which was audited by S F Ahmed & Co., Chartered Accountants, in pursuance of Section 135 (1) under Para 24(1) of part - II of schedule III of Companies Act 1994, report that:

1. The Statements of Financial Position & Operating Result of Saif Powertec Limited as follows

A. The Statements of Financial Position:

	At 30 June 2016		At 30 June 2015		At 30 June 2014		At 30 June 2013		At 30 June 2012	
	Consolidated	The Company								
			Re-stated	Re-stated	Re-stated	Re-stated				
ASSETS										
Non-Current Assets										
Property, plant and equipment	1,612,862,138	1,483,778,544	1,489,940,540	1,357,480,653	1,251,662,273	1,112,420,062	917,948,590	809,955,215	700,743,213	592,356,340
Capital work-in-progress	2,154,601,625	2,154,601,625	609,981,792	609,981,792	145,554,192	145,554,192	212,132,029	179,621,636	232,862,179	232,862,179
Investments in subsidiary company	-	80,000,000	-	80,000,000	-	80,000,000	-	80,000,000	-	80,000,000
Intangible Assets/Preliminary expenses	-	-	-	-	-	-	3,887,926	-	4,319,918	-
Total Non-Current Assets	3,767,463,763	3,718,380,169	2,099,922,332	2,047,462,445	1,397,216,465	1,337,974,254	1,133,968,545	1,069,576,851	937,925,310	905,218,519
Current Assets										
Inventories	495,561,389	492,204,690	484,602,027	477,940,429	298,164,729	281,072,011	65,682,095	51,499,123	34,359,572	26,487,957
Advances, deposit and prepayments	827,623,061	822,163,723	476,459,627	473,410,617	403,587,199	401,596,060	248,932,725	238,840,923	275,511,041	248,248,434
Trade and other receivables	815,897,071	812,766,401	665,821,895	658,067,339	500,442,614	497,508,584	449,569,838	440,869,099	338,531,183	326,639,912
Fixed deposit receipt (FDR)	227,402,573	227,402,573	163,329,031	163,329,031	65,178,760	65,178,760	50,387,111	50,387,111	40,001,204	40,001,204
Cash and cash equivalent	56,677,885	55,601,762	195,610,251	193,839,997	21,202,906	19,997,674	6,249,832	6,185,084	9,373,063	8,273,018
Total Current Assets	2,423,161,979	2,410,139,149	1,985,822,831	1,966,587,413	1,288,576,207	1,265,353,089	820,821,601	787,781,340	697,776,063	649,650,526
Total Assets	6,190,625,742	6,128,519,319	4,085,745,162	4,014,049,858	2,685,792,672	2,603,327,343	1,954,790,146	1,857,358,191	1,635,701,373	1,554,869,045
EQUITY AND LIABILITIES										
Capital and Reserves										
Share capital	915,711,400	915,711,400	709,853,800	709,853,800	438,940,000	438,940,000	438,940,000	438,940,000	438,940,000	438,940,000
Share premium	418,345,180	418,345,180	418,345,180	418,345,180	191,429,500	191,429,500	191,429,500	191,429,500	191,429,500	191,429,500
Revaluation reserve	82,059,122	82,059,122	82,059,122	82,059,122	82,059,122	82,059,122	96,540,144	96,540,144	96,540,144	96,540,144
Retained earnings	710,032,817	701,690,276	514,494,606	512,473,869	451,271,399	451,292,065	342,976,344	341,798,060	291,619,608	290,822,933
Total Capital and Reserves	2,126,148,519	2,117,805,978	1,724,752,708	1,722,731,971	1,163,700,021	1,163,720,687	1,069,885,988	1,068,707,704	1,018,529,252	1,017,732,577
Non-controlling interest	22,085,635		20,505,185		19,994,834		20,294,571		20,199,169	-
Non-Current Liabilities										
Long term loan from banks	1,213,149,869	1,213,149,869	666,493,563	666,493,563	487,782,020	476,580,976	247,233,110	219,586,510	127,193,524	103,108,982
Deferred tax liability	66,005,062	58,749,000	50,895,185	47,288,925	43,920,802	41,529,117	-	-	-	-
Total Non-Current Liabilities	1,279,154,931	1,271,898,869	717,388,748	713,782,488	531,702,822	518,110,093	247,233,110	219,586,510	127,193,524	103,108,982
Current Liabilities										
Current portion of long-term loan	259,140,617	259,140,617	241,701,807	221,534,831	218,862,777	203,257,438	108,579,850	100,277,781	177,347,958	164,794,386
Short term loan	1,464,592,974	1,464,592,974	1,088,141,936	1,076,203,713	537,891,683	520,119,100	216,609,560	187,576,394	107,636,899	85,839,003
Shares money refundable	1,242,750	1,242,750	1,260,000	1,260,000	-	-	-	-	-	-
Accounts payable	447,240,532	424,337,012	30,998,159	18,354,237	20,760,113	5,792,325	100,864,360	91,773,706	13,450,996	13,450,996
Accrued expenses	347,094,353	345,575,689	232,726,191	231,912,189	178,203,882	177,651,159	172,162,487	170,275,878	107,417,710	106,017,235
Obligation to contract clients	189,316,735	189,316,735	-	-	89,700	89,700	12,124,688	12,124,688	63,925,867	63,925,867
Workers profit participation fund	54,608,695	54,608,695	28,270,428	28,270,428	14,586,841	14,586,841	7,035,530	7,035,530	-	-
Total Current Liabilities	2,763,236,657	2,738,814,472	1,623,098,521	1,577,535,399	970,394,995	921,496,562	617,376,476	569,063,977	469,779,429	434,027,487
Total Equity and Liabilities	6,190,625,742	6,128,519,319	4,085,745,162	4,014,049,858	2,685,792,672	2,603,327,343	1,954,790,146	1,857,358,191	1,635,701,373	1,554,869,045
NAV (Without Revaluation reserve)	22.32	22.23	23.14	23.11	24.64	24.64	22.09	22.15	20.91	20.90
NAV (With revaluation reserve)	23.22	23.13	24.30	24.27	26.51	26.51	24.29	24.35	23.11	23.19

Dated: Dhaka
December 20, 2016

Sd/-
Mahfel Huq & Co
Chartered Accountants

B. Statements of Operating Result

Particulars	Amount in Taka									
	Year ended 30 June 2016		Year ended 30 June 2015		Year ended 30 June 2014		Year ended 30 June 2013		Year ended 30 June 2012	
	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company
			Re-stated	Re-stated						
Sales	2,149,180,726	2,092,298,608	1,757,076,090	1,703,336,739	1,521,076,353	1,464,111,513	1,461,512,737	1,426,116,910	961,955,180	933,813,687
Less: Cost of Goods Sold	(1,061,092,859)	(1,018,556,255)	(1,019,278,849)	(977,081,706)	(1,011,815,181)	(966,060,103)	(1,032,296,946)	(1,004,081,405)	(540,091,629)	(517,329,723)
Gross Profit	1,088,087,867	1,073,742,353	737,797,241	726,255,033	509,261,172	498,051,410	429,215,791	422,035,505	421,863,551	416,483,964
Less: Operating Expenses										
General and administrative expenses	(223,397,433)	(221,524,413)	(210,892,820)	(209,385,541)	(196,544,398)	(195,124,922)	(185,272,072)	(183,532,091)	(172,020,868)	(170,342,782)
Operating Profit	864,690,434	852,217,940	526,904,421	516,869,492	312,716,774	302,926,488	243,943,719	238,503,414	249,842,683	246,141,182
Financial expenses	(336,582,684)	(334,538,195)	(282,363,251)	(275,176,577)	(164,457,303)	(155,466,992)	(107,306,610)	(99,373,223)	(65,742,262)	(63,634,112)
Other income	37,153,175	35,423,866	46,739,940	45,662,420	14,339,310	11,118,029	11,872,244	8,615,943	4,747,397	4,747,397
Net Profit before WPPP	565,260,925	553,103,611	291,281,110	287,355,335	162,598,781	158,577,524	148,509,353	147,746,134	188,847,818	187,254,467
Workers profit participation fund	(26,338,267)	(26,338,267)	(13,683,587)	(13,683,587)	(7,551,311)	(7,551,311)	(7,035,530)	(7,035,530)	-	-
Net Profit before Tax	538,922,657	526,765,344	277,597,522	273,671,748	155,047,470	151,026,214	141,473,823	140,710,604	188,847,818	187,254,467
Provision for taxation	(135,946,397)	(131,691,337)	(62,950,164)	(61,576,143)	(43,040,180)	(41,532,209)	(53,052,683)	(52,766,476)	(37,950,054)	(37,352,547)
Net Profit after Tax	402,976,261	395,074,007	214,647,358	212,095,604	112,007,290	109,494,005	88,421,139	87,944,127	150,897,764	149,901,920
Non-Controlling Interest (20 %)	(1,580,451)	-	(510,351)	-	(502,657)	-	(95,402)	-	(199,169)	-
Net profit after tax to Ordinary Shareholders	401,395,811	395,074,007	214,137,007	212,095,604	111,504,633	109,494,005	88,325,737	87,944,127	150,698,595	149,901,920
Basic Earning Per Share (EPS)	4.38	4.31	3.07	3.04	1.89	1.86	2.01	2.00	3.44	3.42
Re-States (EPS)	4.38	4.31	2.37	2.35	1.65	1.67	1.74	1.81	3.33	3.31

C Dividend

Cash	5%	-	-	20%
Stock/Bonus	27%	29%	27%	-

D The company was incorporated on 29 December 2003 as a private company limited by shares under the Companies Act 1994 and subsequently converted into a public limited company on 28 June 2010 and became listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited during September 2014.

E The company has one subsidiary company namely, Saif Plastic & Polymer Industries Limited.
Shareholding in subsidiary :

Shareholding %	No. of shares	'30 June 2011
80%	8,000,000	80,000,000

F Saif Plastic & Polymer Industries Limited

Investment in subsidiary namely, Saif Plastic & Polymer Industries Limited is stated at cost. Income statement for the subsidiary was prepared for the subsidiary for the year ended 30 June 2016 since it has started the operations during the year 2010-2011.

G No audited accounts were made for the Company for any period subsequent to 30 June 2016

H Figures relating to previous year have been rearranged/re-stated wherever considered necessary.

I No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business as revealed from the said accounts.

Dated: Dhaka
December 20, 2016

Sd/-
Mahfel Huq & Co
Chartered Accountants

Auditors' certificate on calculation of various accounting ratios for the year ended 30 June 2016, 2015, 2014, 2013 and 2012.

We have examined the following accounting ratios of Saif Powertec Limited (the Company) for the years ended 30 June 2016, 2015, 2014, 2013 and 30 June 2012 as submitted to us by its management. The preparation of these ratios is the responsibility of the Company's management. Our responsibility is to review and certify that these were prepared using acceptable accounting principles on the basis of audited financial statements for they ears ended 30 June 2016, 2015, 2014, 2013 and 30 June 2012.

Based on our review, we certify that the Company has properly prepared the following ratios based on acceptable accounting principles:

Ratios:	Year ended 30 June 2016		Year ended 30 June 2015		Year ended 30 June 2014		Year ended 30 June 2013		Year ended 30 June 2012	
	Consolidated	The Company								
Liquidity Ratios:										
Current ratio	0.88	0.88	1.22	1.25	1.33	1.37	1.33	1.38	1.49	1.50
Quick ratio	0.70	0.70	0.92	0.94	1.02	1.07	1.22	1.29	1.41	1.44
Time interest earned ratio	2.57	2.55	1.87	1.88	1.90	1.95	2.27	2.40	3.80	3.87
Operating Ratios										
Accounts receivable turnover ratio	2.91	2.86	3.03	2.96	3.22	3.13	3.73	3.74	5.71	5.75
Assets turnover ratio	0.42	0.41	0.52	0.51	0.66	0.66	0.81	0.84	1.18	1.20
Inventory turnover ratio	2.17	2.10	2.60	2.57	5.56	5.81	20.64	25.75	31.44	39.06
Profitability Ratios										
Gross margin ratio	50.63%	51.32%	41.99%	42.64%	33.48%	34.02%	29.37%	29.59%	43.85%	44.60%
Operating profit ratio	40.23%	40.73%	29.99%	30.34%	20.56%	20.69%	16.69%	16.72%	25.97%	26.36%
Net income ratio	18.75%	18.88%	12.22%	12.45%	7.36%	7.48%	6.05%	6.17%	15.69%	16.05%
Return on average assets ratio										
based on net profit	7.84%	7.79%	6.34%	6.41%	4.83%	4.91%	4.93%	5.15%	18.45%	19.28%
Return on average equity (after tax)	20.93%	20.57%	14.86%	14.70%	10.03%	9.81%	8.47%	8.43%	29.63%	29.46%
Basic Earnings per share (Taka)	4.38	4.31	3.07	3.04	1.89	1.86	2.01	2.00	3.44	3.42
Re-stated Earnings per share (Taka)	4.38	4.31	2.37	2.35	1.65	1.67	1.74	1.81	3.33	3.31
Face value per share	10	10	10	10	10	10	10	10	10	10
Solvency Ratios										
Debt to equity ratio	1.90	1.89	1.36	1.33	1.29	1.24	0.81	0.74	0.59	0.53
Dated: Dhaka December 20, 2016										Sd/- Mahfel Huq & Co Chartered Accountants

**AUDITORS' CERTIFICATE OF COMPLIANCES OF CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO
THE SHAREHOLDERS [SEC Notification No. SEC/CMRRCD/2006-158/134/admin/44 dated 7 August 2012]**

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

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Saif Powertec Limited and its subsidiary** for the year ended 30 June 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

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

Place - Dhaka.
Date - November 21, 2016

Sd/-
Mazumdar Sikder and Associates
Cost & Management Accountants

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [see rule-8(j)]

Saif Powertec Limited is one of the leading on business of infrastructure-support service in Bangladesh. The Company was incorporated in Bangladesh as a private limited company on December 29, 2003 and subsequently converted into public limited company on June 28, 2010. The 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). The commercial operation of the Company commenced on January 01, 2015.

IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONGWITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT [see rule-8(k)]

Purpose	Amount in Taka	Implementation Period
A). Repayment of Loans:		
Bank Loan	575,000,000	Within 3 (three) months of receiving the Rights Share proceed.
B). Expansion of Battery Project		
Land and Land Development	200,000,000	Within 1(one) year of receiving the Rights Share proceed.
Machineries	944,430,220	Within 2(two) years of receiving the Rights Share proceed.
C). Rights Issue expenses	25,000,000	Immediately
Total (A+B+C)	1,744,430,220	

Utilization of Rights Issue Fund:

A) Detail Repayment of Loans:

Bank Name	Amount in BDT
Premier Leasing and Finance Limited	350,000,000
The Farmers Bank Limited	107,000,000
Dhaka Bank Limited	118,000,000
Total	575,000,000

B) Expansion of Battery Project

Land and Land Development

Description	Amount in BDT
At Gazipur (500 Decimals of Land @ Taka 400,000)	200,000,000
Total Amount (A)	200,000,000

Break Down of Machineries:

The Company has planned to purchase machineries (import/ local) for expansion of business capacity. The approximate cost required is estimated Tk. 94.44 crore details of which is shown below:

Description	Amount in BDT
Gel Battery Unit	499,002,912
MF Battery Unit	445,427,308
Total Amount	944,430,220

For Gel Battery Unit

Machine Name	Qty.	Unit Price (USD/EURO)	Total Price (USD/EURO)	Exch. Rate (BDT)	Amount in BDT
Fully Automatic Hadi Die Casting with Wet Filling Line	1	2,026,420	2,026,420	@ Tk.78	158,060,760
Neative Casting Machine with Moldwurtz	10	8,000	80,000	@ Tk.78	6,240,000
Curing Chamber (Jinfan)	2	31,840	63,680	@ Tk.78	4,967,040
Full Automatic Assembly Line	1	400,000	400,000	@ Tk.85	34,000,000
Acid Circulation System (Inbatec)	2	450,000	900,000	@ Tk.85	76,500,000
Charger for ACS (Digatron)	2	189,300	378,600	@ Tk.85	32,181,000
Production Shed					17,000,000
Civil Construction					22,750,000
Local Machineries					
Installation and Commission					147,304,112
Contingencies					
Total					499,002,912

For MF Battery Unit:

Machine Name	Qty.	Unit Price (USD/EURO)	Total Price (USD/EURO)	Exch. Rate (BDT)	Amount in BDT
Expended Grid Casting Machine-Wirtz	1	1,046,028	1,046,028	@ Tk.78	81,590,184
Oxide Mill (16 Ton) –Jinfan	1	120,000	120,000	@ Tk.85	10,200,000
Paste Mixture-Jinfan	1	69,000	69,000	@ Tk.78	5,382,000
Double Side Hopper-Sunlight	1	44,000	44,000	@ Tk.78	3,432,000
Double Side Pasting Machine-Wirtz	1	768,596	768,596	@ Tk.78	59,950,488
Curing Chamber (Jinfan)	4	31,840	127,360	@ Tk.78	9,934,080
Assembly Tools-Zesar	1 Set	80,000	80,000	@ Tk.85	6,800,000
Mold for MF Cover-Jishing	1 Set	400,000	400,000	@ Tk.78	31,200,000
Box Formation Charger	8	15,550	124,400	@ Tk.78	9,703,200
Casting Mold	16	4,200	67,200	@ Tk.78	5,241,600
Container Molding Machine	5	32,687	163,435	@ Tk.78	12,747,930
VRLA Battery Line for ER & DC-China	1 Set	650,000	650,000	@ Tk.78	50,700,000
Local Machineries					
Installation and Commission					158,545,826
Contingencies					
Total					445,427,308

Sd/-
Tarafder Md. Ruhul Amin
 Managing Director

Sd/-
Md. Hasan Reza
 Chief Financial Officer

QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT [see rule-8(l)]

Quantity of shares held by each director on the date of the rights share offer document

As on 11.01.2017

Name of the Directors	Position	Number of Shares	Percentage (%)
Mrs. Tarafder Nigar Sultana	Chairman	20,518,594	17.64
Mr. Tarafder Md. Ruhul Amin	Managing Director	21,073,481	18.12
Mrs. Rubya Chowdhury	Director	2,496,769	2.15
Mr. Tarafder Md. Ruhul Saif	Director	2,496,769	2.15
Mr. Jalal Uddin Ahmed Choudhury	Independent Director	-	-
Total		46,585,613	40.06

Composition of Shareholding Position of the Company

As on 11.01.2017

Particulars	No. of Shares Held	Total Amount of Shares	% of Total Shares
Sponsors & Directors	46,585,613	465,856,130	40.06%
General Public	40,326,836	403,268,360	34.68%
Institutions	29,382,899	293,828,990	25.26%
Government	-	-	-
Total	116,295,348	1,162,953,480	100%

Beneficial Owners Holding Shares 5% or Above

Name	Position	No. of Shares Held	Percentage (%)
Mrs. Tarafder Nigar Sultana	Chairman	20,518,594	17.64
Mr. Tarafder Md. Ruhul Amin	Managing Director	21,073,481	18.12
Total		41,592,075	35.76

Sd/-
Tarafder Md. Ruhul Amin
 Managing Director

Sd/-
F. M Salahin
 Company Secretary

NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY [see rule-8(m)]

Board of Directors

Name	Position	Qualification	Date of Becoming Director for the first time	Address
Mrs. Tarafder Nigar Sultana	Chairman	Graduate in Arts	On the incorporation date	House- 62, Road- 01, Block- A, Bashundhara R/A, Dhaka
Mr. Tarafder Md. Ruhul Amin	Managing Director	Diploma In power Engineering	On the incorporation date	House- 62, Road- 01, Block- A, Bashundhara R/A, Dhaka
Mrs. Rubya Chowdhury	Director	Bachelor of Business Administrative from Masquarie University, Australia	01.06.2010	House- 62, Road- 01, Block- A, Bashundhara R/A, Dhaka
Mr. Tarafder Md. Ruhul Saif	Director	Diploma in Business Administration from School of Applied Studies, Singapore	01.06.2010	House- 62, Road- 01, Block- A, Bashundhara R/A, Dhaka
Mr. Jalal Uddin Ahmed Choudhury	Independent Director	BSc in Mechanical Engineering from CUET	15.12.2014	9A, DSA Tower, 8/4 Nilkhet, Babupura, Dhaka-1205

Management & Executives

Sl. No.	Name of Officers	Position	Educational Qualification	Address
1	Tarafder Md. Ruhul Amin	Managing Director	Diploma in Power Engineering from BIT, Khulna	Rupayan Center (8th floor), 72 Mohakhali C/A, Dhaka 1212
2	Md. Nasiruddin Chowdhury	Deputy Managing Director	Mechanical engineer from BUET	Rupayan Center (8th floor), 72 Mohakhali C/A, Dhaka 1212
3	Tarafder Nigar Sultana	Director (Planning)	Graduate in Arts	House- 62, Road- 01, Block- A, Bashundhara R/A, Dhaka
4	Rubya Chowdhury	Director (Admin)	Bachelor of Business Administrative from Masquarie University, Australia	House- 62, Road- 01, Block- A, Bashundhara R/A, Dhaka
5	Tarafder Md. Ruhul Saif	Director (Operation)	Diploma in Business Administration from School of Applied Studies, Singapore	House- 62, Road- 01, Block- A, Bashundhara R/A, Dhaka
6	Md. Hasan Reza	Chief Finance Officer	MBA in Finance	Rupayan Center (8th floor), 72 Mohakhali C/A, Dhaka 1212
7	A.S.M Zulficar Haider	Head of Renewable Energy	Chemical engineer from BUET	Rupayan Center (8th floor), 72 Mohakhali C/A, Dhaka 1212
8	Fakir Md. Salehin	Company Secretary	MBA	Rupayan Center (8th floor), 72 Mohakhali C/A, Dhaka 1212

NAME OF THE PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [see rule-8(n)]

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of Saif Powertec Limited.

NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER, AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE [see rule-8(o)]

Classified Information & Underwriters

ISSUE MANAGERS	 Banco Finance And Investment Limited Baitul View Tower (11th Floor), 56/1, Purana Paltan, Dhaka-1000
	 ICB Capital Management Limited Green City Edge (5 th & 6 th Floor) 89, Kakrail Dhaka-1000
AUDITOR	Mahfel Huq & Co. Chartered Accountants
BANKERS' TO THE ISSUE	BRAC Bank Limited
	Prime Bank Limited
	Investment Corporation of Bangladesh (ICB)
COMPLIANCE OFFICER OF MANAGER TO THE ISSUE	Mohammad Nuruzzaman Deputy Manager
	Swapna Roy Senior Executive Officer
COMPANY'S COMPLIANCE OFFICER	F. M Salahin Company Secretary
LEGAL ADVISOR	Omar H. Khan (Joy) LLB (Hons) University of London, Barrister- at- Law (Lincoln's Inn. UK) Advocate, Supreme Court of Bangladesh Khair Mansion (4th Floor), 235/2 Elephant Road, Dhaka-1205

Saif Powertec Limited is going to offer rights share of **116,295,348** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.15.00** each including a premium of **Tk.5.00** per share, totaling **Tk.1,744,430,220.00** offered on the basis of 01[R]:01, i.e. 01 (one) Rights Share for every 01 (one) existing share held. As per Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ **0.30%** on the underwritten amount and there will be no additional commission for take-up unsubscribe portion of shares if any.

Name of Underwriters	No. of Shares to be Underwritten	Offer price (BDT)	Total Amount of Underwritten (BDT)	% of Total Underwritten
Banco Finance And Investment Limited Baitul View Tower (11 th floor), 56/1 Purana Paltan, Dhaka-1000	37,333,334	15.00	560,000,010	32.10
AFC Capital Limited Tanaka Tower (2 nd floor), 42/1/Gha, Segun Bagicha, Dhaka-1000	10,000,000	15.00	150,000,000	8.60
Alpha Capital Management Limited Eastern Arzoo Complex (7 th Floor), 61, Bijoyagar, Dhaka-1000	37,333,334	15.00	560,000,010	32.10
ICB Capital Management Limited Green City Edge (5 th & 6 th Floor) 89, Kakrail Dhaka-1000	28,962,014	15.00	434,430,210	24.90
Roots Investment Ltd. Diganta Tower (Level-1), 12/1 Ram Krishna Mission Road, Dhaka 1203	1,333,333	15.00	19,999,995	1.15
AAA Finance & Investment Limited Suite # 404, Amin Court (4 th floor), 62-63 Motijheel C.A. Dhaka-1000	1,333,333	15.00	19,999,995	1.15
Total	116,295,348		1,744,430,220	100%

Underwriters' Obligation

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters (**for full unsubscribed amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Company Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Company Draft has been encashed and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen)** days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT [see rule-8(p)]

Terms and Conditions of the Rights Issue

Basis of the Offer

The Company records its share register of members on **February 07, 2017** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share, in the ratio of 01[R]:01, i.e. 01 (one) rights share for every 01 (one) existing share held on the record date.

Entitlement

As a shareholder of the Company on the record date on **February 07, 2017** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **March 20, 2017**.

Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

Condition of Subscription

Rights Offer of **116,295,348** Ordinary Shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share, totaling **Tk.1,744,430,220** offered on the basis of **01[R]:01**, i.e. 01 (one) rights share for every 01 (one) existing share held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **February 07, 2017**.

Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "Saif Powertec Limited" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk.1.00 lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

SUBSCRIPTION STATUS	
Opens on	Closes on
February 28, 2017	March 20, 2017
Within banking hours both days inclusive	

Any changes or extension regarding subscription period will be notified through national dailies.

Lock-in on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **March 20, 2017** or by such later date as may be notified through national dailies to that effect.

Material Contracts

Bankers to the Issue

BRAC Bank Limited, Prime Bank Limited and Investment Corporation of Bangladesh (ICB) has accorded their consent to act as the Banker to the Issue and will collect the subscriptions money of the Rights Offer in cash/cheque/pay order/draft etc. through their designated branches as mentioned.

Significant clauses of Bankers to the Issue agreement are as follows:

- ✓ The Company shall issue 116,295,348 Rights shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share, totaling Tk.1,744,430,220 in accordance with the consent of the Bangladesh Securities & Exchange Commission (BSEC) and relevant Securities and Exchange Commission (Rights Issue) Rules, 2006.
- ✓ The company shall pay commission to the Bank at the rate of 0.10% of the amount of subscription money to be collected.
- ✓ The company shall comply with any other formalities required under law of regulatory bodies for raising fund publicly.

The rights issue subscriptions money collected from the shareholders by the Bankers to the issue will be remitted to the Company's **A/C No. 215-150-1907** with **Dhaka Bank Limited, Gulshan Branch**.

Underwriters

Banco Finance And Investment Limited Baitul View Tower (11th floor), 56/1 Purana Paltan, Dhaka-1000	Alpha Capital Management Limited Eastern Arzoo Complex (7th Floor), 61, Bijoy nagar, Dhaka-1000
ICB Capital Management Limited Green City Edge (5th & 6th Floor) 89, Kakrail Dhaka-1000	AFC Capital Limited Tanaka Tower (2nd floor), 42/1/Gha, Segun Bagicha, Dhaka-1000
Roots Investment Ltd. Diganta Tower (Level-1), 12/1 Ram Krishna Mission Road,, Dhaka 1203	AAA Finance & Investment Limited Suite # 404, Amin Court (4 th floor), 62-63 Motijheel C.A. Dhaka-1000

Significant clauses of underwriting agreement are as follows:

- ✓ The Company shall issue 116,295,348 Rights shares of Tk.10.00 each at an issue price of Tk.15.00 each including a premium of Tk.5.00 per share in accordance with the approval of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement.

- ✓ Company shall within 10 (ten) days of the closure of subscription call upon the underwriter to take-up the unsubscribed shares.
- ✓ Underwriter should pay for in cash in full for such unsubscribed shares within 15 (fifteen) days after being called upon to do so.
- ✓ The Company shall pay to the Underwriter an underwriting commission at the rate of **0.30% (zero point three zero percent)** of the value at issue price of the shares hereby agreed to be underwritten by the Underwriter.
- ✓ The Company shall comply with any other formalities required under the laws/rules of the land.

Manager to the Issue

Banco Finance And Investment Limited & ICB Capital Management Limited are appointed as Managers to the Issue of the rights issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay lump-sum issue management fee BDT 30.00 lac (after deducting all necessary tax and VAT) only on total amount to be raised to the Managers to the Issue.

Vendor's Agreement

Saif Powertec Limited has not entered into any vendor's agreement except normal course of business.

Contract for Acquisition of Property

The Company did not acquire any property or enter into agreement for acquisition of property after the Balance Sheet Date of 1st July 2015 to 30 June 2016.

NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE, AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION [see rule-8(q)]

Directors' Take-Up In The Rights Offer

Directors are expected to exercise in full their portion of Rights Offer [Rule-8(q)] is as under:

Name of Director	Status	No. of Share Held	Take-Up in the Rights Offer
Mrs Tarafder Nigar Sultana	Chairman	20,518,594	20,518,594
Mr. Tarafder Md. Ruhul Amin	Managing Director	21,073,481	21,073,481
Mrs. Rubya Chowdhury	Director	2,496,769	2,496,769
Mr. Tarafder Md. Ruhul Saif	Director	2,496,769	2,496,769
Mr. Jalal Uddin Ahmed Choudhury	Independent Director	-	-
Total		46,585,613	46,585,613

STATEMENT OF ACTUAL UTILIZATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREOF [see rule-8(r)]

Declaration Regarding Utilization of Previous Fund (IPO)

Saif Powertec Limited went for Public Issue in the year 2014 by issuing 12,000,000 Ordinary Shares of Tk. 30 each (including Tk.20 premium) totaling Tk. 360,000,000/- with the objective of partial repayment of loan and BMRE new project in Battery unit of the company. The entire fund had fully utilized for meeting the said purpose. The statement of fund utilization is given below:

S/N	Description	Amount in Taka
	Receipt of Fund:	
1	From IPO	120,000,000
2	Premium	240,000,000
	Total	360,000,000
	Utilization of fund	
1	Purchase of Capital Machinery	264,551,697
2	Building and other Civil Construction & others (Newly include land)	61,831,435
3	Utility	5,200,000
4	Motor Vehicles	8,300,000
5	Cost of Installation and Commissioning	7,032,548
6	IPO Expenses	13,084,320
	Total	360,000,000

Sd/-
Tarafder Md. Ruhul Amin
 Managing Director

Sd/-
F. M Salahin
 Company Secretary

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGER(S)
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF SAIF POWERTEC LIMITED**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

Place: Dhaka
Dated: December 22, 2016

For
(Name of Manager to the Issue)
Banco Finance And Investment Limited
ICB Capital Management Limited

Sd/-
(Managing Director/CEO)

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S)
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF SAIF POWERTEC LIMITED**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka
Dated: December 27, 2016

For
(Name of Underwriters)

AFC Capital Limited
Roots Investment Ltd.
ICB Capital Management Limited
Alpha Capital Management Limited
AAA Finance & Investment Limited
Banco Finance And Investment Limited

Sd/-
(Managing Director/CEO)

FORM- C
SECURITIES AND EXCHANGE COMMISSION (RIGHT ISSUE) RULES, 2006
[see rule 8(h) and 8 (t)]

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements for the year ended 30 June, 2016 of Saif Powertec Limited in accordance with the International Standards of Auditing as adopted by Institute of Chartered Accountants of Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Bangladesh Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as adopted by the Institute of Chartered Accountant of Bangladesh;
- (b) These financial statements which are in agreement with the books of account of the Company give a true and fair view of the state of its affairs as at 30 June, 2016 and of the result of its operations and cash flows for the year then ended;
- (c) Proper Books of Account have been kept by the Company as required by the relevant laws; and
- (d) The expenditure incurred was for the purposes of the Company's business.

We also certify that the above Company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Bangladesh Securities and Exchange Commission (Rights Issue) Rules-2006, and that the Company has duly paid off the following amounts of the declared dividend mentioned against respective year:

Financial Year	Date of AGM	Rate		Total Amount (Tk.)	Total Paid/Allotted (Tk)
		Stock	Cash		
2012	30.12.2012	-	20%	36,943,400	Full
2013	30.12.2013	-	-	-	-
2014	15.12.2014	27%	-	150,913,800	Full
2015	12.11.2015	29%	-	205,857,600	Full
2016	18.12.2016	27%	5%	247,242,080 (Stock) 45,785,568 (Cash)	Stock dividend has been allotted and payment of Cash dividend under process

Place: Dhaka
Dated: January 11, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF SAIF POWERTEC LIMITED

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006. We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-
Tarafder Nigar Sultana
Chairman

Sd/-
Tarafder Md. Ruhul Amin
Managing Director

Sd/-
Rubya Chowdhury
Director

Sd/-
Tarafder Md. Ruhul Saif
Director

Sd/-
Md. Jalal Uddin Ahmed Chaudhury
Independent Director

A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE [see rule 8(u)]

Statement of Lock-In on the Rights Shares

The Rights Shares of **Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription**. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Name of Director	Status	No. of Share Held	Lock in portion of Rights Share	Date of Subscription Close	Expiry Date of Lock-in
Tarafder Nigar Sultana	Chairman	20,518,594	20,518,594	March 20, 2017	3 Years from the date of subscription close
Tarafder Md. Ruhul Amin	Managing Director	21,073,481	21,073,481	March 20, 2017	3 Years from the date of subscription close
Rubya Chowdhury	Director	2,496,769	2,496,769	March 20, 2017	3 Years from the date of subscription close
Tarafder Md. Ruhul Saif	Director	2,496,769	2,496,769	March 20, 2017	3 Years from the date of subscription close

CREDIT RATING REPORT [see rule 8(w)]

**Credit Rating Report (Surveillance)
SAIF POWERTEC LIMITED**

Particulars	Ratings-2015	Remarks
Saif Powertec Ltd.	BBB ₁	
Saif Powertec Ltd. (Battery Project)	BBB ₂ (Pr)	
BDT 1,161.0 Million Long-term Outstanding	BBB ₁ (Lr)	
BDT 525.0 Million Cash Credit Limit	BBB ₁ (Lr)	
BDT 578.0 Million Short-term Funded Limit	ST-3	
BDT 1,115.4 Million Short-term Non-funded Limit	ST-3	
Outlook	Stable	

Lr- Loan rating, ST- Short Term, (Refer Appendix 2 for Rating History)

Due to revolving nature, CRAB considers Cash Credit in the long-term rating scale.

Date of Rating: 23 June 2016

Validity: Entity rating is valid till 15 June 2017; loan ratings are valid up to limit expiry date of respective credit facilities or 15 June 2017 whichever is earlier.

Rating based on audited financial statements up to 2015, bank liability (15 March 2016) and other relevant quantitative and qualitative information up to the date of rating declaration.

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analysts

Mir Arif Billah

mab@crab.com.bd

Md. Abdur Rahman Evan

evan@crabrating.com

Table 1:

FINANCIAL HIGHLIGHT	2015	2014
Sales	1,757.0	1,521.1
Net Profit	215.0	112.0
Total Asset	4,085.0	2,685.8
Cash Flow From Operation	-120.2	-161.3
Shareholders' Equity (Excluding Revaluation Reserve)	1,643.0	1,101.8
Borrowed Funded Loan Limit	2,264.0	1,167.0
Borrowed Fund Limit	3,379.4	1,578.4
Inventory Conversion Period	171 Days	106 Days
Receivable Collection Period	136 Days	118 Days
Payable Deferral Period	11 Days	7 Days
Cash Conversion Cycle	297 Days	217 Days
Quick Ratio	0.6 X	0.6 X
Gross Profit Margin	42.0%	33.5%
EBITDA Margin	33.1%	27.4%
Net Profit Margin	12.2%	7.4%
Return on Capital Employed	8.4%	6.2%
Fixed Asset Turnover	1.2 X	1.2 X
Borrowed Fund to Equity	1.4 X	1.1 X
Sales to Borrowed Fund (Limit)	1.3 X	2.1 X
Debt Service Coverage Ratio	1.0 X	1.5 X
Times Interest Earned Ratio	2.0 X	2.3 X

Amount in BDT Million

Few financial figures were rearranged for calculation purpose

PROFILE

Saif Powertec Ltd, is a public limited company engaged in importing, trading and installing generators, sub-stations, and grid-lines; designing power plant, and operating as a berth operator in Chittagong Container Terminal, Chittagong Port Authority. During 2015, its reported net sales was BDT 1,757.0 million and net profit was BDT 215.0 million respectively. In 2014, the Company entered in capital market with listed in DSE and CSE.

RATIONALE

Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned **BBB₁** (pronounced triple B one) rating of Saif Powertec Ltd. CRAB has also assigned **BBB₁ (Lr)** rating of BDT 1,161.0 million long-term loan and BDT 525.0 million cash credit loan. CRAB has retained **ST-3** short-term rating of BDT 578.0 million funded limits and BDT 1,115.4 million non-funded limits of Saif Powertec Ltd. CRAB assigned Stable Outlook to the Company.

The Company saw gradual increases of its sales in last five years. In 2015, total sales of the Company was BDT 1,757.0 million registering 15.5% growth. In last five years Compound Annual Growth Rate of sales was 15.0%.

Improvement in sales impacted total profitability of the Company. Gross profit margin increased to 42.0%. In 2015, the Company experienced huge increases of financial expense of BDT 283.0 million (72% growth).

In 2015, shareholders' equity of the Company was increased significantly. Another BDT 497.6 million contributed to Share Capital and Share Premium. As of Balance Sheet date of 2015, total shareholder's equity was BDT 1,739.0 million increased by 45.1% which was BDT 1,198.3 million one year back.

As of March 2016, total borrowed funded limit was BDT 2,264.0 million, registering 67.0% growth. Borrowed Fund to Equity increased to 1.4 X from 1.1 X. However, Sales to Borrowed Fund decreased to 1.3 X. CRAB observed borrowed fund increases outweighs the business increases of the Company.

Huge increases of inventory pile up pulled down the Company from comfortable zone. Inventory pile up put the company in stress of its fund flow. Deteriorating operating performance affected the cash fund of the Company. Poor operating cash flow resulted negative free cash flow viz. BDT -158.2 million.

CRAB estimated that debt service of the Company in forthcoming year would be BDT 583.5 million. If the current year performance persisted to next year with 10% growth, Cash Available Debt Service would be BDT 587.8 million.

Saif Powertec invested BDT 80.0 million in its subsidiary Company Saif Plastic Ltd. After operating more than four years, the Company did not perform comfortably. Currently it utilized only 55% of its capacity utilization.

The ratings are strengthened by good revenue mix, good client base, experienced management and moderate profitability of the Company. The ratings also take into account the new battery project which is funded from IPO proceeds. In last couple of years, the Company could establish 180 sales center to sell its IPS battery and machinery.

The ratings, however, are constrained by poor operating performance, huge increases of loan burden, deteriorated cash flow position, negative operating cash flows. At the time of rating, CRAB considers the ability and willingness of loan repayment of the client. As of 15 March 2016, the Company does not have any classified loan as per banking information.

Companies rated in this category have adequate capacity to meet financial commitments but are more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.

Rating Update

- In 2016 the Company expects BDT 2200.0 million revenue. In last nine months of operation it already earned BDT 1800.0 million revenue.
- The Company is planning to issue right share to raise its paid up capital.

Rating Strengths

- Consistent sales growth
- Diversified Revenue Mix
- Good client base

Rating Challenges

- Lengthy cash conversion cycle viz. 297 Days
- Huge increases of loan and debt service
- Termination of contractual obligation may affect its future performance to some extent
- High competition in new battery manufacturing project
- Moderate Banking Feedback
- Increase of accounts receivable which affected the operating performance
- Negative Cash Flow form Operations

Battery Project Challenges

- High competition observed in battery industry
- Working capital management would be a vital issue for continuous operation
- Huge financial expense might eat up the profitability
- The project may face liquidity crisis if it is the question of cash dividend
- The project would require good investment for brand building
- Sound technical expertise team would be required for continuation and success of business

■ BUSINESS OVERVIEW

Saif Powertec Ltd. is an infrastructure-support service company also engaged in importing, trading, assembling and installing generators, sub-stations, electrical equipments and grid-lines, installation and erection of power plant. The Company also acts as a berth/terminal operator for operation of Chittagong Container Terminal (CCT) and New Mooring Container Terminal (NCT) of Chittagong Port Authority (CPA). It has four strategic business units (SBU) - contract, maintenance, import (trading) and sub-contract. Tarafdar Md. Ruhul Amin who acts as a Managing Director of the Company promoted Saif Powertec.

Since its incorporation in 2003 as a private limited company, the Company has been performing sales and servicing of material handling & power generation equipment through exclusive agreements with Doosan Infracore Co. Ltd., Mitsubishi Heavy Industries Ltd., Babcock Borsig Power Service GmbH, Karrena GmbH, Foster Wheeler, Ana Navids, Carmanah Technologies etc.

Table 2: Major Milestone

Year	Milestones
Mid 1980s	Commenced its business
2003	Incorporated as private limited Company and started trading business of generators and electrical equipment, sub-stations etc.
2004	Appointed by CPA as a long-term contractor for repair & maintenance with spare parts for 4 Quay Gantry Crane (QGC) and 5 ZPMC rubber tyred gantry Crane under Chittagong Port Authority
2006	Contracted with CPA for import discharging & Export Loading of 4 QGC with transportation of container from shore to yard and yard to shore by using its own tractor-trailer
2007	Contacted as a terminal operator for CCT and two berths of NCT
2008	Introduced Container Terminal Management System for real-time positioning of each container at CCT and NCT
2009	Appointed as a berth/terminal operator for operation of CCT, Chittagong Port authority till 2013
2010	Became a Public Limited Company and issued share through private placement
2014	Listed in DSC and CSC

Table 3: Work in hand by Saif Powertec

S/N	Name of Agreement	Value	Signing Date	Valid Till
1	Ashuganj Fertilizer and Chemical Company Limited regarding Design, fabrication, supply of Start-up Heater of Ammonia plant from manufacturer's warehouse to purchaser's site at Ashuganj, Bangladesh and installation, commissioning & test run and dismantling the existing Start-up Heater, Site developing hiring of crane etc.	409.2	15-Sep-16	1-Sep-16
2	Appointment of Terminal Operator for Handling of Container and Containerised Cargo at Berth No- 4 & 5 of Newmooring Container Terminal (NCT).	496.4	25-Jun-15	24-06-2017
3	Appointment of Terminal Operator for Handling of Container and Containerised Cargo at Berth No- 2 & 3 of New Mooring Container Terminal (NCT).	498.8	23-Sep-15	22-09-2017
4	Chittagong Port Authority regarding Refurbishment of Six (6) number of Straddle Carrier which includes supply, fitting, fixing and reconditioning of different components	219.7	7-Jun-15	
5	Refurbishment of 03 nos ZPMC brand Rubber Tyred Gantry (RTG) cranes (no. 4007, 4008 & 4009) including repair and maintenance for 06 (six) years.	300.0	14-Feb-16	13-02-22
6	Appointment for repair and maintenance of 4 Mitsubishi brand rail mounted quarry gantry cranes	162.8	14-Dec-11	1-Dec-16
7	Appointment for repair and maintenance of 2 ZPMC	65.0	10-May-11	1-May-16

	brand rubber tyre gantry cranes			
8	Appointment of an operator for supplying labour, materials and services for handling inland container at Pangaon, Dhaka and Chittagong Port	155.8	21-Aug-13	1-Aug-16
9	ICD Kamalapur Container Operation and Management	692.5	31-Jan-13	1-Apr-23
10	Supply, Installation, Testing, Commission of 2 x 500 KVA (2 x 400 KW) Prime Power Diesel Generator sets with all other related auxiliaries & Electrical System at Kutubdia Diesel Power Station, Cox's Bazar in turnkey Basis.	14.0	17-Oct-15	1-Jun-16
11	Supply of one (1) number of Hydraulic Excavator	12.9	13-Sep-15	1-Jun-16
12	Appointment of Contractor for supply and booking of labour for cargo handling, Container staffing by unstaffing, Office /CFS/ Container /CFS/ Container Yard cleaning and garbage removal at inland container Depot ICD Kamalapur.	146.4	18-Jan-16	1-Jan-19
13	Procurement of Four no. Fifth wheel terminal tractor (50) ton and four (4) no. (40'-0") feet container trailer with spares part, tools, accessories and related services of Mongla Port Authority.	63.3	3-Aug-15	1-Jun-16

■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation	Industry
Management	Financials
Loans	Projection

Saif Powertec is engaged in trading as well as providing overhauling and after sales service of land construction, material handling and power generation equipment in Bangladesh through exclusive agreements with noted manufacturers. Major products include diesel generators, elevator, escalators, excavator, vibrator roller, asphalt mixing plant, forklifts, wheel loaders, power generation equipment and accessories, energy saving lamps, marine engines and aids to navigation. Many of its products are used by different sea and inland water ports, the national defense sector and export oriented private industries are located in the EPZ and other industrial areas.

It also manufactures, assembles and markets SAIF branded electrical distribution transformer (up to 2000 KVA), electrical sub-station, electrical P. F. I. plant (up to 1200 KVAR), H. T. Switchgear (VCB, MOCB, LBS -11 KV and 33 KV) and L. T. Switchgear (up to 6300 A). All raw materials and components are generally imported from India, Korea, Germany and Italy. Agreement with CPA also gives the Company scope of extension of its services to cargo handling and terminal operating which enables it to innovate and foster its service by using contemporary technology and quality.

In 2006, SAIF signed a contract with CPA for operation of 4 QGC with transportation of the container from shore to yard, and yard to shore by using its own tractor trailer. In 2007, Saif received the new contract for four terminal operation as Terminal Operator for CCT and 2 berths of NCT with whole yard operation. Also in 2007, Saif signed a Contract with CPA for removal of all empty Containers with Saif's own equipment and trailers.

The Company has long term contract with Chittagong Port for providing 24 hrs service, repair, maintenance with parts supply, for the key equipments of CPA. The Company has foreign and local experts to provide the service for the specific equipment.

Breadth of infrastructure-support and maintenance service as well as expertise in port handling may limit entry to new competitions

The Company carries its business in such sectors where technical knowhow, established service history, equipment suppliers' reputation, and professional expertise translate the nature of competition, and put limit for companies to enter. However, SPL faces little competition as total number of incumbents in the industry is very low. In the Contract, Sub-contract and Maintenance divisions, the company caters to clients who are long time customers and have relied on quality service from Saif over a long period. In specific divisions of the Company, such as power and construction equipment, which is the import division, there are competitors such as Bangla CAT, GETCO and Energypac etc.

Though its revenue mix is diversified, termination of contractual obligation may overshadow its performance to some extent in future

Table 4: Revenue Mix

Sales	2015	2014	2013	Growth (2015)
Contract	677.3	558.9	661.5	21%
Maintenance	346.3	253.9	66.2	36%
Import	679.8	651.1	698.4	4%
Subsidiary Sales	53.7	56.9	35.4	-6%

The Company has four (Strategic Business Unit) SBUs in its revenue mix which include *Contract* - overhauling and servicing of Industrial Equipment which are sold by SPL; *Maintenance* - repair and maintenance service & container handling on behalf of Chittagong port & shipping agents i.e. Maersk Line Bangladesh Ltd, Peninsular Shipping Services Ltd; Regensea Lines Ltd. etc.; *Import* - importing, trading and installing industrial equipments i.e. land construction, material handling, power generation equipment, electrical equipments, sub-stations etc.; and *Sub-contract* - overhauling services to large government owned industries i.e. through original contractor Belleli Energy CPE S.R.L. as well as Rural Power Company Limited etc. According to Saif Powertec, major revenue comes from three client groups - shipping lines and C&F agents for handling and touring their cargos. Revenue from Import division is fragmented to several customers which lowers the concentration risk. Moreover, import cargo handling also generates higher (around 1.8x-2.0x) revenue compared to export cargo handling but it is highly correlated with overall performance of port activity under CCT and NCT.

In 2015 it has derived around 38% (in 2014: 36%) revenue from Contract division which are the core business of Saif Powertec. Though, Contract and Maintenance service, especially as a berth/terminal operator of CCT and NCT of Chittagong Port is strategically important for Saif Powertec, recent emphasis is given to Subcontract service and Import section where the relative profitability of SPL is superior to contract and maintenance services. However, termination of any contractual obligation may impact its future performance. In last year, the Company saw increases in revenue earning from maintenance. On the other hand, it saw a marginal growth on importing business. The Company saw a major shift in trading business, which may causes of risks of its dominating in contractual business. To mitigate this risk, the Company has planned to start its business in battery manufacturing business.

Suppliers are concentrated; however, the risk can be mitigated by long term relationship

Major suppliers of Saif Powertec are Doosan Infracore Co. Ltd. (Korean company engaged in land construction and ground excavation equipment etc.), Mitsubishi Heavy Industries Ltd. (Japanese company noted for heavy duty ground handling equipment, lift/escalator etc., Babcock Borsig Power Service GmbH (German company engaged in construction, modernization and maintenance of different parts of energy plants etc.) Karrena GmbH, Foster Wheeler (Geneva based company focusing on Engineering, Procurement, and Construction - EPC and on power for the upstream oil & gas, LNG and gas-to-liquids, refining, chemicals & petrochemicals, pharmaceuticals, biotechnology & healthcare, environmental and power industries), Ana Navais Ltd. (Indian supplier of, Safety Equipment, Marine Hardware, Marine Equipment, Security Systems etc.), Carmanah Technologies Corp. (Canada based solar engineering and solar-LED lighting company) etc. with which it has exclusive agreements. Due to the agreements, Saif Powertec was given the scope to market and service their products exclusively in Bangladesh. Though these suppliers are small in number, their reputation in respective field and long term contractual relationship with Saif Powertec mitigates the concentration risk.

Table 5: Top client list of Saif Powertec with associated service

Party Name	Service/Product
Chittagong Port Authority	Berth Terminal Operator,
Bangladesh Power Development Board	Spare parts supply & service of Power Plant
Rural Power Company Limited	Spare parts supply & service of Power Plant
Ashugonj Fertilizer & Chemical Company Limited	Spare parts supply & service of Power Plant
Maersk Line Bangladesh Ltd.	Container handling
Peninsular Shipping Line Bangladesh Limited	Container handling
Regensea Bangladesh Limited	Container handling
Bangladesh Water Development Board	Excavator
DGDP	Forklift sale and Wheel Loader
Mongla Port Authority	Forklift, Wheel Loader, Crane etc.

Cost-overflow in terms of wage and salary hike or key personnel turnover may affect its performance for meeting deadlines

Up to 2015, the Company incurred most of its cost for executing its Contract and Maintenance related works where major cost component is direct wages and salary. However, since the Company started its business focus on import business, it experienced its major direct cost in importing in 2015. Compared to the net sales derived from sub-contract its cost is very negligible and Saif Powertec is concentrating on the service in 2015. As Contract and Maintenance are the core SBUs of it and around 50%–60% cost are associated with workers and technicians, any wage and salary hike or key personnel turnover may affect its deadlines. Import cost also affect its business due to low margin and foreign currency fluctuation. But providing the overhauling and after sales service to the traded equipments under “Contract” division it allocates the import cost.

Currently Saif Powertec has the contracts in live given in Table 3.

Operation	Industry
Management	Financials
Loans	Projection

Current Shareholding and Board Composition

As of 31–March–2016, the paid-up capital of the Company was BDT 915.7 million divided into 91.5 million ordinary shares of BDT 10 each. Mr. Tarafdar Md. Ruhul Amin and his wife and two children hold the 40.06% of total stake of the Company. His wife, Ms Tarafdar Nigar Sultana chairs the Company.

In 2010, Saif Powertec obtained permission for issue of 10 million shares of BDT 35 million through private placement, which includes a premium of BDT 25.

Table 6: Latest Shareholding Pattern

Share Holding	Percentage	No. of Shares
Directors	40%	36,681,587
Institutional Shareholders	18%	16,309,726
Individual Shareholders	42%	38,579,827
TOTAL	100%	91,571,140

Management, HR and MIS Implementation

Mr. Tarafdar Md. Ruhul Amin who now heads the management since its inception promoted the Company. He monitors the overall operation of the Company and its sister concerns. There are four departments in the Company. They are Project, HR & Planning, Finance, Supply Chain and Sales Operation. Executive Director heads the project

department. The department heads report to the Managing Director.

The core business of the Company requires large workforce under Contract and Maintenance division. It also requires high level of technical persons for its operation. It has around 949 employees mostly working in Chittagong Port. Among different fringe benefits, the Company provides provident fund, gratuity, insurance, earned leave encashment, allowances as well as attendance bonus etc. The department heads and key executives are experienced persons having engineering background. There is computerized record keeping practice in Saif Powertec through in house ERP and MS Excel. The accounts are maintained in Tally software.

Subsidiary Companies

Saif Plastic & Polymer Industries is a private limited Company. Saif Powertec holds 80% of its shares. Mr. Ruhul Amin and his family members hold the rest. It produces pet bottle and its cap. The factory can produce 8,000 piece bottles and 14,000 piece caps in per hour production. However, at present the factory utilizes 30% of its production capacity. Currently defective production rate is bit high i.e. 30%. The Company mostly uses China based machineries.

Since July 2011, Saif Plastic started its commercial production. The top buyers of the Company are Popular Pharmaceuticals, Bionature Pharmaceuticals, Bio Pharmaceuticals, Akij Food and Beverage, Ibn Sina Pharmaceuticals etc. The factory of Saif Plastic and Polymer is run by REB line of 300 KVA. Therefore, power shortage and voltage fluctuation hampered the production process.

Beside these, Saif Powertec also has two common management concerns, which are in operation viz. Saif Global Sports Ltd. and Blueline Communication Ltd. The later is an event management company.

FINANCIAL HIGHLIGHT	2015	2014
Sales	53.7	57.0
Net Profit	2.6	2.5
Total Asset	152.0	162.5
Cash Flow From Operation	13.4	18.4
Shareholders' Equity	103.0	100.1
Borrowed Funded Loan Limit	7.0	60.3
Quick Ratio	0.2 X	0.1 X
Gross Profit Margin	21.4%	19.7%
EBITDA Margin	33.0%	35.5%
Fixed Asset Turnover	0.4 X	0.4 X
Borrowed Fund to Equity	0.1 X	0.6 X

Amount in BDT Million

Operation	Industry
Management	Financials
Loans	Projection

Sales Debt Equity Margin	2015	2014	2013	2012	2011
Sales	1,757.0	1,521.1	1,461.5	962.0	970.7
Equity (Excluding Revaluation Reserve)	1,643.0	1,101.8	993.7	942.2	789.8
Debt	2,264.0	1,167.0	740.1	559.1	393.7
Net Profit Margin	12.2%	7.4%	6.0%	15.7%	16.1%

Amount in BDT Million

Increased sales position with improved profitability position

The Company saw gradual increases of its sales in last five years. In 2015, total sales of the Company was BDT 1,757.0 million registering 15.5% growth. In last five years Compound Annual Growth Rate of sales was 15.0%.

Improvement in sales impacted total profitability of the Company. Gross profit margin increased to 42.0%. In 2015, the Company experienced huge increases of financial expense of BDT 283.0 million (72% growth). Huge financial expense ate up a good portion of the profit. However, overall good financial performance resulted Net profit margin of the Company was 7.4%.

Asset increased by 54.1%

The Company experienced huge increases (52.1% growth) of asset in 2015. As of 30 June 2015, total asset was BDT 4,085.0 million comprised of 51.4% fixed asset, 16.3% Accounts Receivable and 11.9% inventory. Inventory increased by BDT 186.8 million, which major portion is comprises of machinery products yet to be installed.

Shareholders' Equity significantly increased

In 2015, shareholders' equity of the Company was increased significantly. Another BDT 497.6 million contributed to Share Capital and Share Premium. As of Balance Sheet date of 2015, total shareholder's equity was BDT 1,739.0 million increased by 45.1% which was BDT 1,198.3 million one year back.

Borrowed Fund increases and leverage position weakened

As of March 2016, total borrowed funded limit was BDT 2,264.0 million, registering 67.0% growth. Both Long-term and short-term loan was doubled in 2015. Short-term loan also increased three times compare to its previous year. Increases of borrowed fund weakened the leverage position. Borrowed Fund to Equity increased to 1.4 X from 1.1 X. However, Sales to Borrowed Fund decreased to 1.3 X. CRAB observed borrowed fund increases outweighs the business increases of the Company.

Poor operating performance affected cash flow

Huge increases of inventory pile up pulled down the Company from comfortable zone. Inventory pile up put the company in stress of its fund flow. Advance, Deposit and Prepayment also increased to BDT 477.0 million in 2015. Huge increase of current assets affected the operating cash flow position of the Company. Negative operating cash flow continued in 2015 due to increases of current asset.

Inventory Conversion Period increased to 171 Days from 106 Days, whereas Payable Deferral Period was only 11 Days. Therefore, Cash Conversion Cycle increased to 297 Days from 217 Days. Fixed Asset Turnover remained same in 2015 viz. to 1.2 X. Deteriorating operating performance affected the cash fund of the Company. Poor operating cash flow resulted negative free cash flow viz. BDT -158.2 million.

Operation	Industry
Management	Financials
Loans	Projection

Saif Powertec Ltd has been conducting banking relationship with five commercial banks. As of 15 March 2016, the Company does not have any classified loan as per banking information. Loan details are annexed to the report.

CRAB estimated that debt service of the Company in forthcoming year would be BDT 583.5 million. If the current year performance persisted to next year with 10% growth, Cash Available Debt Service would be BDT 587.8 million. The Company will also pay BDT 449.3 million long-term loan. The Company will have to pay off BDT 134.2 million short-term loan interest.

Operation	Industry
Management	Financials
Loans	Projection

Saif Powertec has taken BDT 1,620.0 million battery project, out of this, the Entrepreneurs injected BDT 1,584.8 million capital including BDT 360.0 million from IPO fund. The Sponsors has planned to start to operation in December 2016.

The battery project is aiming to produce 210,000 pieces solar battery, 420,000 pieces

Motor Cycle Battery and 270,000 million automotive battery annually.

IPS battery and automotive battery, which is a fragmented market experienced huge completion with local produces and importers. Rahmafrooz has approximately 50% share of total branded battery market. Other major players of the industry are Rangs Power, Hamko, Navana etc. To obtain success in battery industry it requires dedicated and scattered customer service unit, strong distribution network, good brand presence and huge technical expertises. In case of solar battery the Company has product demand as it has already become partner organization of IDCOL.

The analysis of the Project and relevant risk factors are given below.

Being IDCOL Partner Organization enjoys internal demand

The Company has been listed as IDCOL Partner Organization (PO) since February 2013. In last 4 months, it could sell 2500 solar systems. IDCOL has set target to sell monthly 4,000 solar panels. Saif Powertec project will have capacity of producing 6,000 solar batteries per month. The Company expects 32% revenue income from solar batteries amounting BDT 503.9 million.

On the other hand, for last three years the Company has been selling Saif Brand IPS. The machinery part of IPS is imported from India and batteries are procured locally. From IPS battery project the Company can meet own demand. Moreover, boosting marketing it expects to increase sales. However, in case of automotive battery, the Company needs fresh marketing and market penetration.

Working capital management would be a vital issue for continuous operation

The industry average of Cash Conversion Cycle of battery approximately is 120 days. Therefore, it requires huge working capital for continuation of its operation. At 60% capacity utilization, initial year the Project would require BDT 592.2 million. Promoters expect working capital fund from right share issue and rest will be met up from bank finance. Production will highly be hampered if the Company cannot manage required working capital in time. Analysing the project profile, CRAB observed the Company has deficiency in working capital management.

The project would require good investment for brand building

The Company has already established 180 dealers over the Country for its existing products. However, to achieve 100.0 million sales the Company would need penetrate the market and incur good amount of investment for branding its products. However, the project does not have any budget for building brand. Moreover, the Company requires good amount of investment for its customer support service all over the country.

Sound technical expertise team would be required for continuation and success of business

For continuation of the success and growth, the Company would require a good expertise team. In current market scenario, CRAB observed scarcity of quality work force for its production and engineering works. Without building good brand image and offering attractive career benefits, it would be difficult for the Company to attract and retain qualified professionals. Currently Engr. SM Samsul Farhan, (Electrical Engineer and MBA) who has experience in working with battery project in Rahimafrooz.

[End of the Report]

Appendix 1: Bank loan facilities of Saif Powertec Ltd. (15 March 2016)

Sl.	Bank	Facility	Term Category	Fund Category	Sanctioned	Outstanding	Expiry Date
1	Bank Asia	Overdraft	Short-term	Funded	5.0	7.0	18-Jan-16
2	Bank Asia	Letter of Credit	Short-term	Non-funded	20.0	0.0	18-Jan-14
3	Bank Asia	Bank Guarantee	Short-term	Non-funded	20.0	8.0	18-Jan-14
4	Bank Asia	Bank Guarantee	Short-term	Non-funded	88.0	88.0	18-Jan-14
5	Dhaka Bank	Lease Finance	Long-term	Funded	8.0	2.0	11-Dec-16
6	Dhaka Bank	Lease Finance	Long-term	Funded	31.0	4.0	22-Apr-16
7	Dhaka Bank	Lease Finance	Long-term	Funded	9.0	9.0	27-Jan-16
8	Dhaka Bank	Loan on Trust Receipt	Short-term	Funded	2.0	2.0	16-Nov-15
9	Dhaka Bank	Loan on Trust Receipt	Short-term	Funded	7.0	8.0	16-Nov-15
10	Dhaka Bank	Loan on Trust Receipt	Short-term	Funded	5.0	5.0	7-Dec-15
11	Dhaka Bank	Loan on Trust Receipt	Short-term	Funded	7.0	7.0	8-Feb-16
12	Dhaka Bank	Loan on Trust Receipt	Short-term	Funded	31.0	28.0	17-Jul-16
13	Dhaka Bank	Loan on Trust Receipt	Short-term	Funded	1.0	1.0	16-Jun-16
14	Dhaka Bank	Loan on Trust Receipt	Short-term	Funded	4.0	4.0	16-Jun-16
15	Dhaka Bank	Term Loan	Long-term	Funded	52.0	7.0	15-Apr-16
16	Dhaka Bank	Term Loan	Long-term	Funded	31.0	4.0	30-Apr-16
17	Dhaka Bank	Term Loan	Long-term	Funded	22.0	18.0	11-Sep-20
18	Dhaka Bank	Term Loan	Long-term	Funded	52.0	7.0	7-Apr-16
19	Dhaka Bank	Term Loan	Long-term	Funded	39.0	33.0	11-Sep-20
20	Dhaka Bank	Term Loan	Long-term	Funded	63.0	60.0	12-Jun-22
21	Dhaka Bank	Term Loan	Long-term	Funded	31.0	29.0	11-Sep-20
22	Dhaka Bank	Term Loan	Long-term	Funded	8.0	8.0	11-Sep-20
23	Dhaka Bank	Term Loan	Long-term	Funded	19.0	6.0	22-Jan-17
24	Dhaka Bank	Term Loan	Long-term	Funded	45.0	44.0	25-Jul-17
25	Dhaka Bank	Term Loan	Long-term	Funded	29.0	27.0	17-Jul-17
26	Dhaka Bank	Term Loan	Long-term	Funded	46.0	42.0	15-Jul-17
27	Dhaka Bank	Term Loan	Long-term	Funded	22.0	21.0	15-Jul-17
28	Dhaka Bank	Term Loan	Long-term	Funded	37.0	22.0	10-Jul-17
29	Dhaka Bank	Term Loan	Long-term	Funded	31.0	27.0	17-May-17
30	Dhaka Bank	Term Loan	Long-term	Funded	16.0	15.0	11-Sep-20
31	Dhaka Bank	Term Loan	Long-term	Funded	41.0	12.0	16-Dec-16
32	Dhaka Bank	Term Loan	Long-term	Funded	26.0	5.0	22-Apr-16
33	Dhaka Bank	Short Term Loan	Short-term	Funded	102.0	104.0	17-Oct-15
34	Dhaka Bank	Short Term Loan	Short-term	Funded	10.0	11.0	17-Mar-16
35	Dhaka Bank	Short Term Loan	Short-term	Funded	15.0	15.0	10-Mar-16
36	Dhaka Bank	Overdraft	Short-term	Funded	30.0	30.0	30-Nov-16
37	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	195.0	0.0	16-Feb-17
38	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	2.0	0.0	31-May-16
39	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	0.9	0.0	16-Mar-16
40	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	0.1	0.0	16-Apr-16
41	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	0.4	0.0	31-Jul-16
42	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	5.0	0.0	31-Jul-16
43	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	16.0	0.0	31-Jan-17
44	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	69.0	0.0	4-Apr-23
45	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	50.0	0.0	30-Apr-16
46	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	22.0	0.0	30-Nov-16
47	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	42.0	0.0	30-Jun-18
48	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	50.0	0.0	31-Oct-17
49	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	2.0	0.0	7-Mar-16
50	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	75.0	0.0	11-May-16
51	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	10.0	0.0	21-Feb-16

52	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	6.0	0.0	1-Apr-16
53	Dhaka Bank	Bank Guarantee	Short-term	Non-funded	16.0	0.0	31-Mar-16
54	The Farmers Bank	Secured Overdraft	Short-term	Funded	400.0	405.0	31-Dec-16
55	The Farmers Bank	Time Loan	Short-term	Funded	200.0	139.0	31-Dec-16
56	The Farmers Bank	Time Loan	Short-term	Funded	65.0	60.0	31-Dec-16
57	The Farmers Bank	Time Loan	Short-term	Funded	60.0	60.0	10-Sep-17
58	The Farmers Bank	Term Loan	Long-term	Funded	30.0	16.0	10-Sep-17
59	The Farmers Bank	Letter of Credit	Short-term	Non-funded	90.0	37.0	31-Dec-16
60	The Farmers Bank	Bank Guarantee	Short-term	Non-funded	60.0	0.0	31-Dec-16
61	NCC Bank	Term Loan	Long-term	Funded	30.0	30.0	30-Jun-16
62	NCC Bank	Loan on Trust Receipt	Short-term	Funded	18.0	20.0	30-Jun-16
63	NCC Bank	Loan on Trust Receipt	Short-term	Funded	12.0	16.0	30-Jun-16
64	NCC Bank	Overdraft	Short-term	Funded	40.0	45.0	30-Jun-16
65	NCC Bank	Overdraft	Short-term	Funded	50.0	6.0	30-Jun-16
66	NCC Bank	Letter of Credit	Short-term	Non-funded	148.0	0.0	30-Jun-16
67	NCC Bank	Letter of Credit	Short-term	Non-funded	51.0	0.0	30-Jun-16
68	NCC Bank	Bank Guarantee	Short-term	Non-funded	31.0	0.0	30-Jun-16
69	AB Bank	Letter of Credit	Short-term	Non-funded	40.0	0.0	30-Jun-16
70	AB Bank	Loan on Trust Receipt	Short-term	Funded	36.0	0.0	30-Jun-16
71	AB Bank	Performance Guarantee	Short-term	Non-funded	6.0	0.0	30-Jun-16
72	AB Bank	Short Term Loan	Short-term	Funded	3.0	0.0	30-Jun-16
73	BD Finance	Term Loan	Long-term	Funded	266.0	266.0	15-Dec-20
74	BD Finance	Term Loan	Long-term	Funded	85.0	85.0	15-Dec-20
75	Hajj Finance Company	Term Loan	Long-term	Funded	52.0	52.0	25-Jun-16
76	Hajj Finance Company	Term Loan	Long-term	Funded	150.0	150.0	25-Jan-19
77	IDCOL	Term Loan	Long-term	Funded	160.0	160.0	N/A

Note: Amount in BDT Million

Appendix 2: Rating History

Particulars	Ratings-2015	Remarks
Saif Powertec Ltd.	BBB ₃	
Saif Powertec Ltd. (Battery Project)	BBB ₃ (Pr)	
BDT 590.0 Million Long-term Outstanding	BBB ₃ (Lr)	
BDT 315.0 Million Cash Credit Limit	BBB ₃ (Lr)	
BDT 262.0 Million Short-term Funded Limit	ST-3	
BDT 411.4 Million Short-term Non-funded Limit	ST-3	
Outlook	Stable	

Particulars	Ratings-2014	Remarks
Saif Powertec Ltd.	BBB ₁	
BDT 590.0 Million Long-term Outstanding	BBB ₁ (Lr)	
BDT 315.0 Million Cash Credit Limit	BBB ₁ (Lr)	
BDT 262.0 Million Short-term Funded Limit	ST-3	
BDT 411.4 Million Short-term Non-funded Limit	ST-3	
Outlook	Negative	

Particulars	Ratings-2013	Remarks
Saif Powertec Ltd.	BBB ₁	
BDT 294.7 Million Long-term Outstanding	BBB ₁ (Lr)	
BDT 280.0 Million Cash Credit Limits	BBB ₁ (Lr)	
BDT 165.4 Million Short-term Funded Limits	ST-3	
BDT 682.7 Million Short-term Non-funded Limits	ST-3	
Outlook	Stable	

Particulars	Ratings-2012
Saif Powertec Ltd.	BBB ₁
BDT 206.2 Million Long-term Outstanding	BBB ₁ (Lr)
BDT 170.0 Million Cash Credit Limits	BBB ₁ (Lr)
BDT 182.9 Million Short-term Funded Limits	ST-3
BDT 563.6 Million Short-term Non-funded Limits	ST-3
Outlook	Stable

Particulars	Ratings-2011
Saif Powertec Ltd	A ₃
BDT 256.2 Million Long-Term Outstanding	A ₃ (Lr)
BDT 137.5 Million Short-Term Fund Limits	ST-3
BDT 500.4 Million Short-Term Non-Fund Limits	ST-3

Appendix 3:

RATIO ANALYSIS	2015	2014	2013
Major Financial			
Sales	1,757.0	1,521.1	1,461.5
Net Profit	215.0	112.0	88.4
Total Asset	4,085.0	2,685.8	1,954.8
Cash Flow From Operation	-120.2	-161.3	N/A
Shareholders' Equity	1,643.0	1,101.8	993.7
Borrowed Funded Loan Limit	2,264.0	1,167.0	740.1
Borrowed Fund Limit	3,379.4	1,578.4	1,422.8
Liquidity & Cash			
Current Ratio	1.2 X	1.3 X	1.3 X
Quick Ratio	0.6 X	0.6 X	0.8 X
Net Working Capital to Asset	8.0%	10.8%	10.4%
Fund From Operation to Borrowed Fund	9.8%	17.3%	20.4%
Cash Flow From Operation to Borrowed Fund	-5.3%	-13.8%	N/A
Cash Flow From Operation to Sales	-6.8%	-10.6%	N/A
Operating & Profitability			
Inventory Conversion Period	171 Days	106 Days	23 Days
Receivable Collection Period	136 Days	118 Days	111 Days
Payable Deferral Period	11 Days	7 Days	35 Days
Cash Conversion Cycle	297 Days	217 Days	98 Days
Fixed Asset Turnover	1.2 X	1.2 X	1.6 X
Gross Profit Margin	42.0%	33.5%	29.4%
EBIT Margin	32.7%	21.5%	17.5%
EBITDA Margin	33.1%	27.4%	21.8%
Pre-tax Profit Margin	15.8%	10.2%	9.7%
Net Profit Margin	12.2%	7.4%	6.0%
Return on Equity	12.4%	9.3%	8.1%
Return on Capital Employed	8.4%	6.2%	6.6%
Leverage & Coverage			
Borrowed Fund to Asset	0.6 X	0.4 X	0.4 X
Borrowed Fund to Equity	1.4 X	1.1 X	0.7 X
Sales to Borrowed Fund	1.3 X	2.1 X	2.8 X
Debt Service Coverage Ratio	1.0 X	1.5 X	2.0 X
Times Interest Earned Ratio	2.0 X	2.3 X	2.7 X

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

RATINGS	DEFINITION
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA ₁ , AA ₂ , AA ₃ * Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A ₁ , A ₂ , A ₃ Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB ₁ , BBB ₂ , BBB ₃ Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB ₁ , BB ₂ , BB ₃ Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B ₁ , B ₂ , B ₃ Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC ₁ , CCC ₂ , CCC ₃ Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS

(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) (Triple A) Highest Safety	Loans/facilities rated AAA (Lr) are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* (Double A) High Safety	Loans/facilities rated AA (Lr) are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) Adequate Safety	Loans/facilities rated A (Lr) are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) (Triple B) Moderate Safety	Loans/facilities rated BBB (Lr) are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) (Double B) Inadequate Safety	Loans/facilities rated BB (Lr) are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) High Risk	Loans/facilities rated B (Lr) are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) Very High Risk	Loans/facilities rated CCC (Lr) are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
CC (Lr) Extremely High Risk	Loans/facilities rated CC (Lr) are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) Near to Default	Loans/facilities rated C (Lr) are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
D (Lr) Default	Loans/facilities rated D (Lr) are in default or are expected to default on scheduled payment dates.

*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS

(All loans/facilities with original maturity within one year)

RATINGS	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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SAIF POWERTEC LIMITED

Rupayan Center (8th floor), 72 Mohakhali C/ A, Dhaka 1212.
Phone: 880-2-9825705, 9891562, 9891597, 9856358-9, Fax: 880-2-9855949,
Email: saifop@bdmail.net, Web: www.saifpowertecLtd.com

Folio/BO Account No :
Name :
Address :

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its meeting recommended to issue **116,295,348** Ordinary Shares as rights shares of **Tk.10.00** each at an issue price of **Tk.15.00** each including a premium of **Tk.5.00** per share on the basis of **01[R]:01** i.e. 01 (one) Rights Share for every 01 (one) existing share held, which was approved by the Shareholders in the Annual General Meeting (AGM) held on December 18, 2016. As a registered Shareholder as on **February 07, 2017** (Record date for entitlement), you are entitled to subscribe your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ **Tk.15.00 each**, including a premium of **Tk. 5.00** per share and to be deposited with any of the Branches of Bankers to the Issue during Companying hours from **February 28, 2017 to March 20, 2017** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "**Saif Powertec Limited**" and must be drawn on a Company in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above **Tk.1.00** lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and /or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **March 20, 2017** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

Tarafder Md. Ruhul Amin
Managing Director

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেলে ও বুরো বিনিয়োগ করুন”

Application Form-A



SAIF POWERTEC LIMITED

Rupayan Center (8th floor), 72 Mohakhali C/ A, Dhaka 1212.
Phone: 880-2-9825705, 9891562, 9891597, 9856358-9, Fax: 880-2-9855949,
Email: saifop@bdmail.net, Web: www.saifpowertec Ltd.com

Rights Offer of **116,295,348** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.15.00** each including a premium of Tk.5.00 per share, totaling **Tk.1,744,430,220.00** offered on the basis of **01[R]:01**, i.e. 01 (one) Rights Share for every 01 (one) existing share held on the record date **February 07, 2017**.

SUBSCRIPTION STATUS	
Opens on	Closes on
February 28, 2017	March 20, 2017
Within banking hours both days inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
Saif Powertec Limited
Rupayan Center (8th floor),
72 Mohakhali C/ A, Dhaka 1212

Dated:/...../2017

Application Sl. No. #
(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ **Tk.15.00** each (including a premium of Tk.5.00) per share in cash or by Draft/Pay order/Cheque on.....dated.....drawn on Bank..... Branch.

Holder's Folio/BO Account No.	No. of Shares held at the close of business on February 07, 2017	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

- Name (in block letters) : _____
Address : _____ **Signature**
- Name (in block letters) : _____
Address : _____ **Signature**

BO Account No.																			
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As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received with thanks Tk.....(Taka.....) only from
Mr./Ms.....Folio/BO Account
No.....for.....no.(s) of rights shares of **Saif Powertec Limited** in
Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer
Date:

BANKERS TO THE ISSUE OF RIGHTS ISSUE OF SAIF POWERTEC LIMITED

List of Bankers To The Issue of Rights Issue

BRAC Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Asad Gate Branch	1 no. Asad Gale, Dhaka 1207
	2	Bashundhara Branch	Holding-193, Block-B, Safwan Road, Basundhara R/A, Dhaka
	3	Donia Branch	342 Donia, Biswa Road, Dhaka-1236
	4	Eskaton Branch	Shahnaz Tower, 9, New Eskaton Road, Dhaka
	5	Bashabo Branch	Doric Hakim Tower, House # 213, Road # 19, Atish Dipankar Road, Middle Bashabo, Shabujbag, Dhaka
	6	Mirpur Branch	Plot No 3, Road No 3, Block-A, Sector-11, Mirpur, Dhaka
	7	Narayanganj Branch	147 B B Road, Narayanganj 1400
	8	Nawabpur Branch	172 Nawabpur Road (1st Floor), Dhaka
	9	Rampura Branch	455/1 West Rampura, Dhaka-1219
	10	Shyamoli Branch	19-20, Ring Road, Shyamoli, Dhaka
	11	Uttara Branch	Holse No 1, Road No 15, Sector No 3, Uttara, Dhaka
Chittagong	12	Agrabad Branch	Progoti House, 1070 Sheikh Mujib Road, Agrabad, Chittagong
	13	CDA Avenue Branch	Hosna Kalam complex, CDA Avenue, East Nasirabad, Chittagong
	14	Halisohor Branch	House-12, Road-1, Halishar Housing Estate, Chittagong
	15	Kazirdeuri Branch	18 S S Khalid Road, Kazir Deori, Khulshi, Chittagong
	16	Momin Road Branch	02, Momin Road, Jamal Khan, Chittagong
Rajshahi	17	Bogra Branch	Sheikh Mansion, 368/405, Rangpur Road, Barogola, Bogra
	18	Rajshahi Branch	House # F-695, Kumarpara, P.O-Ghoramara, Rajshahi
Khulna	19	Jessore Branch	1 Hatkhola (M.K) Road, Jessore-7400
	20	Khulna Branch	"The Daily Probaho Bhaban", KDA Avenue, Khulna
Barisal	21	Barisal Branch	F. Rahman Market, 79, Sadar Road, Barisal- 8200
Sylhet	22	Zindabazar Branch	New Golden City Complex, East Zindabazar, Sylhet.

Investment Corporation of Bangladesh			
Region	Sl. No.	Branch	Address
Dhaka	1	Head Office	NSc Tower (12 th – 13 th Floors), 62/3 Purana Paltan, Dhaka-1000
	2	Local Office	Kashfia Plaza, 35/C, Nayapaltan, VIP Road, Dhaka-1000
Chittagong	3	Chittagong Branch	Delwar Bhaban (3 rd Floor), 104, Agrabad Commercial Area, Chittagong
Rajshahi	4	Rajshahi Branch	Dr. Gaffar Plaza (2 nd Floor), Main Road, Shaheb Bazar, Rajshahi-6100
	5	Bogra Branch	Afsar Ali Complex, Rajabazar, Barogola, Bogra
Khulna	6	Khulna Branch	Shilpa Bank Bhaban, 25-26, K.D.A. Commercial Area, Khulna
Barisal	7	Barisal Branch	87/88, Hemahyet Uddin Road, Barisal
Sylhet	8	Sylhet Branch	Anondo Tower, Jail road, Sylhet

Prime Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Foreign Exchange Branch	Al-Haj Mansion, 82, Motijheel C/A, Dhaka -1000
	2	SBC Tower Branch	Sadharan Bima Tower (Ground Floor) 37/A, Dilkusha C/A, Dhaka
	3	Moulvi Bazar Branch	77/4, Moulvi Bazar, Dhaka-1100
	4	Baridhara Branch	Concord I-K Tower, Plot# 02, Block# CEN(A) North Avenue, Gulshan-2 Dhaka-1212
	5	Elephant Road Branch	Ananta Plaza, 136, Elephant Road, Dhaka-1205
	6	Mouchak Branch	Manhattan Tower (1st Floor), 83, Siddheswari Circular Road, Malibagh, Dhaka-1217
	7	Banasree Branch	Arcadia, Plot No.-14, Block No.-C, Main Road, Banasree, Dhaka
	8	Ring Road Branch	Baitul Aman Tower (1st Floor), Holding No: 840-841, Uttar Adabor, Dhaka
	9	Dhanmondi Branch	Momtaf Plaza (1st floor), House No # 7, Road No # 4, Dhanmondi R/A, Dhaka
	10	Uttara Branch	Siaam Tower, Plot # 15, Sector # 03, Uttara Model Town, Dhaka
	11	Bijoy Nagar Branch	Akram Tower (1st floor), 15/5, Bijoy Nagar (Sayed Nazrul Islam Saroni), Dhaka-1000
	12	Ibrahimpur Branch	Sumona Sahadat Center, 80, Ibrahimpur, Kafrul, Dhaka-1206
	13	Panthapath Branch	Firoz Tower, 152/3-B, Green Road, Panthapath, Dhaka-1205
	14	Tejgaon Branch	Shanta Western Tower, Level-02, 186, Bir Uttam Mir Shawkat Sarak, Dhaka-1208
	15	Pragati Sarani Branch	Facilities Tower, Kha-199/2, Maddhya Badda, Dhaka

	16	Mohakhali Branch	69, Mohakhali C/A, Dhaka-1212
	17	Pallabi Branch	Setaras Dream(1st Floor), Holding No: 1/11 & 1/12, Pallabi, Mirpur, Dhaka
	18	Tongi Branch	Sena Kalyan Commercial Complex (1st Floor), Plot # 9, Block #F, Tongi, Gazipur
	19	Ganakbari Branch	Somsher Plaza, Balibhadra Bazar Bus Stand, Dhamsona, Ganakbari, Savar, Dhaka-1340
	20	Wari Branch	Tanin Roseate (1st floor), 43 Ranking Street, Wari, Dhaka
	21	Savar Branch	KK Plaza (1st floor), Holding # A-91, Word # 5, Savar Bazar Road, Savar, Dhaka
	22	Joydevpur Chowrasta Branch	Shapla Mansion, Joydevpur Chowrasta, Chandana Dhaka-Tangail Road, Gazipur
	23	Narayangonj Branch	Modern Model Complex, 56, S.M. Maleh Road, Narayanganj-1400
	24	Tangail Branch	Holding No: 414-417, Main Road, Tangail
	25	Madhabdi Branch	Plot # 17, Madhabdi Bazar, Narsingdi-1604
	26	Shimrail Branch	Hazi A Rahman Super Market & Shopping Tower (1st Floor), Holding # 96, Shimrail Morr, Chittagong Road Chowrasta, Shanarpar, Siddirgonj, Narayanganj
Chittagong	27	Comilla Branch	Holding No: 10/8, Ward#12, Chatpatty (Gangagonj), Kotowali, Comilla
	28	Jubilee Road Branch	Pedrollo Plaza, 5, Jubilee Road, Chittagong -4000
	29	IBB O.R. Nizam Road	O.R. Nizam Road, 739/804 CDA Avenuc, Bagmoniram, Chittagong
	30	Laldighi East Branch	8, Laldighi East, Chittagong
	31	Cox's Bazar Branch	Hajera Shopping Center, Holding # 256, Main Road, Cox's Bazar
	32	Halishahor branch	Nandita House (1st & 2nd Floor), Plot No. # 5/A, Lane # 2, Road # 2, Block # G, Halishahar Housing Estate, Double Mooring, Chittagong
Rajshahi	33	Rajshahi Branch	138/144, Shaheb Bazar, Rajshahi-6100
	34	Bogra Branch	331/364, Rangpur Road, Borogola, Bogra-5800
	35	Pabna Branch	423/1, Sonapatti Road, Pabna
Khulna	36	Jessore Branch	47, Netaji Subhas Chandra Road, Jessore town, Jessore-7400
	37	Khulna Branch	7, Old Jessore Road, Khulna -9100
	38	Satkhira Branch	Islam Plaza, Abul Kashem Road, Satkhira
Sylhet	39	IBB Amberkhana	Nabiba Complex, Amberkhana Airport Road, Sylhet-3100
	40	Court Road Branch	Court Road, Moulvi Bazar -3200
	41	Subidbazar Branch	Corner View (1st floor, west side), Plot No: 488(SA),2155(RS), Sylhet
Rangpur	42	Rangpur Branch	Shah-Amanat Super Market (1st Floor), 268 Station Road, Jahaj Companier More, Rangpur

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেনে ও বুঝে বিনিয়োগ করুন”

Renunciation Form-B



SAIF POWERTEC LIMITED

Rupayan Center (8th floor), 72 Mohakhali C/ A, Dhaka 1212.
Phone: 880-2-9825705, 9891562, 9891597, 9856358-9, Fax: 880-2-9855949,
Email: saifop@bdmail.net, Web: www.saifpowertec Ltd.com

Rights Offer of **116,295,348** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.15.00** each including a premium of **Tk.5.00** per share, totaling **Tk.1,744,430,220.00** offered on the basis of **01[R]:01**, i.e. 01 (one) Rights Share for every 01 (one) existing share held on the record date **February 07, 2017**.

SUBSCRIPTION STATUS	
Opens on	Closes on
February 28, 2017	March 20, 2017
Within banking hours both days inclusive	

FORM OF RENUNCIATION

(যার বিত্তে শেয়ার আছে তার জন্য প্রযোজ্য)

The Managing Director
Saif Powertec Limited
Rupayan Center (8th floor),
72 Mohakhali C/ A, Dhaka 1212

Dated:/...../2017

Application Sl. No. # (Bank's Seal)
--

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in application by renounee(s) and apply for allotment in his/her/their name(s).

Holder's Folio/BO Account No. (যার বিত্তে শেয়ার আছে তার জন্য প্রযোজ্য)	No. of Shares held at the close of business on February 07, 2017	No. of Shares offered	No. of Shares Renounced	Value of Shares Renounced

Yours faithfully,

- Name (in block letters) : _____
Address : _____
Signature
- Name (in block letters) : _____
Address : _____
Signature

Name(s) of Renounee(s) (যার বিত্তে শেয়ার যাবে তার জন্য প্রযোজ্য)	BO A/C No.
1 Name: _____	_____
2 Name: _____	_____

N.B. Use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেনে ও বুঝে বিনিয়োগ করুন”

Renunciation Form-C



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Phone: 880-2-9825705, 9891562, 9891597, 9856358-9, Fax: 880-2-9855949,
Email: saifop@bdmail.net, Web: www.saifpowertec Ltd.com

APPLICATION BY RENOUNCEE(S)

(যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)

The Managing Director
Saif Powertec Limited
Rupayan Center (8th floor),
72 Mohakhali C/ A, Dhaka 1212.

Dated:/...../2017

Application Sl. No. #
(Bank's Seal)

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. being the value ofShare @ **Tk.15.00** each (including a premium of Tk.5.00) per share.

Yours faithfully,

1	Signature:	2	Signature:
Name (in block letters):		Name (in block letters):	
S/O. D/O. W/O.:		S/O. D/O. W/O.:	
Address:		Address:	
BO No.		BO No.	

(যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer(s): (যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)	1	2
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As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s). Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

(যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)

Received with thanks Tk.....(Taka.....) only
from Mr./Ms.....Folio/BO Account
No.....for.....no.(s) of rights shares of **Saif Powertec Limited** in
Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer
Date: