

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

**“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”**

Public offer of 13,930,348 ordinary shares, from which 60% i.e. 8,333,333 ordinary shares are reserved for Eligible Investors (EIs) at cut-off price of Tk. 75.00 and remaining 40% i.e. 5,597,015 ordinary shares at a 10% discounted from the cut-off price of Tk. 67.00 per share for General Public including NRB and Others totaling Tk. 1,000,000,000 approximately.

Issue Date of Prospectus: **January 06, 2019**

Opening date for subscription: **January 31, 2019**

Closing date for subscription: **February 10, 2019**

## Prospectus

### ISSUER



#### Runner Automobiles Limited

138/1, Tejgaon I/A, Tejgaon, Dhaka 1208

Telephone: 8870160, Fax: 8870164, 8870174, Website: [www.runnerbd.com](http://www.runnerbd.com)

### ISSUE MANAGER



#### IDLC Investments Limited

D R Tower (4<sup>th</sup> Floor), 65/2/2 Bir Protik Gazi Golam Dostogir Road  
Purana Paltan, Dhaka 1000

Telephone: 16409, +8809609994352, Fax: 9571171, Website: [www.idlc.com](http://www.idlc.com)

### Credit Rating Status

Particulars	Long Term	Short Term
Entity Rating	A <sub>2</sub>	ST-3
Date of Rating	October 26, 2017	October 26, 2017
Validity of Rating	November 30, 2018	November 30, 2018
Rating By	<b>Credit Rating Agency of Bangladesh Limited</b>	

## Preliminary Information and Declarations

<b>Company</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>Runner Automobiles Limited</b> 138/1, Tejgaon I/A Tejgaon, Dhaka1208	<b>Muhammad Nazrul Islam FCA</b> Chief Financial Officer  <b>Md. Mizanur Rahman</b> Company Secretary	Tel: 8870160 Fax: 8870164, 8870174 E-mail: nazrul@runnerbd.com mizan@runnerbd.com Website: www.runnerbd.com
<b>Manager to the Issue</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>IDLC Investments Limited</b> D R Tower (4th Floor) 65/2/2 Bir Protik Gazi Golam Dostogir Road, Purana Paltan Dhaka 1000	<b>Md. Moniruzzaman, CFA</b> Managing Director	Tel: 16409, +8809609994352 Fax: 9571171 E-mail: mzaman@idlc.com Website: www.idlc.com
<b>Registrar to the Issue</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>LankaBangla Investments Limited</b> City Center, Level – 24 90/1 Motijheel C/A, Dhaka 1000	<b>Hassan Zabed Chowdhury</b> Chief Executive Officer	Tel: 9512621 Fax: 9561107 E-mail: zabed@lankabangla-investments.com Website: www.lankabangla-investments.com
<b>Underwriters</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>IDLC Investments Limited</b> D R Tower (4th Floor) 65/2/2 Bir Protik Gazi Golam Dostogir Road, Purana Paltan Dhaka 1000	<b>Md. Moniruzzaman, CFA</b> Managing Director	Tel: 16409, +8809609994352 Fax: 9571171 E-mail: mzaman@idlc.com Website: www.idlc.com
<b>IIDFC Capital Limited</b> Eunoos Trade Center (Level 7) 52-53 Dilkusha C/A, Dhaka 1000	<b>Mohammad Saleh Ahmed</b> Chief Executive Officer	Tel: 9514637-8 Fax: 9514641 Email: icl@iidfc.com Website: www.iidfc.com
<b>LankaBangla Investments Limited</b> City Center, Level – 24 90/1 Motijheel C/A, Dhaka 1000	<b>Hassan Zabed Chowdhury</b> Chief Executive Officer	Tel: 9512621 Fax: 9561107 E-mail: zabed@lankabangla-investments.com Website: www.lankabangla-investments.com
<b>Auditor</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>Hoda Vasi Chowdhury &amp; Co. Chartered Accountants</b> BTMC Bhaban (8th Floor) 7-9, Kawran Bazar Dhaka 1215	<b>Sabbir Ahmed, FCA</b> Partner	Tel: 8121114, 9120090 Fax: 8119298 E-mail: sabbir@hodavasi.com Website: www.hodavasi.com
<b>Credit Rating Company</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>Credit Rating Agency of Bangladesh Limited (CRAB)</b> D H Tower, Level 15 6 Panthapath, Dhaka 1215	<b>Mohammed Tajul Islam</b> Senior Vice President & Chief Rating Officer	Tel: 55013678-79 Fax 55013679 E-mail: info@crab.com.bd Website: www.crab.com.bd
<b>Valuer</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>Rahman Rahman Huq</b> 9 Mohakhali C/A (11th & 12th floors) Bir Uttam AK Khandakar Rd Dhaka	<b>Ali Ashfaq, FCA</b> Partner	Tel: 988 6450-2 Fax: 9886449 E-mail: aashfaq@kpmg.com Website: www.kpmg.com/bd

A person interested to get a prospectus may obtain from the issuer, and the issue manager.

**“If you have any query about this document, you may consult the issuer, issue manager and underwriter”**

“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY).”

### **Risks in relation to the First Issue**

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk 75, i.e. ‘7.5-times’ of the face value. The issue price has been determined and justified by the issuer and the issue manager or bidding by the eligible investors as stated under the paragraph on “Justification of Issue Price” should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

### **General Risk**

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘risk factors’ given on page number(s) 168-176"

### **Issuer’s Absolute Responsibility**

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

## Availability of the Prospectus

Prospectus of Runner Automobiles Limited may be obtained from following addresses

<b>Company</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>Runner Automobiles Limited</b> 138/1, Tejgaon I/A Tejgaon, Dhaka 1208	<b>Muhammad Nazrul Islam FCA</b> Chief Financial Officer  <b>Md. Mizanur Rahman</b> Company Secretary	Tel: 8870160 Fax: 8870164, 8870174 Email: nazrul@runnerbd.com mizan@runnerbd.com Website: www.runnerbd.com
<b>Manager to the Issue</b>	<b>Contact person</b>	<b>Contact Number</b>
<b>IDLC Investments Limited</b> D R Tower (4th Floor), 65/2/2 Bir Protik Gazi Golam Dostogir Road Purana Paltan, Dhaka 1000	<b>Md. Moniruzzaman, CFA</b> Managing Director	Tel: 16409, +8809609994352 Fax: 9571171 Email: mzaman@idlc.com Website: www.idlc.com
<b>Stock Exchanges</b>	<b>Available at</b>	<b>Contact Number</b>
<b>Dhaka Stock Exchange Limited</b> 9/F Motijheel C/A, Dhaka 1000	DSE Library	Tel: 9564601,9576210-18 Fax: 9564727, 9569755 Website: www.dsebd.org
<b>Chittagong Stock Exchange Limited</b> CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong 4100	CSE Library	Tel: 031-720871-3 031-714632-3 Fax: 031-714101 Website: www.cse.com.bd

Prospectus would also be available on the web site of BSEC ([www.sec.gov.bd](http://www.sec.gov.bd)), DSE ([www.dsebd.org](http://www.dsebd.org)), CSE ([www.cse.com.bd](http://www.cse.com.bd)), Runner Automobiles Limited ([www.runnerbd.com](http://www.runnerbd.com)) and Issue Manager ([www.idlc.com](http://www.idlc.com)) and Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

### Publication of abridged version of prospectus

<b>SI No</b>	<b>Name of Newspaper</b>	<b>Date of Publication</b>
1.	The Financial Express	January 06, 2019
2.	New Age	January 06, 2019
3.	Bonik Barta	January 06, 2019
4.	Amader Shomoy	January 06, 2019

## Definitions and Acronyms/Elaborations

<b>A</b>		<b>L</b>	
<b>Allotment</b>	Allotment of shares	<b>LC</b>	Letter of Credit
<b>B</b>		<b>N</b>	
<b>BAS</b>	Bangladesh Accounting Standards	<b>NAV</b>	Net Asset Value
<b>BFRS</b>	Bangladesh Financial Reporting Standards	<b>NBR</b>	National Board of Revenue
<b>BDT</b>	Bangladeshi Taka	<b>NRB</b>	Non Resident Bangladeshi
<b>BO Account</b>	Beneficiary Owner's Account	<b>N/A</b>	Not Applicable
<b>BSEC</b>	Bangladesh Securities and Exchange Commission		
<b>C</b>		<b>P</b>	
<b>CAGR</b>	Compound Annual Growth Rate	<b>P/NAV</b>	Price to Net Asset Value
<b>CC</b>	Cubic Centimeter	<b>PE</b>	Price to Earnings
<b>CDBL</b>	Central Depository Bangladesh Limited		
<b>CDC</b>	Commonwealth Development Corporation		
<b>CFO</b>	Chief Financial Officer		
<b>CIB</b>	Credit Information Bureau	<b>R</b>	
<b>Companies Act</b>	The Companies Act, 1994	<b>RAL/ Issuer</b>	Runner Automobiles Limited
<b>CRAB</b>	Credit Rating Agency of Bangladesh Limited	<b>RJSC</b>	Registrar of Joint Stock Companies and Firms
<b>CSE</b>	Chittagong Stock Exchange Limited		
<b>D</b>		<b>S</b>	
<b>DSE</b>	Dhaka Stock Exchange Limited	<b>Sponsors</b>	Sponsor shareholders of the company
		<b>SRO</b>	Statutory Regulatory Order
<b>E</b>		<b>T</b>	
<b>Exchanges</b>	Stock Exchanges	<b>TIN</b>	Tax Identification Number
<b>F</b>		<b>U</b>	
<b>FC Account</b>	Foreign Currency Account	<b>USD</b>	United States Dollar
<b>FDR</b>	Fixed Deposit Receipt		
<b>FMO</b>	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	<b>V</b>	
<b>FY</b>	Fiscal Year	<b>VAT</b>	Value Added Tax
<b>G</b>			
<b>GBP</b>	Great Britain Pound		
<b>GOB</b>	Government of Bangladesh		
<b>H</b>		<b>I</b>	
<b>HS Code</b>	Harmonized System Code	<b>IFC</b>	International Finance Corporation
		<b>IPO</b>	Initial Public Offering
		<b>Issue Manager/IDLC</b>	IDLC Investments Limited

## Certain Defined Terms and Conventions

In this Prospectus, all references to:

- “Articles” or “Articles of Association” refer to our articles of association;
- “Bangladesh” or “Bangladeshi” refer to the People’s Republic of Bangladesh and the “Bangladeshi Government” or “Government” refer to the Government of the People’s Republic of Bangladesh;
- “Banker to the Issue” refers to a bank to collect money as subscription against security;
- “BAS” refers to Bangladesh Accounting Standards;
- “BFRS” refers to Bangladesh Financial Reporting Standards;
- “Board” or “Board of Directors” refer to our Board of Directors;
- “Commission” means the Bangladesh Securities and Exchange Commission (BSEC) established under the Securities & Exchange Commission Act 1993 (Act No. XV of 1993);
- “Companies Act” refers to the Companies Act, 1994 (Act No. XVIII of 1994);
- “Depository Act” refer to the Depository Act, 1999, as amended;
- “IDLC” or “Issue Manager” refers to IDLC Investments Limited;
- “Initial Public Offering” means first offering of security by an issuer to the general public;
- “Issuer” means any person who has issued or proposes to issue any security;
- “Merchant Banker” means person who, on behalf of client, undertakes fund management or is in underwriting business, or is involved with securities as underwriter, manager or adviser or provides service as corporate adviser in respect of performing all activities relating to issue management;
- “Memorandum” or “Memorandum of Association” refer to our memorandum of association;
- “NAV” refers to Net Asset Value;
- “Non-Resident Bangladeshi (NRB)” refers to an expatriate Bangladeshi or who has dual citizenship or possesses a foreign passport bearing an endorsement from the concerned Bangladesh Embassy to the effect that no visa is required for him to travel Bangladesh;
- “Offering Price” refers to issue price of the ordinary shares of Runner Automobiles Limited;
- “Public Issue” means to public issue of security through initial public offering or repeat public offering;
- “Runner Automobiles Limited”, “RAL”, the “Company”, the “Issuer”, “we”, “our”, “ourselves”, or “us” refer to Runner Automobiles Limited, a public limited company incorporated in Bangladesh;
- “Securities” refer to shares of Runner Automobiles Limited;
- “Stock Exchange” means any person who maintains or provides a market place or facilities for bringing together buyers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a Stock Exchange, as that term is generally understood, and includes such market place and facilities;
- “Taka”, “Tk.” Or “BDT” refer to the legal currency of Bangladesh, “U.S dollar”, “US\$” or “USD” refer to the legal currency of the United States of America.

## Table of Contents

Particulars		Page No.
<b>Section I: Executive Summary</b>		<b>1-7</b>
(a)	About the industry	1
(b)-	About the Issuer	1
(c)	Financial Information	2
(d)	Features of the issue and its objects	2
(e)	Legal and Other Information	2
(f)	Promoters' background	2
(g)	Capital structure and history of capital raising	6
(h)	Summary of valuation report of securities	6
(i)	Others	7
<b>Section II: Conditions Imposed by Commission in the Consent Letter</b>		<b>8-14</b>
	Disclosure in respect of issuance of security in Dematerialized Form	8
	Conditions Imposed by Commission Under Rule 4(2) of the Bangladesh Securities And Exchange Commission (Public Issue) Rules, 2015	8
<b>Section III: Declaration and Due Diligence Certificates</b>		<b>15-20</b>
Annex- A	Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the prospectus	15
Annex- B	Due diligence certificate of the manager to the issue	16
Annex- C	Due diligence certificate of the underwriter(s)	18
<b>Section IV: About the Issuer</b>		<b>21-22</b>
(a)	Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address	21
(b)	The names of the sponsors and directors of the issuer	21
(c)	The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses	22
(d)	The name(s) of the stock exchanges where the specified securities are proposed to be listed	22
<b>Section V: Corporate Directory of the Issuer</b>		<b>23</b>
<b>Section VI: Description of the Issuer</b>		<b>24-109</b>
	<b>Summary</b>	
(a)	(i) The summary of the industry and business environment of the issuer	24
	(ii) Summary of consolidated financial, operating and other information	25
	<b>General Information</b>	
	(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer	26
	(ii) The board of directors of the issuer	28
	(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer	28
(b)	(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer	29
	(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.	29
	(vi) (a) The names of all the credit rating agencies from which credit rating has been obtained	30

Particulars			Page No.
	(b)	The details of all the credit ratings obtained for the issue and the issuer	30
	(c)	The rationale or description of the rating(s) so obtained, as furnished by the credit rating agency(s)	30
	(d)	Observations and risk factors as stated in the credit rating report	30
	(vii)	(a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them	31
		(b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations	31
		(c) Major terms and conditions of the underwriting agreements	32
	<b>Capital Structure</b>		
	(i)	Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration)	33
	(ii)	Size of the present issue, with break-up (number of securities, description, nominal value and issue amount)	33
	(iii)	Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue)	33
	(iv)	Category-wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any)	34
	(v)	Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue	34
	(vi)	Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted	38
	(vii)	Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued	38
(c)	(viii)	If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof	39
	(ix)	The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue	39
	(x)	The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them	40
	(xi)	The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the red-herring prospectus or prospectus or information memorandum	44
	(xii)	The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument	44

Particulars		Page No.
	(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned	44
	<b>Description of Business</b>	
	(i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in	45
	(ii) Location of the project	47
	(iii) Plant, machinery, technology, process, etc.	47
	(iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.	48
	(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data	48
	(vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues	48
	(vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof	49
	(viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any	49
	(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors	49
	(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption	50
(d)	(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption	50
	(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof	51
	(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof	51
	(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors	51
	(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates	52
	(xvi) Description of any material patents, trademarks, licenses or royalty agreements	54
	(xvii) Number of total employees and number of full-time employees	54
	(xviii) A brief description of business strategy	54
	(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels	54
	<b>Description of Property</b>	
(e)	(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof	55

Particulars		Page No.
	(ii) Whether the property is owned by the company or taken on lease	55
	(iii) Dates of purchase, last payment date of current rent and mutation date of lands, deed value and other costs including details of land development cost, and current use thereof	56
	(iv) The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof	59
	(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required	60
	(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee	60
	(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment	61
	(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value	64
	(ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.	82
	(x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned	82
	(xi) If plant is purchased in brand new condition then it should be mentioned	82
	(xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission	82
	(xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission	82
	(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with	86
	(xv) Full description of other properties of the issuer	86
	<b>Plan of Operation and Discussion of Financial Condition</b>	
	(a) Internal and external sources of cash	87
	(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure	88
	(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income	88
	(d) Any seasonal aspects of the issuer's business	89
	(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business	89
(f)	(f) Any assets of the company used to pay off any liabilities	89
	(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same	89
	(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer	89
	(i) The estimated amount, where applicable, of future capital expenditure	89
	(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter	89

Particulars		Page No.
(k)	Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected	90
(l)	Details of all personnel related schemes for which the company has to make provision for in future years	91
(m)	Break down of all expenses related to the public issue	92
(n)	If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission	93
(o)	Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor	97
(p)	Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors: 1. Date of Incorporation 2. Nature of Business 3. Equity Capital 4. Reserves 5. Sales 6. Profit after tax 7. Earnings per share and Diluted Earnings Per Share 8. Net Asset Value	98
	9. The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange	101
	10. Information regarding significant adverse factors relating to the group	101
	11. Any of the group companies has become sick or is under winding up	101
	12. The related business transactions within the group and their significance on the financial performance of the issuer	101
	13. Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions	101
(q)	Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer	101
(r)	A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares	102
(s)	Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public	103
(t)	Business strategies and future plans	103
(u)	Discussion on the results of operations shall inter-alia contain the following:	

Particulars		Page No.
	1. A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure	104
	2. A summary of major items of income and expenditure	105
	3. The income and sales on account of major products or services	105
	4. In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or nonrecurring	105
	5. If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations	105
	6. In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed	105
	Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:	105
	1. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.	106
	2. Significant economic changes that materially affect or are likely to affect income from continuing operations	106
(v)	3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations	106
	4. Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known	106
	5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices	107
	6. Total turnover of each major industry segment in which the issuer operated	107
	7. Status of any publicly announced new products or business segment	107
	8. The extent to which the business is seasonal	107
(w)	Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company	107
(x)	Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors	107
(y)	Injunction or restraining order, if any, with possible implications	107
(z)	Technology, market, managerial competence and capacity built-up	107
(aa)	Changes in accounting policies in the last three years	108
(bb)	Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the red-herring prospectus or prospectus or information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months	109
(cc)	If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information	109

Particulars		Page No.
	memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;	
(dd)	Factors that may affect the results of operations	109
<b>Section VII: Management's Discussion and Analysis of Financial Condition</b>		<b>110-112</b>
(a)	Overview of business and strategies	110
(b)	SWOT ANALYSIS	110
(c)	Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before and after tax, EPS etc.	111
(d)	Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business	112
(e)	Trends or expected fluctuations in liquidity	112
(f)	Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition	112
<b>Section VIII: Directors and Officers</b>		<b>113-127</b>
(a)	Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him	113
(b)	The date on which he first became a director and the date on which his current term of office shall expire	114
(c)	If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations	114
(d)	Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer	117
(e)	Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse' sister) among the directors and top five officers	117
(f)	A very brief description of other businesses of the directors	117
(g)	Short bio-data of each director	119
(h)	Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank	121
(i)	Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included	121
(j)	Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed	122
(k)	A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or	123

<b>Particulars</b>		<b>Page No.</b>
	posts held in the past, directorship held, other ventures of each sponsor and present position	
(l)	If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.	126
(m)	If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed	126
(n)	Interest of the key management persons	126
(o)	All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary	126
(p)	Number of shares held and percentage of shareholding (pre issue)	126
(q)	Change in board of directors during last three years	127
(r)	Director's engagement with similar business	127
<b>Section IX: Certain Relationships and Related Transactions</b>		<b>128-130</b>
(a)	The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely : (i) Any director or sponsor or executive officer of the issuer (ii) Any person holding 5% or more of the outstanding shares of the issuer (iii) Any related party or connected person of any of the above persons	128
(b)	Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus	130
(c)	Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan. and present outstanding of such loan	130
<b>Section X: Executive Compensation</b>		<b>131-132</b>
(a)	The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer	131
(b)	Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year	131
(c)	If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year	131
(d)	The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM	131
(e)	Any contract with any director or officer providing for the payment of future compensation	132
(f)	If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto	132
(g)	Any other benefit or facility provided to the above persons during the last accounting year	132
<b>Section XI: Options Granted to Directors, Officers and Employees</b>		<b>133</b>

<b>Particulars</b>		<b>Page No.</b>
<b>Section XII: Transaction with the Directors and Subscribers to the Memorandum</b>		<b>134-135</b>
(a)	The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received	134
(b)	If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them	135
<b>Section XIII: Ownership of the Company's Securities</b>		<b>136-154</b>
(a)	The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form	136
(b)	There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue	140
(c)	The average cost of acquisition of equity shares by the directors certified by the auditors	143
(d)	A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors or directors	144
(e)	Detail of shares issued by the company at a price lower than the issue price	154
(f)	History of significant (5% or more) changes in ownership of securities from inception	154
<b>Section XIV: Corporate Governance</b>		<b>155-160</b>
(a)	A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission	155
(b)	A compliance report of Corporate Governance requirements certified by competent authority	155
(c)	Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate	159
<b>Section XV: Valuation Report of Securities Prepared by the Issue Manager</b>		<b>161-163</b>
(i)	Net asset value at historical or current costs	162
(ii)	Earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation	162
(iii)	Average market price per share of similar stocks for the last one year immediately prior to the offer for common stocks with reference and explanation of the similarities or in case of repeat public offering, market price per share of common stock of the issuer for the aforesaid period	163
<b>Section XVI: Debt Securities</b>		<b>164</b>
<b>Section XVII: Parties Involved and their Responsibilities</b>		<b>165</b>
(a)	Issue manager(s)	165
(b)	Underwriters	165
(c)	Statutory Auditors	165
(d)	Cost Auditor	165
(e)	Valuer	165
(f)	Credit Rating Company	165

<b>Particulars</b>		<b>Page No.</b>
(g)	Registrar to the Issue	165
<b>Section XVIII: Material Contracts</b>		<b>166</b>
(a)	Major agreements entered into by the issuer	166
(b)	Material parts of the agreements	166
(c)	Fees payable to different parties	166
<b>Section XIX: Litigations, Fine or Penalty</b>		<b>167</b>
<b>Section XX: Risk Factors and Management's Perceptions about the Risks</b>		<b>168-176</b>
(i)	Internal risk factors	168
(ii)	External risk factors	173
<b>Section XXI: Description of the Issue</b>		<b>177-193</b>
(a)	Issue size	177
(b)	Number of securities to be issued	177
(c)	Authorized capital and paid-up capital	177
(d)	Face value, premium and offer price per unit of securities	177
(e)	Number of securities to be entitled for each category of applicants	177
(f)	Holding structure of different classes of securities before and after the issue	177
(g)	Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital	177
	List of EIs Allotment	178
<b>Section XXII: Use of Proceeds</b>		<b>194-204</b>
(a)	Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up	194
(b)	Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements	199
(c)	If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture	200
(d)	If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds	200
(e)	A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer	200
(f)	If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus	201
(g)	If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection	201

Particulars		Page No.
(h)	Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be	201
(i)	Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented	201
(j)	The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies	201
(k)	Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report	201
<b>Section XXIII: Lock-In</b>		<b>205-207</b>
(a)	Provisions for lock-in as per these Rules	205
(b)	Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked in	205
<b>Section XXIV: Markets for the Securities being Offered</b>		<b>208</b>
<b>Section XXV: Description of Securities Outstanding or being Offered</b>		<b>209</b>
(a)	Dividend, voting and preemption rights	209
(b)	Conversion and liquidation rights	209
(c)	Dividend policy	209
(d)	Other rights of the securities holders	209
<b>Section XXVI: Financial Statements</b>		<b>210-332</b>
(a)	Audited Financial Statement for the year ended June 30, 2017	211
(b)	Information as is required under section 186 of the Companies Act, 1994 relating to holding company	286
(c)	Selected ratios as specified in Annexure-D	300
(d)	Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the Companies Act 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation	303
	Auditor's Additional Disclosures related to Section 135	307
(e)	Financial spread sheet analysis for the latest audited financial statements	310
(f)	Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis.	312
(g)	All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share	312
(h)	Quarterly or half-yearly EPS should not be annualized while calculating the EPS	312
(i)	Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position	312
	Following statements for the last five years or any shorter period of commercial operation certified by the auditors:	313
(k)	(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued	314
	(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned	316

Particulars		Page No.
	amount, rate of interest, primary security, collateral or other security, re-payment schedule and status	
(iii)	Statement of unsecured loans with terms and conditions	322
(iv)	Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.	323
(v)	Statement of trade receivables showing receivable from related party and connected persons	324
(vi)	Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued	325
(vii)	Statement of other income showing interest income, dividend income, discount received, other non-operating income	326
(viii)	Statement of turnover showing separately in cash and through banking channel	327
(ix)	Statement of related party transaction	328
(x)	Reconciliation of business income shown in tax return with net income shown in audited financial statements	329
(xi)	Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel	330
(xii)	Confirmation that Bank Statements of the issuer are in conformity with its books of accounts	331
(xiii)	Statement of payment status of TAX, VAT and other taxes or duties	332
<b>Section XXVII: Credit Rating Report</b>		<b>333-347</b>
<b>Section XXVIII: Public Issue Application Procedure</b>		<b>348-351</b>
<b>Section XXIX: Others</b>		<b>352-383</b>
	Management's Additional Disclosures	352
	Auditor's Additional Disclosure	356
	Unaudited financial statements for the period ended March 31, 2018	367

## SECTION I: EXECUTIVE SUMMARY

### a) About the industry

The market for 2 Wheelers is on the rise in Bangladesh riding on an increase in disposable income among the general population. This is exemplified by the rise in the number of 2 Wheelers registered with Bangladesh Road Transport Association (BRTA) from 114,616 in 2011 to 249,138 during January to August 31, 2018 in the current year. During the last eight years the aggregate number of motorcycles registered more than doubled from 759,257 upto 2010 to 2,300,057 till August 31, 2018.<sup>1</sup> Sales of 2 Wheelers in the country have boomed in remote areas in particular, helped by financing schemes.

The automobile industry in Bangladesh is largely dominated by imported 2 Wheelers primarily from China, India and Taiwan. Recently local assembling has increased as local businesses have begun collaborations with foreign companies such as Hero, Yamaha, and Honda. There are 14-16 large marketers in Bangladesh, among them 5-6 have their own assembling facilities. Others are sole distributors or importers.

### b) About the issuer

**RUNNER** automobiles is pioneering 2 Wheelers manufacturer and assembler in Bangladesh. It has a state of the art factory on 3800 decimal of land in Bhaluka capable of producing at least 100,000 units in a year.

**RUNNER** has the highest sale in sub 100 cc 2 Wheelers with models ranging between 50cc to 150cc meeting the needs of customers of all incomes and profiles.

**RUNNER's** subsidiary Runner Motors Limited is one of the largest distributor in the trucks and light vehicles sector and sells a range of Volvo Eicher trucks.

**RUNNER** has a unique shareholding structure and board composition. One set of sponsors includes experts from the 2 Wheelers industry with in-depth knowledge about the market and its preferences. This group helps the board to make the right decision about products and marketing strategies. Another set of investors include the Frontier Fund, a private equity fund whose sponsors include international institutional investors such as the International Finance Corporation, and the Dutch development bank FMO. These investors have supported the Company in adopting best practice in the area of governance and environmental issues, and in bringing international industry expertise to the company.

**RUNNER** has strong board with an Audit Committee chaired by Johannes (Phil) N.H van Haarlem – an Independent Director who is a Dutch national with extensive experience in automobiles industries.

**RUNNER's** management team is led by Mukesh Sharma, Managing Director and Chief Executive Officer, who has strong engineering and marketing background with a rich 23+ years experience of working with world class 2 Wheelers manufacturers like Hero MotoCorp Ltd. (formerly Hero Honda Motors Ltd.). Apart from being a subject matter expert in Sales & Marketing, he has extensive knowledge in fields of Research & Development, New product Development, Quality Control Processes and Project Management.

**RUNNER** has successfully raised BDT 326 mn through private placement from 24 individual and institutional investors.

**RUNNER** produces 2 Wheelers at competitive prices. Recently BAJAJ Autos Ltd. of India appointed RAL as a distributor for famous BAJAJ RE brand (LPG, Diesel, Passenger and Cargo) 3 Wheelers (3W) in Bangladesh. Since incorporation, the Company has been organizing its dealer network and well covered service supports countrywide. RAL's product range varies from 50 cc to 150 cc with some 13 models of 2 Wheelers and scooters. The products are sold through dealers and Company Owned Company Operated (COCO) stores as well as directly to corporates, through tenders and online. The company's motorcycle brands are AD 80S, AD 80S Deluxe, Cheeta, F 100- 6A, DY 50, Bullet, Royal +, Knight Rider, Turbo, Turbo 125, Freedom, Kite, Kite+.

**RUNNER** is expanding its footprint into the international market. Currently, Runner motorcycles are being exported to Nepal. Runner will avail 10% cash incentive benefit for export of motorcycles in accordance with FE circular no-26 of Bangladesh Bank. The company has also received Import Permission (IP) for import of raw materials to manufacture motorcycles from 165cc to 500cc specifically for export to international market from the Ministry of Commerce through memo no. 26.00.0000.111.53.057.14-440.

**RUNNER** is an ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007 certified company.

<sup>1</sup> Source: <http://www.brta.gov.bd/site/page/74b2a5c3-60cb-4d3c-a699-e2988fed84b2/সারা-বাংলাদেশ-মোটরযান-নিবন্ধনের-সংখ্যা>

### c) Financial Information

Particulars	2016-17		2015-16	
	Stand alone	Consolidated	Stand alone	Consolidated (Restated)
Revenue	2,410,036,191	6,494,673,830	1,550,187,260	5,164,999,397
Gross profit	681,451,172	1,648,714,185	430,704,062	1,340,650,894
Operating expenses	(327,161,281)	(768,686,382)	(199,226,612)	(571,484,217)
Operating profit	354,289,891	880,027,803	231,477,450	769,166,678
Net profit before income tax	222,230,837	560,582,681	88,010,426	533,219,190
Net profit after tax	190,899,829	393,489,689	73,975,688	363,771,173
Profit for the year attributable to equity holders of the parent	-	303,319,719	-	252,463,357
EPS	2.03	3.22	0.81	2.78
Total Assets	6,286,968,758	13,800,401,400	5,661,470,895	12,499,180,745
Shareholder's Equity	4,005,614,226	5,246,918,730	3,814,714,398	4,943,599,011
Number of ordinary shares	94,202,921	94,202,921	94,202,921	94,202,921
NAV (with revaluation)	42.52	55.70	40.49	52.48
NAV (without revaluation)	28.76	41.94	26.72	38.70

### d) Features of the issue and its objects

Face Value	BDT 10.00		
Cut-off Price	BDT 75.00 including Tk. 65.00 as premium		
Public Offer Price (10% discount from cut off price)	BDT 67.00 including Tk. 57.00 as premium		
Number of Shares to be Issued subject to approval of regulatory authority	Eligible Investors (EIs)	General Public	Total
	8,333,333	5,597,015	13,930,348
Total issue size including premium subject to approval of regulatory authority	BDT 1,000,000,000		
Objectives of the Issue	IPO proceeds will be utilized in business expansion, repayment of bank loan and IPO expenses as described in Section XXII: Use of Proceeds of the Prospectus.		

### e) Legal and other Information

Runner Automobiles Limited is a public company limited by shares and is domiciled in Bangladesh. Initially established as a proprietorship business named M/S Runner, it was later incorporated as Runner Automobiles Limited with the Registrar of Joint Stock Companies and Firms in Bangladesh as a private company limited by shares on July 4, 2000 vide incorporation no C-40658 (17)/2000 under Companies Act, 1994. The company was converted into a public limited company on January 26, 2012 under the Companies Act, 1994. The denomination of face value of shares was converted to BDT 10 on December 26, 2011.

### f) Promoter's Background

There is no definition of promoter in Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

Sponsor means any person whose name appears as subscriber to the Memorandum and Articles of Association of a company.

The following persons were the subscribers to the Memorandum and Articles of Association at the time of incorporation of the company-

Sl. No.	Name
1.	Hafizur Rahman Khan
2.	Md. Mozammel Hossain
3.	Md. Mohammad Ali Deen
4.	Md. Jahurul Alam
5.	Taslim Uddin Ahmed
6.	Md. Amjad Ali
7.	Md. Sairul Islam
8.	Mohammad Nazim Uddin
9.	Sk. Abul Kalam Azad
10.	Md. Borhanul Ahasan Chowdhury
11.	Amir Hossain Khokon
12.	Md. Ahsan Sayed
13.	Rafiqul Islam Chowdhury
14.	Rabindranath Ghosh
15.	Manjarul Alam
16.	Anjuman Ara Begum
17.	Md. Shamsul Alam
18.	Parveen Alam
19.	Md. Rafiqul Islam

Their background is stated below-

**Hafizur Rahman Khan**  
**Chairman**

Hafizur Rahman Khan, born in 1955, is the Chairman of Runner Automobiles Limited. He completed his B. Com (Hons), M. Com (Management) from University of Rajshahi. After completion of his education he started his career in a private organization named Farmland Engineering Limited in 1978 where he served till 1983. Then, he joined HS Enterprise Limited and served there till 1999 as Director Operation. Subsequently, he established Runner Automobiles Limited and is actively involved in the operations of the company. He is one of the most experienced industrialists in the automobiles sector. Hafizur Rahman Khan has been selected as Commercially Important Person (CIP) for the period 2013-2014.

**Md. Mozammel Hossain**  
**Vice Chairman**

Md. Mozammel Hossain, born in 1955, is the Vice Chairman of Runner Automobiles Limited. He completed B. Com (Hons), M. Com (Marketing) from University of Dhaka. Upon completion of education he started his career in 1980 in Singer Bangladesh Limited and worked there till 1985. Then he joined HS Enterprise Limited and served there from 1985 to 1999 as General Manager (Marketing). He is actively involved in Runner Automobiles Limited since inception. He is one of the most experienced industrialists in the automobile and electronics sector.

**Mohammad Ali Deen**  
**Director**

Mohammad Ali Deen, born in 1956, is a shareholder Director of Runner Automobiles Limited and also a Member of Audit Committee of the company. He achieved his Bachelor of Science in 1978. He has 37 years of business experience in the automobile sector and various other business areas in Bangladesh. He is the Chairman of Deen Impex. In addition, he is currently serving as the Vice President of Commonwealth of Independent State-Bangladesh Chamber of Commerce & Industry (CIS-BCCI) and Director of International Business Forum of Bangladesh (IBFB). He is the Former President of Naogaon Chamber of Commerce & Industry, and Chartered President of Rotary Club of Naogaon (1994). In addition to his involvements with various business associations, he is actively engaged with different other sports, educational and socio-cultural activities. He is the First Vice President of Bangladesh Tennis Federation, Vice President of Naogaon Tennis Club, Executive Member of Bangladesh Olympic Association and a Permanent Member of Dhaka Club Ltd. He is serving as a Member of

Board of Trustees of Varendra University and Director of Bangladesh Automobile Assemblers and Manufacturing Association (BAAMA).

**Md. Jahurul Alam**  
**Director**

Md. Jahurul Alam, born in 1948, is a Director of Runner Automobiles Limited. He is a graduate in Science (Applied Chemistry) from University of Dhaka. He has 26 years of business experience in dealership (Sales & Service).

**Taslim Uddin Ahmed**  
**Director**

Taslim Uddin Ahmed, born in 1948, is a Director of Runner Automobiles Limited. He is a graduate in Science from Polytechnique Institutes of Dinajpur. He has more than 38 years' experience in 2 Wheelers marketing and selling.

**Md. Amjad Ali**  
**Sponsor**

Md. Amjad Ali, born in 1949 in Rajshahi, was a sponsor shareholder of Runner Automobiles Limited. He has completed M. Com (Management) from Rajshahi University and has widespread business experience of 34 years in two wheeler business. He is also the owner of Nupu Corporation & other business in the northern side of this country. However, currently he is no longer a shareholder of the company.

**Md. Sairul Islam**  
**Sponsor**

Md. Sairul Islam, born in 1963 in Bogra, is a sponsor shareholder of Runner Automobiles Limited. He is a Graduate from National University and involved in business. He has broad business experience of 27 years in two wheeler and Real Estate and has been leading this company sincerely from a long time.

**Mohammad Nazim Uddin**  
**Sponsor**

Mohammed Nazim Uddin, born in 1965 in Potia, Chittagong, is a sponsor shareholder of Runner Automobiles Limited. He has completed Diploma in Engineering from Chittagong Polytechnic Institute and involved in two wheeler business. He has an extensive business experience of 31 years in two wheeler out of total 35 years experience and has been leading this company sincerely from a long time.

**Sk. Abul Kalam Azad**  
**Sponsor**

Sk. Abul Kalam Azad, born in 1959 in Thakurgaon, was a sponsor shareholder of Runner Automobiles Limited. He is a Graduate from National University and involved in business along with two wheeler. He has an extensive business experience of 24 years in two wheeler out of total 28 years experience and has been leading this company sincerely from a long time. His long experience & tired less activities reach this company such a top position. However, currently he is no longer a shareholder of the company.

**Md. Borhanul Ahasan Chowdhury**  
**Sponsor**

Md. Borhanul Ahasan Chowdhury was a sponsor of Runner Automobiles Limited. However, currently he is no longer a shareholder of the company. However, currently he is no longer a shareholder of the company.

**Amir Hossain Khokon**  
**Sponsor**

Amir Hossain Khokon was a sponsor of Runner Automobiles Limited. However, currently he is no longer a shareholder of the company.

**Md. Ahsan Sayed**  
**Sponsor**

Md. Ahsan Sayed, born in 1969 in Naogaon, is a sponsor shareholder of Runner Automobiles Limited. He is a Graduate from National University and involved in various business. He has an extensive business experience of 21 years in two wheeler, steel and agriculture.

**Rafiqul Islam Chowdhury**  
**Sponsor**

Rafiqul Islam Chowdhury, born in Dhaka, is a sponsor shareholder of Runner Automobiles Limited. He is a graduate and involved in two wheeler business along with other business. He has a far-reaching business experience of 24 years in two wheeler business.

**Rabindranath Ghosh**  
**Sponsor**

Rabindranath Ghosh, born in 1950 in Dhaka, was a sponsor shareholder of Runner Automobiles Limited. He is a graduate and involved in two wheeler business along with other business. He has a far-reaching business experience of 18 years in two wheeler business out of total 30 years experience and has been leading this company sincerely from a long time. His long experience & tired less activities reach this company such a top position.

**Manjarul Alam**  
**Sponsor**

Manjarul Alam was a sponsor of Runner Automobiles Limited. However, currently he is no longer a shareholder of the company.

**Anjuman Ara Begum**  
**Sponsor**

Anjuman Ara Begum was a sponsor shareholder of Runner Automobiles Limited.

**Md. Shamsul Alam**  
**Sponsor**

Md. Shamsul Alam, born in 1956 in Khulna, is a Sponsor shareholder of Runner Automobiles Ltd. He has completed Higher Secondary and involved in two wheeler business. He has an extensive business experience of 40 years in two wheeler out of total 47 years experience and has been leading this company sincerely from a long time.

**Parveen Alam**  
**Sponsor**

Parveen Alam was a sponsor shareholder of Runner Automobiles Limited.

**Md. Rafiqul Islam**  
**Sponsor**

Md. Rafiqul Islam was a sponsor shareholder of Runner Automobiles Limited.

Mentionable here that out of above 19 promoters presently 10 promoters namely Hafizur Rahman Khan, Md. Mozammel Hossain, Mohammad Ali Deen, Md. Jahurul Alam, Taslim Uddin Ahmed, Md. Sairul Islam, Mohammed Nazim Uddin, Md. Ahsan Sayed, Rafiqul Islam Chowdhury and Md. Shamsul Alam are still shareholders of the company. Rest 9 shareholders namely Manjarul Alam, Md. Amjad Ali, Md. Borhanul Ahasan Chowdhury, Sk. Abul Kalam Azad, Amir Hossain Khokon, Rabindranath Ghosh, Anjuman Ara Begum, Parveen Alam and Md. Rafiqul Islam have transferred all of their shares.

#### g) Capital Structure and history of capital raising

Particulars	Face Value (BDT)	No. of Shares	Amount (BDT)
Authorized Capital	10	200,000,000	2,000,000,000
Issued, Subscribed and Paid up capital before IPO (A)	10	94,202,921	942,029,210
Shares to be issued in IPO (B)	10	13,930,348	139,303,480

The Company has raised its paid-up capital in following phases-

Particulars	Allotment Date	Face Value (BDT)	Issue Price (BDT)	No. of Shares	Amount (BDT)	Form of consideration
1 <sup>st</sup> Allotment (Subscription to the Memorandum & Articles of Association)	At the time of Incorporation	10	10	402,000	4,020,000	Cash
2 <sup>nd</sup> Allotment	11.06.2002	10	10	938,000	9,380,000	Cash
3 <sup>rd</sup> Allotment	17.02.2005	10	10	1,340,000	13,400,000	Bonus
4 <sup>th</sup> Allotment	07.08.2005	10	10	200,000	2,000,000	Cash
5 <sup>th</sup> Allotment	10.02.2009	10	10	40,000	400,000	Cash
6 <sup>th</sup> Allotment	11.07.2010	10	55	20,000	200,000	Cash
7 <sup>th</sup> Allotment	28.08.2010	10	10	5,880,000	58,800,000	Bonus
8 <sup>th</sup> Allotment	01.08.2011	10	10	150,000	1,500,000	Cash
9 <sup>th</sup> Allotment	10.03.2012	10	10	6,030,000	60,300,000	Other than cash
10 <sup>th</sup> Allotment	12.01.2013	10	10	15,000,000	150,000,000	Bonus
11 <sup>th</sup> Allotment	28.09.2013	10	77.91	13,478,261	134,782,610	Cash
12 <sup>th</sup> Allotment	22.02.2015	10	10	21,739,130	217,391,300	Bonus
13 <sup>th</sup> Allotment	22.09.2015	10	10	21,739,130	217,391,300	Bonus
14 <sup>th</sup> Allotment	17.12.2015	10	45	7,246,400	72,464,000	Cash
<b>Total</b>				<b>94,202,921</b>	<b>942,029,210</b>	

In 2013, Brummer Frontier PE II (Mauritius) Limited (“Brummer”) became a significant shareholder of the Company and it presently holds 28.62% shares. It is a private limited company incorporated in Mauritius and provides long-term growth equity capital to companies in Bangladesh. Brummer leverages its local and international networks to support the growth of the companies it invests in.

In 2015 another equity investment came from 24 individual and institutional investors, who invested BDT 326 mn through private placement of ordinary shares of the Company.

#### h) Summary of valuation report of securities

Sl. No.	Valuation Methods	Fair Value (BDT)
1A.	Net Asset Value Per Share (With Revaluation)	55.70
1B.	Net Asset Value Per Share (Without Revaluation)	41.94
2.	Earning based Value per Share	50.26
3.	Average Market Price of Similar Stock Based Valuation	95.65

**i) Others**

**(a) Summary of Revaluation**

<b>Particulars</b>	<b>Revaluation Conducted on Cut-off Date of December 31, 2010</b>	<b>Revaluation Conducted on Cut-off Date of December 31, 2014</b>
Type of Asset Revalued	Fixed Assets	Land & Building
Cut-off Date of Revaluation	December 31, 2010	December 31, 2014
Name of the Valuer	Rahman Rahman Huq (A Category)	Rahman Rahman Huq (A Category)
Value of fixed assets after revaluation	472,931,557	1,823,849,673
Revaluation Amount	1,258,498,190	2,399,354,970
Revaluation surplus	785,566,633	575,505,297

**(b) Declaration regarding any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus**

**DECLARATION REGARDING ANY MATERIAL CHANGE INCLUDING RAISING OF PAID-UP CAPITAL AFTER THE DATE OF AUDITED FINANCIAL STATEMENTS AS INCLUDED IN THE PROSPECTUS**

This is to declare that Runner Automobiles Limited has not made any material change including raising of paid up capital after the date of audited financial statements as included in the prospectus.

**Sd/-**

**Mukesh Sharma**

Managing Director and CEO  
Runner Automobiles Limited

**(c) Declaration regarding the issue manager or any of its connected persons is in no way connected with the issuer or any of its connected persons nor does hold any securities thereof**

**DECLARATION THAT THE ISSUE MANAGER OR ANY OF ITS CONNECTED PERSONS IS IN NO WAY CONNECTED WITH THE ISSUER OR ANY OF ITS CONNECTED PERSONS NOR DOES HOLD ANY SECURITIES**

This is to declare that IDLC Investments Limited, the issue manager, or any of its connected persons is in no way connected with the issuer Runner Automobiles Limited or any of its connected persons nor does hold any of its securities.

**Sd/-**

**Md. Moniruzzaman**

Managing Director  
IDLC Investments Limited

## SECTION II: CONDITION IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

### Disclosure in respect of issuance of security in Dematerialized Form

As per provision of the Depository Act, 1999 and regulation made there under, shares will be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

### CONDITIONS IMPOSED BY COMMISSION UNDER RULE 4(2) OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015

#### PART-A

1. The Company shall go for Initial Public Offer (IPO) for 1,39,30,348 ordinary shares, from which 60% i.e. 83,33,333 ordinary shares are reserved for Eligible Investors (EIs) at cut-off price of Tk. 75.00 and remaining 40% i.e. 55,97,015 ordinary shares at a 10% discounted from the cut-off price of Tk. 67.00 per share for General Public including NRB and Others totaling **Tk. 100,00,00,000.00 (Taka one hundred crore only)** approximately following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -  

**"Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money."
6. All applicants shall apply for a minimum lot of 100 shares worth Taka 6,700/- (Taka six thousand and seven hundred only) or its multiples.

7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী.** In case of under-subscription under any of sub-categories of eligible investors category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investors category, securities shall be allotted on pro-rata basis. No eligible investor shall apply for more than 2% (two percent) of the total securities reserved for the eligible investors.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 02 (two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.
16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

**PART-B**  
**Application Process**

**Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
  - c) Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).

**Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date;
  - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts **and certificates** received from

Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;

16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

### **PART-C**

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**
4. **While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:**
  - (a) **Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;**
  - (b) **Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;**
  - (c) **Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;**
  - (d) **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and**
  - (e) **The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.**
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. **Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any material deviation in this respect must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the board of directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.**
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.

8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাজোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা 1995 after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

**PART-D**

1. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the Exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

## SECTION III: DECLARATIONS AND DUE DILIGENCE CERTIFICATES

### Annexure A

#### Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the prospectus

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/- <b>Hafizur Rahman Khan</b> Chairman	Sd/- <b>Md. Mozammel Hossain</b> Vice Chairman
Sd/- <b>Mukesh Sharma</b> Managing Director and CEO	Sd/- <b>Md. Jahurul Alam</b> Director
Sd/- <b>Taslim Uddin Ahmed</b> Director	Sd/- <b>Mohammad Ali Deen</b> Director
Sd/- <b>Khalid Shahidul Quadir</b> Director (Nominated by Brummer Frontier PE II (Mauritius) Limited)	Sd/- <b>Muallem A Choudhury FCA</b> Director (Nominated by Brummer Frontier PE II (Mauritius) Limited)
Sd/- <b>Johannes (Phil) N.H. van Haarlem</b> Independent Director	Sd/- <b>Faruq Ahmad Siddiqi</b> Independent Director

## **Annexure B**

### **Due Diligence Certificate of the Issue Manager**

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub: Public Issue of 13,930,348 Ordinary Shares of BDT 1,000 million by Runner Automobiles Limited**

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl. No.	Name of the Issue	Issue Month/Year	Issue Price in BDT	Dividend Payment History				
				2013	2014	2015	2016	2017
1	GBB Power Limited	May, 2012	40	15% Bonus	15% Bonus	5% Final Cash 10% Interim Cash For 18 months period from January 01, 2015 to June 30, 2016		5% Cash 5% Bonus
2	Paramount Textile Limited	November, 2013	28	12% Bonus	15% Bonus	16% Cash	10% Cash 7% Bonus	5% Cash 10% Bonus
3	Matin Spinning Mills Limited	April, 2014	37	-	25% Cash	27% Cash	23% Cash	15% Cash
4	Far East Knitting & Dyeing Industries Limited	August, 2014	27	-	5% Cash 15% Bonus	5% Cash 10% Bonus	5% Cash 10% Bonus	15% Bonus
5	Tosrifa Industries Limited	June, 2015	26	-	5% Cash 7% Bonus	12% cash	No dividend for January to June 2016	10% Cash

Sd/-  
**Md. Moniruzzaman**  
 Managing Director  
 IDLC Investments Limited

Place: Dhaka  
 Date: September 18, 2018

## Annexure C

### DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (IDLC Investments Limited)

**To –  
The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of 13,930,348 Ordinary Shares of BDT 1,000,000,000 of Runner Automobiles Limited**

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue, and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT 2,200 million (Two thousand and two hundred million) and we have the capacity to underwrite a total amount of BDT 11,000 million (Eleven thousand million) as per relevant legal requirements. We have committed to underwrite for up to BDT 320,000,000 (Three Hundred Twenty Million only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:
  - i. AB Bank Limited (Rights Issue) – 969.20 million
  - ii. Esquire Knit Composite Limited (IPO) – 20 million
  - iii. Runner Automobiles Limited (IPO) – 320 million
  - iv. Popular Pharmaceuticals Limited (IPO) – 225 million
  - v. Ratanpur Steel Re-Rolling Mills Limited (Rights Issue) – 37.5 million
  - vi. Western Marine Shipyard Limited (Rights Issue) – 150 million
  - vii. Star Ceramics Limited (IPO) – 17 million
  - viii. Modern Steel Mills Limited – 70 million
- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter

Sd/-

**Md. Moniruzzaman**

Managing Director

IDLC Investments Limited

Place : Dhaka

Date : September 18, 2018

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (IIDFC Capital Limited)**

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of 13,930,348 Ordinary Shares of BDT 1,000,000,000 of Runner Automobiles Limited**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 600,000,000 (Taka Sixty Crore Only) and we have the capacity to underwrite a total amount of Tk. 3,000,000,000 (Taka Three Hundred Crore Only) as per relevant legal requirements. We have committed to underwrite for up to **BDT 15,000,000 (One Crore fifty lac) only** for the upcoming issue.

- b) At present, the following underwriting obligations are pending for us:

<b>Sl. No.</b>	<b>Name of The Company</b>	<b>Amount Underwritten (Taka)</b>
1	AB Bank Limited (Rights Share Offer )	280,000,000.00
2	Dragon Sweater & Spinning Limited	30,000,000.00
3	Infinity Technology International Limited	35,000,000.00
4	Modern Steel Mills Limited	50,000,000.00
5	Popular Pharmaceuticals Limited	10,000,000.00
6	Runner Automobiles Limited	15,000,000.00
7	IPDC Finance Limited (Rights Share Offer )	40,300,000.00
8	Mohammed Elias Brothers POY Manufacturing Plant Ltd.	3,500,000.00
<b>Total</b>		<b>463,800,000.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-  
Chief Executive Officer  
IIDFC Capital Limited

Date: September 18, 2018

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (LankaBangla Investments Limited)**

To  
The Bangladesh Securities and Exchange Commission

**Sub: PUBLIC OFFER OF 13,930,348 ORDINARY SHARES OF TK. 1,000,000,000/- OF RUNNER AUTOMOBILES LIMITED**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,670,000,000.00 (Taka One Hundred Sixty-Seven Crore only) and we have the capacity to underwrite a total amount of Tk. 8,350,000,000.00 (Taka Eight Hundred Thirty-Five Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. **15,000,000.00** (Taka One Crore Fifty Lac only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	NAME OF THE COMPANY	Amount Underwritten (in BDT)
1.	STS Holdings Limited	60,800,000.00
2.	AB Bank Limited	500,000,000.00
3.	Delta Hospital Limited	8,000,000.00
4.	Esquire Knit Composite Limited	20,000,000.00
5.	Samsul Alamin Real Estate Limited	30,000,000.00
6.	Desh General Insurance Company Limited	5,600,000.00
7.	Energypac Power Generation Limited	410,000,000.00
8.	Ratanpur Steel Re-Rolling Mills Limited	75,000,000.00
9.	Index Agro Limited	35,000,000.00
10.	Ashuganj Power Station Company Limited	70,000,000.00
11.	Western Marine Shipyard Limited	150,000,000.00
12.	Modern Steel Mills Limited	100,000,000.00
13.	Baraka Patenga Power Limited	682,500,000.00
14.	Dragon Sweater and Spinning Limited	20,000,000.00
15.	eGeneration Limited	20,000,000.00
<b>Total</b>		<b>2,186,900,000.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-  
**Hassan Zaved Chowdhury**  
Chief Executive Officer  
LankaBangla Investments Limited

Place: Dhaka  
Date: September 20, 2018

## SECTION IV: ABOUT THE ISSUER

(a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address

Name of the Issuer	Runner Automobiles Limited
Date of Incorporation	July 4, 2000
Date of Commencement of Commercial Operation	July 4, 2000
Logo	
Address of Registered Office	138/1, Tejgaon I/A Tejgaon, Dhaka 1208
Address of Other Offices and Plants	Factory: Paragaon, Barachala, Bhaluka, Mymensingh
Telephone Number	8870160
Fax Number	8870164
Contact Person	<b>Muhammad Nazrul Islam FCA</b> Chief Financial Officer  <b>Md. Mizanur Rahman</b> Company Secretary
Website Address	www.runnerbd.com
E-mail Address	nazrul@runnerbd.com, mizan@runner.com

(b) The names of the sponsors and directors of the issuer

### Name of Sponsors

“Sponsor” means any person whose name appears as subscriber to the Memorandum and Articles of Association

1. Hafizur Rahman Khan
2. Md. Mozammel Hossain
3. Mohammad Ali Deen
4. Taslim Uddin Ahmed
5. Md. Amjad Ali
6. Md. Sairul Islam
7. Mohammad Nazim Uddin
8. Sk. Abul Kalam Azad
9. Md. Borhanul Ahasan Chowdhury
10. Amir Hossain Khokon
11. Md. Ahsan Sayed
12. Rafiqul Islam Chowdhury
13. Rabindranath Ghosh
14. Md. Jahurul Alam, Manjarul Alam & Anjuman Ara Begum
15. Md. Shamsul Alam & Parveen Alam
16. Md. Rafiqul Islam

### Name of Directors

Sl. no	Name	Position
1	Hafizur Rahman Khan	Chairman
2	Md. Mozammel Hossain	Vice Chairman
3	Mukesh Sharma	Managing Director and CEO
4	Mohammad Ali Deen	Director
5	Md. Jahurul Alam	Director
6	Taslim Uddin Ahmed	Director
7	Khalid Shahidul Quadir	Director, Nominated by Brummer Frontier PE II (Mauritius) Limited
8	Muallem A Choudhury FCA	Director, Nominated by Brummer Frontier PE II (Mauritius) Limited
9	Faruq Ahmad Siddiqi	Independent Director
10	Johannes (Phil) N.H. van Haarlem	Independent Director

(c) The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses

Particulars	Information	
<b>Auditor</b>	Name	<b>Hoda Vasi Chowdhury &amp; Co.,</b> Chartered Accountants
	Logo	No registered logo
	Address	BTMC Bhaban (8 <sup>th</sup> Floor) 7-9, Kawran Bazar, Dhaka 1215
	Telephone Number	8121114, 9120090
	Fax Number	8119298
	Contact Person	Sabbir Ahmed FCA, Partner
	Website	www.hodavasi.com
	E-mail Address	sabbir@hodavasi.com
<b>Registrar to the Issue</b>	Name	<b>LankaBangla Investments Limited</b>
	Logo	
	Address	City Center, Level 24, 90/1 Motijheel C/A, Dhaka 1000
	Telephone Number	95112621
	Fax Number	9561107
	Contact Person	Hassan Zabed Chowdhury, Chief Executive Officer
	Website	www.lankabangla-investments.com
	E-mail Address	zabed@lankabangla-investments.com

(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed

**Dhaka Stock Exchange Limited**

9/F Motijheel C/A, Dhaka 1000

Tel: 9564601, 9576210-18

**Chittagong Stock Exchange Limited**

CSE Building, 1080, Sheikh Mujib Road, Agrabad, Chittagong 4100

Tel: 031-720871-3, 031-714632-3

## SECTION V: CORPORATE DIRECTORY OF THE ISSUER

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**Registered and Corporate Office**

138/1, Tejgaon I/A, Tejgaon, Dhaka 1208  
Tel: 8870160, Fax: 8870164, 8870174  
Website: www.runnerbd.com

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**Factory Office**

Borochala, Paragaon, Bhaluka, Mymensingh.  
Cell : 01730405353  
Website: www.runnerbd.com

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**Company's Compliance Officers**

**Muhammad Nazrul Islam FCA**

Chief Financial Officer

138/1, Tejgaon I/A, Tejgaon, Dhaka 1208

Tel: 8870160, Fax: 8870164, 8870174

**Md. Mizanur Rahman**

Company Secretary

138/1, Tejgaon I/A, Tejgaon, Dhaka 1208

Tel: 8870160, Fax: 8870164, 8870174

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## SECTION VI: DESCRIPTION OF THE ISSUER

### (A) SUMMARY

#### (i) Summary of the Industry and business environment of the issuer

Runner Automobiles Limited is a pioneering 2 Wheeler manufacturer and assembler in Bangladesh. It has a state of the art manufacturing facility on 3800 decimal of land in Bhaluka with capabilities to produce at least 100,000 units a year.

Initially established as a proprietorship business named M/S Runner, it was later incorporated as Runner Automobiles Limited with the Registrar of Joint Stock Companies and Firms in Bangladesh as a private company limited by shares on July 4, 2000 vide incorporation no C-40658 (17)/2000 under Companies Act, 1994.

The principal product of the Company is 2 Wheelers. Runner Automobiles Limited produces high quality, high performance 2 Wheelers at competitive prices. RAL's product range varies from 50 cc to 150 cc with some 13 models of 2 Wheelers and scooters. The products are sold to Customers and Corporate clients through Dealers, Company Owned Company Operated (COCO) stores, through tenders and recently initiated online retail mode.

During the year BAJAJ Autos Limited of India appointed RAL as a distributor for famous BAJAJ RE brand (LPG, Diesel, Passenger and Cargo) 3 Wheeler in Bangladesh. Since incorporation, the company appointed 19 dealers with well decorated exclusive showroom and 13 service supports over the country. RAL already imported and sold more than 2,000 units RE Brand 3 Wheeler products in Bangladeshi market during 2017.

The market for 2 Wheelers is on the rise in Bangladesh riding on an increase in disposable income among the general population and rapidly growing middle class. This is exemplified by the rise in the number of 2 Wheelers registered with Bangladesh Road Transport Association (BRTA) from 114,616 in 2011 to 249,138 during January to August 31, 2018 in the current year. During the last eight years the aggregate number of motorcycles registered more than doubled from 759,257 upto 2010 to 2,300,057 till August 31, 2018.<sup>2</sup> Sales of 2 Wheelers motorcycle in the country have boomed in remote areas in particular, helped by financing schemes.

Automobile industry in Bangladesh is largely dominated by imported 2 Wheelers primarily from China, India and Taiwan. Recently local assembling has increased as local business have begun collaborations with foreign companies such as Hero, Yamaha, and Honda. There are 14-16 large marketers in Bangladesh, among them 5-6 have their own assembling facilities. Others are sole distributors or importers.

In this regard Runner Automobiles Limited has obtained Bangladesh Road Transport Authority (BRTA) approval for the following models of 2 wheelers and 3 wheelers as follows-

SL No	Category	BRTA Approval (reference no. & date)	Country of Imported Engine	Model
01	2 Wheeler	BRTA/4T-2(7/1)/05/2013-73 dated January 10, 2013	Republic of China	AD80 S
02	2 Wheeler	BRTA/4T-2(7/1)/05/2013-73 dated January 10, 2013	Republic of China	AD80 S DELUXE
03	2 Wheeler	BRTA/4T-2(7)/05/2010-890 dated April 06, 2010	Republic of China	DY 50
04	2 Wheeler	BRTA/4T-2(7/1)/05/2012-3372 dated December 30, 2012	Republic of China	TURBO

<sup>2</sup> Source: <http://www.brta.gov.bd/site/page/74b2a5c3-60cb-4d3c-a699-e2988fed84b2/সারা-বাংলাদেশে-মোটরযান-নিবন্ধনের-সংখ্যা>

SL No	Category	BRTA Approval (reference no. & date)	Country of Imported Engine	Model
05	2 Wheeler	BRTA/4T-2(7/1)/05/2010-3740 dated November 04, 2010	Republic of China	BULLET
06	2 Wheeler	35.03.0000.003.31.002.2016-1119 dated March 31, 2016	Republic of China	TURBO 125
07	2 Wheeler	BRTA/4T-2(7/1)/05/2012-3371 dated December 30, 2012	Republic of China	ROYAL +
08	2 Wheeler	35.03.0000.003.31.002.2016-1037 dated March 28, 2017	Republic of China	KNIGHTRIDER
09	2 Wheeler	BRTA/4T-2(7/2)/05/2013-1473 dated May 17, 2015	Republic of China	CHEETA
10	2 Wheeler	BRTA/4T-2(7/1)/05/2010-3213 dated December 30, 2010	Republic of China	F100-6A
11	2 Wheeler	BRTA/4T-2(7/2)/05/2013-500 dated February 24, 2014	Republic of China	FREEDOM
12	2 Wheeler	BRTA/4T-2(7/2)/05/2013-501 dated February 24, 2014	Republic of China	KITE
13	2 Wheeler	35.03.0000.003.31.002.2016-1036 dated March 28, 2017	Republic of China	KITE+
14	3 Wheeler	35.03.0000.003.31.022(Part-35).2015-1125 dated August 10, 2017	Republic of India	RE 4S COMPACT LPG (AUTO RICKSHAW)
15	3 Wheeler	35.03.0000.003.31.022(Part-35).2015-1125 dated August 10, 2017	Republic of India	RE MAXIMA (CARGO VAN)
16	3 Wheeler	35.03.0000.003.31.022(Part-36).2015/1146 dated August 29, 2017	Republic of India	RE 4S COMPACT DIESEL (AUTO RICKSHAW)
17	3 Wheeler	35.03.0000.003.31.022(Part-36).2015/1146 dated August 29, 2017	Republic of India	RE MAXIMA (AUTO TEMPO)

**(ii) Summary of Consolidated financial, operating and other information**

Runner Automobiles Limited has two subsidiaries in operation, namely Runner Motors Limited and Freedom Motors Limited. Following is the summary of the audited consolidated financial statements.

Particulars	June 30, 2017	June 30, 2016 (Restated)	June 30, 2015
<b>Revenue</b>	<b>6,494,673,830</b>	<b>5,164,999,397</b>	<b>4,538,909,499</b>
Gross profit	1,648,714,185	1,340,650,894	1,073,597,394
Net profit before tax	560,582,681	533,219,190	451,267,941
Net profit after tax	393,489,689	363,771,173	351,372,255
<b>Profit for the year attributable to equity holders of the parent</b>	<b>303,319,719</b>	<b>252,463,357</b>	<b>294,088,795</b>
Total asset	13,800,401,400	12,499,180,745	11,263,973,984
Share capital	942,029,210	942,029,210	652,173,910
Retained earnings	1,839,030,512	1,533,764,173	1,495,874,440
<b>Total equity attributable to parent company's shareholders</b>	<b>5,246,918,730</b>	<b>4,943,599,011</b>	<b>4,363,285,109</b>
Total Equity	6,086,360,386	5,713,570,696	5,021,948,978

**(B) GENERAL INFORMATION**

(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer

<b>Registered Office and Corporate Head Office</b>	<b>Runner Automobiles Limited</b> 138/1, Tejgaon I/A, Tejgaon, Dhaka-1208 Tel: 8870160, Fax: 8870164, 8870174 Website: www.runnerbd.com
<b>Other Offices</b>	-
<b>Factory</b>	<b>Runner Automobiles Limited</b> Paragaon, Barachala, Bhaluka, Mymensingh Tel: 0173 0405353
<b>Business Premises</b>	-
<b>Flagship Outlets</b>	<b>1. Tejgoan Showroom</b> 340, Teajoaon I/A, Dhaka-1208 Tel: 01730 405433 <b>2. Kazipara Showroom</b> 620, Kazipara, Begum Rokeya Swaroni, Kazipara Mirpur, Dhaka 1216 Tel: 8870160 <b>3. Rangpur Showroom</b> Shapla Chattar, Near RAB Office, College Road Rangpur Tel: 01730405463 <b>4. Madhupur Showroom</b> Mymensingh Road, Madhupur, Tangail Tel: 01730405436 <b>5. Tangail Showroom</b> Mymensingh Road, Old Bus Stand, Tangail Sadar Tel: 01730405454 <b>6. Gazipur Showroom</b> Vogra, National University, Gazipur Mahanagar Gazipur Tel: 01730406445 <b>7. Malibagh Showroom</b> B-19/A, Malibag Chowdhury Para, Mailbag, Dhaka-1219 Tel: 01730405398 <b>8. Khulna Showroom</b> B-3. Mozid Swarani, Sonadhanga C/A, Khulna Tel: 01730406173 <b>9. Natore Showroom</b> Chokrapur, Natore Tel: 01730405417 <b>10. Noakhali Showroom</b> House 144, Uzzalpur Main Road, Majidee Court Sadar Noakhali Tel: 01730405300 <b>11. Sherpur Showroom</b> Fakir Masud Market, C&B Road, Khorompur, Sherpur Tel: 01730406178 <b>12. Jamalpur Showroom</b> Doyamoyi Road, Jamalpur

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Tel: 01730406196

**13. Jatrabari Showroom**

116, Shahid Faruk Sharak, Pashcim Jatrabari  
Dhaka-1204

Tel: 01730405347

**14. Faridpur Showroom.**

Goyalchamot, Faridpur, Sadar

Tel: 01730406172

**15. Shyamoli Showroom.**

6/1/A, Mohonpur Ring Road.

Shyamoli. Adabor. Dhaka.

Tel: 01730406175

**16. Chittagong Showroom.**

Blossom Garden, Market Ground Floor GEC Moor

CDA Avenue, Chittagong

Tel: 01730406183

**17. Razbari Showroom.**

7,8,9, Pouro Anupom, Super Market

(Ground Floor), Razbari

Tel: 01730406142

**18. Goalanda Showroom.**

Main Road Goalanda Bazar,

Rajbari Sadar, Rajbari

Tel: 01730405439

**19. Netrokona Showroom.**

Kurpar, Netrokona,

Tel: 01730405423

**20. Kashiani Showroom.**

Moin Uddin Super Market, Kashiani

Tel: 01730406090

**21. Takerhat Showroom.**

Zia Market, Takerhat, Rajoir, Madaripur

Tel: 01730406420

**22. Gopalganj Showroom.**

Tazim Super Market, Bongobondhu road,

Kuadanga, Gopalganj

Tel: 01730406420

**23. Jhalikathi Showroom.**

House 346/2, Shop-346/2, College Moor,

Purbochadkathi, Jhalkathi

Tel: 01730406745

**24. Sunamgonj Showroom.**

Bahar Manjil, House-1, Mouchak.

R/A Mollikpur, Sunamgonj

Tel: 01730406786

**25. Bhola Showroom.**

House-444-00, Ukil Para, Bhola

Tel: 01730406794

**26. Keshorhat Showroom.**

Keshorhat bazar, Rajshahi

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Tel: 01730406758

**27. Rajshahi Showroom.**

Madrasha Market, Ranibazar, Rajshahi

Tel: 01730405365

**28. Laxmipur Showroom.**

Abul Kashem Super Market,

Laxmipur-Dhaka Road.

Tel: 01730405460

**(ii) The board of Directors of the Issuer**

Name	Position
Hafizur Rahman Khan	Chairman
Md. Mozammel Hossain	Vice Chairman
Mukesh Sharma	Managing Director and CEO
Mohammad Ali Deen	Director
Md. Jahurul Alam	Director
Taslim Uddin Ahmed	Director
Khalid Shahidul Quadir	Director, Nominated by Brummer Frontier PE II (Mauritius) Limited
Muallem A Choudhury FCA	Director, Nominated by Brummer Frontier PE II (Mauritius) Limited
Faruq Ahmad Siddiqi	Independent Director
Johannes (Phil) N.H. van Haarlem	Independent Director

**(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer**

Name	Designation	Address	Telephone, Fax and email address
Hafizur Rahman Khan	Chairman	H-31, R-18, Block-J, Banani, Dhaka 1214	Tel: 8870160 Fax: 8870164 Email: chairman@runnerbd.com
Md. Mozammel Hossain	Vice Chairman	Flat-3B, H-38, R-13/A, Dhanmondi, Dhaka 1208	Tel: 8870160 Fax: 8870164 Email: hossain@runnerbd.com
Mukesh Sharma	Managing Director and CEO	Flat C2, House 1, road 36, Gulshan 1, Dhaka 1212	Tel: 8870160 Fax: 8870164 Email: mukeshsharma@runnerbd.com
Mohammad Ali Deen	Director	Deen Tower, 1483-01, Chalkmukter Main Road, Naogaon-6500	Tel: 8870160 Fax: 8870164 Email: deen1856@gmail.com
Md. Jahurul Alam	Director	H-21, Loan Office Para, Jessore-7400	Tel: 8870160 Fax: 8870164 Email: venus_autos@yahoo.com
Taslim Uddin Ahmed	Director	Shekhpura, Dinajpur- 5200	Tel: 8870160 Fax: 8870164 Email: islamandcom@yahoo.com
Khalid Shahidul Quadir	Director [Nominated by Brummer Frontier PE II	18 Marina Boulevard, 30-35 Marina Bay, Singapore-018980	Tel: 8870160 Fax: 8870164 Email: khalid.quadir@brummer- bd.com

Name	Designation	Address	Telephone, Fax and email address
	(Mauritius) Limited]		
Muallem A Choudhury FCA	Director [Nominated by Brummer Frontier PE II (Mauritius) Limited]	House 23, Road 2, Sector 13, Uttara	Tel: 8870160 Fax: 8870164 Email: muallem.choudhury@brummer- bd.com
Faruq Ahmad Siddiqi	Independent Director	296 Elephant Road, Dhaka 1205	Tel: 8870160 Fax: 8870164 Email: faruqasiddiqi@yahoo.com
Johannes (Phil) N.H. van Haarlem	Independent Director	Mauvezand 36, 1251 JG Laren NH, Nederland	Tel: 8870160 Fax: 8870164 Email: philvanhaarlem@gmail.com

**(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer**

Name	Designation	Address	Telephone, Fax and email address
<b>Muhammad Nazrul Islam</b> FCA	Chief Financial Officer & Compliance Officer	138/1, Tejgaon I/A, Tejgaon, Dhaka 1208	Tel: 8870160 Fax: 8870164 Email:nazrul@runnerbd.com
<b>Md. Mizanur Rahman</b>	Company Secretary & Compliance Officer	138/1, Tejgaon I/A, Tejgaon, Dhaka 1208	Tel: 8870160 Fax: 8870164 Email:mizan@runnerbd.com
<b>Barrister Shaikh Mohammad Zakir Hossain</b>	Legal Advisor	Supreme Law Chambers, Suite No. 1104 (11 <sup>th</sup> Floor), Baitul Khaer, 48/A-B Purana Paltan, Dhaka 1000	Tel: 01755525543 Email: barristerzakir@gmail.com
<b>Hoda Vasi Chowdhury &amp; Co.,</b> Chartered Accountants	Auditor	BTMC Bhaban (8 <sup>th</sup> Floor) 7-9, Kawran Bazar Dhaka 1215	Tel: 8121114, 9120090 Fax: 8119298 Email: sabbir@hodavasi.com

**(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager, registrar to the issue etc**

Particulars	Contact Person	Contact Details
<b>Issue Manager</b>		
<b>IDLC Investments Limied</b> D R Tower (4th Floor) 65/2/2 Bir Protik Gazi Golam Dostogir Road	<b>Md. Moniruzzaman, CFA</b> Managing Director	Tel: 16409, +8809609994352 Fax: 9571171 Email: mzaman@idlc.com Website: www.idlc.com
<b>Registrar to the Issue</b>		
<b>LankaBangla Investments Limited</b> City Center, Level - 24, 90/1 Motijheel C/A, Dhaka-1000	<b>Hassan Zabed Chowdhury</b> Chief Executive Officer	Tel: 9512621 Fax: 9561107 Email: zabed@lankabangla- investments.com Website: www.lankabangla- investments.com

#### **(vi) Details of Credit Rating**

##### **(a) The names of all the credit rating agencies from which credit rating has been obtained**

The company has been rated on June 30, 2017 financials by Credit Rating Agency of Bangladesh Limited (CRAB). CRAB has extended the ratings of Runner Automobiles Limited up to November 30, 2018. Other than CRAB, the company has not obtained rating from any other credit rating agency for June 30, 2017 financials.

##### **(b) The details of all the credit ratings obtained for the issue and the issuer**

<b>Particulars</b>	<b>Long Term</b>	<b>Short Term</b>
Entity Rating	A <sub>2</sub>	ST-3
Date of Rating	October 26, 2017	
Validity of Rating	November 30, 2018	
Rating By	Credit Rating Agency of Bangladesh Limited	

<b>Rating</b>	<b>Definition</b>
A <sub>2</sub>	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.
ST-3	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.

##### **(c) The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s)**

Credit Rating Agency of Bangladesh Ltd. (CRAB) has upgraded the rating of Runner Automobiles Limited (hereafter also referred to as RAL or the Company) to 'A<sub>2</sub>' (pronounced as Single A Two) and loan rating to A<sub>2</sub>(Lr) for BDT 202.7 million aggregate Long Term Outstanding (LTO) and BDT 740.0 million OD/Cash Credit limit in the Long Term. CRAB has also assigned ST-3 rating to BDT 2,265.0 million aggregate fund based limit and BDT 2,360.0 million aggregate non fund based limit of the Company in the Short Term.

CRAB has upgraded the ratings considering substantial growth of sales, increasing trend of profit margin at the top line, improved liquidity position, strong business strength of the Company having further growth prospects following diversified product ranges, new strategies and improved distribution facilities along with brand image.

The assigned ratings consider the nature of business as well as the easy availability of spare parts and quick service through 230 sales service centers of RAL that eventually support the Company to report favorable business performance during the recent competitive situation. Moreover the business risk profile of the Company may be adversely affected by increasing competition in market, cost structure due to raw material price and frequent obsolescence or modification of design of the product.

The assigned ratings also consider the growth potential relation to operating strategies, market position, degree of competition, product/sales diversification, business model and fund management. The assigned ratings also incorporate the management structure & practices, IT infrastructure & MIS system, experienced manpower, sales & marketing strategy and business monitoring system. The assigned ratings take into consideration Runner Group's business profile, financial performance of Runner Motors Ltd where RAL has 61.67% shares and long track record of successful business supported by growing presence in the automobile sector.

##### **(d) Observations and risk factors as stated in the credit rating report**

The ratings are constrained by increasing trend of downward pressure on the liquidity position of the Company during the last two years although operating cycle slightly improved in 2017 following the sales growth. Due to the nature of business and sales strategy the receivable collection period still remains high at 186 days while inventory

processing period was 125 days in 2017 which eventually puts pressure on timely repayment of debt obligations as well as increased financial expense. Following the inclusion of new products and new strategy the position may remain same in the upcoming year irrespective of increase in sales.

**(vii) Details of Underwriting**

**(a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them**

<b>Name and address of underwriters</b>	<b>Telephone number, Fax number and Email</b>	<b>Contact Person</b>	<b>Amount Underwritten In BDT</b>
<b>IDLC Investments Limited</b> D R Tower (4th Floor) 65/2/2 Bir Protik Gazi Golam Dostogir Road Purana Paltan Dhaka 1000	Tel: +8809609994352 Fax: 9571171 Email: mzaman@idlc.com	<b>Md. Moniruzzaman CFA</b> Managing Director	320,000,000
<b>IIDFC Capital Limited</b> Eunoos Trade Center (Level 7) 52-53 Dilkusha C/A Dhaka 1000	Tel: 9514637-8 Fax: 9514641 Email: icl@iidfc.com	<b>Mohammad Saleh Ahmed</b> Chief Executive Officer	15,000,000
<b>LankaBangla Investments Limited</b> City Center, Level 24 90/1 Motijheel C/A, Dhaka 1000	Tel: 9512621 Fax: 9561107 Email: zabed@lankabangla-investments.com	<b>Hassan Zabed Chowdhury</b> Chief Executive Officer	15,000,000

**(b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations**

**Declaration by the Underwriter (IDLC Investments Limited)**

**DECLARATION BY THE UNDERWRITER**

We are one of the underwriters of the Initial Public Offering (IPO) of Runner Automobiles Limited. We will underwrite totaling to BDT 319,999,993 (Taka Three Hundred Nineteen Million Nine Hundred Ninety Nine Thousand Nine Hundred and Ninety Three Only) only on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter

Sd/-

**Md. Moniruzzaman**  
Managing Director  
IDLC Investments Limited

Place: Dhaka

Date: September 18, 2018

### **Declaration by the Underwriter (IIDFC Capital Limited)**

We are one of the underwriters of the Initial Public Offering (IPO) of Runner Automobiles Limited. We will underwrite totaling to BDT 15,000,000 (Taka One Crore and Fifty Lac Only) on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

#### **For the Underwriters**

Sd/-  
Chief Executive Officer  
IIDFC Capital Limited

Date: September 18, 2018

### **Declaration by the Underwriter (LankaBangla Investments Limited)**

We are one of the underwriters of the Initial Public Offering (IPO) of RUNNER AUTOMOBILES LIMITED. We will underwrite totaling to BDT 15,000,000.00 (Taka One Crore and Fifty Lac) only on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-  
**Hassan Zabed Chowdhury**  
Chief Executive Officer  
LankaBangla Investments Limited

Place: Dhaka  
Date: September 20, 2018

#### **(c) Major terms and conditions of the underwriting agreements**

1. 35% of the issue has been underwritten on a firm commitment basis by the underwriter(s).
2. In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).
3. In case of under-subscription in any of categories above 35%, an initial public offer shall be considered as cancelled.
4. The Company, in the event of under subscription, shall send notice to the underwriter(s) within 10 (ten) days of closure of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall be credited into securities subscription account within the said period.
5. Within 7 (seven) days of the expiry of the aforesaid 15 (fifteen) days the Company shall send to the Commission proof of subscription and deposit of the money by the underwriter(s).
6. Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.

## (C) CAPITAL STRUCTURE

(i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration):

Particulars	Face Value (BDT)	No. of Shares	Amount (BDT)
Authorized Capital	10	200,000,000	2,000,000,000
Issued, Subscribed and Paid up capital before IPO (A)	10	94,202,921	942,029,210
Shares to be issued in IPO (B)	10	13,930,348	139,303,480

The Company has raised its paid-up capital in following phases-

Particulars	Allotment Date	Face Value (BDT)	Issue Price (BDT)	No. of Shares	Amount (BDT)	Form of consideration
1 <sup>st</sup> Allotment (Subscription to the Memorandum & Articles of Association)	At the time of Incorporation	10	10	402,000	4,020,000	Cash
2 <sup>nd</sup> Allotment	11.06.2002	10	10	938,000	9,380,000	Cash
3 <sup>rd</sup> Allotment	17.02.2005	10	10	1,340,000	13,400,000	Bonus
4 <sup>th</sup> Allotment	07.08.2005	10	10	200,000	2,000,000	Cash
5 <sup>th</sup> Allotment	10.02.2009	10	10	40,000	400,000	Cash
6 <sup>th</sup> Allotment	11.07.2010	10	55	20,000	200,000	Cash
7 <sup>th</sup> Allotment	28.08.2010	10	10	5,880,000	58,800,000	Bonus
8 <sup>th</sup> Allotment	01.08.2011	10	10	150,000	1,500,000	Cash
9 <sup>th</sup> Allotment	10.03.2012	10	10	6,030,000	60,300,000	Other than cash
10 <sup>th</sup> Allotment	12.01.2013	10	10	15,000,000	150,000,000	Bonus
11 <sup>th</sup> Allotment	28.09.2013	10	77.91	13,478,261	134,782,610	Cash
12 <sup>th</sup> Allotment	22.02.2015	10	10	21,739,130	217,391,300	Bonus
13 <sup>th</sup> Allotment	22.09.2015	10	10	21,739,130	217,391,300	Bonus
14 <sup>th</sup> Allotment	17.12.2015	10	45	7,246,400	72,464,000	Cash
<b>Total</b>				<b>94,202,921</b>	<b>942,029,210</b>	

(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount)

Particulars	No. of Shares	Description	Nominal Value	Issue Amount
For EIs	8,333,333	Cut-off price BDT 75 each, including a premium of BDT 65 per share	10	625,000,000
For General Public	5,597,015	Offer price BDT 67 each, including a premium of BDT 57 per share	10	375,000,000
<b>Total (Approximately)</b>				<b>1,000,000,000</b>

(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue)

Particulars	Amount (BDT)
Pre-IPO Paid-up Capital as on June 30, 2017 (as per audited accounts)	942,029,210
Paid-up Capital (Post-IPO)	1,081,332,690
Paid-up Capital after conversion of convertible instrument (if any)	N/A
Share Premium before IPO	1,169,832,705

Share Premium after IPO	2,030,529,205
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**(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any)**

Category of Shareholders	No. of Shares	Pre-IPO % of Shareholding	Post-IPO % of Shareholding
Sponsors/Directors*	54,106,521	57.44%	50.04%
Institutional	22,397,000	23.78%	20.71%
Individual	17,699,400	18.78%	16.37%
<b>Pre- IPO</b>	<b>94,202,921</b>	<b>100%</b>	<b>87.12%</b>
EIs Other than Mutual Fund & CIS	6,944,444	-	6.42%
Mutual Fund & CIS	1,388,889	-	1.28%
General Public	4,197,761	-	3.88%
NRBs	1,399,254	-	1.29%
<b>IPO</b>	<b>13,930,348</b>		<b>12.88%</b>
<b>Post-IPO</b>	<b>108,133,269</b>	<b>-</b>	<b>100%</b>

\* Shareholding of Brummer Frontier PE II (Mauritius) Limited, an institutional shareholder has been considered under the category of Sponsors/Directors as it has two nominated directors in RAL's board.

The company did not issue any convertible instruments till date.

**(v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue**

Date of issue	Share issued to	Relationship with the issuer	Issue price (BDT)	Consideration and valuation thereof	Reason for the issue	Whether any benefit have been accrued to the issuer out of the issue
17.2.2005	Hafizur Rahman Khan	Chairman	10	Bonus	Increasing paid up capital	Structuring capital base
	Md. Mozammel Hossain	Vice Chairman				
	Taslim Uddin Ahmed	Director				
	Mohammad Ali Deen	Director				
	Md. Amjad Ali	Shareholder				
	Md. Sairul Islam	Shareholder				
	Mohammad Nazim Uddin	Shareholder				
	SK. Abul Kalam Azad	Shareholder				
	Md. Borhanul Ahasan Chowdhury	Shareholder				
	Amir Hossain Khokon	Shareholder				
	Md. Ahsan Sayed	Shareholder				
	Rafiqul Islam Chowdhury	Shareholder				
	Rabindranath Ghosh	Shareholder				
	Md. Jahurul Alam, Manjarul Alam & Anjuman Ara Begum	Director, Shareholder, Shareholder				
	Md. Shamsul Alam & Parveen Alam	Shareholder				
Sabrina Bari	Shareholder					

Date of issue	Share issued to	Relationship with the issuer	Issue price (BDT)	Consideration and valuation thereof	Reason for the issue	Whether any benefit have been accrued to the issuer out of the issue
	Md. Anisur Rahman	Shareholder				
	A. K. M. Mukhlesur Rahman	Shareholder				
	Alhaj Imtiaz	Shareholder				
	Kazi Shamsul Areefin	Shareholder				
	Md. Rezaul Karim	Shareholder				
	Sankar Roy	Shareholder				
	Tofail Ahmed Chowdhury	Shareholder				
	A. T. M. Shamsuzzaman & Shazzad Hossain	Shareholder				
	Abul Kalam Azad	Shareholder				
	Hafizur Rahman Khan	Chairman				
	Md. Mozammel Hossain	Vice Chairman				
	Taslim Uddin Ahmed	Director				
	Mohammad Ali Deen	Director				
	Md. Amjad Ali	Shareholder				
	Md. Sairul Islam	Shareholder				
	Mohammad Nazim Uddin	Shareholder				
	SK. Abul Kalam Azad	Shareholder				
	Md. Borhanul Ahasan Chowdhury	Shareholder				
	Amir Hossain Khokon	Shareholder				
	Md. Ahsan Sayed	Shareholder				
	Rafiqul Islam Chowdhury	Shareholder				
	Rabindranath Ghosh	Shareholder				
	Md. Jahurul Alam, Manjarul Alam & Anjuman Ara Begum	Director, Shareholder, Shareholder				
	Md. Shamsul Alam & Parveen Alam	Shareholder				
28.8.2010	Sabrina Bari	Shareholder	10	Bonus	Increasing paid up capital	Structuring capital base
	Md. Anisur Rahman	Shareholder				
	A. K. M. Mukhlesur Rahman	Shareholder				
	Alhaj Imtiaz	Shareholder				
	Kazi Shamsul Areefin	Shareholder				
	Md. Rezaul Karim	Shareholder				
	Sankar Roy	Shareholder				
	Tofail Ahmed Chowdhury	Shareholder				
	A. T. M. Shamsuzzaman & Shazzad Hossain	Shareholder				
	Abul Kalam Azad	Shareholder				
	Md. Abu Saleh	Shareholder				
	Tofail Ahmed Choudhury & Jubair Raquib Chowdhury	Shareholder				
	Kazi Golam Hyder	Shareholder				
	Mohammad Meheub Rahman	Shareholder				
	Md. Mozammel Haque	Shareholder				
	Md. Shahidul Islam	Shareholder				
	Sekendar Rahman Rubel	Shareholder				
	Md. Shahidul Islam	Shareholder				
	Md. Hyder Ali	Shareholder				

Date of issue	Share issued to	Relationship with the issuer	Issue price (BDT)	Consideration and valuation thereof	Reason for the issue	Whether any benefit have been accrued to the issuer out of the issue
	Syed Mokbar Ali	Shareholder				
	Golam Rabbani	Shareholder				
10.3.2012	Hafizur Rahman Khan	Chairman	10	Land	Increasing paid up capital	Structuring capital base
	Md. Mozammel Hossain	Vice Chairman				
	Hafizur Rahman Khan	Chairman				
	Md. Mozammel Hossain	Vice Chairman				
	Taslim Uddin Ahmed	Director				
	Mohammad Ali Deen	Director				
	Md. Amjad Ali	Shareholder				
	Md. Sairul Islam	Shareholder				
	Mohammad Nazim Uddin	Shareholder				
	SK. Abul Kalam Azad	Shareholder				
	Amir Hossain Khokon	Shareholder				
	Md. Ahsan Sayed	Shareholder				
	Rafiqul Islam Chowdhury	Shareholder				
	Rabindranath Ghosh	Shareholder				
	Md. Jahurul Alam, Manjarul Alam & Anjuman Ara Begum	Director, Shareholder, Shareholder				
	Md. Shamsul Alam & Parveen Alam	Shareholder				
	Sabrina Bari	Shareholder				
	Md. Anisur Rahman	Shareholder				
12.1.2013	A. K. M. Mukhlesur Rahman	Shareholder	10	Bonus	Increasing paid up capital	Structuring capital base
	Alhaj Imtiaz	Shareholder				
	Kazi Shamsul Areefin	Shareholder				
	Md. Rezaul Karim	Shareholder				
	Sankar Roy	Shareholder				
	Tofail Ahmed Chowdhury	Shareholder				
	A. T. M. Shamsuzzaman & Shazzad Hossain	Shareholder				
	Abul Kalam Azad	Shareholder				
	Md. Abu Saleh	Shareholder				
	Tofail Ahmed Choudhury & Jubair Raquib Chowdhury	Shareholder				
	Kazi Golam Hyder	Shareholder				
	Mohammad Meheub Rahman	Shareholder				
	Md. Mozammel Haque	Shareholder				
	Md. Shahidul Islam	Shareholder				
	Sekendar Rahman Rubel	Shareholder				
	Md. Shahidul Islam	Shareholder				
	Md. Hyder Ali	Shareholder				
	Syed Mokbar Ali	Shareholder				
	Golam Rabbani	Shareholder				
	Mahafuza Begum	Shareholder				
	Amid Sakif Khan	Shareholder				
	Rudaba Tazin	Shareholder				
	Mahamud Al Nahian	Shareholder				

Date of issue	Share issued to	Relationship with the issuer	Issue price (BDT)	Consideration and valuation thereof	Reason for the issue	Whether any benefit have been accrued to the issuer out of the issue
	Nawsheen Ishrat Promee	Shareholder				
22.2.2015	Hafizur Rahman Khan	Chairman	10	Bonus	Increasing paid up capital	Structuring capital base
	Md. Mozammel Hossain	Vice Chairman				
	Taslim Uddin Ahmed	Director				
	Mohammad Ali Deen	Director				
	Md. Jahurul Alam	Director				
	Md. Amjad Ali	Shareholder				
	Md. Sairul Islam	Shareholder				
	Mohammad Nazim Uddin	Shareholder				
	SK. Abul Kalam Azad	Shareholder				
	Md. Ahsan Sayed	Shareholder				
	Rafiqul Islam Chowdhury	Shareholder				
	Rabindranath Ghosh	Shareholder				
	Sabrina Bari	Shareholder				
	Md. Anisur Rahman	Shareholder				
	A. K. M. Mukhlesur Rahman	Shareholder				
	Alhaj Imtiaz	Shareholder				
	Kazi Shamsul Areefin	Shareholder				
	Md. Rezaul Karim	Shareholder				
	Sankar Roy	Shareholder				
	Tofail Ahmed Chowdhury	Shareholder				
	A. T. M. Shamsuzzaman & Shazzad Hossain	Shareholder				
	Abul Kalam Azad	Shareholder				
	Md. Abu Saleh	Shareholder				
	Tofail Ahmed Choudhury & Jubair Raquib Chowdhury	Shareholder				
	Kazi Golam Hyder	Shareholder				
	Mohammad Meheub Rahman	Shareholder				
	Md. Mozammel Haque	Shareholder				
	Md. Shahidul Islam	Shareholder				
	Md. Shahidul Islam	Shareholder				
	Md. Hyder Ali	Shareholder				
	Syed Mokbar Ali	Shareholder				
	Golam Rabbani	Shareholder				
	Mahafuza Begum	Shareholder				
	Amid Sakif Khan	Shareholder				
	Rudaba Tazin	Shareholder				
	Mahamud Al Nahian	Shareholder				
	Nawsheen Ishrat Promee	Shareholder				
	Md. Shamsul Alam	Shareholder				
	Tanzid Hasan	Shareholder				
	Asmita Hossain	Shareholder				
	Tanveer Hossain	Shareholder				
	Brummer Frontier PE II (Mauritius) Limited	Shareholder				
22.9.2015	Hafizur Rahman Khan	Chairman	10	Bonus		

Date of issue	Share issued to	Relationship with the issuer	Issue price (BDT)	Consideration and valuation thereof	Reason for the issue	Whether any benefit have been accrued to the issuer out of the issue
	Md. Mozammel Hossain	Vice Chairman			Increasing paid up capital	Structuring capital base
	Taslim Uddin Ahmed	Director				
	Mohammad Ali Deen	Director				
	Md. Jahurul Alam	Director				
	Brummer Frontier PE II (Mauritius) Limited	Shareholder				
	Md. Amjad Ali	Shareholder				
	Md. Sairul Islam	Shareholder				
	Mohammad Nazim Uddin	Shareholder				
	SK. Abul Kalam Azad	Shareholder				
	Md. Ahsan Sayed	Shareholder				
	Rafiqul Islam Chowdhury	Shareholder				
	Rabindranath Ghosh	Shareholder				
	Sabrina Bari	Shareholder				
	Md. Anisur Rahman	Shareholder				
	A. K. M. Mukhlesur Rahman	Shareholder				
	Alhaj Imtiaz	Shareholder				
	Md. Rezaul Karim	Shareholder				
	Sankar Roy	Shareholder				
	Tofail Ahmed Chowdhury	Shareholder				
	A. T. M. Shamsuzzaman & Shazzad Hossain	Shareholder				
	Md. Abu Saleh	Shareholder				
	Tofail Ahmed Choudhury & Jubair Raquib Chowdhury	Shareholder				
	Kazi Golam Hyder	Shareholder				
	Mohammad Meheub Rahman	Shareholder				
	Md. Mozammel Haque	Shareholder				
	Md. Hyder Ali	Shareholder				
	Syed Mokbar Ali	Shareholder				
	Mahafuza Begum	Shareholder				
	Amid Sakif Khan	Shareholder				
	Rudaba Tazin	Shareholder				
	Mahamud Al Nahian	Shareholder				
	Nawsheen Ishrat Promee	Shareholder				
	Md. Shamsul Alam	Shareholder				
	Tanzid Hasan	Shareholder				
	Asmita Hossain	Shareholder				
	Tanveer Hossain	Shareholder				

**(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted**

The company did not enter into any merger, amalgamation or acquisition till date. Hence no shares were issued against such scheme.

**(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued**

No shares of the company were issued for employee stock option scheme.

**(viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof**

No issue of securities have been made during the preceeding two years.

**(ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue**

As of date, there is no intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

**(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them**

Name of Sponsors/Directors	Nature of Issue	Date of Allotment/ Acquisition/ Transfer	Number of Shares	Face Value (BDT)	Issue Price (BDT)	Consideration	Date when the shares were fully paid up	% of pre IPO paid up capital	% of post IPO paid up capital	Lock in Period from the date of issuance of prospectus	No. of pledged share
<b>Directors</b>											
Hafizur Rahman Khan	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, March 10, 2012, July 05, 2012, January 12, 2013, February 22, 2015, September 22, 2015	10,272,000	10	10	Cash, Other than Cash, Bonus	At the date of allotment	10.90%	9.50%	3 years	N/A
Md. Mozammel Hossain	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, March 10, 2012, July 10, 2012, January 12, 2013, February 22, 2015, September 22, 2015	6,648,000	10	10	Cash, Other than Cash, Bonus	At the date of allotment	7.06%	6.15%	3 years	N/A
Mukesh Sharma (Managing Director and CEO)	Ordinary Shares	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mohammad Ali Deen	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, May 20, 2013, September 22, 2015	2,400,000	10	10	Cash, Bonus	At the date of allotment	2.55%	2.22%	3 years	N/A
Md. Jahurul Alam	Ordinary Shares	May 20, 2013, February 2, 2015, September 22, 2015	3,000,000	10	10	Cash, Bonus	At the date of allotment	3.18%	2.77%	3 years	N/A
Taslim Uddin Ahmed	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, January 21, 2014, February 22, 2015, September 22, 2015	2,580,000	10	10	Cash, Bonus	At the date of allotment	2.74%	2.39%	3 years	N/A

Name of Sponsors/Directors	Nature of Issue	Date of Allotment/ Acquisition/ Transfer	Number of Shares	Face Value (BDT)	Issue Price (BDT)	Consideration	Date when the shares were fully paid up	% of pre IPO paid up capital	% of post IPO paid up capital	Lock in Period from the date of issuance of prospectus	No. of pledged share
Khalid Shahidul Quadir [Nominated by Brummer Frontier PE II (Mauritius) Limited]	Ordinary Shares	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Muallem A Choudhury FCA [Nominated by Brummer Frontier PE II (Mauritius) Limited]	Ordinary Shares	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Faruq Ahmad Siddiqi (Independent Director)	Ordinary Shares	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Johannes (Phil) N.H. van Haarlem (Independent Director)	Ordinary Shares	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Sponsors</b>											
Md. Amjad Ali	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, February 22, 2015, September 22, 2015, November 27, 2016, July 20, 2017	-	-	-	-	-	-	N/A	N/A	N/A
Md. Sairul Islam	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, February 22, 2015, September 22, 2015, November 27, 2016, July 20, 2017	100,000	10	10	Cash, Bonus	At the date of allotment	0.11%	0.09%	3 years	N/A

Name of Sponsors/Directors	Nature of Issue	Date of Allotment/ Acquisition/ Transfer	Number of Shares	Face Value (BDT)	Issue Price (BDT)	Consideration	Date when the shares were fully paid up	% of pre IPO paid up capital	% of post IPO paid up capital	Lock in Period from the date of issuance of prospectus	No. of pledged share
Mohammad Nazim Uddin	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, February 22, 2015, September 22, 2015, April 19, 2017, July 20, 2017	100,000	10	10	Cash, Bonus	At the date of allotment	0.11%	0.09%	3 years	N/A
SK. Abul Kalam Azad	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, February 22, 2015, March 24, 2015, September 22, 2015, November 27, 2016, pril 19, 2017, July 20, 2017	-	-	-	-	-	-	N/A	N/A	N/A
Md. Borhanul Ahasan Chowdhury	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, January 28, 2010	-	-	-	-	-	-	N/A	N/A	N/A
Amir Hossain Khokon	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, January 28, 2010, August 28, 2010, January 12, 2013, February 7, 2013	-	-	-	-	-	-	N/A	N/A	N/A
Md. Ahsan Sayed	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, February 22, 2015, September 22, 2015, April 17, 2018	750,000	10	10	Cash, Bonus	At the date of allotment	0.80%	0.69%	3 years	N/A
Rafiqul Islam Chowdhury	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, February 22, 2015, September 22, 2015, November 27, 2016	1,200,000	10	10	Cash, Bonus	At the date of allotment	1.27%	1.11%	3 years	N/A

Name of Sponsors/Directors	Nature of Issue	Date of Allotment/ Acquisition/ Transfer	Number of Shares	Face Value (BDT)	Issue Price (BDT)	Consideration	Date when the shares were fully paid up	% of pre IPO paid up capital	% of post IPO paid up capital	Lock in Period from the date of issuance of prospectus	No. of pledged share
Rabindranath Ghosh	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, May 20, 2013, October 19, 2014, February 22, 2015, September 22, 2015, April 19, 2017	-	-	-	-	-	-	N/A	N/A	N/A
Md. Jahurul Alam, Manjarul Alam & Anjuman Ara Begum	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, May 20, 2013.	-	-	-	-	-	-	N/A	N/A	N/A
Md. Shamsul Alam & Parveen Alam	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, February 17, 2005, August 28, 2010, January 12, 2013, March 28, 2013,	-	-	-	-	-	-	N/A	N/A	N/A
Md. Rafiqul Islam	Ordinary Shares	Subscription to the MoA & AoA at the time of Incorporation, June 11, 2002, May 3, 2003	-	-	-	-	-	-	N/A	N/A	N/A

**(xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the red-herring prospectus or prospectus or information memorandum**

Details of aggregate shareholding by sponsors and directors has been stated in page no 40 to 43. There is no securities purchased or sold or otherwise transferred by sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus.

**(xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument**

Name of the shareholder	Address	No. of shares	Owned beneficially/ of record	No. of shares after exercise of warrant, option or right to convert any convertible instrument	% of pre-IPO ownership	% of post-IPO ownership
Hafizur Rahman Khan	H-31, R-18, Block-J, Banani, Dhaka 1214	10,272,000	Owned beneficially	-	10.90%	9.50%
Md. Mozammel Hossain	Flat-3B, H-38, R-13/A, Dhanmondi, Dhaka 1208	6,648,000	Owned beneficially	-	7.06%	6.15%
Brummer Frontier PE II (Mauritius) Limited	Citco (Mauritius) Ltd., 4 <sup>th</sup> Floor, Tower-A, 1 Cyber City, Ebene	26,956,521	Owned beneficially	-	28.62%	24.93%
Islami Bank Bangladesh Limited	Islami Bank Tower, 40 Dilkusha C/A	5,462,000	Owned beneficially	-	5.80%	5.05%
<b>Total</b>					<b>52.37%</b>	<b>45.63%</b>

**(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned**

Hafizur Rahman Khan and Md. Mozammel Hossain who act as both director and officer of the company hold 10.90% and 7.06% shares respectively. Apart from them, the following officers hold the share of Runner Automobiles Limited:

Name of the Shareholder	Designation	Address	No. of Shares	Pre-IPO % of Shareholding	Post-IPO % of Shareholding
Hafizur Rahman Khan	Chairman	H-31, R-18, Block-J, Banani, Dhaka 1214	10,272,000	10.90%	9.50%
Md. Mozammel Hossain	Vice Chairman	Flat-3B, H-38, R-13/A, Dhanmondi, Dhaka 1208	6,648,000	7.06%	6.15%
Rudaba Tazin	Assistant Director	H-31, R-18, Block-J, Banani, Dhaka 1214	1,800,000	1.91%	1.66%
Amid Sakif Khan	Assistant Director	H-31, R-18, Block-J, Banani, Dhaka 1214	3,840,000	4.08%	3.55%
Md. Azmal Hossain Chowdhury	Zone Manager	Kharampur Mor, Sherpur	3,200	0.0034%	0.0030%

Name of the Shareholder	Designation	Address	No. of Shares	Pre-IPO % of Shareholding	Post-IPO % of Shareholding
Asadullah Mahmud	Assistant Manager	Flat 403, Eastern Housing, Banker's Row, West Nakhalpara, Tejgaon, Dhaka 1215	3,000	0.0032%	0.0028%
Md. Salah Uddin	Assistant Manager	271, Dholadia, Mymensingh	2,500	0.0027%	0.0023%
<b>Total</b>				<b>23.96%</b>	<b>20.87%</b>

#### (D) DESCRIPTION OF BUSINESS

(i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in

##### Legal Status

Runner Automobiles Limited is a public company limited by shares and is domiciled in Bangladesh. Initially established as a proprietorship business named M/S Runner, it was later incorporated as Runner Automobiles Limited with the Registrar of Joint Stock Companies and Firms in Bangladesh as a private company limited by shares on July 4, 2000 vide incorporation no C-40658 (17)/2000 under Companies Act, 1994. The company has been in commercial operation since inception. The company was converted into a public limited company on January 26, 2012 under the Companies Act, 1994. As on June 30, 2017 the consolidated and standalone revenue of the company was BDT 6,494,673,830 and BDT 2,410,036,191 respectively and the consolidated and standalone net profit after tax was BDT 393,489,689 and BDT 190,899,829 respectively.

##### Nature of Business

Runner Automobiles Limited (RAL) is the flagship company of Runner Group with principal activities to manufacture and distribute 2 Wheelers. The organization has 691 employees as of June 30, 2017. In the past 17 years, the company has invested a large amount of capital to introduce a complete set of advanced production technology and equipment. The company's yearly production capacity of 2 wheelers is 100,000 as per note 39 of the audited accounts for the year ended June 30, 2017. RAL's 2 wheelers products range varies from 50 cc to 150 cc with about 13 models of 2 wheelers and scooters.

Runner Automobiles Limited is renowned in Bangladesh as a pioneering domestic manufacturer of 2 Wheelers with an extensive and deep network of showrooms and workshops spread across length and breadth of the country. The company has a state of art manufacturing facility 70 KM North of Dhaka which is equipped with latest machinery, technology and skilled manpower to produce various brands of 2 wheelers namely 2 AD 80S, AD 80S Deluxe, Cheeta, F 100- 6A, DY 50, Bullet, Royal +, Knight Rider, Turbo, Turbo 125, Freedom, Kite, Kite+ which are well established and extremely popular with various segments of customers. It is noteworthy to mention that RAL is completely dedicated towards promoting and developing a manufacturing ecosystem for 2 Wheelers in Bangladesh. Towards this end, RAL is not only growing as a manufacturer but also extending complete support in terms of technology and technical knowhow to small and medium scale entrepreneurs (SME) to establish their own factories for Spare Parts and Accessories of 2 Wheelers. RAL is fully committed to procurement of such spare parts and accessories such as 2 Wheelers seats, control cables like: brake cable, clutch cable, speedometer cable, throttle cable etc., wiring harness, tire, tube, battery, plastic components (side cover, indicator light, head light, fender) from these SME businesses; and are being utilized in various models of Runner 2 Wheelers.

With its highly dynamic and proactive sales and marketing strategy supported by consumer-centric service and parts initiatives, Runner Automobiles Limited has captured the domestic market as an avant-garde in 2 Wheeler industry. At present, RAL has around 80 Dealers with a massive network of over 230 plus Sales and Service Experience Zones managed by a highly proficient and well trained team. RAL has a chain of 28 Company Owned and Company Operated (COCO) outlets delivering a seamless Sales and Service experience to Runner consumers.

The Board of Directors of Runner Automobiles has a unique structure. The board comprises promoter Hafizur Rahman Khan, several shareholders who are also dealers of the company, and foreign investor namely Brummer Frontier PE II (Mauritius) Limited.

This is thanks to the unique journey the company has undergone since its inception. The company was formed by Mr. Khan who was employed by one of the leading 2 Wheelers assembling and trading companies at that time. Although performing well, Mr. Khan always harbored entrepreneurial ambitions. Being a key figure in a leading 2 Wheelers trading company, he had very good access among the distribution and dealership value chain of the Bangladesh 2 Wheelers industry. He, along with some of the key dealers, formed Runner Automobiles Limited. Over time Runner also accumulated a number of dealers who are not shareholders, but as a result of this ownership structure, many of the dealers (and especially the big ones) have added motivation to sell Runner motorcycles.

Over time, Runner experienced significant growth and reached a stage when the Board felt that they were ready to invite external strategic investors. Collectively, they have brought in several best practices of global standards. Several improvements have been made in the past 2-3 years in corporate governance and environment, health and safety issues among others. For example, the paint shop at the factory was renovated to ensure that there are no health hazards for the workers. An internal audit committee has been formed which is headed by Phil van Haarlem, a Dutch national with many years of experience in the automobile industry in many countries. Mr. van Haarlem also sits on the board as an independent director. Brummer has also leveraged its global network to seek quality talent from across the globe who will be able to lead Runner to the next level in the coming years. An example of this is the hiring and engagement of Mukesh Sharma as the Executive Director in 2015 and subsequently as Managing Director and CEO from November 01, 2016.

#### **Runner Automobiles Limited and UM International LLC, USA**

Taking a big leap ahead and building new alliances, on 28<sup>th</sup> Sept 2016, Runner Automobiles Limited signed a historic collaborative agreement with UM International LLC, of the United States of America, for manufacturing 2 Wheelers in Bangladesh for domestic and other overseas markets. Under the collaborative agreement, Runner would produce UM Runner branded 2 Wheelers by indigenizing at their state of art manufacturing facility at Bhaluka while UM International LLC shall provide R&D support in technological and engineering fields as well as global component sourcing. These high performance and stylish UM Runner branded 2 Wheelers come loaded with a bundle of new features.

UM-Runner 2 Wheelers in Bangladesh would initially be present in the growing Sport and Cruiser categories with the XTREET and RENEGADE family of motorbikes being introduced in the first phase. Engine sizes will range from 100cc to 150cc and bikes will be equipped with UM's KUI's (Key UM Innovations).

#### **Runner Automobiles Limited and Bajaj Automobiles Limited, India (BAL)**

Again making a strategic move into new business venture, Runner Automobiles Ltd. has been appointed as a distributor of Bajaj Auto Ltd. India for popular BAJAJ RE branded 3 Wheelers (Passenger/ cargo- LPG and Diesel range). This business with Bajaj has been established with the common goal of providing a smart and reliable commute solution to the population of Bangladesh through capitalizing Bajaj's expertise on technology/ manufacturing and Runner's strength of deep penetration and reach coupled with strong after sales support.

Upon starting the business since 2017 the Company organized its 19 exclusive dealers with well decorated 19 showroom and well covered service supports countrywide. More than 2000 units RE Brand 3Wheeler products has been distributed in Bangladeshi market by RAL during 2017.

#### **The Company has the following subsidiaries**

##### **Runner Motors Limited**

Runner Motors Limited (RML) is a subsidiary of RAL with 61.67% shares holding by the parent company. This company is the Sole Distributor of VE Commercial Vehicles Ltd. (A Volvo Group and Eicher Motors Joint Venture) of all range of commercial vehicles excluding 16 tonner commercial Vehicles. The range of products includes Light

and Medium (LMD) and heavy duty (HD) commercial vehicles. The market potential of commercial vehicle is booming in Bangladesh.

It has a wide range of service network with 6 company owned service centers and 6 dealer operated service centers as well as 1 Authorized Service Center (ASC) in different district towns. RML is also providing service to the strategic areas of commercial vehicle through 21 well trained technician named Star Mechanic. To ensure availability of original parts, RML is operating one Eicher Genuine Parts (EGP) retail shop at Bangla Bazar, Dhaka and second one is at Dewanhut, Chittagong. In addition to that the company has extended its parts retailer to 100 nos.

Presently, RML has planned to set up CKP plant at Bhaluka, Mymensing to assemble the commercial vehicles for which Ground Breaking Ceremony was held on August'17 and expected to start the operation of the plant at the end of 2018.

### **Freedom Motors**

Freedom Motors Limited is a private limited company incorporated in Bangladesh under the Companies Act 1994 with the Register of Joint Stock Companies and Firms, bearing registration no.70066 (2575)/08 dated February 02, 2008. The company business is to manufacture/assemble all kinds of automobiles/mechanical products manually or by automatic/semi-automatic machine or manufacturing of automatic/mechanical materials and, marketing the same all over Bangladesh. Currently the company is not in commercial operation.

### **Runner Electronics Limited**

Runner Electronics Limited, subsidiary of Runner Automobiles Limited has been wound up/liquidated.

#### **(ii) Location of the project**

The factory of Runner Automobiles Limited is located its own land at Paragaon, Barachala, Bhaluka, Mymensingh while the registered and corporate office is located in its own building located in 138/1, Tejgaon I/A, Dhaka 1208.

#### **(iii) Plant, machinery, technology, process, etc.**

Runner Automobiles Limited has its factory located at Bhaluka, Mymensingh. The factory is constructed on pre-fabricated steel structure on the company's own land. The factory has complete 2 Wheeler production lines which include pressing, welding, painting, engine assembly, motor cycle assembly and quality control. The company has been using sophisticated machineries and automotive technologies in order to produce high quality 2 Wheeler & 3 Wheeler. All manufactured products pass through stringent quality tests and Standard Operating Procedures (SOPs) before they are despatched to Dealers for onward Sales. RAL has a highly qualified team of engineers who are engaged into Quality Assurance and Control of manufacturing and processes. These team members are exposed to international best practices by enabling their visits to Japanese and Indian manufacturing companies and various Motoshows in the World. It helps the company to be competitive over the competitors in the market because of latest machineries, state-of-the-art technologies and processes.

Runner being a domestic manufacturer has been gearing up its research and development facilities especially in areas of Product Development and Testing. Apart from having various machines and equipment like Salt Spray Test Chamber, Coordinate Measuring Machine, Suspension Test Machine, Universal Load Test Bench, Electric Component Test Bench etc. Recently RAL has successfully installed the Engine and Chassis Dynamometers which further helping to enhance the Products performance on parameters of Torque, Power Acceleration, Fuel efficiency, Braking, Gradient Driveability and emissions etc.

**(iv) Details of the major events in the history of the issuer, including details of capacity/facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc**

Major Events	Date
Date of Incorporation	July 4, 2000
2 Wheeler Assembly commenced	2002
Component Manufacturing commenced in Bhaluka	2006
Full fledged 2 Wheeler Manufacturing commenced in Bhaluka	2011
Conversion of Denomination of Face Value of Shares	December 26, 2011
Conversion into a Public Limited Company	January 26, 2012
Strategic Foreign Investment of BDT 1,050 million by Brummer Frontier PE II (Mauritius) Limited	September 28, 2013
Capacity increase from 72,000 to 100,000	2015
Launching of Three Wheeler	2015
Collaboration Agreement with UM & Bajaj for manufacturing 2 Wheeler and 3 Wheeler	2016
Appointment of – Mukesh Sharma as Managing Director and Chief Executive Officer	November 01, 2016
Started Export to Nepal	2017

**(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data**

The principal product of the Company is 2 Wheeler & 3 Wheeler. The products are sold to Customers and Corporate clients through Dealers, Company Owned Company Operated (COCO) stores, through tenders and recently initiated online retail mode.

Runner Automobiles Limited produces high quality high performance 2 Wheelers at competitive price. RAL's 2W products range varies from 50 cc to 150 cc with about 13 models of 2 Wheelers and scooters.

The market for 2 Wheelers is on the rise in Bangladesh riding on increase in disposable income among the general population. This is exemplified by the rise in the number of 2 Wheelers registered with Bangladesh Road Transport Association (BRTA) from 114,616 in 2011 to 249,138 during January to August 31, 2018 in the current year. During the last eight years the aggregate number of motorcycles registered more than doubled from 759,257 upto 2010 to 2,300,057 till August 31, 2018.<sup>3</sup>

Demand and supply forecast of 2 Wheelers could not be provided due to unavailability of independent market data sources.

Runner Automobiles is trying to foray into international market by expanding its footprint in countries such as Nepal and a few African countries. RAL has already started export to Nepal. Runner will avail 10% cash incentive benefit for export of motorcycles in accordance with FE circular no-26 of Bangladesh Bank. The company has also received Import Permission (IP) for import of raw materials to manufacture motrocycles from 165cc to 500cc specifically for export to international market from the Ministry of Commerce through memo no. 26.00.0000.111.53.057.14-440.

**(vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues**

Relative contribution of products of the company during the year ended June 30, 2017 is as follows-

Product	Revenue	Percentage of Total Revenue
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<sup>3</sup> Source: <http://www.brta.gov.bd/site/page/74b2a5c3-60cb-4d3c-a699-e2988fed84b2/সারা-বাংলাদেশে-মোটরযান-নিবন্ধনের-সংখ্যা>

2 Wheeler	2,212,395,500	91.80%
3 Wheeler	197,640,691	8.20%
Total	<b>2,410,036,191</b>	100%

**(vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof**

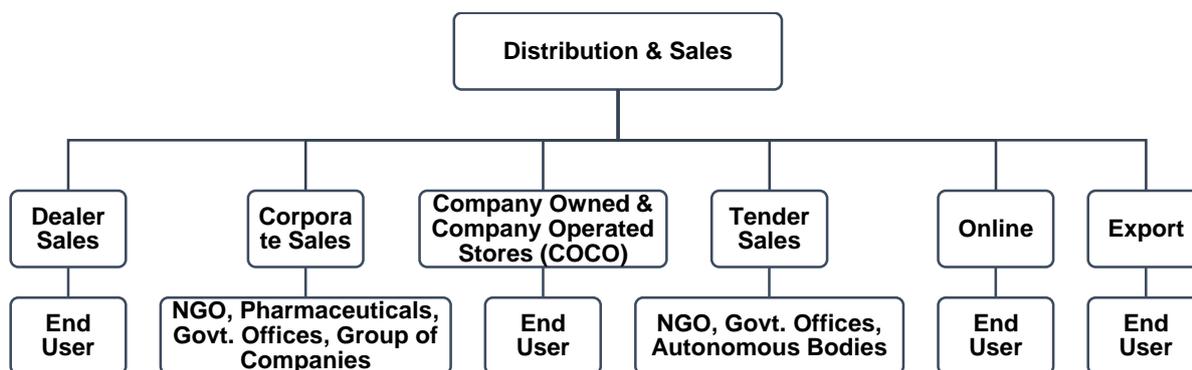
Runner Automobiles Limited does not have any associate or holding company. Description of subsidiaries are as follows-

Name of the Company	Legal Status	Date of Incorporation	Relation	Nature of the business of the Company
Runner Motors Limited	Public Limited Company	19-02-2005	Subsidiary	Importer and distributor of commercial vehicles like trucks and pickups.
Freedom Motors Limited	Private Limited Company	02-02-2008	Subsidiary	To manufacture/ assemble all kinds of automobiles /mechanical products manually or by automatic/ semi-automatic machine or manufacturing of automobiles/ mechanical materials and marketing the same to all over Bangladesh.

**(viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any**

Runner Automobiles Limited has captured the domestic market with 80 Dealers and 230 exclusive sales outlets managed by trained dealer staff along with 21 Company Owned Company Operated (COCO) flagship stores. These Sales and Service outlets are spread across country to ensure proximity to Customers. These Sales and Service Showrooms are managed by professional team of Sales, service and Parts structured into 5 Zones (North, East, West, South & Central). Each of these Zones has a Zonal Business Head who is responsible to provide single window solution to RAL's internal and external Customers. These Field teams are ably supported by corporate teams and National heads of each of these verticals.

Runner Automobiles forayed into international market by expanding its footprints to in countries such as Nepal and is trying to enter few African countries. RAL has already opened an exclusive showroom though its dealer for distribution of its Products in Nepal market. Runner will avail 10% cash incentive benefit for export of motorcycles in accordance with FE circular no-26 of Bangladesh Bank. The company has also recived Import Permission (IP) for import of raw materials to manufacture motrocycles from 165cc to 500cc specifically for export to international market from the Ministry of Commerce thourgh memo no. 26.00.0000.111.53.057.14-440. The following illustration explains the structure and process of distribution and sales of RAL's products-



**(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors**

Runner Automobile Limited is renowned in Bangladesh as a pioneering domestic manufacturer of 2 Wheelers with an extensive and deep network of showrooms and workshops spread across length and breadth of the country.

The company has various well established brands of 2 wheelers namely AD 80S, AD 80S Deluxe, Cheeta, F 100-6A, DY 50, Bullet, Royal +, Knight Rider, Turbo, Turbo 125, Freedom, Kite, Kite+ in its portfolio which are extremely popular with various segments of customers.

Runner Automobiles Limited is well renowned in the local market as one of the leading manufacturer, assembler and seller of 2 Wheelers in the country. The company has established brands in the market namely Dayang Runner, Freedom Runner, LML Freedom and Runner.

RAL has been appointed as a distributor of BAJAJ Autos Ltd. of India for famous BAJAJ RE brand (LPG, Diesel, Passenger and Cargo) 3 Wheeler in Bangladesh. Since incorporation, the Company organized its 19 dealer with well decorated showroom and well covered service supports over the country. RAL already imported and sold more than 2000 units RE Brand 3 Wheeler products in Bangladeshi market during 2017.

RAL being the pioneering manufacturer and assembler of 2 Wheelers in the country has the early mover advantage over competition. However, as regards to sale of 2 Wheelers there are several importers and sellers namely Uttara Motors, TVS Auto BD, Niloy Motors, Rankon Motor Bikes Ltd. and Navana 2 Wheelers. RAL's competitive edge lies in its ability to manufacture and assemble quality products and market those at a competitive cost compared to other importers and sellers. Hence, the company has been able to create a niche among value conscious buyers looking for quality products; a true value for money proposition.

No independent source of competitors' market share information is available.

**(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;**

Name of the supplier	Address	Materials	Origin
Luoyang Northern EK Chore MC Co. Limited (Dayang)	Luoyang City, Henan Province, PR China post code:471031	Raw Material	China
Chongquin Lifan Industry (Group) IMP & Exp Co. Ltd	No.60, Zhangjia Wan, Shangqiao, Shapingba District, ChongqingG, China	Raw Material	China
Guangzhou Haojin Motor Cycle Co Limited	Shangshao Industrial Area, Xintang Town, Zengcheng, Guangzhou, China. P.C : 511340	Raw Material	China
UM International LLC	601 South 21 Avenue, Hollywood FL, 33020, USA	2 Wheeler	USA
Bajaj Auto Limited	Akurdi, Pune 411035, India	3 Wheeler	India
Others	-	Locally Procured Raw Material	Bangladesh

**Contingency Plan**

RAL sources its material from a number of suppliers. Also, there are a number of alternative sourcing option and hence any disruption will not affect sourcing of the company.

**(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption**

**Power:** The Company has Rural Electrification Board (REB) electricity line and daily maximum requirement of electricity is around 1,367 KW.

**Gas:** There is no requirement of gas for running the factory production.

**Water:** RAL needs water to run its factory operation, sanitation and other purposes. It meets the requirement by own deep tubewell and requirement is 5 m<sup>3</sup> per hour.

### Contingency Plan

RAL has three own generators (810 KVA, 520 KVA and 100 KVA) capable of tackling any disruption of electricity.

**(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products /services with amount and percentage thereof**

No single customer accounts for more than 10% of the company's revenue.

**(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material/ finished goods with amount and percentage thereof**

Name of the supplier	Address	Telephone, Web Address, Email and Fax Number	Raw Material/ Finished Goods	Amount (BDT Million)	% of Total Purchase
Luoyang Northern EK Chore MC Co. Limited (Dayang)	Luoyang City, Henan Province, PR China post code:471031	Tel: 0086-379 65118548 Web:www.dayang-motorcycle.com E-mail:dayang@dayang-motorcycle.com Fax: 86-379-6493759	Raw Material	615.16	35.69%
Chongquin Lifan Industry (Group) IMP & Exp Co. Ltd	No.60, Zhangjia Wan, Shangqiao, Shapingba District, ChongqingG, China	Tel: 023-61663307 Web: www.lifan.com E-mail: lecauto@lifan.com Fax: 023-61663588	Raw Material	269.91	15.66%
Guangzhou Haojin Motor Cycle Co. Limited	Shangshao Industrial Area, Xintang Town, Zengcheng, Guangzhou, China. P.C : 511340	Web:www.haojin.com.cn E-mail: export01@haojin.com.cn Fax: +86-20-82673390	Raw Material	289.76	16.81%
Bajaj Auto Ltd.	Akurdi, Pune 411035, India	Web: www.bajajauto.com Email: sbrahmi@bajajauto.co.in Fax: +912027473398 Tel: +912027472851	3Wheeler	219.28	12.72%

**(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO/MD, CFO and Chairman on behalf of Board of Directors**

Runner Automobiles Limited does not have any binding contract with any of its suppliers or customers other than those entered into for day-to-day operational purposes.

SD/-  
**Hafizur Rahman Khan**

SD/-  
**Mukesh Sharma**

SD/-

Chairman  
Runner Automobiles Limited

Managing Director and CEO  
Runner Automobiles Limited

**Muhammad Nazrul Islam FCA**  
Chief Financial Officer  
Runner Automobiles Limited

**(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates**

Runner Automobiles Limited has several regulatory licenses and certificates in order to continue its operations. In addition, it has several buyer certifications. The table below lists the licenses and certifications that the company has:

Particulars	Issuer/ Issuing authority	Certificate/License No.	Issue/Renewal Date	Current Status
Certificate of Incorporation	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	C- 40658(17)/2000	July 4, 2000	-
TIN Certificate	National Board of Revenue, Government of Bangladesh	579421967838	June 14, 2016	-
VAT Certificate	Customs, Excise and VAT Commissionerate, Dhaka (North), Government of Bangladesh	18061004993 area code 180201	January 17, 2013	-
	Customs, Excise and VAT Commissionerate, Dhaka (South), Government of Bangladesh	19101003565 area code 190302	September 19, 2012	-
Commercial Import Registration Certificate	Office of the Chief Controller of Imports & Exports, Government of Bangladesh	Bo 159367	March 28, 2005	Validity till June 30, 2019
Industrial Import Registration Certificate	Office of the Chief Controller of Imports & Exports, Government of Bangladesh	Bo 105440	May 15, 2000	Validity till June 30, 2019
Export Registration Certificate	Office of the Chief Controller of Imports & Exports, Government of Bangladesh	Ro 0104775	November 05, 2012	Validity till June 30, 2019
Trade License	Dhaka North City Corporation	03-01627	July 17, 2013	Validity till June 30, 2019
	Hobirbari Union Parishad	1105	September 11, 2017	Validity till June 30, 2019
Fire License	Fire Service & Civil Defense, Government of Bangladesh	761/08	July 01, 2008	Valid till June 30, 2019
Boiler License	Office of the Chief Boiler Inspector, Government of Bangladesh	Ba Bo 7783	November 27, 2017	Valid till November 18, 2018
Certificate of Insurance	Continental Insurance Limited	CIL/GBD/IAR/P-0001/01/2018	January 10, 2018	Valid till January 09, 2019
	Green Delta Insurance Company Limited	GDI/KRL/01/2018/IAR/P/0004	January 08, 2018	Valid till January 08, 2019
	Rupali Insurance Company Limited	RIC/NAO/IAR/P-0001/01/2018	January 11, 2018	Valid till January 08, 2019
	Crystal Insurance Company Limited	CICL/PB/FC-0067/07/2016	August 20, 2017	Valid till July 23, 2019
	Asia Insurance Limited	AIL/LO/IAR/P-0003/01/2018	January 09, 2018	Valid till January 09, 2019
Membership Certificate	Dhaka Chamber of Commerce & Industry	00721	January 23, 2013	Valid for the year 2018
	Bangladesh Chamber of Industries	R-19	March 13, 2017	Valid till December 31, 2018

Particulars	Issuer/ Issuing authority	Certificate/License No.	Issue/Renewal Date	Current Status
Environmental Clearance Certificate	Department of Environment, Mymensingh	22.02.6100.142.71.120.15.160	December 18, 2017	Valid till December 2, 2018
Factory License	Department of Inspection for Factories and Establishments	160/Mymensingh	April 30, 2017	Valid till June 30, 2019
Shop License	Department of Inspection for Factories and Establishments	117/Dhaka	July 02, 2017	Valid till June 30, 2019
Group Life Insurance	Guardian Life Insurance Limited	-	July 10, 2017	June 30, 2020
ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007	Bureau Veritas Certification Holding SAS- UK Branch	IND16.4025/U	March 29, 2018	Valid till April 05, 2019

Besides Runner Automobiles Limited has has obtained Bangladesh Road Transport Authority (BRTA) approval for the following models of 2 wheelers and 3 wheelers-

SL No	Category	BRTA Approval (reference no. & date)	Country of Imported Engine	Model
01	2 Wheeler	BRTA/4T-2(7/1)/05/2013-73 dated January 10, 2013	Republic of China	AD80 S
02	2 Wheeler	BRTA/4T-2(7/1)/05/2013-73 dated January 10, 2013	Republic of China	AD80 S DELUXE
03	2 Wheeler	BRTA/4T-2(7)/05/2010-890 dated April 06, 2010	Republic of China	DY 50
04	2 Wheeler	BRTA/4T-2(7/1)/05/2012-3372 dated December 30, 2012	Republic of China	TURBO
05	2 Wheeler	BRTA/4T-2(7/1)/05/2010-3740 dated November 04, 2010	Republic of China	BULLET
06	2 Wheeler	35.03.0000.003.31.002.2016-1119 dated March 31, 2016	Republic of China	TURBO 125
07	2 Wheeler	BRTA/4T-2(7/1)/05/2012-3371 dated December 30, 2012	Republic of China	ROYAL +
08	2 Wheeler	35.03.0000.003.31.002.2016-1037 dated March 28, 2017	Republic of China	KNIGHTRIDER
09	2 Wheeler	BRTA/4T-2(7/2)/05/2013-1473 dated May 17, 2015	Republic of China	CHEETA
10	2 Wheeler	BRTA/4T-2(7/1)/05/2010-3213 dated December 30, 2010	Republic of China	F100-6A
11	2 Wheeler	BRTA/4T-2(7/2)/05/2013-500 dated February 24, 2014	Republic of China	FREEDOM
12	2 Wheeler	BRTA/4T-2(7/2)/05/2013-501 dated February 24, 2014	Republic of China	KITE
13	2 Wheeler	35.03.0000.003.31.002.2016-1036 dated March 28, 2017	Republic of China	KITE+
14	3 Wheeler	35.03.0000.003.31.022(Part-35).2015-1125 dated August 10, 2017	Republic of India	RE 4S COMPACT LPG (AUTO RICKSHAW)
15	3 Wheeler	35.03.0000.003.31.022(Part-35).2015-1125 dated August 10, 2017	Republic of India	RE MAXIMA (CARGO VAN)
16	3 Wheeler	35.03.0000.003.31.022(Part-36).2015/1146 dated August 29, 2017	Republic of India	RE 4S COMPACT DIESEL (AUTO RICKSHAW)
17	3 Wheeler	35.03.0000.003.31.022(Part-36).2015/1146 dated August 29, 2017	Republic of India	RE MAXIMA (AUTO TEMPO)

**(xvi) Description of any material patents, trademarks, licenses or royalty agreements**

Runner Automobiles Limited has the following copyrights-

Particulars	Issuing Authority	Certificate No.	Issue Date
Certificate of Registration of Copyright for "Logo Literature of Runner Automobiles Limited"	Copyright Office, Government of the People's Republic of Bangladesh	13094-COPR	May 15, 2013
Certificate of Registration of Copyright for "Logo Literature of Dayang-Runner"	Copyright Office, Government of the People's Republic of Bangladesh	13164-COPR	July 17, 2013
Certificate of Registration of Copyright for "Logo Literature of Freedom Runner"	Copyright Office, Government of the People's Republic of Bangladesh	13165-COPR	July 17, 2013

**(xvii) Number of total employees and number of full-time employees**

As per audited accounts

Salary Range (Monthly)	Officers and Workers		Total Employees	Number of Full time employees
	Head Office	Factory		
Not less than 3,000	265	426	691	691

**(xviii) A brief description of business strategy**

Key strategic objectives of Runner Automobiles Limited are to:

- Ensure sustainable growth and modernization of existing facilities with potential for success through increasing manufacturing efficiency
- Achieve global competitiveness and to derive the full benefit of our demographic advantage
- Invest in improving the skills and productivity of the workforce to achieve average per man hour per machine output in terms of quantity and quality of the levels prevailing in Bangladesh over the next 5 years
- Position Runner Automobiles in the internal & global frontier as an ecofriendly company in the entire value chain
- Achieve technological superiority
- Strengthening financial resources

**(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels**

**Existing installed and capacity utilization**

For the year ended June 30, 2015			For the year ended June 30, 2016			For the year ended June 30, 2017		
Installed Capacity	Actual Production	Capacity Utilization (%)	Installed Capacity	Actual Production	Capacity Utilization (%)	Installed Capacity	Actual Production	Capacity Utilization (%)
100,000	29,550	29.55%	100,000	18,867	18.87%	100,000	31,741	31.74%

Installed capacity and actual production in pcs

**Projected capacity utilization**

For the Year ended June 30, 2018	For the Year ended June 30, 2019	For the Year ended June 30, 2020
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Installed Capacity	Actual Production	Capacity Utilization (%)	Installed Capacity	Actual Production	Capacity Utilization (%)	Installed Capacity	Actual Production	Capacity Utilization (%)
100,000	36,000	36.00%	100,000	48,000	48.00%	100,000	62,000	62.00%

Installed capacity and actual production in pcs

#### **(E) DESCRIPTION OF PROPERTY**

##### **(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof**

The Company possesses the following fixed assets as per audited financial statements as on June 30, 2017 are stated below:

Particulars	Written Down Value as on June 30, 2017
Land & Land Development *	1,802,136,119
Building & Other Construction	714,602,680
Plant & Machineries	362,772,567
Furniture & Fixture	50,634,907
Office Equipment	30,171,362
Motor Vehicle	30,642,073
Computer & Accessories	15,926,170
<b>Total</b>	<b>3,006,885,877</b>

Runner Automobiles Limited has its factory located at Bhaluka, Mymensingh. The factory is constructed on pre-fabricated steel structure on the company's own land. The factory has complete 2 Wheelers production lines which include pressing, welding, painting, engine assembly, motor cycle assembly and quality control. The company's head office is located in its own building located in Tejgaon I/A. In total, the company owns 4,944.04 decimal of land in different parts of the country.

The property, plant and equipment of the company are in good condition. The plant and machinery of the Company have been owned by the Company and were purchased in brand new condition.

##### **(ii) Whether the property is owned by the company or taken on lease**

All the assets of the company are owned by the company except four vehicles which have been leased from United Finance Limited.

Each specific lease facility availed is repaid as per respective sanctions. Details regarding lease is given in notes 17.1 and 21.1 of the audited accounts for the year ended June 30, 2017 and the financial lease (F) (ii) (k) of this section.

**(iii) Dates of purchase, last payment date of current rent and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof**

SI No.	Deed No.	Date	Mutation Date	Last payment date of current rent	Current Use	Area of the Land as per deed (decimal)	Area of the Land as per mutation (decimal)	Land Deed Value	Land Development Cost (BDT)	Total Land Cost (BDT)	Location
1	3887	9-Jul-08	04.12.08	04-Sept-18 for 1425	Head office	24.75	24.75	60,000,000	65,660,912	125,660,912	Tejgaon, Dhaka
2	4209	6-Mar-05	15.05.15	18-Jul-18 for 1425	Rented	33.00	52.80	178,000	194,794	372,794	Savar, Dhaka
3	11711	17-Jun-04	15.05.15	18-Jul-18 for 1425	Rented	19.80		260,000	284,531	544,531	Savar, Dhaka
4	10368	12-Jun-01	10.07.12	18-Jul-18 for 1425	Rented	54.25	92.00	380,000	415,852.44	795,852	Savar, Dhaka
5	20506	17-Nov-01	10.07.12	18-Jul-18 for 1425	Rented	33.75		150,000	164,152.28	314,152	Savar, Dhaka
6	3101	13-Feb-02	10.07.12	18-Jul-18 for 1425	Rented	19		86,000	94,113.97	180,114	Savar, Dhaka
7	5784	28-Mar-02	10.07.12	18-Jul-18 for 1425	Rented	10		25,000	27,358.71	52,359	Savar, Dhaka
8	1999	7-Jun-05	22.11.05	01-Aug-18 for 1425	Vacant	35.5	35.50	470,000	514,343.81	984,344	Tongi, Gazipur
9	3661	21-May-03	20.10.03	24-Jun-18 for 1425	Factory	776	928.00	1,170,000	1,280,387.78	2,450,388	Bhaluka, Mymensingh
10	3662	21-May-03	20.10.03	24-Jun-18 for 1425	Factory	152		230,000	251,700.16	481,700	Bhaluka, Mymensingh
11	8227	7-Dec-03	23.11.08	24-June-18 for 1425	Factory	20	296.00	120,000	131,321.82	251,322	Bhaluka, Mymensingh
12	8236	7-Dec-03	23.11.08	24-June-18 for 1425	Factory	6.75		40,000	43,773.94	83,774	Bhaluka, Mymensingh
13	5653	22-Jul-04	23.11.08	24-June-18 for 1425	Factory	15.5		115,000	125,850.08	240,850	Bhaluka, Mymensingh
14	8792	8-Dec-04	23.11.08	24-June-18 for 1425	Factory	35		260,000	284,531	544,531	Bhaluka, Mymensingh
15	2401	22-Jun-06	23.11.08	24-June-18 for 1425	Factory	7		200,000	218,870	418,870	Bhaluka, Mymensingh
16	4789	9-Nov-06	23.11.08	24-June-18 for 1425	Factory	50		600,000	656,609	1,256,609	Bhaluka, Mymensingh
17	3895	16-Jun-08	23.11.08	24-June-18 for 1425	Factory	56		930,000	1,017,744	1,947,744	Bhaluka, Mymensingh
18	5041	28-Jul-08	23.11.08	24-June-18 for 1425	Factory	28		463,000	506,683	969,683	Bhaluka, Mymensingh
19	6235	15-Sep-08	23.11.08	24-June-18 for 1425	Factory	78	1,250,000	1,367,936	2,617,936	Bhaluka, Mymensingh	
20	3218	21-Apr-04	26.11.13	24-June-18 for 1425	Factory	35.25	58.75	300,000	328,305	628,305	Bhaluka, Mymensingh
21	8846	27-Dec-03	26.11.13	24-June-18 for 1425	Factory	11.75		80,000	87,548	167,548	Bhaluka, Mymensingh
22	8239	7-Dec-03	26.11.13	24-June-18 for 1425	Factory	11.75		80,000	87,548	167,548	Bhaluka, Mymensingh
23	8631	22-Dec-03	09.06.16	24-June-18 for 1425	Factory	7	7	10,000	10,943	20,943	Bhaluka, Mymensingh

SI No.	Deed No.	Date	Mutation Date	Last payment date of current rent	Current Use	Area of the Land as per deed (decimal)	Area of the Land as per mutation (decimal)	Land Deed Value	Land Development Cost (BDT)	Total Land Cost (BDT)	Location
24	8558	21-Dec-03	08.07.09	24-June-18 for 1425	Factory	20	536.50	120,000	131,322	251,322	Bhaluka, Mymensingh
25	8116	27-Nov-08	08.07.09	24-June-18 for 1425	Factory	35		550,000	601,892	1,151,892	Bhaluka, Mymensingh
26	347	20-Jan-09	08.07.09	24-June-18 for 1425	Factory	153.5		2,558,000	2,799,344	5,357,344	Bhaluka, Mymensingh
27	654	8-Feb-09	08.07.09	24-June-18 for 1425	Factory	72		1,188,000	1,300,086	2,488,086	Bhaluka, Mymensingh
28	652	8-Feb-09	08.07.09	24-June-18 for 1425	Factory	28		462,000	505,589	967,589	Bhaluka, Mymensingh
29	653	8-Feb-09	08.07.09	24-June-18 for 1425	Factory	35.5		585,000	640,194	1,225,194	Bhaluka, Mymensingh
30	908	17-Feb-09	08.07.09	24-June-18 for 1425	Factory	160.00		2,450,000	2,681,154	5,131,154	Bhaluka, Mymensingh
31	3464	28-May-09	08.07.09	24-June-18 for 1425	Factory	32.50		500,000	547,174	1,047,174	Bhaluka, Mymensingh
32	3346	23-Mar-10	15.06.10	24-June-18 for 1425	Factory	98.00	98.00	1,500,000	1,641,523	3,141,523	Bhaluka, Mymensingh
33	5012	23-Jul-09	13.12.09	24-June-18 for 1425	Factory	46.00	351.50	740,000	809,818	1,549,818	Bhaluka, Mymensingh
34	5970	26-Aug-09	13.12.09	24-June-18 for 1425	Factory	223.50		3,400,000	3,720,785	7,120,785	Bhaluka, Mymensingh
35	6282	8-Sep-09	13.12.09	24-June-18 for 1425	Factory	82.00		1,255,000	1,373,407	2,628,407	Bhaluka, Mymensingh
36	9387	21-Sep-10	10.09.12	24-June-18 for 1425	Factory	28.00	192.50	428,000	468,381	896,381	Bhaluka, Mymensingh
37	10121	3-Nov-11	10.09.12	24-June-18 for 1425	Factory	13.50		270,000	295,474	565,474	Bhaluka, Mymensingh
38	9804	26-Oct-11	10.09.12	24-June-18 for 1425	Factory	140.00		2,800,000	3,064,176	5,864,176	Bhaluka, Mymensingh
39	6808	25-Jul-11	10.09.12	24-June-18 for 1425	Factory	11.00		215,000	235,285	450,285	Bhaluka, Mymensingh
40	1874	25-Feb-13	10.06.13	24-June-18 for 1425	Factory	500.00	847.00	14,500,000	15,868,054	30,368,054	Bhaluka, Mymensingh
41	1875	25-Feb-13	10.06.13	24-June-18 for 1425	Factory	347.00		10,000,000	10,943,485	20,943,485	Bhaluka, Mymensingh
42	8860	11-Oct-12	10.06.13	24-June-18 for 1425	Factory	96.00	96.00	5,000,000	5,471,743	10,471,743	Bhaluka, Mymensingh
43	11007	23-Oct-12	10.06.13	24-June-18 for 1425	Factory	26.00	26.00	2,000,000	2,188,697	4,188,697	Bhaluka, Mymensingh
44	7729	9-Sep-13	26.11.13	24-June-18 for 1425	Factory	82.00	82.00	2,250,000	2,462,284	4,712,284	Bhaluka, Mymensingh
45	6846	6-Aug-12	10.06.13	24-June-18 for 1425	Factory	33.33	149.33	1,600,000	1,750,958	3,350,958	Bhaluka, Mymensingh
46	7069	13-Aug-12	10.06.13	24-June-18 for 1425	Factory	35.50		1,700,000	1,860,393	3,560,393	Bhaluka, Mymensingh
47	6954	8-Aug-12	10.06.13	24-June-18 for 1425	Factory	17.00		800,000	875,479	1,675,479	Bhaluka, Mymensingh
48	7139	13-Aug-12	10.06.13	24-June-18 for 1425	Factory	47.50		2,255,000	2,467,756	4,722,756	Bhaluka, Mymensingh

SI No.	Deed No.	Date	Mutation Date	Last payment date of current rent	Current Use	Area of the Land as per deed (decimal)	Area of the Land as per mutation (decimal)	Land Deed Value	Land Development Cost (BDT)	Total Land Cost (BDT)	Location
49	6926	7-Aug-12	10.06.13	24-June-18 for 1425	Factory	17.00		800,000	875,479	1,675,479	Bhaluka, Mymensingh
50	5114	18-Jun-14	25.03.15	24-June-18 for 1425	Factory	13.50	29.50	500,000	547,174	1,047,174	Bhaluka, Mymensingh
51	5113	18-Jun-14	25.03.15	24-June-18 for 1425	Factory	16.00		600,000	656,609	1,256,609	Bhaluka, Mymensingh
52	3451	21-Apr-14	03.11.14	24-June-18 for 1425	Factory	5.25	5.25	265,000	290,002	555,002	Bhaluka, Mymensingh
53	11569	19-Dec-11	10.05.15	24-June-18 for 1425	Factory	2.50	34.00	50,000	54,717	104,717	Bhaluka, Mymensingh
54	2969	12-Apr-04	10.05.15	24-June-18 for 1425	Factory	19.00		150,000	164,152	314,152	Bhaluka, Mymensingh
55	3450	21-Apr-14	10.05.15	24-June-18 for 1425	Factory	8.50		300,000	328,305	628,305	Bhaluka, Mymensingh
56	5485	30-Jun-14	10.05.15	24-June-18 for 1425	Factory	4.00		150,000	164,152	314,152	Bhaluka, Mymensingh
57	1346	13-Feb-14	25.03.15	24-June-18 for 1425	Factory	46.66	46.66	1,680,000	1,838,506	3,518,506	Bhaluka, Mymensingh
58	1456	19-Feb-12	29.07.13	24-June-18 for 1425	Vacant	778.00	778.00	77,800,000	85,140,316	162,940,316	Bhaluka, Mymensingh
59	9983	3-Nov-09	10.06.10	31-January-17 for 1425	Vacant	106.00	106.00	6,151,000	6,731,338	12,882,338	Thakurgaon
60	5811*	3-Jun-13	N/A*	28-Jun-16 for 1424	Vacant	68.80	71.00	25,000,000	32,782,368	57,782,368	Kotoali, Mymensingh
61	**	21-Nov-13	N/A**	28-Jun-16 for 1424	Vacant	2.20					Kotoali, Mymensingh
<b>Total:</b>						<b>4,970.29</b>	<b>4944.04</b>	<b>239,969,000</b>	<b>268,033,378</b>	<b>508,002,378</b>	

\* RAL obtained this land from Ibrahim Flower Mills Limited which is in BSCIC area, separate mutation is not required for this land.

\*\* RAL obtained this land from BSCIC against which there is allotment paper, separate mutation is not required for this land.

Particular	Amount (BDT)
Cost Value of Land	508,002,378
Revaluation Reserve (Revaluation conducted in 2010)	758,569,086
Revaluation Reserve (Revaluation conducted in 2014)	535,564,655
<b>Total</b>	<b>1,802,136,119</b>

(iv) The names of the persons from whom the lands has been acquired/ proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof

SI No.	Deed No.	Seller	Area of the Land in decimal	Land Deed Value	Relation with Issuer/Sponsor /Director
1	3887	Dhaka Packages Limited	24.75	60,000,000	No relation
2	4209	Golam Mostafa	33.00	178,000	No relation
3	11711	Nikkon Housing Limited	19.80	260,000	No relation
4	10368	Aftab Hossain Molla	54.25	380,000	No relation
5	20506	Lutfun Nesa Kaijar	17.30	150,000	No relation
6	3101	Nikkon Housing Limited	11.45	86,000	No relation
7	5784	Nikkon Housing Limited	9.00	25,000	No relation
8	1999	Runner Motors Limited	35.50	470,000	Subsidiary of RAL
9	3661	Tropical Properties	776.00	1,170,000	No relation
10	3662	Rabiul Haque	152.00	230,000	No relation
11	8227	Md. Hazrat Ali	20.00	120,000	No relation
12	8236	Abul Bashar Gong	6.50	40,000	No relation
13	5653	Abdul Latif	15.50	115,000	No relation
14	8792	Nekjan Beyoa	35.00	260,000	No relation
15	2401	Abdus Samad	7.00	200,000	No relation
16	4789	Nazrul Islam Gong	50.00	600,000	No relation
17	3895	Ebad Ullah Gong	56.00	930,000	No relation
18	5041	Ebad Ullah Gong	28.00	463,000	No relation
19	6235	Kafil Uddin Kazi	78.00	1,250,000	No relation
20	3218	Amir Ali	35.25	300,000	No relation
21	8846	Amena Khatun	11.75	80,000	No relation
22	8239	Minara Khatun	11.75	80,000	No relation
23	8631	Mohammad Ali Jinnah	7.00	10,000	No relation
24	8558	Md. Rokunuzzaman	20.00	120,000	No relation
25	8116	Yousuf Ali	35.00	550,000	No relation
26	347	Amsor Ali Gong	153.50	2,558,000	No relation
27	654	Shahab Uddin Gong	72.00	1,188,000	No relation
28	652	Jamal Uddin	28.00	462,000	No relation
29	653	Mojafor Ali Gong	35.50	585,000	No relation
30	908	Mozammel Hossain	160.00	2,450,000	Vice Chairman
31	3464	Amina Khatun	32.50	500,000	No relation
32	3346	Mozammel Hossain	98.00	1,500,000	Vice Chairman
33	5012	Yakub Ali Gong	46.00	740,000	No relation
34	5970	Md. Hazrat Ali Gong	223.50	3,400,000	No relation
35	6282	Rukunuzzaman	82.00	1,255,000	No relation
36	9387	Abdul Latif Sarkar	28.00	428,000	No relation
37	10121	Md. Moktar Hossain	13.50	270,000	No relation
38	9804	Md. Abdul Latif	140.00	2,800,000	No relation
39	6808	Md. Abdul Latif	11.00	215,000	No relation
40	1874	Runner Motors Limited	500.00	14,500,000	Subsidiary of RAL

SI No.	Deed No.	Seller	Area of the Land in decimal	Land Deed Value	Relation with Issuer/Sponsor /Director
41	1875	Runner Motors Limited	347.00	10,000,000	Subsidiary of RAL
42	8860	Md. Abdul Matin	96.00	5,000,000	No relation
43	11007	Md. Julhas Uddin	26.00	2,000,000	No relation
44	7729	Md. Abdul Latif	82.00	2,250,000	No relation
45	6846	Md. Shiraju Islam	32.33	1,600,000	No relation
46	7069	Md. Abul Husain Gong	35.50	1,700,000	No relation
47	6954	Md. Hosain Ali	17.00	800,000	No relation
48	7139	Md. Alamgir Kabir Gong	47.50	2,255,000	No relation
49	6926	Md. Rais Uddin	17.00	800,000	No relation
50	5114	Halima Khatun	13.50	500,000	No relation
51	5113	M.A Baten	16.00	600,000	No relation
52	3451	Md. Abdul Latif	5.25	265,000	No relation
53	11569	Md. Ramjan Ali	2.50	50,000	No relation
54	2969	Mohammad Ali Jinnah	19.00	150,000	No relation
55	3450	Maleka Khatun	8.50	300,000	No relation
56	5485	Ajaha Islam	4.00	150,000	No relation
57	1346	Md. Nurul Islam	46.66	1,680,000	No relation
58	1456	Hafizur Rahman Khan & Mozammel Hossain*	778.00	77,800,000	Chairman, Vice Chairman
59	9983	Mahbubul Haque	106.00	6,151,000	No relation
60	5811	Ibrahim Flower Mills Ltd (BSCIC)	68.80	25,000,000	No relation
61		BSCIC	2.20		No relation

\* 3,618,000 shares of BDT10 each totaling BDT 36,180,000 and 2,412,000 shares of BDT 10 each totaling BDT 24,120,000 were issued to Hafizur Rahman Khan and Md. Mozammel Hossain while BDT 2,720,000 and BDT 14,780,000 out of cost of acquisition of BDT 77,800,000.

**(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required**

The company has received all the approvals from relevant authority pertaining to use of the land. Mutation of land of the company is in the company's name and it has relevant approvals/licenses such as Trade License, Factory License, Fire License, Boiler License and Environmental Clearance Certificate to undertake business.

**(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee**

The company has mortgaged a portion of its fixed assets i.e 4,127.05 decimal land to Al-Arafah Islami Bank Limited, BASIC Bank Limited, BRAC Bank Limited, Dhaka Bank Limited, Eastern Bank Limited, EXIM Bank Limited, Jamuna Bank Limited, Mercantile Bank Limited, Premier Bank Limited and Standard Bank Limited as detailed below-

SI. No.	Name of lenders	Collateral Security
01	Dhaka Bank Ltd	Registered Mortgage & Registered Irrevocable General Power of Attorney (RIGPA) of 178.00 decimal land located at Paragaon, Hobir Bari, Valuka, Mymensingh.
02	Al-Arafah Islami Bank Ltd.	Registered Mortgage & RIGPA of 33.75 decimal land with 13,000 Sft factory shed located at Saver, Dhaka.
03	Premier Bank Ltd	Registered Mortgage & RIGPA of 285.00 decimal land located at paragaon, Valuka, Mymensingh.

SI. No.	Name of lenders	Collateral Security
04	Standard Bank Ltd	Registered Mortgage & RIGPA of 778.00 decimal land located at boradi, Valuka, Mymensingh.
05	Eastern Bank Ltd	Registered Mortgage & RIGPA of 603.00 decimal land located at paragoan, Valuka, Mymensingh.
06	BRAC Bank Ltd	Registered Mortgage & RIGPA of 198.50 decimal land located at paragoan, Valuka, Mymensingh.
07	Mercantile Bank Ltd	Registered Mortgage & RIGPA of 54.25 (Saver), 35.50 (Gazipur), 432.50 decimal land located at paragoan, Valuka, Mymensingh.
08	Jamuna Bank Ltd	Registered Mortgage & RIGPA of 106 decimal land located at Paragoan, Valuka, Mymensingh (at current date).
09	EXIM Bank Ltd	Registered Mortgage & RIGPA of 52.80 (Saver), 495 (Vhaluka), 24.75 (Tejgoan) decimal land.
10	BASIC Bank Ltd	Registered Mortgage & RIGPA of 850 decimal land located at paragoan, Valuka, Mymensingh.

**(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment**

SI No	Showroom Name	Lessor	Date of Lease Expiration	Principal Terms and Condition	Details of Payment (BDT/ per month)
01	Lease agreement for showroom in Tejgaon	Haque Brothers (Industries) Limited	18.10.2021	3,600 sft of demised premises has been fixed at BDT 28.75 per square feet	103,500
02	Lease agreement for showroom in Tejgaon	Haque Brothers (Industries) Limited	30.09.2021	4,036 sft of demised premises has been fixed at BDT 20 per square feet	80,720
03	Lease agreement for showroom in Kazipara	Md. Rezaul Karim Md. Mezbah Uddin Shayra Begum	31.01.2020	3,700 sft space on ground floor at BDT 175,000 per month	175,000
04	Lease agreement for showroom in Malibag	Md. Nazrul Islam Khan Md. Jahirul Islam Khan	30.06.2023	2,850 sft of demised premises has been fixed at BDT 17.54 per square feet	50,000
05	Lease agreement for showroom in Gazipur	Md. Afzal Hossain Sarkar	31.12.2019	4,800 sft space on ground floor at BDT 380,000 per month	380,000
06	Lease agreement for showroom in Tangail	Md. Jakir Hossain	31.10.2021	1,400 sft space on ground floor for showroom	37,000
07	Lease agreement for showroom in Modhupur	Md. Shahidul Islam	31.08.2026	2,136 sft space on ground floor at BDT 12,000 per month	12,000
08	Lease agreement for showroom in Rangpur	Md. Aminul Momin	30.11.2019	1,120 sft space on ground floor at BDT 28,000 per month	28,000
09	Lease agreement for showroom space in Khulna	Dr. Abdur Rahman	31.10.2021	18,00 sft space on ground floor	50,000
10	Lease agreement for showroom space in Noakhali	Md. Shaiful Haque	28.02.2021	15,00 sft space on ground floor at BDT 20,000 per month for 3 years	20,000
11	Lease agreement for showroom space in Natore	Mst. Samsun Nahar	31.12.2020	1,250 sft space on ground floor at BDT 13,000 per month for five years	13,000

SI No	Showroom Name	Lessor	Date of Lease Expiration	Principal Terms and Condition	Details of Payment (BDT/ per month)
12	Lease agreement for showroom in Jamalpur	Biswanath Datta	30.05.2021	889 sft space on ground floor at BDT 18,000 per month for 3 years	18,000
13	Lease agreement for showroom in Sherpur	Mokhlesur Rahman and Monjilur Rahman	31.05.2026	1,380 sft space on ground floor at BDT 15,000 per month for 10 years	15,000
14	Lease agreement for showroom in Faridpur	Md. Jamal Mridha & Md. Jahidul Islam Mridha	31.12.2021	2,699 sft of demised premises has been fixed at BDT 10 per square feet.	26,990
15	Lease agreement for showroom in Shymoli	Dr.Tazin Afrose Shah & Miss. Natasha Afrose Shah	31.01.2022	2,000 sft of demised premises has been fixed at BDT 50 per square feet; and 10 % rent will enhance from Feb '2020	100,000
16	Lease agreement for showroom in Chittagong	M. D. Nazim Uddin	31.01.2022	1700 sft of demised premises has been fixed at BDT 40 per square feet.	200,000
17	Lease agreement for showroom in Razbari	Shamim Uddin Ahmed	31.12.2020	690 sft of demised premises has been fixed at BDT 14.49 per square feet.	10,000
18	Lease agreement for showroom in Goalanda.	Md. Nazrul Islam	22.11.2020	352 sft of demised premises has been fixed at BDT 11.93 per square feet.	4,200
19	Lease agreement for showroom in Netrokona	Sayoda Shamima Akhter	11.03.2023	1595 sft of demised premises has been fixed at BDT 7.52 per square feet and 10 % rent will enhance from April'2020.	12,000
20	Lease agreement for showroom in Kashiani	Md. Kaium Uddin	31.10.2020	646 sft of demised premises has been fixed at BDT 7.74 per square feet.	5,000
21	Lease agreement for Showroom in Takerhat	Md. Nur Mohammad Howlader	31.10.2020	550 sft of demised premises has been fixed at BDT25.45 per square feet.	14,000
22	Lease agreement for Showroom in Gopalganj	Lutfur Rahman Mollah	30.11.2019	560 sft of demised premises has been fixed at BDT 14.29 per square feet.	8,000
23	Lease agreement for Showroom in Jhalkhati	Nasir Uddin Khan	01.08.2027	650sft of demised premises has been fixed at BDT 14.62 per square feet; and 15 % rent will enhance from Aug '2020	9,500
24	Lease agreement for Showroom in Sunamgonj	Nadir Howssain	14.6.2022	1,200 sft of demised premises has been fixed at BDT 20.83 per square feet; and 10 % rent will enhance from Aug '2020	25,000
25	Lease agreement for Showroom in Bhola	Md. Zafar Ullah (Soton)	01.08.2027	990 sft of demised premises has been fixed at BDT 14.14 per square feet; and 10 % rent will enhance from Aug '2020	14,000
26	Lease agreement for Showroom in Keshorhat	Md. Shamsul Alam Shardar	31.12.2019	630 sft of demised premises has been fixed at BDT 19.05 per square feet;	12,000
27	Lease agreement for Showroom in Rajshahi	Md. Amjad Ali	31.8.2022	700 sft of demised premises has been fixed at BDT 64.29 per square feet; and rent will enhance from Sep '2022	45,000

SI No	Showroom Name	Lessor	Date of Lease Expiration	Principal Terms and Condition	Details of Payment (BDT/ per month)
28	Lease agreement for Showroom in Luxmipur	Md. Abul Kashem	31.10.2027	600sft of demised premises has been fixed at BDT 18 per square feet; and 10 % rent will enhance after 3 years	10,000
29	Lease agreement for Showroom in Jatrabari	Md. Enamul Hoque	30.09.2018	Monthly rent of 30,000.	30,000
30	Lease agreement for driving training center in Satkhira	Md. Mahbubur Rahman	31.08.2019	100 sft space at BDT 3,000 per month for two years	3,500
31	Lease agreement for driving training center in Comilla	Md. Humayun Kabir	30.11.2019	Space was taken at BDT 3,000 per month for three years	3,500
32	Lease agreement for driving training center in Noagaon	Md. Sahidul Islam	31.03.2021	Space was taken at BDT 4,000 per month for three years	4,000
33	Lease agreement for driving training center in Dinajpur	Anjuman Ara Begum	31.01.2020	150 sft of demised premises has been fixed at BDT 20 per square feet.	3,200

**(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value**

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
01	Air Cooler ( V)	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	420,275	152,806
02	Air Cooler (Savar)	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	330,000	48,080
03	Assemble Line Conveyor System	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	2,168,335	236,449
04	Assemble Line Conveyor System	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	2,168,335	236,449
05	Assemble Line Conveyor System	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	4	6,918,182	3,305,166
06	Motorcycle Testing Line	2014	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	7	32,243,704	27,456,232
07	Paint Spray Unit	2012	N/A	Radiance Fluid Handling Equipment (P) Ltd	D-84, Krishna Park, Kanpur, New Delhi-110062	Brand New	India	10	5	3,096,797	1,450,474
08	Auto Conveyor	2012	N/A	Silver Seal International	192-A, Raja Square S.M.C.H.S Society, Shahrah-E-Faisal, Karachi	Brand New	Pakistan	10	5	2,077,539	973,075
09	Sand Blasting Machine	2010	N/A	Silver Seal International	192-A, Raja Square S.M.C.H.S Society, Shahrah-E-Faisal, Karachi	Brand New	Pakistan	10	3	813,375	380,968
10	Electrical Hoist-1000 kg (Fork Lift)	2010	N/A	Silver Seal International	192-A, Raja Square S.M.C.H.S Society, Shahrah-E-Faisal, Karachi	Brand New	Pakistan	10	2	317,415	148,671
11	Powder Coating & Liquid Painting Plant (Backing Oven-Pretreatment Tank-Spray Booth-Drying Oven-Trolley-Cage)	2012	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1205, Bangladesh	Brand New	Bangladesh	10	4	17,657,453	8,270,372
12	Duel Fuel Burner Model WGL30/1-C	2010	N/A	Max Weishaupt GmbH	Germany	Brand New	Germany	10	2	1,159,094	1,023,393
13	Painting & Coating Plant-New	2014	N/A	Fine Beat International Limited	Trust Company Complex, Ajeltake RD, Ajeltake Island, Majuro, Marshall Islands MH969660, C/O: No.50-	Brand New	Taiwan	10	6	184,963,999	135,810,703

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
					1,36,Road Industrial Park, Taichung Taiwan R.O.C.						
14	Mould- Fender Cover- Head Light Cover-Tail Light-Winker	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	342,857	215,630
15	Mould- Fender Cover- Head Light Cover-Tail Light-Winker	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	342,857	215,630
16	Mould- Fender Cover- Head Light Cover-Tail Light-Winker	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	342,857	215,630
17	Mould- Fender Cover- Head Light Cover-Tail Light-Winker	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	342,857	215,630
18	Mould- Fender Cover- Head Light Cover-Tail Light-Winker	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	342,857	215,630
19	Mould- Fender Cover- Head Light Cover-Tail Light-Winker	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	342,857	215,630
20	Mould- Fender Cover- Head Light Cover-Tail Light-Winker	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	342,857	215,630
21	Mould-Head Light Casing 1 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	1,458,200	917,091
22	Mould-Head Light Front Cover Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	690,080	434,005
23	Mould-Head Light Reflector 1 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	761,520	478,935

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
24	Mould-Tail Light Back Cover 2 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	307,800	193,582
25	Mould-Holder Rubber 12 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	182,400	114,715
26	Mould-Winker Bottom/Reflector/Upper/Top 4 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	337,500	212,261
27	Mould-Winker Bottom/Reflector/Upper/Top 4 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	337,500	212,261
28	Mould-Winker Bottom/Reflector/Upper/Top 4 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	337,500	212,261
29	Mould-Winker Bottom/Reflector/Upper/Top 4 Cavity	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	337,500	212,261
30	Mould-Side Cover	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	1,130,000	710,679
31	Injection molding machine	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	690,167	451,201
32	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
33	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
34	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
35	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
36	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
37	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
38	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
39	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
40	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
41	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
42	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
43	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
44	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
45	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
46	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
47	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
48	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
49	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
50	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
51	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
52	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
53	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
54	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
55	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
56	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
57	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
58	Mould-Punching Fuel Tank	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	192,118	120,827
59	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
60	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
61	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
62	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
63	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
64	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
65	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
66	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
67	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
68	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
69	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
70	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
71	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
72	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
73	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
74	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
75	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
76	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
77	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
78	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
79	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
80	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
81	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
82	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
83	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
84	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
85	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
86	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
87	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
88	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
89	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
90	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
91	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
92	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
93	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
94	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
95	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
96	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
97	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
98	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
99	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
100	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
101	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
102	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
103	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
104	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
105	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
106	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
107	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
108	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
109	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
110	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
111	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
112	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
113	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
114	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
115	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
116	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
117	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
118	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
119	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
120	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
121	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
122	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
123	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
124	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
125	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
126	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
127	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
128	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. Chana	Brand New	China	10	3	226,644	142,541
129	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
130	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
131	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
132	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
133	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
134	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
135	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
136	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
137	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
138	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
139	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
140	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
141	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
142	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
143	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
144	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
145	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
146	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
147	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
148	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
149	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
150	Mould-Punching Frame Body	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	226,644	142,541
151	Mechanical Press-Straight Sided two point-JS 2-400A	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	23,935,359	13,780,402
152	Mechanical Press-Straight Sided one point-JD 31-250B	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	9,778,866	5,630,027
153	Mechanical Press-C Frame inclinable-JH 23-100	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	2,383,454	1,372,236
154	Mechanical Press-C Frame inclinable-JH 23-80	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,516,081	872,860
155	Mechanical Press-C Frame inclinable-JH 23-80	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,516,081	872,860
156	Mechanical Press-C Frame inclinable-JH 23-63	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,184,492	681,953
157	Mechanical Press-C Frame inclinable-JH 23-63	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,184,492	681,953
158	Mechanical Press-C Frame inclinable-JH 23-40	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,076,389	619,714
159	Mechanical Press-C Frame inclinable-JH 23-40	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,076,389	619,714
160	Mechanical Press-C Frame inclinable-JH 23-25	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	934,571	538,065
161	Hydrolic press-Four column-YH 23-500D	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	7,103,243	4,089,579
162	Hydrolic press-Four column-YH 23-315	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	3,205,146	1,845,312

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
163	Finished Boring Machine- HS-G83	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	5,765,478	3,319,382
164	Hydraulic Swing Beam Shear-QC12Y-12X2500	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,827,101	1,051,924
165	Hydraulic Swing Beam Shear-QC12Y-6X2500	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,125,544	648,014
166	Full Automatic circular swing machine-HVS-375FA-DR	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	2,315,373	1,333,039
167	Vertical drilling lathe-Z5125A	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	477,955	275,175
168	Vertical drilling lathe-Z5125A	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	477,955	275,175
169	Universal Lathe-CY6140/1000	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	747,784	430,525
170	Universal Lathe-CY6140/1000	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	747,784	430,525
171	Tapping Machine-ZS4019	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	59,322	34,154
172	Thread roller-ZA 28-12.5	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,403,112	807,819
173	Punching & Shearing Machine-Q21-5BG	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	539,658	310,700
174	Fan Wheel Machine-S3 SL350(M3035)	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	38,590	22,217
175	Hydraulic pressure hoist platform-SJY0.3-12	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,387,636	798,909
176	Handle Cutting Machine-J2Z	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	15,971	9,195
177	Handle Cutting Machine-J2Z	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	15,971	9,195
178	Chamber Electric Furnace-RX 3-45-9	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	740,046	426,069
179	CNG single- N Pipe bender-DTB-52x4A-3SV	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	8,480,177	4,882,327
180	Saw blade sharpner-SV-450	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	999,162	575,252
181	Hydraiic Press-Single Column	2011	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	1,159,403	667,508
182	Milling/Welding Machine & IGBT Inverter (Mig/Spot/Tig etc)	2010	N/A	Tianjin New Technology Industry Zone Beiyang Century Welding Technology Co. Ltd	11 Technology Road, Tianyu Technology Zone,Jinghai, Tianjin, China	Brand New	China	10	2	2,644,829	1,522,718

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
183	Milling Machine & IGBT Inverter-X-5032	2011	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	3	1,092,621	629,059
184	IGBT Inverter CO2 welding machine-NBC 350	2011	N/A	Tianjin New Technology Industry Zone Beiyang Century Welding Technology Co. Ltd	11 Technology Road, Tianyu Technology Zone, Jinghai, Tianjin, China	Brand New	China	10	3	2,076,908	1,195,746
185	Vertical Machining Center-VMCL 850	2012	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	4	7,165,294	4,125,304
186	Stamping Mould & Stamping Equipment	2013	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	5	1,082,418	623,185
187	Air Compressore	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	275,191	63,036
188	Welding Mchine-savar	2011	N/A	Dhaka Product	Baitush Sharif Complex (5th Floor), 149/A, Airport Road, Farmgate, Dhaka-1215, Bangladesh	Brand New	Bangladesh	10	3	23,174	4,224
189	Welding Unit; FB/MS/SS/FP/RF/FT Manufacturing unit & Pre treatment/Coating Unit	2006	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	0	17,027,555	12,194,138
190	Transformer-Seam Swing Machine	2008	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	1	46,512	28,681
191	Seam Welding Machine-100 KVA	2009	N/A	Kirpekar Engineering Pvt. Ltd	Plot No. 8A, Raisonni Industrial Park, Phase II, MIDC Hinjewadi, At Post Maan, Tal ; Mulshi, Dist. Pune 411057, India	Brand New	India	10	1	1,812,685	1,120,960
192	Spot Welding Machine-50 KVA	2009	N/A	Kirpekar Engineering Pvt. Ltd	Plot No. 8A, Raisonni Industrial Park, Phase II, MIDC Hinjewadi, At Post Maan, Tal ; Mulshi, Dist. Pune 411057, India	Brand New	India	10	1	773,636	477,054
193	Jig-Rear fork/cover assy/chain case etc.	2009	N/A	Chongqing Lifan Industry (Group) IMP. And Exp. Co. Ltd	60 Zhangjia Wan, Shangqiao, Shapingba District, Chongqing, China	Brand New	China	10	1	6,075,221	4,593,362
194	Welding Machine-Mig-50 A Rilon	2014	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	6	846,616	673,387
195	Welding and Jig Fixture-DY50/Galaxy/Appollo	2010	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	2	1,369,486	850,236

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
196	Welding Machine-(Main Board NBC-350 & IGBT Inverter CO2)	2013	N/A	Tianjin New Technology Industry Zone Beiyang Century Welding Technology Co. Ltd	11 Technology Road, Tianyu Technology Zone,Jinghai, Tianjin, China	Brand New	China	10	5	627,977	387,234
197	Testing Tools	2009	N/A	Shanghai Screw Compressor Co. Ltd	1555 Tingfeng RD. North Jinshan, Industrial Zone, Jinshan District, Shanghai, 201504, China	Brand New	China	10	1	15,289	9,428
198	Air Compressore-SCR 60D	2011	N/A	Shanghai Screw Compressor Co. Ltd	1555 Tingfeng RD. North Jinshan, Industrial Zone, Jinshan District, Shanghai, 201504, China	Brand New	China	10	3	1,368,000	843,560
199	Air Dryer-SCR-0085NS	2011	N/A	Shanghai Screw Compressor Co. Ltd	1555 Tingfeng RD. North Jinshan, Industrial Zone, Jinshan District, Shanghai, 201504, China	Brand New	China	10	3	416,914	257,085
200	Air Compressore-SCR 60D	2011	N/A	Shanghai Screw Compressor Co. Ltd	1555 Tingfeng RD. North Jinshan, Industrial Zone, Jinshan District, Shanghai, 201504, China	Brand New	China	10	3	1,368,000	843,560
201	Air Dryer-SCR 0085NS	2011	N/A	Shanghai Screw Compressor Co. Ltd	1555 Tingfeng RD. North Jinshan, Industrial Zone, Jinshan District, Shanghai, 201504, China	Brand New	China	10	3	456,000	281,187
202	Welding & Jig Fixture-F1006A	2010	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	2	2,513,953	1,550,199
203	Punching Device-FB/RF/MS/SS-Bullet 100	2010	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	2	9,680,225	5,969,196
204	Welding and jig fixture-Bullet 135	2011	N/A	Luoyang Northern EK Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	3	9,449,098	5,826,673
205	Welding and Jig fixture-Turbo-9 sets	2012	N/A	Chongqing Lifan Industry (Group) IMP. And Exp. Co. Ltd	60 Zhangjia Wan, Shangqiao, Shapingba District, Chongqing, China	Brand New	China	10	4	327,017	201,651
206	Welding and Jig fixture-Turbo-23 sets	2012	N/A	Chongqing Lifan Industry (Group) IMP. And Exp. Co. Ltd	60 Zhangjia Wan, Shangqiao, Shapingba District, Chongqing, China	Brand New	China	10	4	9,671,416	4,636,771
207	Spot Welding Machine-KSLP-75-A	2010	N/A	Kirpekar Engineering Pvt. Ltd	Plot No. 8A, Rasoni Industrial Park, Phase II, MIDC Hinjewadi, At Post Maan, Tal ; Mulshi, Dist. Pune 411057, India	Brand New	India	10	2	898,971	554,340

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
208	Spot Welding Machine-KSLP-75-A	2010	N/A	Kirpekar Engineering Pvt. Ltd	Plot No. 8A, Raison Industrial Park, Phase II, MIDC Hinjewadi, At Post Maan, Tal ; Mulshi, Dist. Pune 411057, India	Brand New	India	10	2	898,971	554,340
209	Spot Welding Machine-KSLP-75-A	2010	N/A	Kirpekar Engineering Pvt. Ltd	Plot No. 8A, Raison Industrial Park, Phase II, MIDC Hinjewadi, At Post Maan, Tal ; Mulshi, Dist. Pune 411057, India	Brand New	India	10	2	898,971	554,340
210	Spot Welding Machine-KSLP-75-A	2010	N/A	Kirpekar Engineering Pvt. Ltd	Plot No. 8A, Raison Industrial Park, Phase II, MIDC Hinjewadi, At Post Maan, Tal ; Mulshi, Dist. Pune 411057, India	Brand New	India	10	2	898,971	554,340
211	Spot Welding Machine-KSLP-75-A	2010	N/A	Kirpekar Engineering Pvt. Ltd	Plot No. 8A, Raison Industrial Park, Phase II, MIDC Hinjewadi, At Post Maan, Tal ; Mulshi, Dist. Pune 411057, India	Brand New	India	10	2	898,971	554,340
212	EWB-Cutting, Stripping & Twisting Machine-Full Auto	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	313,113	230,277
213	EWB-Cutting, Stripping & Twisting Machine-Full Auto	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	344,698	295,857
214	EWB-Crimping Machine-Semi Auto(2.5 Ton)	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	124,703	91,712
215	EWB-Crimping Machine-Semi Auto(2.5 Ton)	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	124,703	91,712
216	EWB-Crimping Machine-Semi Auto(2.5 Ton)	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	124,703	91,712
217	EWB-Crimping Machine-Semi Auto(2.5 Ton)	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	124,703	91,712
218	EWB-Crimping Machine-Semi Auto(2.5 Ton)	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	124,703	91,712
219	EWB-Crimping Machine-Semi Auto(2.5 Ton)	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	5	124,703	91,712

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
220	EWH-Applicator	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	24,503	18,021
221	EWH-Applicator	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	24,503	18,021
222	EWH-Applicator	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	24,503	18,021
223	EWH-Applicator	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	24,503	18,021
224	EWH-Applicator	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	24,503	18,021
225	EWH-Applicator	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	5	24,503	18,021
226	EWH-Terminal Crimping Force Tester	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	54,257	39,903
227	EWH-Digital Harnes Checker with Testing-JIGS	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	126,628	93,128
228	EWH-Digital Harnes Checker with Testing-JIGS	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	126,628	93,128
229	EWH-Crimping Dice	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	1,313	966
230	EWH-Crimping Dice	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	1,313	966
231	EWH-Crimping Dice	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	1,313	966
232	EWH-Crimping Dice	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	1,313	966
233	EWH-Crimping Dice	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	1,313	966

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
234	EWB-Crimping Dice	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	1,313	966
235	EWB-Sealing Machine (Outer Sonic welding Machine)	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	279,509	205,563
236	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
237	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
238	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
239	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
240	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
241	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
242	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
243	EWB-Waring Assembling Board	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	11,551	8,495
244	EWB-Screen Printing/Hot Stamping Machine	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	230,240	169,328
245	EWB-Sealing Bags Machine	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	49,356	36,299
246	EWB-Dye Casting Machine-10-12 Ton	2012	N/A	Chongqing Peach and Trust Trading Co. Ltd	27-4, Yi Jing Lou (4 Building) Hua Yu Plaza Shapingba District Chongqing, China	Brand New	China	10	4	1,414,346	1,040,171
247	EDM Wire Cut C/W-DK7740D	2011	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	3	1,697,191	1,067,200

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
248	Cylinder Grinding Machine C/W-MB 1420EX500	2011	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	3	2,222,471	1,397,498
249	Milling Machine- X 6140	2011	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	3	1,748,106	1,099,216
250	Radial Drill Machine- Z 3080	2011	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	3	2,393,039	1,504,752
251	Surface Grinding Machine- KGS 1632AHD	2011	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	3	1,464,676	920,993
252	Vertical Milling Head (IPC)-Dividing Head-Rotary Table 320 ML-Milling Chuck JXT25-50-Face Mill Cutter 125MM-End Mill cutter-Drill BITO-Grinding Wheel	2011	N/A	Hitec Industries Co. Ltd	8AF, Dushi Haoting BLDG, 249 Gongnong RD, Nantong, Jiangsu, China	Brand New	China	10	3	1,132,451	712,089
253	Die casting machine	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	173,633	54,387
254	Drill Machine	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	105,877	51,900
255	Engine Assybling Line	2012	N/A	Luoyang Northern Ek Chor Motorcycle Co. Ltd	Luoyang, Henan, P.R. China	Brand New	China	10	4	16,185,822	11,903,749
256	Cutting Machine	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	37,500	19,409
257	Milling Machine- X 5032	2012	N/A	Chaina National Silk IMP./EXP. Corp. Ltd	12/F, 107 Xinsheng Road Wuxi Jiangsu, China	Brand New	China	10	4	1,277,606	810,408
258	Pin Marker Machine-X G3-A	2011	N/A	Chaina National Silk IMP./EXP. Corp. Ltd	12/F, 107 Xinsheng Road Wuxi Jiangsu, China	Brand New	China	10	3	88,704	41,066
259	Marking Machine-DY 3S	2008	N/A	Chongqing Kingpower Innovation Ltd	9-1, Keer International Building No. 31 Kaifa Road Nanping Chongqing, China	Brand New	China	10	0	434,887	201,335
260	Oil Burner	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	5,334,409	4,005,298
261	Oven	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	368,372	201,993
262	Poly urethane Forming Machine	2012	N/A	Zhangjiangang Strength & Industrious Machinery Co. Ltd	Sanxing Economic-developing Zone, Jinfeng Town, Zhanfjiangang City, Jiangsu Province, China	Brand New	China	10	4	1,814,500	1,141,113
263	Seat Cushion Mold	2012	N/A	Zhangjiangang Strength & Industrious Machinery Co. Ltd	Sanxing Economic-developing Zone, Jinfeng Town, Zhanfjiangang City, Jiangsu Province, China	Brand New	China	10	4	226,813	142,639

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
264	Press Machine	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	32,000	23,534
265	Universal testing machine	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	536,167	337,144
266	Hardness testing machine	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	3,233,796	1,450,765
267	Salt spray testing machine	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	536,167	337,144
268	Trolley - Assy & Welding(V+S)	2011	N/A	Arena International	152/2, Green Road, Dhaka	Brand New	Bangladesh	10	3	477,886	233,355
269	ETP Plant-V	2013	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	5	250,295	157,425
270	VIE Plant-V	2013	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	5	1,156,685	815,039
271	Capital Machinery R & D	2013	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	5	1,488,478	559,843
272	Generator 506 KVA-V	2008	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	1	5,406,558	2,314,376
273	SUB Station-V	2008	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	1	5,646,646	2,653,996
274	Fork Lift-V	2008	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	1	2,387,059	1,365,762
275	Generator 220 KVA-V	2012	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	4	2,744,600	531,501
276	Generator 800 KVA-V	2012	N/A	Tokai Power Products Ltd	152/1/H, Green Road, 8th Floor, Panthapath, Dhaka-1250	Brand New	Bangladesh	10	4	10,671,081	5,231,037
277	EWB DJ611-2.8* .5A Vibration Auto Crimping Machine	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	241,472	193,299
278	EWB DJ621-2.8* .5A Vibration Auto Crimping Machine	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	241,472	193,299
279	EWB DJ221-3.5A Vibration Auto Crimping Machine	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	241,472	193,299
280	EWB DJ222-3.5A Vibration Auto Crimping Machine	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	241,472	193,299
281	EWB DJ221-3.5A Die and Mould	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	16,584	13,276
282	EWB D431-6A Die and Mould	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	16,584	13,276

SI No	Name of the plant machinery	Year of purchase	Year of Sale	Seller Name	Address	Conditions When Purchased	Country of origin	Useful economic life at purchase	Remaining Economic life	Purchase Price	Written Down Value
283	EWB DJ611-2.8* .5A Die and Mould	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	16,584	13,276
284	EWB DJ621-E2.8* .5A Die and Mould	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	16,584	13,276
285	Stripping Machine	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	126,042	100,897
286	Cutting Machine	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	153,905	123,201
287	Splice making Machine 1*1,1*2,1*3	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	222,896	178,429
288	Splice making Machine 454B,454C	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	176,459	141,256
289	6 Ton Lathe Machine	2015	N/A	Guangzhou Haojin Motorcycle Company Limited	Shangshao Industrial area, Lixin RD. Xintang, Zengcheng, Guangzhou, China	Brand New	China	10	7	172,874	138,387
290	Seam Welding machine	2016	N/A	Ningbo Dota IMP & EXP Co. Ltd	Room 2911, The North Building, No. 1299 Yinxian Road, Ningbo	Brand New	China	10	8	2,004,774	1,730,360
291	AC Regenerative Chassis Roller Dynamometer	2016	N/A	DynomerK Control	Plot No: S101, S Block, Pimpri-Chinchwad industrial Area, MIDC, Bhosri, Pune-411026, Maharashtra, India	Brand New	India	10	9	14,312,575	14,193,305
<b>Total:</b>										<b>548,672,091</b>	<b>362,772,567</b>

**(ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

As on date of this prospectus, the company does not have any plan to purchase machineries other than those mentioned in “Section XXII: Use of Proceeds” part of the prospectus.

**(x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned**

As on date there is no machineries in transit or yet to be received.

**(xi) If plant is purchased in brand new condition then it should be mentioned**

All plant and machinery of the company have been purchased in brand new condition. Auditor’s certificate regarding plant & machinery is as follows-

#### **AUDITORS' CERTIFICATE REGARDING PLANT AND MACHINERIES**

Based on our scrutiny of financial statements, books and records of Runner Automobiles Limited (the “Company”), we certify that, Plants and Machineries purchased by the Company are in brand new condition.

Dhaka, 08 July 2018

**Sd/-  
Hoda Vasi Chowdhury & Co.,  
Chartered Accountants**

**(xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission**

The company does not have any second hand or reconditioned machineries as per auditor’s certificate regarding plant and machineries and does not have any plan to purchase second hand or reconditioned machineries in future.

**(xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;**

#### **PHYSICAL VERIFICATION REPORT**

**Name of the Company:** Runner Automobiles Limited

##### **Company Overview:**

Runner Automobiles Limited is a public company limited by shares and is domiciled in Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on July 4, 2000 vide incorporation no C-40658 (17)/2000 under Companies Act 1994 as a private company limited by shares. The company was converted into a public limited company on January 26, 2012 under the Companies Act, 1994.

##### **Nature of Business:**

Runner Automobiles Limited (RAL) is the flagship company of Runner Group with principal activities to manufacture and distribute 2 Wheelers. The organization has 691 employees as of June 30, 2017. In the past 17 years, the company has invested a large amount of capital to introduce a complete set of advanced production technology and equipment. The company's yearly production capacity of 2 wheelers is 100,000. RAL's 2 wheelers products range varies from 50 cc to 150 cc with about 13 models of 2 wheelers and scooters.

BAJAJ Autos Limited of India appointed RAL as a distributor for famous BAJAJ RE brand (LPG, Diesel, Passenger and Cargo) 3W in Bangladesh. Since incorporation, the Company is organizing its dealer network and well covered service supports countrywide.

**Purpose of Visit:**

As part of issue manager's due diligence process in order to verify the operational status and assets of Runner Automobiles Limited before public issue of ordinary shares.

**Location of Registered and Corporate Office:**

The Registered and Corporate Office of the company is located in 138/1, Tejgaon I/A, Tejgaon, Dhaka 1208.

**Location of Factory:**

The factory is located at Bhaluka, Mymensingh which is about 75 km distant from Dhaka GPO. It is situated near Seed Store Bazar Bus Stand. The factory is located at the company's own land.

**Description of Land, Office and Factory Premises:****1. Factory, Bhaluka, Mymensingh**

**Area of Land:** 3,783.99 decimal land

**Location:** Paragaon (Borochala), Bhaluka, Mymensingh

**Establishment:** Factory of Runner Automobiles Limited

**Date of Visit:** June 25, 2018

**Visited by Officials of IDLC Investments Limited:**

- i. Mahmud-Ur-Rashid, Senior Manager
- ii. Nafisa Rezwan, Senior Manager
- iii. M. M. Ashraful Hasib, Manager

**Accompanied by Official of Runner Automobiles Limited:**

- i. Mr. Hemant Dawar, General Manager Factory

**Description:** Based on land title deed, mutation document and site visit, we found that, in Bhaluka, Mymensingh, the company has 3,783.99 decimal of land. The factory of the company is located in this land and it is a pre-fabricated steel structure. The factory has complete 2 wheelers production lines which include pressing, welding, painting, engine assembly, motor cycle assembly and quality control. The machineries related to production are stationed in the factory premises.

The factory premises houses one storied steel structure press shed, one storied steel structure welding shed, one storied steel structure painting shed, one storied steel structure assembly shed, one storied steel structure 3 wheeler assembly shed, two storied steel structure warehouse building, two storied guest house building and six storied employee residential building. Factory office of the company is located on first floor of warehouse building.

**Status of Machineries:**

The machineries of the factory were in good condition and running well.

**Schedule of Fixed Assets**

As per Schedule of Fixed Assets of the audited financial statements of the year ended June 30, 2017, Runner Automobiles Limited has the following assets-

Particulars	Written Down Value as on June 30, 2017
Land & Land Development	1,802,136,119
Building & Other Construction	714,602,680
Plant & Machineries	362,772,567
Furniture & Fixture	50,634,907
Office Equipment	30,171,362
Motor Vehicle	30,642,073
Computer & Accessories	15,926,170
<b>Total</b>	<b>3,006,885,877</b>

**Signboard:**

The signboard of the company was well displayed at the entry of the factory premises.

Besides the abovementioned assets, we have found other assets in the factory premises like, air condition system, electrical installation, furniture & fixtures, and office equipment.

**Comments:**

During our visit we observed that the factory was in production and running smoothly.

**2. Tejgaon**

**Area of the land:** 24.75 decimal land

**Location:** 138/1, Tejgaon I/A, Tejgaon, Dhaka 1208

**Establishment:** Corporate Office

**Date of Visit:** June 23, 2018

**Visited by Officials of IDLC Investments Limited:**

- i. Nafisa Rezwan, Senior Manager
- ii. M. M. Ashraful Hasib, Manager

**Accompanied by Official of Runner Automobiles Limited:**

- i. Mr. Shanat Datta, AGM, Finance & Accounts

**Description:** Based on land title deed, mutation document and site visit, we found that the company has 24.75 decimals of land. In this land, Runner Automobiles Limited has setup their own corporate office which is a ten storied building.

**3. Bhaluka, Mymensingh**

**Area of Land:** 778 decimal land

**Establishment:** No establishments, Vacant Land

**Location:** Bhoradoba, Vhaluka, Mymensingh

**Date of Visit:** June 27, 2018

**Visited by Officials of IDLC Investments Limited:**

- i. Mahmud-Ur-Rashid, Senior Manager
- ii. M. M. Ashraful Hasib, Manager

**Accompanied by Official of Runner Automobiles Limited:**

- i. Mr. Hemant Dawar, General Manager Factory

**Description:** Based on land title deed, mutation document and site visit, we found that the company has 778 decimals of land. It is a vacant land. The land is surrounded by a bamboo fence.

**4. Savar, Dhaka**

**Area of Land:** 144.8 decimal land

**Location:** Kuturia, Dhanajaypur, Zirabo Road, Ashulia

**Establishment:** One storied two steel structures.

**Date of Visit:** June 27, 2018

**Visited by Officials of IDLC Investments Limited:**

- i. Mahmud-Ur-Rashid, Senior Manager
- ii. M. M. Ashraful Hasib, Manager

**Accompanied by Official of Runner Automobiles Limited:**

- i. Mr. Shanat Datta, AGM, Finance & Accounts

**Description:** Based on land title deed, mutation document and site visit, we found that the company has 144.8 decimals of land. Two one-storied steel structures are situated on this land. The entire premises are rented to US-Bangla Leather Products Limited.

**5. Tongi, Gazipur**

**Area of Land:** 35.5 decimal land

**Location:** Gazipura

**Establishment:** No establishment, Vacant Land

**Date of Visit:** June 27, 2018

**Visited by Officials of IDLC Investments Limited:**

- i. Mahmud-Ur-Rashid, Senior Manager
- ii. M. M. Ashraful Hasib, Manager

**Accompanied by Official of Runner Automobiles Limited:**

- i. Amir Hossen Khan, Manager, Accounts & Finance.

**Description:** Based on land title deed, mutation document and site visit, we found that the company has 35.5 decimals of land. It is a vacant land. The land is surrounded by a boundary wall.

**6. Thakurgaon**

**Area of Land:** 106 decimal land

**Location:** Muslimnagar Bus Stand

**Establishment:** No establishment, Vacant Land

**Date of Visit:** June 23, 2018

**Visited by Officials of IDLC Investments Limited:**

- i. Mr. Md. Rashiduzzaman, CFA, FRM, Manager

**Accompanied by Official of Runner Automobiles Limited:**

- i. Amir Hossen Khan, Manager, Accounts & Finance.

**Description:** Based on land title deed, mutation document and site visit, we found that the company has 106 decimals of land. It is a vacant land. The land is surrounded by a bamboo fence.

**7. Kotoali, Mymensingh**

**Area of Land:** 71 decimal land

**Location:** BSCIC, Industrial Estate, Maskanda

**Establishment:** No establishment, Vacant Land

**Date of Visit:** June 27, 2018

**Visited by Officials of IDLC Investments Limited:**

- i. Mahmud-Ur-Rashid, Senior Manager
- ii. M. M. Ashraful Hasib, Manager

**Accompanied by Official of Runner Automobiles Limited:**

- i. Amir Hossen Khan, Manager, Accounts & Finance.

**Description:** Based on land title deed, mutation document and site visit, we found that the company has 71 decimals of land. It is a vacant land. The land is surrounded by a boundary wall.

For Issue Manager,

Sd/-

**Md. Moniruzzaman, CFA**  
Managing Director  
IDLC Investments Limited

Date : June 28, 2018

Place : Dhaka

**(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with**

As per note 4 of the audited accounts of the year ended June 30, 2017, Runner Automobiles Limited implemented software and mobile application for Human Resources Division amounting to BDT 1,100,000, which is recognized as intangible assets and is legally held by the issuer and all formalities in this regard have been complied with.

The company has the following copyrights-

During the period the Company has implemented software and mobile application for Human Resources Division which recognized as intangible assets.

Particulars	Issuing Authority	Certificate No.	Issue Date
Certificate of Registration of Copyright for "Logo Literature of Runner Automobiles Limited"	Copyright Office, Government of the People's Republic of Bangladesh	13094-COPR	May 15, 2013
Certificate of Registration of Copyright for "Logo Literature of Dayang-Runner"	Copyright Office, Government of the People's Republic of Bangladesh	13164-COPR	July 17, 2013
Certificate of Registration of Copyright for "Logo Literature of Freedom Runner"	Copyright Office, Government of the People's Republic of Bangladesh	13165-COPR	July 17, 2013
Winsoft Software Solution	Winsoft Software Solution Provider	HRD/WF/14	October 13, 2016

**(xv) Full description of other properties of the issuer**

In addition to those mentioned in this section above, the company owns the following fixed assets situated at company's office, factory premises and at other locations and written down value of the assets are given below:

Particulars	As per audited accounts
	As at June 30, 2017 (BDT)
Furniture & Fixture	50,634,907
Office Equipment	30,171,362
Motor Vehicle	30,642,073
Computer & Accessories	15,926,170

**(F) PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION****(a) Internal and external sources of cash**

SI	Particulars (Figures in BDT)	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	Dec 31, 2013
<b>A</b>	<b>Internal Sources of Cash</b>	<b>2,472,929,823</b>	<b>1,477,541,154</b>	<b>2,235,464,491</b>	<b>2,019,868,770</b>	<b>1,486,769,376</b>
	Receipt from customers and dealers	2,391,685,180	1,451,143,294	1,968,424,549	1,737,062,373	1,438,364,851
	Net Proceeds from sale of financial assets		-	231,569,460	-	-
	Receipt from investment income	46,154,259	25,472,884	22,337,436	102,265,933	12,561,614
	Proceeds from disposal of Property, Plant and Equipment	78,539	659,638	3,498,893	180,048,021	34,947,561
	Dividend income	35,011,845	265,338	9,634,153	492,443	895,350
<b>B</b>	<b>External Sources of Cash</b>	<b>1,349,688,396</b>	<b>725,009,032</b>	<b>251,403,576</b>	<b>1,184,471,193</b>	<b>1,199,252,290</b>
	Payments from related parties	-	-	-	-	26,055,215
	Proceeds from issue of equity instrument	-	326,088,000	-	1,050,091,315	1,050,091,315
	Proceeds from borrowings	1,349,688,396	398,921,032	251,403,576	134,379,877	123,105,761
<b>C</b>	<b>Total Cash Generated from Internal and External Sources (A+ B)</b>	<b>3,822,618,219</b>	<b>2,202,550,186</b>	<b>2,486,868,067</b>	<b>3,204,339,963</b>	<b>2,686,021,667</b>
<b>D</b>	<b>Cash paid for operational purposes</b>	<b>(2,532,033,050)</b>	<b>(1,668,456,641)</b>	<b>(2,039,262,209)</b>	<b>(1,840,175,673)</b>	<b>(1,877,362,052)</b>
	Payment to suppliers and employees	(2,314,236,836)	(1,413,803,815)	(1,925,983,664)	(1,689,555,294)	(1,797,060,945)
	Income tax paid	(24,774,913)	(5,946,899)	(5,579,260)	(27,403,007)	(6,140,289)
	Financing costs	(193,021,301)	(248,705,927)	(107,699,285)	(123,217,372)	(74,160,819)
<b>E</b>	<b>Cash paid for investment purposes</b>	<b>(344,620,310)</b>	<b>(423,261,289)</b>	<b>(348,338,943)</b>	<b>(877,834,027)</b>	<b>(703,580,010)</b>
	Purchase of financial assets	82,531,756	(143,074,551)	-	(232,401,282)	(479,640,553)
	Repayments to related parties	(385,105,189)	(52,684,288)	(15,766,473)	(141,367,361)	-
	Investment in subsidiaries		-	(3,750,000)	(6,854,000)	(93,974,000)
	Payment for Property, Plant and Equipment	(42,046,878)	(227,502,450)	(328,822,470)	(497,211,384)	(129,965,457)
<b>F</b>	<b>Cash paid for financing activities</b>	<b>(853,467,897)</b>	<b>(110,254,733)</b>	<b>(65,224,006)</b>	<b>(462,780,289)</b>	<b>(88,446,084)</b>
	Repayments of Borrowings	(853,467,897)	(110,254,733)	(65,224,006)	(462,780,289)	(88,446,084)
<b>G</b>	<b>Total Uses of Cash (D+E+F)</b>	<b>(3,730,121,258)</b>	<b>(2,201,972,663)</b>	<b>(2,452,825,158)</b>	<b>(3,180,789,991)</b>	<b>(2,669,388,147)</b>
<b>H</b>	<b>Net increase/(decrease) in cash and cash equivalents (C+G)</b>	<b>92,496,960</b>	<b>577,522</b>	<b>34,042,909</b>	<b>23,549,971</b>	<b>16,633,520</b>
<b>I</b>	<b>Opening cash and cash equivalents</b>	<b>72,810,299</b>	<b>72,232,777</b>	<b>38,189,869</b>	<b>14,639,897</b>	<b>36,936,573</b>
<b>J</b>	<b>Closing Cash and Cash Equivalents</b>	<b>165,307,259</b>	<b>72,810,299</b>	<b>72,232,777</b>	<b>38,189,869</b>	<b>53,570,093</b>

The company changed its financial year from 31<sup>st</sup> December to 30<sup>th</sup> June to comply with the Finance Act 2015. Complying with the Finance Act, 2015, the company prepared its first financial statement from the year ended June 30, 2015. As per auditor's report of 2015, comparative information provided in the accompanying financial statements have been prepared through combining relevant amounts included in the previous audited financial statements of the Company for the years ended December 31, 2013 and 2014.

**(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure**

As on date of this prospectus, the company does not have any material commitment for capital expenditure other than those mentioned in “Section XXII: Use of Proceeds” part of the prospectus.

**(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income**

Particulars (Figures in BDT)	For the year ended 30-June-17	For the year ended 30-June-16	For the year ended 30-June-15	For the year ended 30-Jun-14	For the year ended 31-Dec-13 (Restated)
<b>Revenue</b>	2,410,036,191	1,550,187,260	2,250,238,633	1,779,832,594	1,697,598,108
Cost of sales	(1,728,585,019)	(1,119,483,197)	(1,672,334,300)	(1,338,928,183)	(1,375,890,807)
<b>Gross profit</b>	<b>681,451,172</b>	<b>430,704,062</b>	<b>577,904,333</b>	<b>440,904,411</b>	<b>321,707,301</b>
<b>Operating expenses</b>	<b>(327,161,281)</b>	<b>(199,226,612)</b>	<b>(224,002,965)</b>	<b>(182,628,381)</b>	<b>(150,461,842)</b>
Administrative expenses	(90,529,626)	(71,763,217)	(74,253,061)	(66,368,015)	(73,146,595)
Selling and distribution expenses	(236,631,655)	(127,463,396)	(149,749,904)	(116,260,366)	(77,315,248)
<b>Operating Profit</b>	<b>354,289,891</b>	<b>231,477,450</b>	<b>353,901,369</b>	<b>258,276,030</b>	<b>171,245,459</b>
Finance costs	(198,482,579)	(170,880,232)	(140,603,351)	(123,217,372)	(87,063,928)
Other Income/ (Expenses)	77,535,067	31,813,729	28,370,115	19,897,902	13,456,964
<b>Profit before tax and WPPF</b>	<b>233,342,379</b>	<b>92,410,948</b>	<b>241,668,132</b>	<b>154,956,559</b>	<b>97,638,494</b>
Provision for Contribution to WPPF and welfare fund	(11,111,542)	(4,400,521)	(11,508,006)	(7,378,884)	(4,649,452)
<b>Profit before tax</b>	<b>222,230,837</b>	<b>88,010,426</b>	<b>230,160,126</b>	<b>147,577,675</b>	<b>92,989,042</b>
Income tax expenses	(31,331,009)	(14,034,738)	(22,205,599)	(13,031,730)	(6,879,470)
Current tax	(24,118,961)	(12,601,883)	(18,149,691)	(10,123,421)	(4,916,984)
Deferred tax	(7,212,048)	(1,432,855)	(4,055,908)	(2,908,310)	(1,962,486)
<b>Net Profit for the year</b>	<b>190,899,829</b>	<b>73,975,688</b>	<b>207,954,527</b>	<b>134,545,945</b>	<b>86,109,572</b>

**Causes for Changes in Sales**

The overall market of 2 Wheelers expanded in the last year and the Company's sales revenue bolstered during the year ended June 30, 2017. The company also introduce BAJAJ 3 Wheeler products in its product line which also made impact in the sales revenue. On the other hand, RAL improved its management efficiency and introduced promotional activity to further augment RUNNER as a trusted brand to the customers. The sales revenue trend of previous years was in steady growth except during the year ended June 30, 2016 due to prevailing market condition.

**Causes for Changes in COGS**

Efficient management of production costs over the years has contributed to lower cost of goods sold as a percentage of sales from 72.22% in 2016 to 71.72% in 2017.

### **Causes for Changes in Operating Expenses**

The Company's operating expenses have remained steady over the time period compared to sales. Increased operating efficiency led to minimal rise in operating expensed compared to increased revenue.

### **Causes for Changes in Net Income**

Net income of the company increased as a percentage of sales due to increased sales while fixed costs remained at similar levels.

#### **(d) Any seasonal aspects of the issuer's business**

There is no direct seasonal implication in the products of the company. However, during the crops season in north and south Bengal the business of the company generally improves.

#### **(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business**

There are no known trends events or uncertainties that may have material effect on the issuer's future business.

#### **(f) Any assets of the company used to pay off any liabilities**

No asset of the company has been disposed to pay-off any liability of the company.

#### **(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same**

Runner Automobiles Limited does not have any holding/parent company. Disclosure regarding short term loan transaction with Runner Motors Limited, Freedom Motors Limited, Runner Properties Limited and Runner Automobiles Services is provided under note 36 of the audited accounts of the year ended June 30, 2017.

#### **(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issue**

The company has no plan to enter into any contractual liabilities other than normal course of business within next one year.

#### **(i) The estimated amount, where applicable, of future capital expenditure**

The company does not have any plan for future capital expenditure other than those mentioned in the "Section XXII: Use of Proceeds".

#### **(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter**

### **VAT, Customs Duty and Other Liabilities**

Runner Automobiles Limited is exempted from Value Added Tax (VAT) for import of motorcycles parts related to production as well as sale of 2 Wheelers locally for up to 30 June 2020 as per SRO no. 207-AIN/2018/810-Mushak dated June 28, 2018. However, the company paid 15% VAT to Government on local sales during FY 2016-2017 as per SRO no. 183-AIN/2016/759-Mushak dated June 02, 2016. Prior to that, the company was exempted from Value Added Tax (VAT) for import of any materials related to production as well as for production and sale of 2 Wheelers locally up to June 30, 2016. These exemptions have been received as per NBR's nothi no: 8(6) VAT Act & Rule/2010/500 dated July 24, 2012, nothi no: 08.01.0000.069.02.008.12/603, dated October 02, 2012 and nothi no: 6(3) VAT Act & Rule/2011/145 dated March 19, 2014.

Customs Duty is applicable for RAL for import of different parts and components under various H.S Codes as applicable as per First Schedule Bangladesh Customs Tariff 2017 to 2018.

### Income Tax

As per SRO No. 186-Law/2009 dated July 01, 2009 and revised SRO no. 78-Law/2010 dated March 15, 2010 and nothi no. 08.01.0000.034.046.12 dated June 12, 2012, the company's applicable tax rate is 5% on income. As per the SROs, RAL will avail the facility of such tax rate up to March 24, 2020. In addition, RAL does not have to pay any Advance Income Tax (AIT) at source on import of raw materials and spare parts as per Nothi no. 08.01.0000.034.02.029.12-1813 dated September 06, 2016 from National Board of Revenue.

The income tax status of the company during the last five years has been presented below-

Income Year	Assessment Year	Assessment Status
2016-2017	2017-2018	Assessment completed under u/s-83(2)
2015-2016*	2016-2017	Assessment has been completed up to the assessment year 2016-2017 and tax has been paid.
January-June, 2015*	2015-2016	
2014	2015-2016	
2013	2014-2015	

\* Change of accounting year from December closing to June closing

### (k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected

The financial lease commitments of Runner Automobiles Limited outstanding during last five years have been given below:

Year	As per Audited Accounts		
	Finance Lease Obligation (Non-current portion in BDT)	Finance Lease Obligation (Current portion in BDT)	Total Lease Obligation (BDT)
2016-17	-	731,746	731,746
2015-16	1,249,875	1,825,980	3,075,855
2014-15	3,953,297	639,068	4,592,365
2013-14	39,234	11,059,844	11,099,078
2013	113,648,409	45,139,928	158,788,237

The table below provides description and terms and conditions of financial lease outstanding as on June 30, 2017:

Name of Assets under Lease hold	Financial Institution	Facility Amount (BDT)	Facility Period	Installment Size (BDT)	Outstanding as on June 30, 2017 (BDT)
Vehicle: Toyota Allion Car, Model 2010, CC 1500	United Finance Limited	2,100,000	36 months	71,010	731,746

During last five years the lease obligations were liquidated out of the cash flow generated from company's normal course of business. Also in future the company will liquidate lease obligations from the cash flow generated from its normal course of business.

## **(I) Details of all personnel related schemes for which the company has to make provision for in future years**

Runner Automobiles Limited values its workers and employees and strives to maintain high standard of labor practices to ensure congenial work environment for its employees. Runner Automobiles employs 691 full time employees as per note 40 of the audited accounts for the year ended June 30, 2017. The company has a well-designed compensation package for the employees to encourage professionalism, greater productivity and stimulate teamwork.

The company provides several benefits to the workers in addition to the monthly remuneration which are illustrated below-

### **A. Workers Profit Participation Fund and Welfare Fund:**

The Company introduced Workers Profit Participation Fund and Welfare Fund in accordance with section 234 of the Bangladesh Labour Act, 2006 in 2013. As per the provisions of the Act, the company transfers 5% of the net profit before tax and WPPF of each year to the Fund.

The Company also formed the Board of Trustee ("the Trustee") on 01 December 2016 and opened a bank account in 2017 in the name of "Runner Automobiles Ltd. Workers' Profit Participation Fund" to manage and disburse WPPF and in the process of completing all formalities. Thereafter entire amount has been transferred from bank account of Runner Automobile Ltd. to bank account of the Fund. And the required amount has been distributed to the entitled members as per trust deed policy of the WPPF.

Furthermore, in pursuance with the administration of WPPF, the Trust deed of Runner Automobiles Ltd. Worker's Profit Participation Fund has been dully registered under sub-register office, Tejgaon, Dhaka vide Deed No: IV-38/2018 dated June 04,2018

### **B. Defined contribution plan (Recognized provident fund):**

Runner Automobiles Limited maintains the Recognized Provident Fund for all permanent employees at which both the Company and employees contribute @ 10% of basic salary. The Employees' Provident Fund obtained recognition from Income Tax Authority effective from January 31, 2011.

### **C. Earn Leave Benefit:**

Employees get sixteen days earn leave in a year and non-executive employees are entitled to encashment of the un-availed earn leave.

### **D. Overtime & Bonus:**

The employees receive festival bonus during each Eid equivalent to one month's basic salary. Moreover, non-executive employees receive overtime for working outside regular business hours.

### **E. Medical Facilities:**

Runner Automobiles Limited has arrangement with Universal Medical College and hospital whereby employees and their families can avail medical facilities at reduced cost. Apart from this, the employees enjoy medical treatment facility for any kind of injury during the course of their service in the company.

### **F. Maternity Benefit**

Female workers are entitled to maternity leave of 113 days with full remuneration twice during their service length with the company.

### **G. Group Insurance**

Runner Automobiles Limited has group insurance policy with Guardian Life Insurance Limited which covers Accidental Death Benefit (ADB), Permanent and Total Disability (PTD) and Permanent and Partial Disability (PPD) of the employees.

### **H. Canteen Facility**

The Company provides breakfast for employees of the factory and lunch for employees at factory as well as head office at subsidized rate.

### **I. Transport Facility**

Runner Automobiles Limited provides optional transport facility to employees of head office through arrangement with third party vendor. The company contributes 50% cost while employees bear the rest 50%.

**(m) Break down of all expenses related to the public issue**

Breakdown of estimated IPO expenses is as follows-

<b>Particulars</b>	<b>Basis of Calculation</b>	<b>Amount (BDT)</b>
<b>Issue Management Fees</b>		
Manager to the issue fee	0.7% or BDT 7,500,000 whichever is higher	7,500,000
<b>Listing Related Expenses</b>		
Application fee for Stock Exchange	BDT 50,000 for each exchange	100,000
Listing fee for stock exchanges	0.25% on BDT 100 million of paid-up capital and 0.15% on the rest amount of paid up capital ; minimum BDT 50,000 and maximum BDT 10 million for each exchange	3,443,998
Annual fee for stock exchanges	0.05% on BDT 1,000 million of paid-up capital and 0.02% on the rest amount of paid-up capital; minimum BDT 50,000 and maximum BDT 600,000 fo each exchanges	1,032,533
<b>BSEC Fees</b>		
Application Fee	BSEC (Public Issue) Rules, 2015	50,000
BSEC Consent fee	0.4% on the public offer amount (including premium)	4,000,000
<b>IPO Commission</b>		
Underwriting Commission	0.5% on the underwritten amount	1,750,000
Credit Rating Fees		125,000
Auditor Certification Fees		1,750,000
Feasibility Report Fee		195,500
<b>CDBL Fees and Expenses</b>		
Security Deposit	Fixed	500,000
Documentation Fee	Fixed	2,500
Annual Fee	Fixed	100,000
Connection Fee	BDT 500 per month	6,000
IPO Fees	0.015% of Issue Size + 0.015% of Pre-IPO paid up capital	291,304
<b>Printing and Post IPO Expenses</b>		
Registrar to the Issue	0.20% on the public offer amount (including premium)	2,000,000
Publication of prospectus	Estimated (To be paid at actual)	500,000
Abridged version of the prospectus and notice in 4 daily newspaper	Estimated (To be paid at actual)	1,500,000
Notice for prospectus, lottery, refund etc in 4 daily newspaper	Estimated (To be paid at actual)	500,000
Electronic Bidding related expenses	Estimated (To be paid at actual)	1,200,000
Lottery Conducting expenses and BUET fee	Estimated (To be paid at actual)	1,000,000
Collection of forms, data processing and share software charge	Estimated (To be paid at actual)	5,311,866
Allotment and Refund	Estimated (To be paid at actual)	600,000
Stationaries	Estimated (To be paid at actual)	1,102,604
Courier Expense	Estimated (To be paid at actual)	500,000
Road Show related expenses		4,938,695
<b>Total</b>		<b>40,000,000</b>

(n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission

The company revalued its fixed assets with a cut-off date of December 31, 2010 and subsequently revalued its Land & Buildings with a cut-off date of December 31, 2014. The summary of revaluation is provided below-

Particulars	Revaluation Conducted on Cut-off Date of December 31, 2010	Revaluation Conducted on Cut-off Date of December 31, 2014
Name of Valuer	Rahman Rahman Huq (A category)	Rahman Rahman Huq (A category)
Valuer's Address	09 Mohakhali, Dhaka	09 Mohakhali, Dhaka
Cut-off date of Revaluation	December 31, 2010	December 31, 2014
Basis of Valuation	The basis of value is market value	The basis of value is market value
Value of fixed assets before revaluation	472,931,557	1,823,849,673
Value of fixed assets after revaluation	1,258,498,190	2,399,354,970
Revaluation Surplus	785,566,633	575,505,297
Purpose of Revaluation	To determine net worth of the company	To determine fair value of assets
Nature of revalued assets	Fixed Assets	Land & Building
Methods Used	Net Asset based Valuation Method	Market Value Approach
Name and qualification of valuation team members	Ali Ashfaq FCA (ICAEW) Md. Yaqub Ali ACA Shankar Kumar Das Belal Hossain Patwary Salman Qudrat Abul Hasnat Md. Lutful Abedin	Ali Ashfaq FCA (ICAEW) Md. Fuad Hasan ACA Humayra Binty Mohammad S. M. Zaashan Saad ACCA Kartik Chandra Aich (Asian Surveyors)
Experience	Rahimafrooz Super Store Limited Electronics Transaction Network Limited Omnichem Limited	Green Delta Insurance Limited ERA Info Tech Limited M & H Telecom Limited Unilever Bangladesh Limited

#### Summary of revaluation reserve made at cut-off date of December 31, 2014-

As per audited accounts of December 31, 2014

Group of Fixed Assets	Depreciated Historical cost as on December 31, 2014 (BDT)	Depreciated Current cost as on December 31, 2014 (BDT)	Revaluation reserves (BDT)
Land & Land Development	1,254,723,954	1,790,288,609	535,564,655
Building & Other Construction	569,125,718	609,066,361	39,940,643
<b>Total</b>	<b>1,823,849,673</b>	<b>2,399,354,970</b>	<b>575,505,297</b>

## Summary of Revaluation Report

This Report has been prepared by Rahman Rahman Huq, KPMG in Bangladesh, (hereinafter “RRH” or “KPMG”) to Runner Automobiles Limited (RAL) solely for the purpose mentioned in this valuation report. The report shall be communicated by RAL to RAL’s auditors and BSEC and shall be presented by RAL as annexure to the financial statements for 31 December 2014. It is given on the understanding that it is not communicated, in whole or in part, with any other third party without prior written consent of KPMG.

## The Engagement

The purpose of this valuation is to revalue land and buildings as at 31 December 2014 for Initial Public Offering (IPO) of shares in the future. The valuation result shall be incorporated in the audited financial statements of RAL as at 31 December 2014 and copies of the valuation report shall be provided by RAL to the auditors and Bangladesh Securities and Exchange Commission (BSEC).

KPMG is independent from RAL, its directors, auditors and other stakeholders and thus is in a position to provide an objective and unbiased valuation. KPMG has the appropriate technical skills, experience and knowledge of the valuation, the market and the purpose of the valuation which makes KPMG competent for this job.

KPMG has obtained assistance from Asian Surveyors Limited (the Surveyor) in determining the market value and performing physical verification of land and buildings. The persons involved in the valuation process were:

Name	Role	Qualification	Experience
Ali Ashfaq	Engagement Partner	FCA (England & Wales)	Engagement Partner in numerous valuation engagements
Md. Fuad Hasan	Engagement Manager	ACA	Team member in numerous valuation engagements
Humayra Binty Mohammad	Engagement In Charge	Part qualified (ICAB)	Team member in numerous valuation engagements
S. M. Zeeshan Saad	Engagement Assistant	ACCA	Team member in numerous valuation engagements
Kartik Chandra Aich	Surveyor (Asian Surveyors Limited)	BSc	Team member in numerous valuation engagements with KPMG and other firms for 33 years

## Scope of work

KPMG has been appointed by Runner Automobiles Limited to undertake a valuation of the land and buildings of the Company in accordance with the terms of engagement as set out in the engagement letter dated 11 November 2014. The valuation date is 31 December 2014. As the Company wishes to incorporate the revalued amount in its books, it was decided to conduct a valuation based on market value. The valuation has been based on the management accounts & relevant information provided by the management and obtained from the third parties. Asian Surveyors Ltd were appointed by us to assist with the valuation.

## Fairness opinion

The valuation has been undertaken in accordance with the International Valuation Standard (IVS). Thus the fundamental principles of Ethical Conduct namely integrity, objectivity, competence, confidentiality and professional behavior have been maintained throughout the valuation and have taken all possible steps to avoid or mitigate possible threats to compliance of these principles. As the scope of work was a valuation based on market value of land and buildings only, the relevant IVS were; IVS Framework, IVS 103: Reporting and IVS 230: Real Property Interests.

## **Nature and source of the information relied upon**

In preparing our report, our primary source of information has been internal management information provided to us by the management of Runner Automobiles Limited and representations made to us by the management of Runner Automobiles Limited. We do not accept responsibility for such information which remains the responsibility of the management of Runner Automobiles Limited and we have not sought to establish the reliability of the information by reference to other evidence.

All information obtained from Runner Automobiles Limited and from third parties is assumed to be true and correct. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title of assets which is assumed to be marketable and free of any defects.

## **Extent of investigation**

This engagement is not an assurance engagement and has not been conducted in accordance with any generally accepted assurance standards and consequently no assurance opinion is expressed. Verification and checking completeness of information provided was limited to the extent necessary for a valuation; such extent, by its very nature, is more limited than an audit.

## **Basis of Value**

The basis of value is market value. The market value provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. The market value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a seller in an arm's length transaction, after proper marketing and where parties had each acted knowledgeable, prudently and without compulsion.

## **Valuation approach and methodology**

Land and buildings have been valued in both book value and estimated revalued amount depending on the date of acquisition for land and year of completion for buildings. As per BSEC's notification no. SEC/CMRRCD/2009 – 193/150/Admin; dated 18 August 2013 'two valuations of same class of assets are not allowed within the time lag less than three years and no upward valuation of any asset shall be made within two years of its acquisition.' As the valuation date is 31 December 2014, no upward valuation is done for the land acquisition years 2013 and 2014. Cost values of land are finalised as valuation results for those years. Other than that land is revalued on the basis of estimated market value and was conducted with the assistance of an external expert survey firm. For buildings no upward valuation is done for the buildings which were completed in years 2013 and 2014. Written down values of buildings are finalised as valuation results for those years. Other than that buildings are revalued on the basis of estimated market value and was conducted with the assistance of an external expert surveyor.

For mortgaged land where the bank borrowings/facilities are availed by parties other than RAL; RAL may not be able to dispose those lands whenever it wishes to. It is difficult to mark down the market value due to this type of uncertainty. Accordingly, we have not marked down the value of land for this reason.

## **Assumption**

For buildings, we have applied different rates of depreciation, as we considered appropriate, and worked out present value of each structure taking into account various related factors such as prospective longevity of the building in relation to year of construction, quality of building materials used, present condition of the buildings, specialty of designs, nature of maintenance and nature of use.

## **Valuation result**

We estimate a total value of land and buildings of Runner Automobiles Limited approximately at Taka 2,399 million. The book value of land and buildings is around Taka 1,756 million. A valuation sheet has been shown in "Valuation Results and interpretations" section.

Sd/-

**Rahman Rahman Huq**

12 March 2015

The valuer Rahman Rahman Huq KPMG has obtained assistance from Asian Surveyors Limited (the Surveyor) in determining the market value and performing physical verification of land and buildings. Summary of their methodology is as follows-

## **OUR METHODOLOGY**

A brief outline of the method adopted in working out the present value of the properties is stated as follows:-

### **VALUATION OF LAND**

In working out the present value of land we have taken into consideration the location of the land, importance and convenience of the locality in terms of industrial, commercial and other related factors. The presence of buildings and other structures on land was also considered in determining the value.

We have also studied in details the present price structures of land in the area and have applied our professional judgment in arriving at the present value.

### **VALUATION OF BULDINGS**

We have taken into consideration the nature and quality of constructions of the buildings and examined the present condition of the buildings as well as nature of maintenance.

We have applied different rates of depreciation, as we considered appropriate, and worked out present value of cash structure taking into account various related factors such as prospective longevity of building in relation to year of construction, quality of building materials used, present condition of the buildings, specialty of designs, nature of maintenance and nature of use.

For and on behalf of  
Asian Surveyors Limited

Sd/-  
**K. C. Aich**  
Executive Director

## **MANAGEMENT DISCLOSURE REGARDING MORTGAGE OF LAND**

In the Valuation Report of Runner Automobiles Limited dated March 12, 2015, the valuer Rahman Rahman Haque (KPMG in Bangladesh) has stated the following-

“The total accumulated figure of RAL’s land is 4,944.04 decimals out of which only 1,157.94 decimal land is mortgage free. All other land of 3,786.10 decimal is mortgaged in various banks against short term and long terms loans such as Exim Bank, Mercantile Bank Ltd. Al-Arafah Islamic Bank Ltd, Eastern Bank Ltd., Basic Bank Ltd., Brac Bank Ltd. and Standard Bank Ltd. Beneficiaries of these loans are RAL and some of its subsidiaries or sister concerns, details of which is listed on the table.

For Mortgaged land where the bank borrowings/facilities are availed by parties other than RAL; RAL may not be able to dispose those lands whenever it wishes. It is difficult to mark sown the market value due to this type of uncertainty. According, we have not marked down the value of land for this reason. Land of Runner has been mortgaged for Runner Automobiles Limited (RAL), Runner Motors Limited (RML) and Runner Agro Products Limited (RAPL)”.

We, certify that subsequently all loan sanctions and mortgage of property has been separated and at present no property of Runner Automobiles Limited is mortgaged against loan of any other company.

Sd/-  
**Mukesh Sharma**  
Managing Director and CEO  
Runner Automobiles Limited

Date: June 26, 2018

(o) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

As per auditor's certificate

Name of Borrower	Relationship	Nature of Transactions	2016-17		2015-16		2014-15		2013-14		2013		
			Net Transaction	Closing Balance									
Runner Motors Limited	Subsidiary	Short term loan (including interest bearing portion)	375,952,190	355,722,294	58,487,870	(20,229,896)	(16,898,384)	(78,717,766)	20,682,515	(61,819,382)	(97,338,687)	(82,501,897)	
		Rental Income	2,392,800	-	2,392,800	-	2,392,800	-	2,392,800	-	-	-	
		Dividend Income	32,683,400	-	-	-	-	-	-	-	-	-	-
		Land purchases	-	-	-	-	-	-	-	-	-	(24,500,000)	-
		Interest income	5,908,096	-	-	-	-	-	-	-	-	-	-
Freedom Motors Limited	Subsidiary	Short term loan	-	(4,998,002)	14,833	(4,998,002)	25,215,660	(5,012,835)	-	(30,228,495)	-	(30,228,495)	
Runner Electronics Limited	Subsidiary	Short term loan	-	-	-	-	-	-	-	-	752,170	-	

(p) Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

#### Runner Motors Limited

Particulars	June 30, 2017	June 30, 2016	June 30, 2015
Date of Incorporation	February 19,2005		
Nature of Business	Trading Business by importing truck & pickup		
Equity Capital	90,000,000	90,000,000	90,000,000
Reserves	1,129,260,120	944,254,420	650,483,181
Sales	4,084,637,639	3,614,812,137	2,288,670,866
Profit after tax	235,246,460	290,393,625	144,281,590
Earnings per share	26.14	32.27	1,660.00
Diluted Earnings per share	-	-	-
Net Asset Value	2,190,650,219	2,008,787,159	1,718,393,535

#### Freedom Motors Limited

Particulars	June 30, 2017	June 30, 2016	June 30, 2015
Date of Incorporation	February 02,2008		
Nature of Business	Trading & assembling of automobiles		
Equity Capital	6,855,000	6,855,000	6,855,000
Reserves	28,844,940	28,818,139	29,416,277
Sales	-	-	-
Profit after tax	26,801	(598,138 )	( 863,862)
Earnings per share	3.91	(18.62)	(126.02)
Diluted Earnings per share	-	-	-
Net Asset Value	35,699,940	35,673,139	36,271,277

#### Runner Bricks Limited

Particulars	June 30, 2017	June 30, 2016	June 30, 2015
Date of Incorporation	February 19,2005		
Nature of Business	Manufacturing & sale of Auto bricks		
Equity Capital	45,500,000	45,500,000	45,500,000
Reserves	24,051,425	21,942,093	20,303,468
Sales	148,092,620	147,558,210	134,552,242
Profit after tax	1,723,593	2,483,625	2,635,301
Earnings per share	37.89	54.59	57.91
Diluted Earnings per share	-	-	-
Net Asset Value	69,551,425	67,442,093	65,803,468

#### Runner Tera EV Limited

Particulars	June 30, 2017	June 30, 2016	June 30, 2015
Date of Incorporation	June 11,2015		
Nature of Business	Manufacturing & sales of three & four wheeler electric vehicle		
Equity Capital	3,850,000	3,850,000	N/A
Reserves	6,356,455	3,024,128	N/A
Sales	85,298,058	43,115,552	N/A
Profit after tax	3,332,327	3,332,327	N/A
Earnings per share	8.66	8.03	N/A
Diluted Earnings per share	-	-	N/A
Net Asset Value	106,455,831	103,123,504	N/A

### Runner Properties Limited

Particulars	June 30, 2017	June 30, 2016	December 31, 2015
Date of Incorporation	January 10, 2010		
Nature of Business	Real Estate Builder & Developer		
Equity Capital	62,700,000	62,700,000	62,700,000
Reserves	6,339,425	2,796,442	(11,202,325)
Sales	-	-	26,705,000
Profit after tax	3,323,705	(6,082,639)	(19,801,681)
Earnings per share	265.05	(485.06)	(315.82)
Diluted Earnings per share	-	-	-
Net Asset Value	69,039,425	65,496,442	51,497,675

### Runner Oil & Gas Limited

Particulars	June 30, 2017	June 30, 2016	December 31, 2015
Date of Incorporation	July 09, 2015		
Nature of Business	Liquefied petroleum gas (LPG) bottling and manufacturing and Selling.		
Equity Capital	Audit under process	5,000,000	N/A
Reserves		(207,865)	N/A
Sales		-	N/A
Profit after tax		(207,865)	N/A
Earnings/(Loss) per share		(.42)	N/A
Diluted Earnings per share		-	N/A
Net Asset Value		4,792,135	N/A

### Runner Agro Products Limited

Particulars	June 30, 2017	December 31, 2016 for the six month	December 31, 2015
Date of Incorporation	April 27, 2010		
Nature of Business	Import and Manufacture of agro Equipment's & Plants		
Equity Capital	9,000,000	9,000,000	9,000,000
Reserves	(4,045,498)	(3,214,136)	(7,396,823)
Sales	3,158,210	8,258,210	-
Profit after tax	(831,362)	(1,223,736)	(3,512,938)
Earnings per share	(92.38)	(135.97)	(390.33)
Diluted Earnings per share	-	-	-
Net Asset Value	4,954,502	5,785,864	1,603,177

### Promita Oil and Gas Limited

Particulars	June 30, 2017	June 30, 2016	June 30, 2015
Date of Incorporation	October 24, 2011		
Nature of Business	Trading Business by importing Oil and Gas		
Equity Capital	Audit under process	1,000,000	1,000,000
Reserves		(261,458)	(9,811)
Sales		-	-
Profit after tax		(251,647)	(2,575)
Earnings per share		(25.16)	(0.26)
Diluted Earnings per share		-	-
Net Asset Value		738,542	990,189

### Runner Trading Limited

Particulars	June 30, 2017	December 31, 2016	December 31, 2015
Date of Incorporation	January 17, 2016		
Nature of Business	Trading all kinds of products, materials, machineries.		
Equity Capital	1,000,000	1,000,000	N/A
Reserves	-	-	N/A
Sales	-	-	N/A
Profit after tax	-	-	N/A
Earnings per share	-	-	N/A
Diluted Earnings per share	-	-	N/A
Net Asset Value	1,000,000	1,000,000	N/A

### Oriental Bitumen Industries Limited

Particulars	June 30, 2017	June 30, 2016	December 31, 2015
Date of Incorporation	April 05, 2005		
Nature of Business	Manufacture, purchase and sale of petrochemical products.		
Equity Capital	50,000,000	50,000,000	50,000,000
Reserves	-	-	-
Sales	-	-	-
Profit after tax	-	-	-
Earnings per share	-	-	-
Diluted Earnings per share	-	-	-
Net Asset Value	50,000,000	50,000,000	50,000,000

### HF Asset Management Limited

Particulars	June 30, 2017	December 31, 2016	December 31, 2015
Date of Incorporation	June 7, 2016		
Nature of Business	Asset management, investment management, portfolio management		
Equity Capital	50,000,000	N/A	N/A
Reserves	(514,873)	N/A	N/A
Sales	824,816	N/A	N/A
Profit after tax	-	N/A	N/A
Earnings per share	(0.16)	N/A	N/A
Diluted Earnings per share	-	N/A	N/A
Net Asset Value	49,485,127	N/A	N/A

### Runner Land Development Limited

Particulars	June 30, 2017	December 31, 2016	December 31, 2015
Date of Incorporation	September 18, 2016.		
Nature of Business	Buying and selling of lands, construction of buildings for residential or commercial purpose.		
Equity Capital	1,000,000	N/A	N/A
Reserves	(311,051)	N/A	N/A
Sales	-	N/A	N/A
Profit after tax	(311,051)	N/A	N/A
Earnings per share	(3.11)	N/A	N/A
Diluted Earnings per share	-	N/A	N/A
Net Asset Value	688,949	N/A	N/A

## Runner Lube & Energy Limited

Particulars	June 30, 2017	December 31,2016	December 31,2015
Name of Incorporation	September 6, 2016		
Nature of Business	Manufacturing, exploring, refining, selling of all kinds of lubricating oil.		
Equity Capital	500,000	N/A	N/A
Reserves	18,328	N/A	N/A
Sales	30,102,028	N/A	N/A
Profit after tax	18,328	N/A	N/A
Earnings per share	0.37	N/A	N/A
Diluted Earnings per share	-	N/A	N/A
Net Asset Value	518,328	N/A	N/A

## Time Watch Media Limited

Particulars	June 30, 2017	December 31,2016	December 31,2015
Name of Incorporation	December 10, 2015		
Nature of Business	All kinds of media activities, online portal, e-paper in Bangla and English language		
Equity Capital	100,000	N/A	N/A
Reserves	(7,005)	N/A	N/A
Sales	-	N/A	N/A
Profit after tax	(7,005)	N/A	N/A
Earnings per share	(0.70)	N/A	N/A
Diluted Earnings per share	-	N/A	N/A
Net Asset Value	92,995	N/A	N/A

**(9) The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange;**

As of the prospectus publication date, none of the companies of the group is listed in the capital market.

**(10) Information regarding significant adverse factors relating to the group;**

There is no significant adverse factors relating to the group.

**(11) Any of the group companies has become sick or is under winding up;**

Runner Electronics Limited, subsidiary of Runner Automobiles Limited has been wound up/ liquidated.

**(12) The related business transactions within the group and their significance on the financial performance of the issuer;**

Runner Automobiles Limited receives rental income, interest income and dividend income and has short term loan transactions and accounts receivable from related parties which is disclosed in note 36 of the audited accounts of the year ended June 30, 2017. However, such transactions are not significant.

**(13) Sales or purchase between group companies/ subsidiaries/ associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions**

There is no such sales or purchase between group companies/ subsidiaries/ associate companies during last three years.

**(q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer**

This is not applicable for Runner Automobiles Limited.

(r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares

**AUDITORS' CERTIFICATE REGARDING ALLOTMENT OF SHARES OF RUNNER AUTOMOBILES LIMITED FOR ANY CONSIDERATION OTHERWISE THAN CASH**

This is to certify that Runner Automobiles Limited (the "Company") having corporate office at 138/1 Tejgaon Industrial Area, Dhaka 1208, Bangladesh has made the following allotment of shares as at 30 June 2017 for consideration other than cash:

							Amount in BDT
Particulars	Status	Quantity of Shares	Face Value	Issue Price	Value	Relationship with Issuer	Rationale of Issue Price of Shares
Ordinary share issued on 17 February 2005 *	Ordinary ( Bonus )	1,340,000	10	10	13,400,000	Shareholder	Bonus issuance from retained earnings
Ordinary share issued on 28 August 2010 *	Ordinary ( Bonus )	5,880,000	10	10	58,800,000	Shareholder	Bonus issuance from retained earnings
Ordinary share issued on 10 March 2012	Ordinary ( other than cash against land measuring 778 decimal as per vendor's Agreement dated February 16, 2012 )	6,030,000	10	10	60,300,000	Shareholder	Issued at face value
Ordinary share issued on 12 January 2013	Ordinary ( Bonus )	15,000,000	10	10	150,000,000	Shareholder	Bonus issuance from retained earnings
Ordinary share issued on 22 February 2015	Ordinary ( Bonus )	21,739,130	10	10	217,391,300	Shareholder	Bonus issuance from retained earnings
Ordinary share issued on 22 September 2015	Ordinary ( Bonus )	21,739,130	10	10	217,391,300	Shareholder	Bonus issuance from retained earnings
<b>Total</b>					<b>717,282,600</b>		

\* Face value of shares converted to Tk. 10 from Tk. 1,000 on 26 December 2011

Dhaka, 26 October 2017

Sd/-  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**(s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public**

As on date, there is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

**(t) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;**

Runner Automobiles Limited is one of the leading in 80cc motor cycles with brands ranges between 80cc to 150cc categories meeting the needs of customers of all incomes and profiles. RAL's subsidiary Runner Motors Limited is one of the largest distributors in trucks and lights vehicles sector with selling world famous brand of Eicher Volvo. The Company holds 61.67% shares of Runner Motors Limited. For the year ended June 30, 2017 the company's turnover and net profit after tax stood at BDT 2,410,036,191 and BDT 190,899,829 respectively.

Under new initiative, on September 28, 2016, Runner Automobiles Limited signed a historic collaborative agreement with UM International LLC, USA for manufacturing bikes in Bangladesh for domestic and other overseas markets under the brand UM Runner.

In order to expand the business horizon and as part of strategic move into new business venture, Runner Automobiles Limited has got the LOI from Bajaj for distributing 3 Wheelers (Passenger/ cargo- LPG and Diesel range). Since incorporation, the Company organized its 19 dealer and 19 showroom and well covered service supports over the country. RAL already imported and sold more than 2000 units RE Brand 3Wheeler products in Bangladeshi market during 2017.

The Company has plans to develop new models of 2 Wheelers in the range of 110cc to 150cc as well as development of existing 80cc to 100cc, which will be financed from IPO proceeds and company's business generated income. The Company plans to raise BDT 1,000 mn through IPO.

The new 2 Wheelers will be in the ranges from 110cc to 150cc segment. In order to reach to that target, the company plans to revamp its press shop with new dies and moulds for manufacturing new models. The introduction with these new models will enhance the quality of 2 Wheelers to get a competitive edge in 2 Wheelers market. Dies, Moulds, new product design and machineries will be purchased from various country and mostly from PRC, India and Japan.

As the company has been in commercial operation since 2000, projected financial statements are not required.

(u) Discussion on the results of operations shall inter-alia contain the following:

(1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure

As per audited accounts

Particulars (Figures in BDT)	For the year ended 30-June-17		For the year ended 30-June-16		For the year ended 30-June-15		For the year ended 30-Jun-14		For the year ended 31-Dec-13 (Restated)
	Stand alone	Consolidated	Stand alone	Consolidated (Restated)	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone
<b>Revenue</b>	2,410,036,191	6,494,673,830	1,550,187,260	5,164,999,397	2,250,238,633	4,538,909,499	1,779,832,594	5,126,003,767	1,697,598,108
Cost of sales	(1,728,585,019)	(4,845,959,645)	(1,119,483,197)	(3,824,348,503)	(1,672,334,300)	(3,465,312,105)	(1,338,928,183)	(3,919,245,910)	(1,375,890,807)
<b>Gross profit</b>	<b>681,451,172</b>	<b>1,648,714,185</b>	<b>430,704,062</b>	<b>1,340,650,894</b>	<b>577,904,333</b>	<b>1,073,597,394</b>	<b>440,904,411</b>	<b>1,206,757,857</b>	<b>321,707,301</b>
<b>Operating expenses</b>	<b>(327,161,281)</b>	<b>(768,686,382)</b>	<b>(199,226,612)</b>	<b>(571,484,217)</b>	<b>(224,002,965)</b>	<b>(406,685,909)</b>	<b>(182,628,381)</b>	<b>(404,180,065)</b>	<b>(150,461,842)</b>
Administrative expenses	(90,529,626)	(184,898,660)	(71,763,217)	(144,543,686)	(74,253,061)	(120,585,133)	(66,368,015)	(121,791,087)	(73,146,595)
Selling and distribution expenses	(236,631,655)	(583,787,722)	(127,463,396)	(426,940,531)	(149,749,904)	(286,100,776)	(116,260,366)	(282,388,978)	(77,315,248)
<b>Operating Profit</b>	<b>354,289,891</b>	<b>880,027,803</b>	<b>231,477,450</b>	<b>769,166,678</b>	<b>353,901,369</b>	<b>666,911,485</b>	<b>258,276,030</b>	<b>802,577,792</b>	<b>171,245,459</b>
Finance costs	(198,482,579)	(385,425,765)	(170,880,232)	(291,219,500)	(140,603,351)	(253,358,834)	(123,217,372)	(325,397,330)	(87,063,928)
Other Income/ (Expenses)	77,535,067	93,926,826	31,813,729	80,406,964	28,370,115	60,321,880	19,897,902	60,812,803	13,456,964
<b>Profit before tax and WPPF</b>	<b>233,342,379</b>	<b>588,528,863</b>	<b>92,410,948</b>	<b>558,354,142</b>	<b>241,668,132</b>	<b>473,874,531</b>	<b>154,956,559</b>	<b>537,993,265</b>	<b>97,638,494</b>
Provision for Contribution to WPPF and welfare fund	(11,111,542)	(29,579,022)	(4,400,521)	(26,616,775)	(11,508,006)	(22,606,590)	(7,378,884)	(25,667,707)	(4,649,452)
<b>Share of profit from associates</b>	-	1,632,840	-	1,481,823	-	-	-	-	-
Income tax expenses	(31,331,009)	(167,092,993)	(14,034,738)	(169,448,016)	(22,205,599)	(99,895,686)	(13,031,730)	(143,783,463)	(6,879,470)
Current tax	(24,118,961)	(155,727,429)	(12,601,883)	(178,312,979)	(18,149,691)	(101,256,089)	(10,123,421)	(146,641,225)	(4,916,984)
Deferred tax	(7,212,048)	(11,365,564)	(1,432,855)	(1,432,855)	(4,055,908)	(4,055,908)	(2,908,310)	(2,908,310)	(1,962,486)
Deferred tax benefits	-	-	-	10,297,817	-	5,416,311	-	5,766,072	-
<b>Net Profit after tax</b>	<b>190,899,829</b>	<b>393,489,689</b>	<b>73,975,688</b>	<b>363,771,173</b>	<b>207,954,527</b>	<b>351,372,255</b>	<b>134,545,945</b>	<b>368,542,096</b>	<b>86,109,572</b>
Bargain purchase gain on acquisition of Runner Motors Ltd	-	-	-	-	-	-	-	178,127,561	-
Bargain purchase gain on acquisition of Freedom Motors Ltd.	-	-	-	-	-	-	-	31,305,896	-
<b>Net profit for the year</b>	<b>190,899,829</b>	<b>393,489,689</b>	<b>73,975,688</b>	<b>363,771,173</b>	<b>207,954,527</b>	<b>351,372,255</b>	<b>134,545,945</b>	<b>577,975,553</b>	<b>86,109,572</b>

**(2) A summary of major items of income and expenditure**

Particulars (Figures in BDT)	For the year ended 30-June-17	For the year ended 30-June-16	For the year ended 30-June-15	For the year ended 30-Jun-14	For the year ended 31-Dec-13 (Restated)
<b>Major items of income</b>					
Revenue	2,410,036,191	1,550,187,260	2,250,238,633	1,779,832,594	1,697,598,108
<b>Major items of expenditure</b>					
Cost of sales	1,728,585,019	1,119,483,197	1,672,334,300	1,338,928,183	1,375,890,807
Administrative expenses	90,529,626	71,763,217	74,253,061	66,368,015	73,146,595
Selling and distribution expenses	236,631,655	127,463,396	149,749,904	116,260,366	77,315,248
Finance costs	198,482,579	170,880,232	140,603,351	123,217,372	87,063,928

**(3) The income and sales on account of major products or services**

Revenue from 2 Wheelers account for 91.80% of total revenue of Runner Automobiles Limited for the year ended June 30, 2017.

**(4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring**

The other income of the company does not constitutes more than 10% of the total income.

**(5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations**

The Company's income is not dependent upon a single customer, a few major customers nor any foreign customer.

**(6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed**

The company has not followed any unorthodox procedure for recording sales and revenues.

**(v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following**

Particulars	2016-17	2015-16	2014-15
<b>Revenue</b>	<b>2,410,036,191</b>	<b>1,550,187,260</b>	<b>2,250,238,633</b>
Less:Cost of goods sold	(1,728,585,019)	(1,119,483,197)	(1,672,334,300)
<b>Gross Profit</b>	<b>681,451,172</b>	<b>430,704,062</b>	<b>577,904,333</b>
Less:Admin expenses	(90,529,626)	(71,763,217)	(74,253,061)
Less:Selling & distribution expenses	(236,631,655)	(127,463,396)	(149,749,904)
<b>Operating Profit</b>	<b>354,289,891</b>	<b>231,477,450</b>	<b>353,901,369</b>
Less:Finance Cost	(198,482,579)	(170,880,232)	(140,603,351)
Other income	77,535,067	31,813,729	28,370,115
<b>Profit before tax &amp; WPPF</b>	<b>233,342,379</b>	<b>92,410,948</b>	<b>241,668,132</b>
Less:Contribution to WPPF	(11,111,542)	(4,400,521)	(11,508,006)
<b>Profit before tax</b>	<b>222,230,837</b>	<b>88,010,426</b>	<b>230,160,126</b>
Less:Current tax expenses	(24,118,961)	(12,601,883)	(18,149,691)
Less:Deferred tax expenses	(7,212,048)	(1,432,855)	(4,055,908)
<b>Net Profit for the year</b>	<b>190,899,829</b>	<b>73,975,688</b>	<b>207,954,527</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>552,485,085</b>
<b>Total comprehensive income</b>	<b>190,899,829</b>	<b>73,975,688</b>	<b>760,439,612</b>

**(1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

As per note 2.29 of the audited accounts of the year ended December 31, 2014-

**Settlement of VAT claims**

RAL has been submitting regular Price Declaration and depositing Value Added Tax (VAT) to Government Treasury on the basis of trader VAT at truncated rate. However, during a special audit conducted by Customs, Excise and VAT Department in late 2013, it was alleged that RAL has collected VAT at the normal rate of 15% while depositing the same amount to Government Treasury it wrongfully deposited on the basis of reduced truncated rate applicable for trader and some excess VAT rebate has been taken wrongfully by RAL.

RAL filed an appeal against these findings and explained that RAL had not collected additional VAT than that had been declared in VAT price declaration. Before obtaining VAT exemption from 24 July 2012, RAL was paying VAT at the rate of 15% on full value and since exemption it's paying VAT at the rate of 15% on dealer's commission only. Hence, this difference is purely due to interpretation of the VAT Act 1991 and in absence of any clear guidance in this regard. While the same is being practice for a number of years without question raised by concerned officials prior to this special audit. Therefore, RAL considered that this practice during that time are in accordance with the VAT regulations.

While disposing off the appeal filed by RAL against the allegations, the learned Commissioner Customs-Excise & Vat, Dhaka North Commissionerate passed an order on 24 April 2014, requiring RAL to pay an aggregate amount of Tk 209,760,349 as final settlement of claim on account of short payment of VAT, excess rebate claim and penal interest thereon.

The Company has deposited the claimed amount to government treasury. In accordance with BAS 8, this has been considered as prior period error. Accordingly, the amount related to 2013 has been charged to the disclosed profit and loss account for that year and the remaining amount being related to the periods prior to 31 December 2012 has been adjusted against opening retained earnings.

**Additional claim of income tax**

During 2014, the Income Tax Authority has reopened income tax files of RAL for the accounting years ended 31 December 2005 to 2008 and claimed an aggregate total demand of Tk 10,948,959 being unpaid income tax on interest income earned during those years. RAL has accepted that due to an oversight error certain interest income of those years were not included in income tax return and accordingly additional claims of income tax have been settled against the refund income tax refund originated for subsequent years. Since all these claims are related to the periods prior to 31 December 2012, these are adjusted against opening retained earnings as per BAS 8, considering this as prior period error.

**(2) Significant economic changes that materially affect or are likely to affect income from continuing operations**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

**(3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

There are no known trends events or uncertainties that may have material effect on the issuer's future business.

**(4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

The issuer is aware of the fact that future uncertainty may affect business and future plan as well. So, in future labor price or material cost may change. However, revenue is adjusted and follows the trend in line with production cost. Hence, any change in material cost is adjusted with sales price. However, labor cost is partially adjusted with the selling price and improving production efficiency which is a continuous process. We believe that like in the past we have the ability to set trends under any circumstances.

**(5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The growth in revenue of the company are mainly due to increased sales volume of existing products and introduction of new products.

**(6) Total turnover of each major industry segment in which the issuer operated**

As per Bangladesh Road Transport Association (BRTA) the number of 2 Wheelers registered in the current year up to August 31, 2018 in 249,138. To the best of our knowledge there is no publicly available independent source of market information regarding total turnover of the sector.

**(7) Status of any publicly announced new products or business segment**

On September 28, 2016 the Company signed an agreement with the UM International LLC to bring UM-Runner brand high-end motorcycles to its customers.<sup>4</sup>

**(8) The extent to which the business is seasonal**

There is no direct seasonal implication in the products of the company. However, during the crops season in north and south Bengal the business of the company generally improves.

**w) Defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;**

As per declaration of the company below and letters from loan giving institutions, Runner Automobiles Limited neither defaulted nor rescheduled any of its borrowings with financial institutions/banks during the history of operation of the company. The company did not convert any of its loans into equity and did not have any instance of lock out or strikes during this time.

**DECLARATION REGARDING NO INSTANCE OF DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS DURING THE HISTORY OF OPERATION OF THE COMPANY**

Runner Automobiles Limited neither defaulted nor rescheduled any of its borrowings with any financial institutions/banks during the history of operation of the company.

Sd/-  
**Hafizur Rahman Khan**  
Chairman  
On behalf of Board of Directors  
Runner Automobiles Limited

Sd/-  
**Muhammad Nazrul Islam FCA**  
Chief Financial Officer  
Runner Automobiles Limited

Sd/-  
**Md. Mizanur Rahman**  
Company Secretary  
Runner Automobiles Limited

**(x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors**

The company neither changed any of its activities nor discontinued any lines of business during last five years.

**(y) Injunction or restraining order, if any, with possible implications**

The company did not receive any injunction or restraining order during the last five years.

**(z) Technology, market, managerial competence and capacity built-up**

**Technology**

The company is very keen to adopt new technologies keeping pace with the change in market demand. In this regard the company has invested a large amount of capital to introduce complete set of advanced production technology and equipment.

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<sup>4</sup> <http://www.dhakatribune.com/business/2016/09/29/runner-ties-um>

**Market**

Runner Automobile Limited is well renowned in the local market as one of the leading manufacturers, assemblers and sellers of 2 Wheelers in the country. RAL is a strong brand and a dominant market player. Due to its strong brand image and rapidly growing business in the country, where industrial development and standard of living is on a rising trend, the demand of quality motorcycles at competitive prices is increasing. RAL has always been aware of the competitive situation in market and accordingly has developed a sound and effective marketing policy to share knowledge about their products thus creating more awareness in the minds of the customers. Because of an established marketing platform and a proven track record of performance in terms of quality and customers satisfaction, Runner Automobiles Limited enjoys its intrinsic strengths and capable of capitalizing the same for grabbing market opportunities in coming years.

Market demand and supply forecast could not be provided due to unavailability of independent market data sources.

**Managerial competence**

All the members of the management team of the company have proven track record and are equipped with required professional knowledge, experience, skills and competencies. The departmental Heads are professionally qualified in their respective fields. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology among others.

The management team also receives able support and guidance of the Board of Directors comprising sponsors, members from foreign strategic investor Brummer Frontier PE II (Mauritius) Limited and Independent Directors.

**Capacities build up**

To keep pace with the contemporary technology and customer demand, the company has continuously invested and deployed enough resources including human resources and continues to do so on a continuing basis. To cope up with the growing market demand and strengthening long term sustainability, the company is also updating its technology and machinery.

**(aa) Changes in accounting policies in the last three years**

There is no change(s) in the accounting policies of the Company during last three years.

**(bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the red-herring prospectus or prospectus or information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months**

**STATEMENT REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

In our opinion, there has not arisen any circumstance since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of Runner Automobiles Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-  
**Hafizur Rahman Khan**  
Chairman

Sd/-  
**Mukesh Sharma**  
Managing Director and CEO

Sd/-  
**Md. Mozammel Hossain**  
Vice Chairman

Sd/-  
**Mohammad Ali Deen**  
Director

Sd/-  
**Md. Jahurul Alam**  
Director

Sd/-  
**Taslim Uddin Ahmed**  
Director

Sd/-  
**Khalid Shahidul Quadir**  
Director  
(Nominated by Brummer Frontier PE II (Mauritius)  
Limited)

Sd/-  
**Muallem A Choudhury FCA**  
Director  
(Nominated by Brummer Frontier PE II (Mauritius)  
Limited)

Sd/-  
**Faruq Ahmad Siddiqi**  
Independent Director

Sd/-  
**Johannes (Phil) N.H. van Haarlem**  
Independent Director

**(cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus/information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;**

Duly authenticated unaudited financial statements of the quarter ended March 31, 2018 has been incorporated in annexure.

**(dd) Factors that may affect the results of operations**

There is no such known factor that may affect the results of operations. However, any force majeure, unusual increase in production cost, scarcity of raw materials, technological obsolescence, increased competition, government policy change pertaining to the industry.

## SECTION VII : MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### (a) Overview of business and strategies

Runner Automobile Limited is renowned in Bangladesh as a pioneering domestic manufacturer of 2 Wheelers with an extensive and deep network of showrooms and workshops spread across length and breadth of the country. The company has a state of art manufacturing facility 70 KM North of Dhaka which is equipped with latest machinery, technology and skilled manpower to produce various brands of 2 Wheelers namely AD 80S, AD 80S Deluxe, Cheeta, F 100- 6A, DY 50, Bullet, Royal +, Knight Rider, Turbo, Turbo 125, Freedom, Kite, Kite+ which are well established and popular with various segments of customers.

With highly dynamic and proactive sales & marketing strategy supported with consumer centric service and parts initiatives, Runner Automobiles Limited has captured the domestic market with 80 Dealers and 230+ exclusive sales outlets managed by trained dealer staff along with 21 Company Owned Company Operated (COCO) flagship stores.

The market for 2 Wheelers is on the rise in Bangladesh riding on the increase in disposable income among the general population. This is exemplified by the rise in the number of 2 Wheelers registered with Bangladesh Road Transport Association (BRTA) from 114,616 in 2011 to 249,138 during January to August 31, 2018 in the current year. During the last eight years the aggregate number of motorcycles registered more than doubled from 759,257 upto 2010 to 2,300,057 till August 31, 2018.<sup>5</sup>

The Company holds 61.67% shares of Runner Motors Limited, imports and markets trucks, pickups and tractors in Bangladesh. As on June 30, 2017 the company's turnover and net profit after tax stood at BDT 4,084,637,639 and BDT 235,246,460 respectively. In addition RAL holds 99.99% shares of Freedom Motors Ltd which assembles all type of vehicles and marketing & sales in Bangladesh. As on June 30, 2017 FML's net profit was BDT 26,801.

Under new initiative, on September 28, 2016, Runner Automobiles Limited signed a historic collaborative agreement with UM International LLC, USA for manufacturing bikes in Bangladesh for domestic and other overseas markets under the brand UM Runner.

In order to expand the business horizon and as part of strategic move into new business venture, Runner Automobiles Limited has got the LOI from Bajaj for distributing 3 Wheelers (Passenger/ cargo- LPG and Diesel range).

### (b) SWOT Analysis

#### Strengths:

- Factory location is nearby Dhaka district
- Managed by a highly experienced professional management team
- Large production capacity
- Adequate supply of skilled workforce
- Strong brand image
- Availability of raw materials
- Widespread distribution network across Bangladesh
- Wide product range in terms of price, quality and categories

#### Weakness:

- Not a global brand despite high volume production
- Absence in the premium bike segment
- Low capacity utilization

<sup>5</sup> Source: <http://www.bрта.gov.bd/site/page/74b2a5c3-60cb-4d3c-a699-e2988fed84b2/সারা-বাংলাদেশ-মোটরযান-নিবন্ধনের-সংখ্যা>

**Opportunities:**

- Cheaper variants for tapping more in the rural segment
- Premium sports bikes for urban areas
- Strategic alliance with UM Motors regarding higher segment 2 wheelers and Bajaj Auto Limited for 3 wheelers
- Increasing global demand for low cost motorcycle
- Large population and low labor cost

**Threats:**

- Entry of international brands
- Other 2 Wheelers players have a strong brand presence
- Strong competition from Indian as well as international brands
- Dependency on overseas market for raw materials
- Market is becoming more competitive

**(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.**

Particulars (Figures in BDT)	For the year ended 30-June-17	For the year ended 30-June-16	For the year ended 30-June-15	For the year ended 30-Jun-14	For the year ended 31-Dec-13 (Restated)
<b>Revenue</b>	2,410,036,191	1,550,187,260	2,250,238,633	1,779,832,594	1,697,598,108
Cost of sales	(1,728,585,019)	(1,119,483,197)	(1,672,334,300)	(1,338,928,183)	(1,375,890,807)
<b>Gross profit</b>	<b>681,451,172</b>	<b>430,704,062</b>	<b>577,904,333</b>	<b>440,904,411</b>	<b>321,707,301</b>
<b>Operating expenses</b>	<b>(327,161,281)</b>	<b>(199,226,612)</b>	<b>(224,002,965)</b>	<b>(182,628,381)</b>	<b>(150,461,842)</b>
Administrative expenses	(90,529,626)	(71,763,217)	(74,253,061)	(66,368,015)	(73,146,595)
Selling and distribution expenses	(236,631,655)	(127,463,396)	(149,749,904)	(116,260,366)	(77,315,248)
<b>Operating Profit</b>	<b>354,289,891</b>	<b>231,477,450</b>	<b>353,901,369</b>	<b>258,276,030</b>	<b>171,245,459</b>
Finance costs	(198,482,579)	(170,880,232)	(140,603,351)	(123,217,372)	(87,063,928)
Other Income/ (Expenses)	77,535,067	31,813,729	28,370,115	19,897,902	13,456,964
<b>Profit before tax and WPPF</b>	<b>233,342,379</b>	<b>92,410,948</b>	<b>241,668,132</b>	<b>154,956,559</b>	<b>97,638,494</b>
Provision for Contribution to WPPF and welfare fund	(11,111,542)	(4,400,521)	(11,508,006)	(7,378,884)	(4,649,452)
<b>Profit before tax</b>	<b>222,230,837</b>	<b>88,010,426</b>	<b>230,160,126</b>	<b>147,577,675</b>	<b>92,989,042</b>
Income tax expenses	(31,331,009)	(14,034,738)	(22,205,599)	(13,031,730)	(6,879,470)
Current tax	(24,118,961)	(12,601,883)	(18,149,691)	(10,123,421)	(4,916,984)
Deferred tax	(7,212,048)	(1,432,855)	(4,055,908)	(2,908,310)	(1,962,486)
<b>Net Profit for the year</b>	<b>190,899,829</b>	<b>73,975,688</b>	<b>207,954,527</b>	<b>134,545,945</b>	<b>86,109,572</b>

**Reason of fluctuation****Causes for Changes in Sales**

The overall market of 2 Wheelers expanded in the last year and the Company's sales revenue bolstered during the year ended June 30, 2017. The company also introduced BAJAJ 3 Wheeler products in its product line which also made impact in the sales revenue. On the other hand, RAL improved its management efficiency and introduced promotional activity to further augment RUNNER as a trusted brand to the customers. The sales revenue trend of previous years was in steady growth except during the year ended June 30, 2016 due to prevailing market condition.

### **Causes for Changes in COGS**

Efficient management of production costs over the years has contributed to lower cost of goods sold as a percentage of sales from 72.22% in 2016 to 71.72% in 2017.

### **Causes for Changes in Operating Expenses**

The Company's operating expenses have remained steady over the time period compared to sales. Increased operating efficiency led to minimal rise in operating expensed compared to increased revenue.

### **Causes for Changes in Net Income**

Net income of the company increased as a percentage of sales due to increased sales while fixed costs remained at similar levels.

### **(d) Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business:**

There are no known trends, demands, commitments, events or uncertainties that are likely to have material impact on the company's business. However, force majeure such as natural calamities, political unrest, labor unrest, unavailability of power and gas etc. might have a material effect on company's future business. Besides decrease in demand, increase in production cost, scarcity of raw materials, technological change, government's policy change towards the industry, are the known events that may affect the business operation of the company.

### **(e) Trends or expected fluctuations in liquidity**

Over the last five years, the current ratio of the Company stayed within 1.31 to 1.60. Also quick ratio of the Company stayed within 1.05 to 1.22. The Company is expected to maintain such sufficient liquidity in the near future.

### **(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition**

As of date, the Company did not enter into any off balance sheet financing arrangements.

## SECTION VIII : DIRECTORS AND OFFICERS

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated/represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him

Name	Father's Name	Age	Residential Address	Educational Qualification	Experience	Position	Nominated by	Period of Nomination
Hafizur Rahman Khan	Koresh Ali Khan	63	H-31, R-18, Block-J, Banani, Dhaka 1214	B.Com (Hon's), M. Com (Management), Rajshahi University	40	Chairman	n/a	n/a
Md. Mozammel Hossain	Md. Sultan Mia	63	Flat-3B, H-38, R-13/A, Dhanmondi Dhaka 1208	M. Com (Marketing), University of Dhaka	39	Vice Chairman	n/a	n/a
Mukesh Sharma	Bal Kishan Sharma	45	Flat C2, House 1, Road 36, Gulshan 1, Dhaka 1212	Post Graduate Diploma in Business Administration (Marketing) LBSIM, Delhi.	24	Managing Director and CEO	n/a	n/a
Md. Jahurul Alam	Jamshed Ali	69	H-21, Loan Office Para, Jessore-7400	Graduate in Science (Applied Chemistry), University of Dhaka	29	Director	n/a	n/a
Taslim Uddin Ahmed	Kamal Uddin Ahmed	68	Shekhpura, Dinajpur-5200	B. Com	40	Director	n/a	n/a
Mohammad Ali Deen	Yasin Ali Sarkar	61	Deen Tower, 1483-01, Chalkmukter Main Road, Naogaon-6500	Graduate in Science, Rajshahi University	37	Director	n/a	n/a
Faruq Ahmad Siddiqi	Hafiz Md. Raisuddin Siddiqi	71	296 Elephant Road, Dhaka-1205	B. A (Hons), M. A	45	Independent Director	n/a	n/a
Johannes (Phil) N.H. van Haariem	Wil Helmus van Haarlem	74	Mauvezand 36, 1251 JG Laren NH, Nederland	Bachelor in Accts & Dutch	52	Independent Director	n/a	n/a
Khalid Shahidul Quadir	Anwarul Quadir	53	18 Marina Boulevard, 30-35 Marina Bay, Singapore-018980	Graduate & Fellowship	24	Director	Brummer Frontier PE II (Mauritius) Limited	n/a
Muallem A Choudhury FCA	Mohiuddin Ahmed Choudhury	61	House 23, Road 2, Sector 13, Uttara, Dhaka	Chartered Accountant	32	Director	Brummer Frontier PE II (Mauritius) Limited	n/a

**(b) The date on which he first became a director and the date on which his current term of office shall expire**

Name	Designation	Date of becoming Director for the first time	Date of Expiration of Current Term
Hafizur Rahman Khan	Chairman	04.07.2000	The directors of the company are subject to be retired by rotation according to Section 91 and Regulation 79-82 of Schedule I of The Companies Act, 1994.
Md. Mozammel Hossain	Vice Chairman	04.07.2000	
Mukesh Sharma	Managing Director and CEO	01.11.2016	
Khalid Shahidul Quadir	Director Nominated by Brummer Frontier PE II (Mauritius) Limited	28.09.2013	
Muallem A Choudhury FCA	Director Nominated by Brummer Frontier PE II (Mauritius) Limited	28.09.2013	
Md. Jahurul Alam	Director	04.07.2000	
Mohammad Ali Deen	Director	04.07.2000	
Taslim Uddin Ahmed	Director	04.07.2000	
Johannes (Phil) NH van Haarlem	Independent Director	19.10.2014	
Faruq Ahmad Siddiqi	Independent Director	19.10.2014	

**(c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations**

Name of Director	Designation in the Company	Directorship/Sponsorship/ Ownership with other Organization	Type of Business	Position
Hafizur Rahman Khan	Chairman	Runner Motors Limited	Importer and distributor of commercial vehicles like trucks and pickups.	Chairman
		Runner Bricks Limited	Manufacturer, supplier and marketers of bricks.	Chairman
		Runner Properties Limited	Builder and developer of real estate.	Chairman
		Runner Agro Products Limited	Importer, manufacturer, supplier and marketer of insecticide, seeds and fertilizer.	Chairman
		Freedom Motors Limited	Assembly of all type of vehicle and sales in Bangladesh.	Chairman
		Runner Motors Services	Import & sale of spare parts and free service.	Proprietor
		Runner Trading Limited	The business of trading and dealing in all kinds of products, materials, equipment, machineries, and tools.	Chairman
		Promita Oil and Gas	Liquefied petroleum gas (LPG) bottling & manufacturing, producing, buying selling & distributing.	Chairman
		HF Asset Management Limited	Asset Management, Investment Management, Fund Management & Portfolio Management	Chairman
		Runner Terra EV Limited	It provides the vehicles that are powered by a system of battery, motor and controller instead of an internal combustion engine.	Representative Director (Runner Motors Limited)
		Time Watch Media Limited	All kind of media activities including online portal and electronic media services.	Chairman
		Runner Lube & Energy Limited.	Producing, manufacturing, exploring, marketing, selling, all types of automotive lubricants, industrial lubricants. Marine lubricants etc.	Chairman
		Runner Land Development Ltd.	Acquisition of lands by way of buying or developing of lands, and construction of buildings for residential or commercial purpose.	Chairman

Name of Director	Designation in the Company	Directorship/Sponsorship/ Ownership with other Organization	Type of Business	Position
		Runner Oil & Gas Limited.	Liquefied petroleum gas (LPG) bottling & manufacturing, producing, buying selling & distributing or otherwise deal in LPG for domestic cooking purpose & industrial uses.	Chairman
		Oriental Bitumen Industries Ltd.	Manufacture, purchase, sell and export of bitumen, petroleum and other petro chemical product.	Chairman
Md. Mozammel Hossain	Vice Chairman	Runner Motors Limited	Importer and distributor of commercial vehicles like trucks and pickups.	Vice Chairman
		Runner Bricks Limited	Manufacturer, supplier and marketer of bricks	Vice Chairman
		Runner Properties Limited	Builder and developer of real estate.	Vice Chairman
		Runner Agro Products Limited	Importer, manufacturer, supplier and marketer of insecticide, seeds and fertilizer.	Vice Chairman
		Freedom Motors Limited	Assembly all type of vehicle and sales in Bangladesh.	Executive Director
		Promita Oil and Gas	Liquefied petroleum gas(LPG) bottling & manufacturing, producing, buying selling & distributing	Vice Chairman
		HF Asset Management Limited	Asset management, investment management, portfolio management, and capital market operation, management of private equity etc.	Director
		Runner Trading Limited	Trading and dealing in all kinds of products, materials, equipment, machineries, and tools.	Vice Chairman
		Time Watch Media Limited.	All kind of media activities including online portal and electronic media services.	Vice Chairman
		Oriental Bitumen Industries Ltd.	Manufacture, purchase, sell and export of bitumen, petroleum and other petro chemical product.	Vice Chairman
		Runner Oil & Gas Limited.	Liquefied petroleum gas (LPG) bottling & manufacturing, producing, buying selling & distributing or otherwise deal in LPG for domestic cooking purpose & industrial uses.	Vice Chairman
		Runner Lube & Energy Limited.	Producing, manufacturing, exploring, marketing, selling, all types of automotive lubricants, industrial lubricants. Marine lubricants etc.	Vice Chairman
		Runner Land Development Ltd.	Acquisition of lands by way of buying or developing of lands, and construction of buildings for residential or commercial purpose.	Vice Chairman
Mukesh Sharma	Managing Director and CEO	-	-	-
Md. Jahurul Alam	Director	Runner Motors Limited	Importer and distributor of commercial vehicles like trucks and pickups.	Director
		Venus Autos	Venus Autos engaged in trading business.	Proprietor
		Oriental Bitumen Industries Ltd.	Manufacture, purchase, sell and export of bitumen, petroleum and other petro chemical product.	Director
		Runner Oil & Gas Limited.	Liquefied petroleum gas (LPG) bottling & manufacturing, producing, buying selling & distributing or otherwise deal in LPG for domestic cooking purpose & industrial uses.	Director
		Promita Oil and Gas	Liquefied petroleum gas(LPG) bottling & manufacturing, producing, buying selling & distributing	Director
Mohammad Ali Deen	Director	Runner Motors Limited	Importer and distributor of commercial vehicles like trucks and pickups.	Director
		Deen Impex	Deen Impex engaged in trading business	Proprietor
		Promita Oil and Gas	Liquefied petroleum gas (LPG) bottling & manufacturing, producing, buying selling & distributing.	Director
		Oriental Bitumen Industries Ltd.	Manufacture, purchase, sell and export of bitumen, petroleum and other petro chemical product.	Director

Name of Director	Designation in the Company	Directorship/Sponsorship/ Ownership with other Organization	Type of Business	Position
		Runner Oil & Gas Limited.	Liquefied petroleum gas (LPG) bottling & manufacturing, producing, buying selling & distributing or otherwise deal in LPG for domestic cooking purpose & industrial uses.	Director
Taslim Uddin Ahmed	Director	ISLAM & CO.-	Islam & Co is engaged in trading business.	Proprietor
Khalid Shahidul Quadir	Director Nominated by Brummer Frontier PE II (Mauritius) Ltd	Runner Motors Ltd	Importer and distributor of commercial vehicles like trucks and pickups	Director
		Brummer & Partners (Bangladesh) Limited	Brummer & Partners (Bangladesh) Ltd. is a private limited company incorporated in Bangladesh, provides due diligence, monitoring and coordination services to its clients	Director
		Rahimafrooz Superstores Limited (Agora)	Rahimafrooz Superstores Limited (Agora) owns 'Agora' retail chain with 15 outlets in Dhaka & Chittagong	Director
		Butterfly Marketing Ltd	Butterfly Marketing Ltd is a manufacturer & retailer of consumer durable products. They are the distributor of LG branded products in Bangladesh.	Director
		Popular Pharmaceuticals Ltd	Popular is engaged in manufacturing and marketing of pharmaceutical products.	Director
		Ananta Apparels Ltd.	Manufacturer and exporter of apparels products.	Director
		Zero Gravity Venture Ltd.	e-commerce venture that operates both in the B2B and B2C segments	Director
		Fiber @ Home Ltd.	A Nationwide Telecommunication Transmission Network (NTTN) Operator providing transmission services	Director
Muallem A Choudhury FCA	Director Nominated by Brummer Frontier PE II (Mauritius) Ltd	Popular Pharmaceuticals Ltd	Popular is engaged in manufacturing and marketing of pharmaceutical products.	Director
		Rahimafrooz Superstores Limited (Agora)	Rahimafrooz Superstores Limited (Agora) owns 'Agora' retail chain with 15 outlets in Dhaka & Chittagong	Director
		ACI HealthCare Limited	Manufacturing and marketing of pharmaceuticals products.	Director
		Brummer & Partners (Bangladesh) Limited	Brummer & Partners (Bangladesh) Limited is a private limited company incorporated in Bangladesh, provides due diligence, monitoring and coordination services to its clients	Director
Johannes (Phil) N. H. van Haarlem	Independent Director	-	-	-
Faruq Ahmad Siddiqi	Independent Director	Apex Tannery Limited	Leather goods manufacturer	Independent Director
		Summit Power Limited	Supplying electricity to Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB) through power plants	Independent Director

**(d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer Company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer**

The directors of Runner Automobiles Limited are not associated with the securities market as sponsor/director of any merchant bank, asset management company, TREC holder other than the following-

Name of Director	Name of Organization	Designation
Hafizur Rahman Khan	HF Asset Management Limited*	Chairman
Md. Mozammel Hossain	HF Asset Management Limited*	Director
Faruq Ahmad Siddiqi	Summit Power Limited	Independent Director

\* The company was incorporated on June 02, 2016 and got license as asset manager from BSEC on January 19, 2017.

The dividend payment history and market performance of Summit Power Limited are as follows:

Year	Cash Dividend	Stock Dividend	Market Performance Price in BDT (Per share)
Eighteen month ended June 30, 2017	30%	-	32 – 45.6
2015	12%	6%	27.6 – 47.6
2014	10%	5%	28.1 – 49

**(e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers**

There is no family relationship among the Directors of the company. Also, there is no family relationship among the Directors and top five officials of the company.

**(f) A very brief description of other businesses of the directors**

Name of the Company	Relation	Nature of the business of the Company
Runner Motors Limited	Common Directorship and Subsidiary of RAL	Importer and distributor of commercial vehicles like trucks and pickups.
Runner Bricks Limited	Common Directorship	Manufacturer, supplier and marketer of bricks.
Runner Properties Limited	Common Directorship	Builder and developer of real estate.
Runner Agro Products Limited	Common Directorship	Importer, manufacturer, supplier and marketer of insecticide, seeds and fertilizer.
Freedom Motors Limited	Common Directorship and Subsidiary of RAL	To manufacture/ assemble all kinds of automobiles /mechanical products manually or by automatic / semi-automatic machine or manufacturing of automobiles/mechanical materials and marketing the same to all over Bangladesh.
Runner Motors Services	Proprietorship of Hafizur Rahman Khan	Import & sale of spare parts and free service.
Runner Trading Limited	Common Directorship	The business of trading and dealing in all kinds of products, ,materials, equipments, machineries, tools & spare parts to carry on the business as a general commercial & trading company.
Venus Autos	Proprietorship of Md. Jahurul Alam	Venus Autos has been pursuing its goal and vision in a concerted manner. The company believes in quality management, strict discipline.
Deen Impex	Proprietorship of Mohammad Ali Deen	Deen Impex is engaged in trading business.
Promita Oil & Gas	Common Directorship	To set up liquefied petroleum gas (LPG) bottling & manufacturing plant and to carry on the business of

Name of the Company	Relation	Nature of the business of the Company
		manufacturing, producing, buying, selling, distributing or otherwise deal in LPG for domestic, cooking purposes & industrial uses.
HF Asset Management Limited	Common Directorship	Asset Management, Investment Management, Fund Management & Portfolio Management.
Runner Lube & Energy Limited	Common Directorship	Producing, manufacturing, exploring, marketing, selling all types of automotive lubricants, industrial lubricants & Marine lubricants etc.
Runner Land Development Limited	Common Directorship	Acquisition of lands by way of buying or developing of lands, and construction of buildings for residential or commercial purpose
Time Watch Media Limited	Common Directorship	All kind of media activities including online portal and electronic media services.
Runner Oil & Gas Limited	Common Directorship	Manufacturing, producing, buying, bottling & selling & distributing of liquefied petroleum gas (LPG).
Oriental Bitumen Industries Limited	Common Directorship	Manufacture, purchase, sell and export of bitumen, petroleum and other petrochemical product.
Runner Terra EV Limited	Common Directorship	It provides the vehicles that are powered by a system of battery, motor and controller instead of an internal combustion engine.
Apex Tannery Limited	Common Directorship [of Independent Director]	The company produces and sells leather primarily in Bangladesh. It offers goat and cow crust and finished leathers for shoes and leather goods.
Summit Power Limited	Common Directorship [of Independent Director]	Supplying electricity to Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB) through its power plants.
Brummer & Partners (Bangladesh) Limited	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	Brummer & Partners (Bangladesh) Ltd. is a private limited company incorporated in Bangladesh, provides due diligence, monitoring and coordination services to its clients.
Butterfly Marketing Limited	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	Butterfly Marketing Limited is manufacturer & retailer of consumer durable products. They are the distributor of LG branded products in Bangladesh.
Popular Pharmaceuticals Limited	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	Popular is engaged in manufacturing and marketing of pharmaceutical products.
Ananta Apparels Limited	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	Ananta Apparels Limited is one of the leading apparel manufacturer & exporters of Bangladesh (top 10 position among woven product manufacturers). The Company specializes in denim products with monthly production capacity of 1.8 million woven bottoms across three factories.
Zero Gravity Venture Limited	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	Zero Gravity is an ecommerce venture that operates both in the B2B and B2C segments through two ecommerce businesses – Sindabad.com and Kiksha.com. Sindabad.com offers office supplies, electrical items, as well as industrial items such as chemicals and production spare parts. Kiksha.com's major products are electronics items followed by home appliance and fashion goods.
Rahimafrooz Superstore Limited (Agora)	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	Rahimafrooz Superstores Limited (Agora) owns 'Agora' retail chain with 15 outlets in Dhaka & Bangladesh.

Name of the Company	Relation	Nature of the business of the Company
Fiber @ Home Limited	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	A Nationwide Telecommunication Transmission Network (NTTN) Operator providing transmission services
ACI HealthCare Limited	Common Directorship [of Director nominated by Brummer Frontier PE II (Mauritius) Limited]	ACI HealthCare Limited, a public limited company, is a subsidiary of Advanced Chemical Industries (ACI) Limited. It was incorporated in 18 February 2013 under the Companies Act 1994. The principal activities of the Company are manufacturing and marketing of pharmaceutical products for regulated markets, especially for USA.

**(g) Short bio-data of each director**

**Hafizur Rahman Khan  
Chairman**

Hafizur Rahman Khan, born in 1955, is the Chairman of Runner Automobiles Limited. He completed his B. Com (Hons), M. Com (Management) from University of Rajshahi. After completion of his education he started his career in a private organization named Farmland Engineering Limited in 1978 where he served till 1983. Then, he joined HS Enterprise Limited and served there till 1999 as Director Operation. Subsequently, he established Runner Automobiles Limited and is actively involved in the operations of the company. He is one of the most experienced industrialists in the automobiles sector. Hafizur Rahman Khan has been selected as Commercially Important Person (CIP) for the period 2013-2014.

**Md. Mozammel Hossain  
Vice Chairman**

Md. Mozammel Hossain, born in 1955, is the Vice Chairman of Runner Automobiles Limited. He completed B. Com (Hons), M. Com (Marketing) from University of Dhaka. Upon completion of education he started his career in 1980 in Singer Bangladesh Limited and worked there till 1985. Then he joined HS Enterprise Limited and served there from 1985 to 1999 as General Manager (Marketing). He is actively involved in Runner Automobiles Limited since inception. He is one of the most experienced industrialists in the automobile and electronics sector.

**Mukesh Sharma  
Managing Director and CEO**

Mukesh Sharma, born in 1973, is the Managing Director and Chief Executive Officer of Runner Automobiles Limited. He is a strategic leader with over 23 years of experience including over 20 years in the automobiles industry. Extensive exposure across a gamut of areas including customer experience, after sales, quality, new product launch, product monitoring, warranty management and engineering. Deft in establishing & driving channel network relationships, ensuring high level of engagement & profitability to drive the overall business growth. Proven competence in devising & implementing measures leading to turning around of operations while achieving top line growth and bottom line improvement. Adept in interacting with internal as well as external customers across the globe and working towards high level of customer satisfaction. Demonstrated excellence in driving multi-location, cross cultural and multi-functional resources. Under his leadership RAL started export motorcycles to Nepal which was pioneer of 2 wheeler industry in Bangladesh.

**Mohammad Ali Deen  
Director**

Mohammad Ali Deen, born in 1956, is a shareholder Director of Runner Automobiles Limited and also a Member of Audit Committee of the company. He achieved his Bachelor of Science in 1978. He has 37 years of business experience in the automobile sector and various other business areas in Bangladesh. He is the Chairman of Deen Impex. In addition, he is currently serving as the Vice President of Commonwealth of Independent State-Bangladesh Chamber of Commerce & Industry (CIS-BCCI) and Director of International Business Forum of Bangladesh (IBFB). He is the Former President of Naogaon Chamber of Commerce & Industry, and Chartered President of Rotary Club of Naogaon (1994). In addition to his involvements with various business associations, he is actively engaged with different other sports, educational and socio-cultural activities. He is the First Vice President of Bangladesh Tennis Federation, Vice President of Naogaon Tennis Club, Executive Member of Bangladesh Olympic Association and a Permanent Member of Dhaka Club Ltd.

He is serving as a Member of Board of Trustees of Varendra University and Director of Bangladesh Automobile Assemblers and Manufacturing Association (BAAMA).

**Md. Jahurul Alam**

**Director**

Md. Jahurul Alam, born in 1948, is a Director of Runner Automobiles Limited. He is a graduate in Science (Applied Chemistry) from University of Dhaka. He has 26 years of business experience in dealership (Sales & Service).

**Taslim Uddin Ahmed**

**Director**

Taslim Uddin Ahmed, born in 1948, is a Director of Runner Automobiles Limited. He is a graduate in Science from Polytechnic Institutes of Dinajpur. He has more than 38 years' experience in 2 Wheelers marketing and selling.

**Khalid Shahidul Quadir**

**Director (Nominated by Brummer Frontier PE II (Mauritius) Ltd)**

Khalid Shahidul Quadir, is serving as Director of Runner Automobiles Limited. He has over 20-year experience of private equity, entrepreneurship and banking. He co-founded Gonofone, a New York based company, which was the founding partner of Grameenphone, the largest mobile phone operator in Bangladesh and founded and managed a Bangladesh wireless broadband operator. Prior to that, he spent 12 years working in private equity and banking in the United States. In 2007, He joined Brummer & Partners as CEO of Brummer & Partners (Bangladesh) Limited.

**Muallem A Choudhury FCA**

**Director (Nominated by Brummer Frontier PE II (Mauritius) Ltd)**

Muallem Choudhury is a Chartered Accountant by profession. He has a long professional career in the fields of finance, corporate and strategic planning, and treasury and supply chain. His professional career starts with British American Tobacco Bangladesh (BATB) with involving in different capacities lastly as Head of Strategic Planning and Business Development, followed by the role of Finance Director and Head of Supply chain for Advanced Chemical Industries (ACI) for almost seven years. Currently, he is the Principal Adviser and Director with Brummer & Partners (Bangladesh) Limited.

**Johannes (Phil) N.H van Haarlem**

**Independent Director**

Johannes (Phil) N.H van Haarlem was born in 1944 in Netherland. He has completed his Bachelor degree in Dutch Law & Accountancy. He is versed in different language and among them he is fluent in Dutch, English and Spanish and has modest proficiency in German and French language. Before joining Runner Automobiles Ltd as Independent Director he played a very imperative role in many international organizations. He worked as a Managing Director Boer & Croon Interim Management B.V, Amsterdam from 2000 to 2002. He also worked as a Group Director in Pan Holdings B. V, Nilkerk, Netherlands from 2002 to 2010. Then he joined as an adviser Ponooc BV (Evaluation of investment opportunities in The Netherlands, Indonesia, the United Kingdom, U.S.A) from 2011 to 2013. During working as an adviser in Ponooc BV he also worked as a Senior Adviser PUM (Projects in Indonesia (2x) and Kenya) in the year of 2012.

**Faruq Ahmad Siddiqi**

**Independent Director**

Faruq Ahmad Siddiqi was born in 1947. He is an Independent Director of Runner Automobiles Limited. He is a graduate in Arts from the University of Dhaka. He served as Chairman of Bangladesh Securities & Exchange Commission (2006-2009), as Secretary of Ministries of Posts & Telecom, Education, Commerce (2002-06), Member of National Board of Revenue (1999-2001), Director of Finance and Accounts, Jamuna Multipurpose Bridge Authority (1997-1999), Commissioner of Taxes (1992-97), Member, Finance, RAJUK (1991-92) etc.

**(h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank**

Neither the Company nor any of its directors or shareholders who hold 10% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of Bangladesh Bank.

**(i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included**

Name	Designation	Age (Years)	Date of Joining	Educational Qualification	Overall experience	Previous Employment	Salary in last FY
Hafizur Rahman Khan	Chairman	63	01.01.2000	M. Com (Management)	40 years	HS Enterprise	3,961,649
Md. Mozammel Hossain	Vice Chairman	63	01.03.2000	M. Com (Marketing)	39 years	HS Enterprise	3,440,558
Mukesh Sharma	Manging Director and CEO	45	15.11.2015 as ED, 01.10.2016 as CEO and 15.11.2016 as MD & CEO	BSc Engineering (Mechanical) PGD (Marketing)	24 years	Hero Motocorp Ltd, India	4,550,000
Muhammad Nazrul Islam FCA	Chief Financial Officer	38	01.02.2015	B Com, Chartered Accountant	17 years	Unilever Bangladesh Ltd	2,384,200
Md. Mizanur Rahman	Company Secretary	45	16.08.2000	Bcom (Hons), MCom (DU), MBA (Fin), FGDFM	22 years	HS Group of Industries	1,365,983
Major Md. Taifur Rahman Biswas (Retd)	Sr. General Manager Admin (Head of Admin)	56	02.09.2009	MBA (HRM)	33 years	Bangladesh Army	1,494,951
Hemant Kumar Dawar	General Manager, Factory (Head of Factory)	44	01.10.2017	Masters of Engineering (Mechanical)	27 years	Warm Forgings Pvt Limited	(Joined after FY 2016-2017)
Md. Iftekhar-ur-Rahman	General Manager VAT & Commercial (Head of VAT & Commercial)	60	16.03.2009	M. Com (Accounting)	33 years	Monno Group of Industries	1,481,821
Rubada Tazin	Assistant Director, HR & QEHS (Head of HR)	30	11.09.2011	MBS (International Business)	6 years	N/A	793,994
Md. Muklasur Rahman Bhuiyan	Deputy General Manager, Audit (Head of Internal Audit)	38	23.01.2016	MBA in AIS, Chartered Certified Accountant	11 years	BRAC International	1,050,595

Name	Designation	Age (Years)	Date of Joining	Educational Qualification	Overall experience	Previous Employment	Salary in last FY
Ashik Ahmed	Assistant General Manager, Sales (Head of Corporate Sales)	37	12.05.2018	MBA (Marketing)	13 years	Rancon Motor Bikes Limited	(Joined after FY 2016-2017)
Shourav Ahmed	Assistant General Manager (Head of 3 Wheeler Sales)	43	01.10.2016	MBA (Marketing)	17 years	Rangs Motor Bikes Limited	957,029

**(j) Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed**

Mukesh Sharma joined Runner Automobiles Limited as Executive Director on November 15, 2015 and was subsequently appointed as Managing Director and CEO on November 01, 2016. Hemant Kumar Dawar joined as General Manager, Factory on October 01, 2017, Md. Muklasur Rahman Bhuiyan as Deputy General Manager, Audit on January 23, 2017, Ashik Ahmed as Assistant General Manager, Sales on May 12, 2018 and Shourav Ahmed as Assistant General Manager (Head of 3 Wheeler Sales) on October 01, 2016.

Except for the above no change otherwise than by way of retirement in the normal course in the senior key management personnel occurred during the last three years prior to the date of filing the information memorandum. These changes occurred only once for each post during last three years which is not high compared to the industry.

**(k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position;**

Name	Father's Name	Age	Personal Address	Education Qualifications	Experience	Positions/Post held in the past	Directorship held	Other Venture of Sponsors	Present Position
Hafizur Rahman Khan	Koresh Ali Khan	63 Years	H-31, R-18, Block-J, Banani, Dhaka-1214	B.Com (Hon's), M. Com (Management), Rajshahi University	40 years	Chairman	04.07.2000	Runner Motors Limited	Chairman
								Runner Bricks Limited	Chairman
								Runner Properties Limited	Chairman
								Runner Agro Products Limited	Chairman
								Runner Electronics Limited	Chairman
								Freedom Motors Limited	Chairman
								Runner Motors Services	Proprietor
								Runner Trading Limited	Chairman
								Promita Oil and Gas	Chairman
								HF Asset Management Limited	Chairman
								Runner Terra EV Limited	Representative Director
								Time Watch Media Limited.	Chairman
								Runner Lube & Energy Limited.	Chairman
Md. Mozammel Hossain	Md. Sultan Mia	63 Years	Flat-3B, H-38, R-13/A, Dhanmondi, Dhaka-1208	M. Com (Marketing), University of Dhaka	39 years	Executive Director	04.07.2000	Runner Motors Limited	Vice Chairman
								Runner Bricks Limited	Vice Chairman
								Runner Properties Limited	Vice Chairman
								Runner Agro Products Limited	Vice Chairman
								Runner Electronics Limited	Vice Chairman
								Freedom Motors Limited	Executive Director
								Runner Trading Limited	Vice Chairman

								Promita Oil and Gas	Vice Chairman
								Time Watch Media Limited.	Vice Chairman
								Oriental Bitumen Industries Ltd.	Vice Chairman
								Runner Oil & Gas Limited.	Vice Chairman
								Runner Lube & Energy Limited.	Vice Chairman
								Runner Land Development Ltd.	Vice Chairman
								HF Asset Management Limited	Director
Md. Amjad Ali	Chyon Uddin Ahmed	69 Years	Ghoramara, Boalia, Rajshahi	Masters (Pass)	37 years	Shareholder	N/A	Nupu Corporation	Proprietor
Md. Sairul Islam	Nurul Islam Mondol	55 Years	Goahail Road, Sutrapur, Bogra	B.Com	22 Years	Director	N/A	Runner Properties Limited	Shareholder
Taslim Uddin Ahmed	Kamal Uddin Ahmed	68 Years	Shekhpura, Dinajpur-5200	B. Com	40 years	Director	04.07.2000	ISLAM & CO.-	Proprietor
Mohammed Nazim Uddin	Danial Kamal	53 Years	SK. Mujib Road, Agrabad, Chittagong	B.Com, Chittagong University	27 years	Shareholder	N/A	Honda Museum	Proprietor
SK. Abul Kalam Azad	SK. Abdul Hamid	59 Years	Bangabandhu Road, Thakurgaon	B.Com	34 years	Shareholder	N/A	A.K Traders	Proprietor
Md. Borhanul Ahasan Chowdhury	Nurul Haque Chowdhury	59 Years	28, New Eskaton Road, Dhaka 1000	N/A	30 years	Shareholder	N/A	N/A	N/A
Md. Amir Hossain Khokon	Md. Naziruzzaman	Deceased	9, New Eskaton Road, Dhaka 1000	N/A	N/A	Shareholder	N/A	N/A	N/A
Mohammad Ali Deen	Yasin Ali Sarkar	61 Years	Deen Tower, 1483-01, Chalkmukter Main Road, Naogaon-6500	Graduate in Science, Rajshahi University	37 years	Director	04.07.2000	Runner Motors Limited	Director
								Deen Impex	Proprietor
								Oriental Bitumen Industries Ltd.	Director
								Runner Oil & Gas Limited.	Director
								Promita Oil and Gas	Director
Md. Ahsan Sayed	Dr. Abdul Latif	49 Years	Kazir More, Naogaon, Naogaon-6500	B.A., Rajshahi University	24 years	Shareholder	N/A	Ahsan Trading	Proprietor

Md. Rafiqul Islam Chowdhury	Asraf Ali Chowdhury	59 Years	House no. 338/KA, Road no. 28 (old), 15 (New), Dhanmondi R/A, Dhaka	B.Com	30 years	Shareholder	N/A	N/A	Shareholder
Rabindra Nath Ghosh	Dinesh Chandra Ghosh	66 Years	154, Green Road, Dhaka	S.S.C	35 years	Shareholder	N/A	N/A	Shareholder
Md. Jahurul Alam, Md. Manjarul Alam and Anjuman Ara Begum	Md. Jahurul Alam and Manjarul Alam are the sons of Jamshed Ali and Anjuman Ara Begum is the wife of Saidul Haque Sadi	-	21, Loan Office Parra Road, Jessore and 15/22, Tajmahal Road, Mohammadpur, Dhaka	Graduate in Science (Applied Chemistry), University of Dhaka	-	Director – Md. Jahurul Alam	04.07.2000	Runner Motors Limited	Director
								Oriental Bitumen Industries Ltd.	Director
								Runner Oil & Gas Limited.	Director
								Promita Oil & Gas Limited.	Director
								Venus Autos	Proprietor
Md. Shamsul Alam & Parveen Alam	Shamsul Alam is the son of Mohammad Kasem and Parveen Alam is the wife of Md. Shamsul Alam	-	104/1, Khan Jahan Ali Road, Khulna	B.Com (Pass)	-	Shareholder	N/A	New Motor Cycle Mart	Proprietor
Md. Rafiqul Islam	Md. Yeakub Ali	60 Years	Balaka International, 3/3 –B, Purana Paltan, Dhaka 1000	N/A	31 years	Director	N/A	N/A	N/A

**(l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.**

Name	Designation	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such acquisition
Mukesh Sharma	Managing Director and CEO	N/A	-	N/A	-
Johannes (Phil) N.H van Haarlem	Independent Director	19.10.2014	-	N/A	-
Faruq Ahmad Siddiqi	Independent Director	19.10.2014	-	N/A	-
Khalid Shahidul Quadir	Director [Nominated by Brummer Frontier PE II (Mauritius) Limited]	28.09.2013	-	N/A	-
Muallem A Choudhury FCA	Director [Nominated by Brummer Frontier PE II (Mauritius) Limited]	17.02.2016	-	N/A	-

**(m) If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed**

Runner Automobiles Limited was incorporated on July 04, 2000. The company is doing business for the last seventeen years. Therefore, the sponsors/ directors are highly experienced in the proposed line of business. Moreover, the directors have similar types of business in automobile industry.

**(n) Interest of the key management persons**

There is no other interest of key management except shareholding, remuneration and festival bonus of Hafizur Rahman Khan, Chairman, Md. Mozammel Hossain, Vice Chairman, board meeting attendance fees received by directors namely Md. Jahurul Alam, Director, Taslim Uddin Ahmed, Mohammad Ali Deen and Faruq Ahmad Siddiqi and remuneration and festival bonus of Mukesh Sharma, Chief Executive Officer and Muhammad Nazrul Islam FCA, Chief Financial Officer.

**(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary**

No interest and facilities whether pecuniary or non-pecuniary were enjoyed by the Directors except remuneration and festival bonus received by Hafizur Rahman Khan, Chairman, Md. Mozammel Hossain, Vice Chairman, Mukesh Sharma, Managing Director and CEO and board meeting attendance fees received by directors namely Md. Jahurul Alam, Director, Taslim Uddin Ahmed, Mohammad Ali Deen and Faruq Ahmad Siddiqi.

**(p) Number of shares held and percentage of shareholding (pre issue)**

Name of the Shareholder	Designation	No. of Shares	Pre-IPO % of Shareholding
Hafizur Rahman Khan	Chairman	10,272,000	10.90%
Md. Mozammel Hossain	Vice Chairman	6,648,000	7.06%
Mukesh Sharma	Managing Director and CEO	-	-
Taslim Uddin Ahmed	Director	2,580,000	2.74%
Mohammad Ali Deen	Director	2,400,000	2.55%
Faruq Ahmad Siddiqi	Independent Director	-	-
Johannes (Phil) N. H. van Haarlem	Independent Director	-	-
Khalid Shahidul Quadir	Director	-	-

Name of the Shareholder	Designation	No. of Shares	Pre-IPO % of Shareholding
	(Nominated by Brummer Frontier PE II (Mauritius) Limited)		
Muallem A Choudhury FCA	Director (Nominated by Brummer Frontier PE II (Mauritius) Limited)	-	-
Md. Jahurul Alam	Director	3,000,000	3.18%
Rudaba Tazin	Assistant Director	1,800,000	1.91%
Amid Sakif Khan	Assistant Director	3,840,000	4.08%
Md. Azmal Hossain Chowdhury	Zone Manager	3,200	0.0034%
Asadullah Mahmud	Assistant Manager	3,000	0.0032%
Md. Salah Uddin	Assistant Manager	2,500	0.027%
<b>Total</b>			<b>32.45%</b>

**(q) Change in board of directors during last three years**

There was no change in the board of directors of the company during the last three years except the following –

Name	Designation	Date of becoming director for the first time during the last the years	Current Status
Mukesh Sharma	Managing Director and CEO	01.11.2016	Continuing
Khalid Shahidul Quadir	Director (Nominated by Brummer Frontier PE II (Mauritius) Limited)	28.09.2013	Continuing
Muallem A Choudhury FCA	Director (Nominated by Brummer Frontier PE II (Mauritius) Limited)	17.02.2016	Continuing
Johannes (Phil) N.H. van Haarlem	Independent Director	19.10.2014	Continuing
Faruq Ahmad Siddiqi	Independent Director	19.10.2014	Continuing

Besides Brig. Gen. Shafiquzzaman (Retd), Md. Sairul Islam, Md. Shamsul Alam, Sheik Abul Kalam Azad and Anders Stendebakken resigned during the last three years.

**(r) Director's engagement with similar business**

Directors' of Runner Automobiles Limited except independent and nominated directors are engaged in similar businesses as follows-

1. Runner Motors Limited
2. Freedom Motors Limited

All the above mentioned companies are basically engaged in automobile related businesses.

## SECTION IX : CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:-

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

### AUDITORS CERTIFICATE REGARDING RELATED PARTY TRANSACTION

Based on our scrutiny of the financial statements and other relevant records of Runner Automobiles Limited (the "Company"), we certify that the Company has entered into the following transactions during the last five years with person who falls into related party category;

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Name of Borrower	Relationship	Nature of Transactions	2016-2017		2015-16		2014-15		2013-14		2013		
			Net Transaction	Closing Balance									
Runner Motors Ltd.	Subsidiary	Short term loan (including interest bearing portion)	375,952,190	355,722,294	58,487,870	(20,229,896)	(16,898,384)	(78,717,766)	20,682,515	(61,819,382)	(97,338,687)	(82,501,897)	
		Rental Income	2,392,800		2,392,800	-	2,392,800	-	2,392,800	-	-	-	
		Dividend Income	32,683,400										
		Interest Income	5,908,096										
		Land purchases	-		-	-	-	-	-	-	-	(24,500,000)	-
Runner Tera EV Ltd	Inter Company	Rental Income	1,618,800		1,452,550	-	-	-	-	-	-	-	
Freedom Motors Ltd	Subsidiary	Short term loan	-	(4,998,002)	14,833	(4,998,002)	25,215,660	(5,012,835)	-	(30,228,495)	-	(30,228,495)	
Runner Agro Products Ltd.	Inter Company	Short term loan	-	-	-	-	122,000	-	300	(122,000)	(122,300)	(122,300)	
Runner Bricks Ltd.	Inter Company	Short term loan	-	-	-	-	(16,133)	-	-	(16,133)	349,573	349,573	
		Rental Income	240,000	-	240,000	-	240,000	-	240,000	-	-	-	
Runner Electronics Ltd.	Subsidiary	Short term loan	-	-	-	-	-	-	-	-	752,170	-	
Runner Properties Ltd.	Inter Company	Short term loan	-	532,179	(277,777)	532,179	417,521	809,956	-	392,435	23,674,381	-	
		Rental Income	1,724,400	-	1,724,400	-	1,724,400	-	1,724,400	-	-	-	
Runner Automobiles Services	Inter Company	Short term loan	9,152,998	85,845,100	11,538,989	76,692,102	6,893,543	65,153,113	11,629,922	58,259,570	46,629,648	46,629,648	
		Rental Income	-	-	1,870,080	-	1,870,080	-	1,870,080	-	-	-	
	Chairman	Employee Benefits	(3,961,649)	-	(4,336,000)	-	(3,941,730)	-	(3,899,520)	-	(3,425,240)	-	

Mr. Hafizur Rahman Khan		Share Issue against Land	-	-	-	-	-	-	-	-	-	-
		Cash paid against Land	-	-								
Mr. Md. Mozammel Hossain	Vice Chairman	Employee Benefits	(3,440,558)	-	(3,716,880)	-	(3,378,950)	-	(3,342,760)	-	(2,936,180)	-
		Share Issue against Land	-	-								
		Cash paid against Land	-	-								
Brig. Gen. Shafiquzzaman (Retd)	Managing Director	Employee Benefits	(860,00)	-	(1,200,000)	-	(2,600,000)	-	(2,140,820)	-	(1,995,110)	-
Mr. Mukesh Sharma	Managing Director & CEO	Employee Benefits	(4,550,000)	-								
Mrs. Rudaba Tazin	Share Holder	Employee Benefits	(840,118)	-	(575,800)	-	(451,340)		(380,800)		(364,000)	
Mr. Amid Sakif Khan	Share Holder	Employee Benefits	101,791	-	(243,010)	-	(191,630)		(176,940)		(105,600)	
Mr. Md. Jahurul Alam	Director	Board attendance fees (Exe. VAT)	(50,000)	-	(40,000)	-	(40,000)	-	(50,000)	-	(50,000)	-
Mr. Taslim Uddin Ahmed	Director	Board attendance fees (Exe. VAT)	(50,000)	-	(40,000)	-	(40,000)	-	(50,000)	-	(50,000)	-
Mr. SK Abul Kalam Azad	Director	Board attendance fees (Exe. VAT)	-	-	-	-	-	-	(40,000)	-	(50,000)	-
Mr. Mohammad Ali Deen	Director	Board attendance fees (Exe. VAT)	(50,000)	-	(30,000)	-	(40,000)	-	(40,000)	-	-	-
Faruq Ahmad Siddiqi	Independent Director	Board attendance fees (Exe. VAT)	(125,000)	-	(75,000)	-	(100,000)	-	-	-	-	-
Md. Shamsul Alam	Director	Board attendance fees (Exe. VAT)	-	-	-	-	-	-	-	-	(50,000)	-
Mr. Ahsan Sayeed	Director	Board attendance fees (Exe. VAT)	-	-	-	-	-	-	-	-	(50,000)	-
Mr. Anisur Rahman	Director	Board attendance fees (Exe. VAT)	-	-	-	-	-	-	-	-	(50,000)	-
Mr. Mahabub Rahman	Director	Board attendance fees (Exe. VAT)	-	-	-	-	-	-	-	-	(50,000)	-
Promita Oil & Gas	Inter Company	Rental Income	50,000									
Deen Impex	Director related entity	Accounts Receivable	(34,406,908)	18,392,522	34,281,416	52,799,430	3,079,607	18,518,014	6,070,231	15,438,407	5,030,923	9,368,176
Venus Autos	Director related entity	Accounts Receivable	(100,204,475)	71,748,363	120,819,016	171,952,838	33,831,167	51,133,822	6,308,116	17,302,655	(1,958,503)	10,994,539
Islam & Company	Director related entity	Accounts Receivable	8,640,992	52,904,834	15,130,825	44,263,842	6,770,871	29,133,017	10,335,207	22,362,146	(4,749,268)	12,026,939

Dhaka, 28 June 2018

Sd/-  
**Hoda Vasi Chowdhury & Co.**  
Chartered Accountants

**(b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in (a) of Section IX.

**(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan**

No loans have either been taken from or given to any director or any person connected with the director, and no loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan except the transaction mentioned in (a) of Section IX.

## SECTION X : EXECUTIVE COMPENSATION

(a) The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer

Name	Designation	Amount (BDT)
Hafizur Rahman Khan	Chairman	3,961,649
Md. Mozammel Hossain	Vice Chairman	3,440,558
Brig. Gen. Shafiquzzaman (Retd)*	Managing Director	860,000
Mukesh Sharma**	Manging Director and Chief Executive Officer	4,550,000
Muhammad Nazrul Islam FCA	Chief Financial Officer	2,384,200
<b>Total</b>		<b>15,196,407</b>

\* Resigned from RAL effective from November 01, 2016

\*\* Appointed as Managing Director and CEO effective from November 01, 2016

(b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year

Particulars	Name of the payment	Amount (BDT)
Managing Director & Directors	Remuneration & Festival Bonus	12,812,207
Directors	Board meeting attendance fees	316,250
Executives & Employees	Salary and Allowance	142,945,031
<b>Total</b>		<b>156,073,488</b>

(c) If any shareholder director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year

No shareholding director received any monthly salary/ perquisite/ benefit during the last accounting year except as follows-

Name	Nature of Transaction	Amount
Hafizur Rahman Khan	Remuneration & Festival Bonus	(3,961,649)
Md. Mozammel Hossain	Remuneration & Festival Bonus	(3,440,558)

(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM

The board meeting attendance fees received by the Director including the Managing Director as approved in AGM held on 27 November 2016 is as follows:

Sl. No.	Name	Designation	No. of Meetings Attended	Board meeting Attendance Fee (BDT)
1.	Md. Jahurul Alam	Director	5	20,000
2.	Taslim Uddin Ahmed	Director	5	20,000
3.	Mohammad Ali Deen	Director	5	20,000
4.	Faruq Ahmad Siddiqi	Independent Director	5	125,000

Md. Jahurul Alam, Taslim Uddin Ahmed and Mohammad Ali Deen received board meeting attendance fees of BDT 5,000 per meeting and Faruq Ahmad Siddiqi received BDT 25,000 per meeting.

**(e) Any contract with any director or officer providing for the payment of future compensation**

As on date, there is no contract with any director or officer providing for the payment of future compensation.

**(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto;**

The company has no intention to substantially increase the remuneration paid to its directors and officers except for normal annual increment and allowances.

**(g) Any other benefit/facility provided to the above persons during the last accounting year**

No directors and officers received any other benefit/facility in the last accounting year except which is disclosed above.

## **SECTION XI : OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES**

The Company did not grant any stock option to any Officer, Director and all other officers of the Company or to any other person involved with the Company.

## SECTION XII : TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;

The directors and subscribers of the company have not received any benefits other than remuneration and festival bonus received by Hafizur Rahman Khan, Md. Mozammel Hossain, Brig. Gen. Shafiquzzaman (Retd.) and Mukesh Sharma as officers of the company and board meeting attendance fees as outlined below which has also been disclosed in note 42.1 of the audited statement for the year ended June 30, 2017.

As per auditor's certificate

Name	Nature of Transaction	Value of Transaction (BDT)				
		Year ended June 30, 2017	Year ended June 30, 2016	Year ended June 30, 2015	Year ended June 30, 2014	Year ended December 31, 2013
Hafizur Rahman Khan	Remuneration & Festival Bonus	(3,961,649)	(4,336,000)	(3,941,730)	(3,899,520)	(3,425,240)
Md. Mozammel Hossain	Remuneration & Festival Bonus	(3,440,558)	(3,716,880)	(3,378,950)	(3,342,760)	(2,936,180)
Brig. Gen. Shafiquzzaman (Retd)*	Remuneration & Festival Bonus	(860,000)	(1,200,000)	(2,600,000)	(2,140,820)	(1,995,110)
Mukesh Sharma**	Remuneration & Festival Bonus	(4,550,000)	-	-	-	-
Md. Jahurul Alam	Board Meeting Attendance Fees	(50,000)	(40,000)	(40,000)	(50,000)	(50,000)
Taslim Uddin Ahmed	Board Meeting Attendance Fees	(50,000)	(40,000)	(40,000)	(50,000)	(50,000)
SK Abul Kalam Azad	Board Meeting Attendance Fees	-	-	-	(40,000)	(50,000)
Faruq Ahmad Siddiqi	Board Meeting Attendance Fees	(125,000)	(75,000)	(100,000)		
Mohammed Ali Deen	Board Meeting Attendance Fees	(50,000)	(30,000)	(40,000)	(40,000)	-
Md. Shamsul Alam	Board Meeting Attendance Fees	-	-	-	-	(50,000)
Ahsan Sayed	Board Meeting Attendance Fees	-	-	-	-	(50,000)
Anisur Rahman	Board Meeting Attendance Fees	-	-	-	-	(50,000)
Mahabub Rahman	Board Meeting Attendance Fees	-	-	-	-	(50,000)

\* Resigned from RAL effective from November 01, 2016

\*\* Appointed as Managing Director and CEO effective from November 01, 2016

Other than the transactions mentioned above, the company has not provided any benefit other than bonus shares and the company has not received any assets, services or other considerations from its Directors and subscribers to the memorandum during the last five years. Besides Hafizur Rahman Khan, Chairman and Mozammel Hossain, Vice Chairman received ordinary shares of the company against 778 decimals of land transferred to the company through land title deed dated February 19, 2012 and vendor's agreement dated February 16, 2012.

**(b) If any assets were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them**

The directors and subscribers of the memorandum of the company have not transferred any asset to the company except land measuring 778 decimals located in Boradoba, Bhaluka, Mymensingh against issuance of ordinary shares to Hafizur Rahman Khan, Chairman and Mozammel Hossain, Vice Chairman through land title deed dated February 19, 2012 and vendor's agreement dated February 16, 2012 based on market value.

Hafizur Rahman Khan, Chairman and Mozammel Hossain, Vice Chairman acquired the land in 2009 at acquisition cost of BDT 6,550,600.

## SECTION XIII : OWNERSHIP OF THE COMPANY'S SECURITIES

(a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form;

Sl. No.	Name	Designation	Address	BO ID No	Number of Shares	Pre IPO Percentage of Shareholding	Post IPO Percentage of Shareholding
1	Hafizur Rahman Khan	Chairman	H-31, R-18, Block-J, Banani, Dhaka 1214	1203680059525023	10,272,000	10.90%	9.50%
2	Md. Mozammel Hossain	Director	Flat-3B, H-38, R-13/A, Dhanmondi, Dhaka 1208	1203680059521405	6,648,000	7.06%	6.15%
3	Taslim Uddin Ahmed	Director	Shekhapura, Dinajpur-5200	1203680059523265	2,580,000	2.74%	2.39%
4	Mohammad Ali Deen	Director	Deen Tower, 1483-01, Chalkmukter Main Road, Naogaon-6500	1203680059525157	2,400,000	2.55%	2.22%
5	Md. Jahurul Alam	Director	H-21, Loan Office Para, Jessore-7400	1203680059510596	3,000,000	3.18%	2.77%
6	Brummer Frontier PE II (Mauritius) Limited	Shareholder	Citco (Mauritius) Ltd., 4th Floor, Tower-A, 1 Cyber City, Ebene	1601670066971452	26,956,521	28.62%	24.93%
7	Md. Sairul Islam	Shareholder	Goahail Road, Sutrapur, Bogra	1203680059521456	100,000	0.11%	0.09%
8	Mohammad Nazim Uddin	Shareholder	SK. Mujib Road, Agrabad, Chittagong	1203680059525041	100,000	0.11%	0.09%
9	Md. Ahsan Sayed	Shareholder	Kazir more, Naogaon, naogaon-6500	1203680059525173	750,000	0.80%	0.69%
10	Rafiqul Islam Chowdhury	Shareholder	House #338/KA, road #28 (old) 15 (New), Dhanmondi R/A, Dhaka	1203680059510611	1,200,000	1.27%	1.11%
11	Sabrina Bari	Shareholder	2/7/E/3 Tolarbag, Mirpur-1, Dhaka-1216	1203680059525058	1,752,000	1.86%	1.62%
12	Md. Anisur Rahman	Shareholder	37, Shen Bari road, Mymensing	1203680059523273	375,000	0.40%	0.35%
13	Alhaj Imtiaz	Shareholder	Park Road, Sutrapur, Bogra	1203680059510601	300,000	0.32%	0.28%
14	Md. Rezaul Karim	Shareholder	296, South Goran, Dhaka	1203680059510636	100,000	0.11%	0.09%
15	Sankar Roy	Shareholder	Dewan Bari Road, Gomestapur, Rangpur	1203680059521421	150,000	0.16%	0.14%
16	Tofail Ahmed Chowdhury	Shareholder	144, Housing Estate, Sylhet	1203680059521464	60,000	0.06%	0.06%
17	Tofail Ahmed Choudhury & Jubair Raquib Chowdhury	Shareholder	144, Housing Estate, Sylhet & 98 Housing Estate, Sylhet	1203680059525090	240,000	0.25%	0.22%
18	Md. Mozammel Haque	Shareholder	Bangalipur, Neezpara,	1203680059521472	150,000	0.16%	0.14%
19	Syed Mokbar Ali	Shareholder	35, Baruth Kana, Sylhet	1203680059510628	40,000	0.04%	0.04%
20	Mahafuza Begum	Shareholder	Flat 3/B, House-38, Road-13/A, Dhanmondi R/A-1209	1203680059523230	1,308,000	1.39%	1.21%
21	Amid Sakif Khan	Shareholder	H-31, R-18, Block-J, Banani, Dhaka 1214	1203680059525031	3,840,000	4.08%	3.55%
22	Rudaba Tazin	Shareholder	H-31, R-18, Block-J, Banani, Dhaka 1214	1203680059525181	1,800,000	1.91%	1.66%
23	Mahamud Al Nahian	Shareholder	Flat-3/B, House-38, Road-13/A, Dhanmondi R/A-1209	1203680059523222	600,000	0.64%	0.55%
24	Nawsheen Ishrat Promee	Shareholder	Flat-3/B, House-38, Road-13/A, Dhanmondi R/A-1209	1203680059523206	1,395,000	1.48%	1.29%
25	Md. Shamsul Alam	Shareholder	104/1, Khan Jahan Ali Road, Khulna	1203680059523257	100,000	0.11%	0.07%

Sl. No.	Name	Designation	Address	BO ID No	Number of Shares	Pre IPO Percentage of Shareholding	Post IPO Percentage of Shareholding
26	Sherin Akhter	Shareholder	Apt-A2, House-17, Road-1, Sector-13, Uttara, Dhaka-1230	1203680053875675	75,000	0.08%	0.07%
27	Rokshana Yeasmin	Shareholder	House # 58C, Road # 04, Mohanagar Project, Rampura, Dhaka-1216	1201610041069945	25,000	0.03%	0.02%
28	4 You Clothing Limited	Shareholder	367/1, Senpara Parbata, Mirpur 10, Dhaka-1216	1602510060182191	200,000	0.21%	0.18%
29	Md. Golam Mostafa	Shareholder	House #17, Road # 05, Block # D, Banasree, Rampura, Dhaka-1219	1202020059201161	50,000	0.05%	0.05%
30	Humayun Kabir	Shareholder	H # 12/A, R # 63, Gulshan-2, Dhaka-1212	1203680024057107	225,000	0.24%	0.21%
31	Dr. Md. Abu Syed Tito	Shareholder	Zahir's South Lake View, Flat # A 10, House # 55, Road 6/A, Dhanmondi, Dhaka-1209	1203300000173662	400,000	0.42%	0.37%
32	Saida Dil Afroz	Shareholder	934, Shahidbag, Shahajampur, Dhaka-1217	1201900020422000	25,000	0.03%	0.02%
33	Shanta Holdings Limited	Shareholder	Safura Tower, 20 Kemal Ataturk Avenue, Banani, Dhaka-1213	1203490007707441	2,465,000	2.62%	2.28%
34	Prime Bank Investment Limited. P086	Shareholder	Peoples Insurance Bhaban (11th Floor), 36 Dilkusha C/A, Dhaka-1000	1602110046848797	150,000	0.16%	0.14%
35	Prime Bank Investment Limited. N491	Shareholder	Peoples Insurance Bhaban (11th Floor), 36 Dilkusha C/A, Dhaka-1000	1602110054529389	200,000	0.21%	0.18%
36	Md. Abdul Karim	Shareholder	House # 27, Road # 07, Block-C, Section 12, Pallabi, Dhaka-1216	1202800066402423	5,000	0.01%	0.00%
37	Asadullah Mahmud	Shareholder	Flat 403, Eastern Housing, Banker's Row, West Nakhla para, Tejgaon, Dhaka 1215	1201730063180891	3,000	0.0032%	0.0028%
38	Nasima Akter Lata	Shareholder	Flat# A4, House# 25, Road# 9/A, Dhanmondi Dhaka-1203	1205700055599464	890,000	0.94%	0.82%
39	Md. Sayadur Rahman	Shareholder	Flat# B1, 42/A, Segun Bagicha (Property Prime), Dhaka-1000	1204220000101539	50,000	0.05%	0.05%
40	Mohammed Yeasin	Shareholder	246 Shantibagh, 1st Floor, Dhaka-1213	1601880002280647	100,000	0.11%	0.09%
41	Mahtab Uddin Ahmed	Shareholder	House # 78, Road # 18, Block-A, Banani, Gulshan, Dhaka-1213	1202980015641263	100,000	0.11%	0.09%
42	Farhat Tabassum	Shareholder	Flat# 05, House # 56, Road # 16, Block A, Banani, Dhaka-1213	1203520059967853	25,000	0.03%	0.02%
43	Farida Banu	Shareholder	House # 41, Road # 05, Apt # D4, Dhanmondi, Dhaka-1209	1203300045081619	50,000	0.05%	0.05%
44	H. I. Technology and Properties Limited	Shareholder	3/7, Block-E, Lalmatia, Mohammadpur, Dhaka-1207	1202020059525403	100,000	0.11%	0.09%
45	Md. Salah Uddin	Shareholder	271, Dholadia, Mymensingh	1202400058704295	2,500	0.0027%	0.0023%

Sl. No.	Name	Designation	Address	BO ID No	Number of Shares	Pre IPO Percentage of Shareholding	Post IPO Percentage of Shareholding
46	Md. Azmal Hossain Chowdhury	Shareholder	Kharampur Mor, Sherpur	1204100021477325	3,200	0.0034%	0.0030%
47	Ekhlusal Jannet	Shareholder	House 41, Road 5, Apt D4, Dhanmondi, Dhaka 1209	1203300043481106	302,700	0.32%	0.28%
48	Shafinaz Islam	Shareholder	ZAHIR'S SOUTH LAKE VIEW, FLAT: A-10, HOUSE-55, ROAD: 6/A,	1203300007721878	250,000	0.27%	0.23%
49	Md. Abdullah	Shareholder	BULBUL TEXTILE IND., 29, DILKUSHA, DHAKA-1000	1203300003677573	50,000	0.05%	0.05%
50	Md. Moazzem Hossain	Shareholder	255/5, SHANTIBAGH, DHAKA-1217	1202420000688181	200,000	0.21%	0.18%
51	SAR Securities Limited	Shareholder	ROOM-506, DSE BUILDING, 9/F MOTIJEEL C/A, DHAKA-1000	1201690000007607	100,000	0.11%	0.09%
52	Md. Rafiqul Islam	Shareholder	APT.-7/B, PANKOURI, 20, CHAMELIBAGH, SHANTINAGAR, DHAKA-1217	1201520000001578	100,000	0.11%	0.09%
53	Islami Bank Bangladesh Limited	Shareholder	ISLAMI BANK TOWER, 40, DILKUSHA C/A, DHAKA-1000	1603700044716333	5,462,000	5.80%	5.05%
54	First Security Islami Capital & Investment Limited	Shareholder	12TH FLOOR, AL-AMIN CENTER, 25/A, DILKUSHA C/A, DHAKA-1000	1605140054136021	400,000	0.42%	0.37%
55	The Premier Bank Limited	Shareholder	42, KEMAL ATATURK AVENUE, IQBAL CENTRE (4TH FLOOR), BANANI, DHAKA-1213	1204590020688076	4,080,000	4.33%	3.77%
56	United Commercial Bank Limited	Shareholder	PLOT-CWS(A)-1, ROAD NO-34 GULSHAN AVENUE, DHAKA-1212	1205590015459615	3,240,000	3.44%	3.00%
57	Md. Saydur Rahman	Shareholder	VILL-LAKACHUA, POST- GOSAIRHAT, SHARIATPUR, DHAKA-8050	1202550062754323	50,000	0.05%	0.05%
58	Hajera Khanom	Shareholder	HOUSE-4/5, ROAD-14, BLOCK-C, MIRPUR, DHAKA-1216	1202550062084488	50,000	0.05%	0.05%
59	Rekha Kundu	Shareholder	FLAT: B3, 34 SEGUN BAGICHA PALTAN, DHAKA	1201910062218441	40,000	0.04%	0.04%
60	Indira Rani Kundu	Shareholder	HOUSE NO: 171, HOLDING NO:10, ABU MIA ROAD, RADHANAGAR, PABNA SADAR, PABNA, P.O: 6600	1201910062216691	30,000	0.03%	0.03%
61	Mohammad Fakhrul Alam	Shareholder	CUSTOMS OFFICERS' QUARTER, ARANI BHABAN (3RD FLOOR), 58/E MOHAKHALI, BANANI, ROAD NO: 2 P.O: 1213, GULSHAN, DHAKA	1205150062036961	70,000	0.07%	0.06%

Sl. No.	Name	Designation	Address	BO ID No	Number of Shares	Pre IPO Percentage of Shareholding	Post IPO Percentage of Shareholding
62	Sadhan Kumar Kundu	Shareholder	CUSTOMS HOUSE, BENAPOLE, SARSA, JESSORE, P.O: 7431	1201910062218573	30,000	0.03%	0.03%
63	Md Lutfor Rahman	Shareholder	CUSTOMS OFFICERS QUARTER, APURBA BHABAN, 58/E, ROAD-2, BANANI, DHAKA, PO.1213	1203600013625030	70,000	0.07%	0.06%
64	Shikha Ghosh	Shareholder	154, GREEN ROAD, DHAKA	1201750064437507	18,000	0.02%	0.02%
65	Alea Corporation	Shareholder	52/1, R. K. MISSION ROAD, GOPIBAG, DHAKA-1203	1205200062885987	1,300,000	1.38%	1.20%
66	Romana Rouf Chowdhury	Shareholder	RANGS BHABAN, LEVEL-02, 117/A, OLD AIRPORT ROAD, TEJGAON, Dhaka-1215	1204490063810795	600,000	0.64%	0.55%
67	Manik Ahmed	Shareholder	Kodalpur, Gosairhat, Shariatpur	1202140008557293	100,000	0.11%	0.09%
68	SRP Trading	Shareholder	39 Purana Paltan, Dhaka-1000	1201500063883674	500,000	0.53%	0.46%
69	beliv IT	Shareholder	39 Purana Paltan, Majumdar Tower, Dhaka-1000	1203680063917102	500,000	0.53%	0.46%
70	Credence First Growth Fund	Shareholder	Baitul View Tower (8th Floor), 56/1 Purana Paltan, Dhaka-1000	1604580062906208	200,000	0.21%	0.18%
71	Md. Zakir Hossain	Shareholder	House-10 D/2, Aziz Mohollah Madrasa Road, Block -F, Mohammadpur, Dhaka-1207	1204280020398371	1,000,000	1.06%	0.92%
72	Md. Delowar Hussain	Shareholder	House-10 D/2 (5th Floor), Aziz Mohollah Madrasa Road, Block-F1, Mohammadpur, Dhaka-1207	1204280063912781	50,000	0.05%	0.05%
73	Shamsun Nahar	Shareholder	House15, Lake Road, Muslim Quarter, Moulovibazar-3200	1204280058572439	50,000	0.05%	0.05%
74	Prilink Securities Limited	Shareholder	Unit-11/C, City Center, 11th Floor, 103, Motijheel C/A, Dhaka	1203300005828888	800,000	0.85%	0.74%
75	Mohammad Saidul Hoque	Shareholder	IDLC Investments Limited, DR Tower (4th Floor), 65/2/2 Purana Paltan, Culvert Road, Dhaka-1000	1602510062579341	500,000	0.53%	0.46%
76	Uttara Finance and Investments Limited	Shareholder	JBC Tower (6th Floor), 10 Dilkusha C/A, Dhaka-1000	1203770012801322	1,000,000	1.06%	0.92%
77	ERP Consultants BD Ltd.	Shareholder	Rabeya Commercial Complex, 33 Kha (5th Floor), Section 6, Mirpur Circle 10, Dhaka 1216.	1201510064941620	1,700,000	1.80%	1.57%
<b>Total</b>					<b>94,202,921</b>	<b>100%</b>	

**(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;**

Name of the Director	Address	Age	Experience	BO ID Number	TIN Number	No. of Shares	% of Total Shareholding (Pre IPO)	Position Held in Other Companies	
								Name	Status
Hafizur Rahman Khan	H-31, R-18, Block-J, Banani, Dhaka 1214	63	40 years	1203680059525023	341212803604	10,272,000	10.90%	Runner Motors Limited	Chairman
								Runner Bricks Limited	Chairman
								Runner Properties Limited	Chairman
								Runner Agro Products Limited	Chairman
								Freedom Motors Limited	Chairman
								Runner Motors Services	Proprietor
								Runner Trading Limited	Chairman
								Promita Oil and Gas	Chairman
								HF Asset Management Limited	Chairman
								Time Watch Media Limited.	Chairman
								Runner Lube & Energy Limited.	Chairman
								Runner Land Development Ltd.	Chairman
								Runner Oil & Gas Limited.	Chairman
Runner Terra EV Limited	Representative Director								
Md. Mozammel Hossain	Flat-3B, H-38, R-13/A, Dhanmondi, Dhaka 1208	63	39 years	1203680059521405	499132247801	6,648,000	7.06%	Runner Motors Limited	Vice Chairman
								Runner Bricks Limited	Vice Chairman
								Runner Properties Limited	Vice Chairman
								Runner Agro Products Limited	Vice Chairman
								Freedom Motors Limited	Executive Director
								Runner Trading Limited	Vice Chairman
								Time Watch Media Limited	Vice Chairman

Name of the Director	Address	Age	Experience	BO ID Number	TIN Number	No. of Shares	% of Total Shareholding (Pre IPO)	Position Held in Other Companies	
								Name	Status
								Oriental Bitumen Industries Ltd.	Vice Chairman
								Runner Oil & Gas Limited.	Vice Chairman
								Runner Lube & Energy Limited.	Vice Chairman
								Runner Land Development Ltd.	Vice Chairman
								Promita Oil and Gas	Vice Chairman
								HF Asset Management Limited	Director
Mukesh Sharma	Flat C2, House 1, Road 36, Gulshan 1, Dhaka 1212	44	23 years	Foreign national, no BO ID in Bangladesh	213977840287	-	-	-	-
Taslim Uddin Ahmed	Shekhpura, Dinajpur-5200	67	40 years	1203680059523265	243988539723	2,580,000	2.74%	ISLAM & CO.-	Proprietor
Mohammad Ali Deen	Deen Tower, 1483-01, Chalkmukter Main Road, Naogaon-6500	61	36 years	1203680059525157	623948861477	2,400,000	2.55%	Runner Motors Limited	Director
								Deen Impex	Proprietor
								Oriental Bitumen Industries Limited	Director
								Runner Oil & Gas Limited	Director
								Promita Oil and Gas	Director
Md. Jahurul Alam	H-21, Loan Office Para, Jessore-7400	69	29 years	1203680059510596	154501514386	3,000,000	3.18%	Runner Motors Limited	Director
								Oriental Bitumen Industries Limited	Director
								Runner Oil & Gas Limited	Director
								Promita Oil & Gas Limited	Director
								Venus Autos	Proprietor
Khalid Shahidul Quadir (Nominated by Brummer Frontier PE II (Mauritius) Limited)	18 Marina Boulevard, 30-35 Marina Bay, Singapore-018980	52	23 years	-	799930703771	-	-	Runner Motors Ltd	Director
								Brummer & Partners (Bangladesh) Limited	Director
								Rahimafrooz Superstores Limited (Agora)	Director
								Butterfly Marketing Ltd	Director
								Popular Pharmaceuticals Ltd	Director

Name of the Director	Address	Age	Experience	BO ID Number	TIN Number	No. of Shares	% of Total Shareholding (Pre IPO)	Position Held in Other Companies	
								Name	Status
								Ananta Apparels Ltd.	Director
								Zero Gravity Ventures Ltd.	Director
								Fiber @ Home Ltd.	Director
Muallem A Choudhury FCA (Nominated by Brummer Frontier PE II (Mauritius) Limited)	House # 23, Road # 2, Sector # 13, Uttara	61	32	19562691649101094	423691790807	-	-	Popular Pharmaceuticals Ltd	Director
								Rahimafrooz Superstores Limited (Agora)	Director
								ACI HealthCare Limited	Director
								Brummer & Partners (Bangladesh) Ltd	Director
Faruq Ahmad Siddiqi Independent Director	296 Elephant Road, Dhaka- 1205	71	45 years	-	556749983102	-	-	Apex Tannery Ltd	Independent Director
								Summit Power Limited	Independent Director
Johannes (Phil) N.H. van Haarlem Independent Director	Mauvezand 36, 1251 JG Laren NH, Nederland	74	52 years	Foreign national, no BO ID in Bangladesh	Foreign national, no TIN in Bangladesh	-	-	-	-

**(c) The average cost of acquisition of equity shares by the directors certified by the auditors;**

**AUDITOR'S CERTIFICATE REGARDING AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY THE DIRECTORS OF RUNNER AUTOMOBILES LIMITED**

This is to certify that the average cost of acquisition of equity shares of Runner Automobiles Limited (the "Company") by Directors of the Company (excluding nominee directors) is as follows:

Name	Designation	Shareholding Number	Average Cost of Acquisition of equity shares
Hafizur Rahman Khan	Chairman	10,272,000	1.89
Md. Mozammel Hossain	Vice Chairman	6,648,000	1.75
Mukesh Sharma	Managing Director & CEO	-	-
Md. Jahurul Alam	Director	3,000,000	1.33
Mohammad Ali Deen	Director	2,400,000	1.56
Taslim Uddin Ahmed	Director	2,580,000	0.74
Khalid Shahidul Quadir	Director* Nominated by Brummer Frontier PE II (Mauritius) Limited	26,956,521	38.96
Muallem Choudhury	Director* Nominated by Brummer Frontier PE II (Mauritius) Limited		
Johannes (Phil) NH van Haarlem	Independent Director	No shareholding	
Faruq Ahmad Siddiqi	Independent Director		

\* Those directors were nominated by Brummer Frontier PE II (Mauritius) Ltd and do not hold any share. The Shareholding number and average cost is that of Brummer Frontier PE II (Mauritius) Ltd and includes share premium.

**Transfer by way of gift:**

Date of Transfer	Transferor	Transferee	Shareholding
			Number
5-Jul-12	Hafizur Rahman Khan	Sabrina Bari	450,000
5-Jul-12	Hafizur Rahman Khan	Amid Sakif Khan	900,000
5-Jul-12	Hafizur Rahman Khan	Rudaba Tazin	450,000
10-Jul-12	Md. Mozammel Hossain	Mahafuza Begum	450,000
10-Jul-12	Md. Mozammel Hossain	Mahamud Al Nahian	450,000
10-Jul-12	Md. Mozammel Hossain	Nawsheen Ishrat Promee	450,000
28-Feb-13	Md. Manjarul Alam	Md. Jahurul Alam	400,000
28-Feb-13	Mrs. Anjumanara Begum	Md. Jahurul Alam	400,000

**Dhaka, 26 October 2017**

Sd/-  
**Hoda Vasi Chowdhury & Co.**  
Chartered Accountants

(d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors;

**Hafizur Rahman Khan**  
Chairman

Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	45,000	10	10	45,000	10.90	9.50	Own Source
June 11, 2002	Cash		80,000	10	10	125,000			
February 17, 2005	Bonus		125,000	10	10	250,000			
August 28, 2010	Bonus		500,000	10	10	750,000			
March 10, 2012	Other than cash		3,618,000	10	10	4,368,000			
July 05, 2012	Gift		(1,800,000)	10	10	2,568,000			
January 12, 2013	Bonus		2,568,000	10	10	5,136,000			
February 22, 2015	Bonus		2,568,000	10	10	7,704,000			
September 22, 2015	Bonus		2,568,000	10	10	10,272,000			

**Md. Mozammel Hossain**  
Vice Chairman

Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	30,000	10	10	30,000	7.06	6.15	Own Source
June 11, 2002	Cash		70,000	10	10	100,000			
February 17, 2005	Bonus		100,000	10	10	200,000			
August 28, 2010	Bonus		400,000	10	10	600,000			
March 10, 2012	Other than cash		2,412,000	10	10	3,012,000			

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
July 10, 2012	Gift		(1,350,000)	10	10	1,662,000			
January 12, 2013	Bonus		1,662,000	10	10	3,324,000			
February 22, 2015	Bonus		1,662,000	10	10	4,986,000			
September 22,2015	Bonus		1,662,000	10	10	6,648,000			

**Md. Mohammad Ali Deen**  
Director

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash		15,000	10	10	15,000			
June 11, 2002	Cash		60,000	10	10	75,000			
February 17, 2005	Bonus		75,000	10	10	150,000			
August 28, 2010	Bonus	Ordinary Share	300,000	10	10	450,000	2.55	2.22	Own Source
January 12, 2013	Bonus		450,000	10	10	900,000			
May 20, 2013	Cash		300,000	10	10	1,200,000			
February 22, 2015	Bonus		600,000	10	10	1,800,000			
September 22,2015	Bonus		600,000	10	10	2,400,000			

**Jahurul Alam**  
Director

Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	30,000	10	10	30,000	3.18	2.77	Own Source
June 11, 2002	Cash		70,000	10	10	100,000			
February 17, 2005	Bonus		100,000	10	10	200,000			
August 28, 2010	Bonus		400,000	10	10	600,000			
January 12, 2013	Bonus		600,000	10	10	1,200,000			
May 20, 2013	Cash		300,000	10	10	1,500,000			
February 22, 2015	Bonus		750,000	10	10	2,250,000			
September 22, 2015	Bonus		750,000	10	10	3,000,000			

Jahurul Alam, Manjurul Alam and Anjuman Ara Begum were the sponsors of the company. They held the shares of RAL jointly up to the bonus issuance of January 12, 2013. Then, Manjurul Alam and Anjuman Ara Begum transferred the shares to Jahurul Alam as gift on May 20, 2013. Thereafter, only Jahurul holds the shares of RAL

**Taslim Uddin Ahmed**  
Director

Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	30,000	10	10	30,000	2.74	2.39	Own Source
June 11, 2002	Cash		70,000	10	10	100,000			
February 17, 2005	Bonus		100,000	10	10	200,000			
August 28, 2010	Bonus		400,000	10	10	600,000			
January 12, 2013	Bonus		600,000	10	10	1,200,000			
May 20, 2013	Cash		76,000	10	10	1,276,000			

Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
January 21, 2014	Cash		14,000	10	10	1,290,000			
February 22, 2015	Bonus		645,000	10	10	1,935,000			
September 22, 2015	Bonus		645,000	10	10	2,580,000			

**Amjad Ali  
Sponsor**

Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash		30,000	10	10	30,000			
June 11, 2002	Cash		45,000	10	10	75,000			
February 17, 2005	Bonus		75,000	10	10	150,000			
August 28, 2010	Bonus	Ordinary Share	300,000	10	10	450,000	Nil	Nil	Own Source
January 12, 2013	Bonus		450,000	10	10	900,000			
February 22, 2015	Bonus		450,000	10	10	1,350,000			
September 22, 2015	Bonus		450,000	10	10	1,800,000			
November 27, 2016	Cash		(600,000)	10	45	1,200,000			
July 20, 2017	Cash		(1,200,000)	10	45	-			

**Sairul Islam  
Sponsor**

Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	30,000	10	10	30,000	0.11	0.09	Own Source
June 11, 2002	Cash		20,000	10	10	50,000			
February 17, 2005	Bonus		50,000	10	10	100,000			
August 28, 2010	Bonus		200,000	10	10	300,000			
January 12, 2013	Bonus		300,000	10	10	600,000			
February 22, 2015	Bonus		300,000	10	10	900,000			
September 22,2015	Bonus		300,000	10	10	1,200,000			
November 27, 2016	Cash		(600,000)	10	45	600,000			
July 20, 2017	Cash		(500,000)	10	45	100,000			

**Mohammad Nazim Uddin  
Sponsor**

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	30,000	10	10	30,000	0.11	0.09	Own Source
June 11, 2002	Cash		55,000	10	10	85,000			
February 17, 2005	Bonus		85,000	10	10	170,000			
August 28, 2010	Bonus		340,000	10	10	510,000			
January 12, 2013	Bonus		510,000	10	10	1,020,000			
February 22, 2015	Bonus		510,000	10	10	1,530,000			

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
September 22,2015	Bonus		510,000	10	10	2,040,000			
April 19, 2017	Cash		(840,000)	10	45	1,200,000			
July 20, 2017	Cash		(1,100,000)	10	45	100,000			

**Sk. Abul Kalam Azad  
Sponsor**

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash		27,000	10	10	27,000			
June 11, 2002	Cash		53,000	10	10	80,000			
February 17, 2005	Bonus		80,000	10	10	160,000			
August 28, 2010	Bonus		320,000	10	10	480,000			
January 12, 2013	Bonus		480,000	10	10	960,000			
May 20, 2013	Cash		240,000	10	10	1,200,000			
February 22, 2015	Bonus	Ordinary Share	600,000	10	10	1,800,000	Nil	Nil	Own Source
March 24, 2015	Cash		(360,000)	10	10	1,440,000			
September 22,2015	Bonus		480,000	10	10	1,920,000			
November 27, 2016	Cash		(1,240,000)	10		680,000			
April 19, 2017	Cash		(360,000)	10		320,000			
July 07, 2017	Cash		(320,000)	10		-			

**Ahsan Sayed  
Sponsor**

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	15,000	10	10	15,000	0.80	0.69	Own Source
June 11, 2002	Cash		35,000	10	10	50,000			
February 17, 2005	Bonus		50,000	10	10	100,000			
August 28, 2010	Bonus		200,000	10	10	300,000			
January 12, 2013	Bonus		300,000	10	10	600,000			
February 22, 2015	Bonus		300,000	10	10	900,000			
September 22,2015	Bonus		300,000	10	10	1,200,000			
April 17, 2018	Cash		(450,000)	10	45	750,000			

**Rafiqul Islam Chowdhury  
Sponsor**

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	30,000	10	10	30,000	1.91	1.11	Own Source
June 11, 2002	Cash		45,000	10	10	75,000			
February 17, 2005	Bonus		75,000	10	10	150,000			
August 28, 2010	Bonus		300,000	10	10	450,000			
January 12, 2013	Bonus		450,000	10	10	900,000			
February 22, 2015	Bonus		450,000	10	10	1,350,000			
September 22,2015	Bonus		450,000	10	10	1,800,000			
November 27, 2016	Cash		(600,000)	10	45	1,200,000			

**Rabindranath Ghosh  
Sponsor**

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Prices	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	15,000	10	10	15,000	Nil	Nil	Own Source
June 11, 2002	Cash		22,500	10	10	37,500			
February 17, 2005	Bonus		37,500	10	10	75,000			
August 28, 2010	Bonus		150,000	10	10	225,000			
January 12, 2013	Bonus		225,000	10	10	450,000			
May 20, 2013	Cash		120,000	10	10	570,000			
October 19, 2014	Cash		120,000	10	10	690,000			
February 22, 2015	Bonus		345,000	10	10	1,035,000			
September 22,2015	Bonus		345,000	10	10	1,380,000			
April 19, 2017	Cash		(1,380,000)	10	0	-			

**Shamsul Alam  
Sponsor**

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	30,000	10	10	30,000	0.11	0.09%	Own Source
June 11, 2002	Cash		60,000	10	10	90,000			
February 17, 2005	Bonus		90,000	10	10	180,000			
August 28, 2010	Bonus		360,000	10	10	540,000			
January 12, 2013	Bonus		540,000	10	10	1,080,000			
May 20, 2013	Cash		120,000	10	10	1,200,000			
February 22, 2015	Bonus		600,000	10	10	1,800,000			

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
March 24, 2015	Cash		(180,000)	10	10	1,620,000			
September 22,2015	Bonus		540,000	10	10	2,160,000			
April 19, 2017	Cash		(1,200,000)	10	45	(960,000)			
July 20, 2017	Cash		(860,000)	10	45	100,000			

Shamsul Alam and Parveen Alam were the sponsors of the company. They held the shares of RAL jointly up to the bonus issuance of January 12, 2013. Then, Parveen Alam transferred the shares to Shamsul Alam as gift on March 28, 2013. Thereafter, only Shamsul Alam holds the shares of RAL

**Md. Borhanul Ahasan Chowdhury  
Sponsor**

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash		15,000	10	10	15,000			
June 11, 2002	Cash		22,500	10	10	37,500			
February 17, 2005	Bonus	Ordinary Share	37,500	10	10	75,000	Nil	Nil	Own Source
January 28, 2010	Cash		(75,000)	10	10	-			

**Amir Hossain Khokhon**  
Sponsor

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	15,000	10	10	15,000	Nil	Nil	Own Source
June 11, 2002	Cash		35,000	10	10	50,000			
February 17, 2005	Bonus		50,000	10	10	100,000			
January 28, 2010	Cash		25,000	10	10	125,000			
August 28, 2010	Bonus		250,000	10	10	375,000			
January 12, 2013	Bonus		375,000	10	10	750,000			
February 07, 2013	None*		(750,000)	10	-	-			

\* Upon demise of Amir Hossain Khokon, shares were transferred to his successors

**Md. Rafiqul Islam**  
Sponsor

Date of Allotment/ Transfer of fully paidup shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue/ Acquisition/ Transfer Price	Cumulative no. of Equity shares	% Pre issue paid up capital	% Post issue paid up capital	Sources of fund
Incorporation	Cash	Ordinary Share	15,000	10	10	15,000	Nil	Nil	Own Source
June 11, 2002	Cash		10,000	10	10	25,000			
May 03, 2003	Cash		(25,000)	10	10	-			

**(e) Detail of shares issued by the company at a price lower than the issue price;**

Details of share issuance by Runner Automobiles Limited at a price lower than the issue price is as follows-

Sl. No.	Particulars	No. of Share	Issue Price
1.	Golam Rabbani	20,000	55
2.	Share issuance to other than existing shareholders	7,246,400	45
	<b>Total</b>	<b>7,266,400</b>	

**(f) History of significant (5% or more) changes in ownership of securities from inception**

There has not been any significant change of ownership (5% or more) at any point of time except for the following-

Name	Share Issuance/ Transfer Date	No of Shares Issued/ Transferred
Hafizur Rahman Khan	June 11, 2002	80,000
Md. Mozammel Hossain	June 11, 2002	70,000
Taslim Uddin Ahmed	June 11, 2002	70,000
Md. Jahurul Alam, Manjarul Alam & Anjuman Ara Begum	June 11, 2002	70,000
Hafizur Rahman Khan	August 28, 2010	500,000
Hafizur Rahman Khan	March 10, 2012	3,618,000
Md. Mozammel Hossain	March 10, 2012	2,412,000
Hafizur Rahman Khan	July 5, 2012	(1,800,000)
Amid Sakif Khan	July 5, 2012	900,000
Md. Mozammel Hossain	July 10, 2012	(1,350,000)
Hafizur Rahman Khan	January 12, 2013	2,568,000
Md. Mozammel Hossain	January 12, 2013	1,662,000
Brummer Frontier PE II (Mauritius) Limited	September 28, 2013	13,478,261
Brummer Frontier PE II (Mauritius) Limited	February 22, 2015	6,739,130
Brummer Frontier PE II (Mauritius) Limited	22 September, 2015	6,739,130

## **SECTION XIV : CORPORATE GOVERNANCE**

### **(a) A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission;**

The Company declares that it has complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission including constitution of the Board and several committees thereof. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

**Mukesh Sharma**

Managing Director and CEO  
Runner Automobiles Limited

### **(b) A compliance report of Corporate Governance requirements certified by competent authority;**

#### **Certificate on Compliance of Corporate Governance Guidelines**

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Runner Automobiles Ltd.** ("the Company") for the year ended 30 June 2017. Such compliance is the responsibility of a Company listed with the Stock Exchanges in Bangladesh as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC). Since the Company intends to be compliant with the said Guidelines with an object to be listed with the Stock Exchanges in Bangladesh, this review has been made.

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

According to the information and explanations provided to me by the Company, I hereby certify that all the applicable conditions of the Corporate Governance Guidelines have been complied with by the Company.

Sd/-

**S. Abdur Rashid FCS**

Dhaka, 14 November 2017

**Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and subsequent amendment dated July 21, 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:  
(Report under Condition No. 7.00)**

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1</b>	<b>BOARD OF DIRECTORS:</b>			
1.1	Board's Size [number of Board members to be 5 – 20]	√		
<b>1.2</b>	<b>Independent Directors</b>			
1.2 (i)	Number of Independent Directors [at least 1/5]	√		
<b>1.2 (ii)</b>	<b>Independent Director (ID) means a director:</b>			
1.2 (ii) (a)	Holding no share or holding less than 1% shares	√		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1.2 (ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	√		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	√		
1.2 (ii) (f)	Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm	√		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	√		
1.2 (ii) (h)	Not convicted as defaulter in any loan of a bank or NBFIs	√		
1.2 (ii) (i)	Not convicted for a criminal offence	√		
1.2 (iii)	To be appointed by BOD and approved in the AGM	√		
1.2 (iv)	The post cannot remain vacant for more than 90 days			N/A
1.2 (v)	Laying down of code of conduct of Board members and recording of annual compliance of the code	√		
1.2 (vi)	Tenure of ID : 3 years, may be extended for one term	√		
<b>1.3</b>	<b>Qualification of Independent Director</b>			
1.3 (i)	Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution	√		
1.3 (ii)	Being a Business Leader/ Corporate Leader/ Bureaucrat/ University teacher (Economics/Business/Law)/CA/CMA/CS having 12 years of management/professional experience	√		
1.3 (iii)	Prior approval of the Commission in special cases			N/A
1.4	Appointment of Chairman and CEO, defining their roles	√		
<b>1.5</b>	<b>The Director's Report to Shareholders shall include</b>			
1.5 (i)	Industry outlook and possible future developments	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1.5 (v)	Discussion on continuity of Extra-Ordinary gain or loss			N/A
1.5 (vi)	Basis for and a statement of related party transactions	√		
1.5 (vii)	Utilization of proceeds from issuing instruments			N/A
1.5 (viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc			N/A
1.5 (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements	√		
1.5 (x)	Remuneration to directors including IDs	√		
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results	√		
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non-declaration of Dividend	√		
1.5 (xx)	Number of Board meetings and attendance of directors	√		
<b>1.5 (xxi)</b>	<b>Pattern of shareholding (along with name wise details) by-</b>			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
<b>1.5 (xxii)</b>	<b>In case of the appointment/re-appointment of a director</b>			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
<b>2</b>	<b>CFO, HEAD OF INTERNAL AUDIT AND CS:</b>			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
<b>3</b>	<b>AUDIT COMMITTEE:</b>			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
<b>3.1</b>	<b>Constitution of the Audit Committee</b>			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month			N/A
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
<b>3.3</b>	<b>Role of Audit Committee</b>			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	√		
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors</b>			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests			N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws			N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately			N/A
3.4.2	Reporting to authorities	√		
3.5	Reporting to the Shareholders and General Investors	√		
<b>4</b>	<b>EXTERNAL / STATUTORY AUDITORS</b>			
4.00 (i)	Non-engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non-engagement in designing & implementation of FIS	√		
4.00 (iii)	Non-engagement in Book Keeping or accounting	√		
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
4.00 (ix)	Non-engagement in Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7	√		
<b>5</b>	<b>SUBSIDIARY COMPANY</b>			
5 (i)	Composition of BOD to be similar to holding company	√		
5 (ii)	One ID to be in both holding and subsidiary company	√		
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	√		
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	√		
5 (v)	Audit Committee of holding company to review financial statements/ investments of subsidiary company	√		
<b>6</b>	<b>DUTIES OF CEO AND CFO:</b>			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
<b>7</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

**(c) Details relating to the issuer's audit committee and remuneration committee summary of the terms of reference under which the committees operate**

**The members of Audit committee are as follows-**

<b>Name</b>	<b>Designation</b>
Johannes (Phil) N.H. van Haarlem	Chairman
Faruq Ahmad Siddiqi	Member
Md. Jahurul Alam	Member
Mohammad Ali Deen	Member
Mizanur Rahman	Secretary

**Terms of Reference under which Audit Committee Operates**

**Constitution of the Audit Committee:**

1. The Audit Committee shall be composed of at least 3 (three) members, who shall be directors of the company and shall include at least 1 (one) Independent Director;
2. The Board of Directors shall appoint members of the Audit Committee. It shall also select 1 (one) member, who shall be an independent director, to be its Chairman;
3. All members of the audit committee should be financially literate and at least 1 (one) member shall have sound accounting and financial knowledge and experience;
4. In case of any vacancy or if any committee member to be unable to hold office until expiration of the term of services, The Board of directors shall appoint the new Committee member to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) to ensure continuity of the performance of work of the Audit Committee;
5. The Company Secretary shall act as the Company Secretary.

**Meeting and Responsibilities of the Audit Committee:**

1. The meetings of the Audit Committee shall be presided over by its chairman;
2. The Quorum of the audit committee shall constitute by presence of at least 2 (two) members and shall not constitute without at least 1 (one) independent director;
3. The Audit Committee shall hold at least 4 (four) meetings in a year to perform its duties and responsibilities;
4. The audit committee may invite the chief Executive Officer, Head of Internal Audit or any other officials to attend the meeting;
5. All the observations/findings/recommendations of the Audit Committee shall be recorded in the minutes of the committee;
6. The secretary shall prepare the minutes of the proceedings and resolutions of all Audit Committee meetings, including the names of those present and in attendance and shall circulate the minutes of meetings to all members of the committee.

**Duties and Responsibilities of the Audit Committee:**

1. The audit committee members will oversee the financial reporting process;
2. The audit committee members will monitor the accounting policies and principles;
3. The members of the Audit committee will monitor and control the risk management as well as review the annual financial statement before submission to the board for its approval.
4. The audit committee members will review the quarterly and half yearly financial statement.
5. The members of audit committee will review the adequacy of internal audit function, related party transactions, management letters, and letter of internal control weakness issued by statutory auditors.
6. In case of raised capital by any kind of public offer, the members of the audit committee shall examine the quarterly, half yearly and annual financial results disclosed by its management to the members of the audit committee.

**The members of remuneration committee are as follows-**

<b>Name</b>	<b>Designation</b>
Faruq Ahmad Siddiqi	Chairman
Hafizur Rahman Khan	Member
Md. Mozammel Hossain	Member
Muallem A Choudhury FCA	Member
Mizanur Rahman	Secretary

**Terms of Reference under which Remuneration Committee Operates**

**Constitution of the Remuneration Committee**

1. The remuneration committee shall be composed of at least 3 (three) members, who shall be directors of the company, including at least 1 (one) Independent Director.
2. The Board of Directors shall appoint members of the Remuneration Committee. It shall also select 1 (one) member, who shall be an independent director, to be its Chairman.
3. When the term of service of any member expires or there is any circumstance causing any member to be unable to hold office until expiration of the term of service, thus making the number of the members to be lower than 3 (three), the Board of Directors shall appoint new member(s) to fill the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy(ies) to ensure continuity of the performance of work of the Remuneration Committee.
4. The company secretary shall act as the Secretary of the Remuneration Committee.

**Meeting of the Remuneration Committee:**

1. The meetings of the remuneration committee shall be presided over by its chairman
2. The quorum of a meeting of the remuneration committee shall constitute by majority of members.
3. The remuneration committee shall holds at least 2 (two) meetings in a year to perform its duties and responsibilities
4. The remuneration committee may invite the MD, CFO, Head of HR or any other officials to attend the meeting.
5. All the observations/findings/recommendations of the remuneration committee shall be recorded in the minutes of the committee
6. The secretary shall prepare the minutes of the proceedings and resolutions of all remuneration committee meetings, including the names of those present and in attendance and shall circulate the minutes of meetings to all members of the committee.

**Duties and Responsibilities of the Remuneration Committee:**

1. To review and recommend remuneration of the MD, CFO & senior management, within the terms of the employment contract, annually to the board.
2. To ensure MD, CFO & senior management remuneration is aligned with market trends.
3. To monitor and review the MD, CFO & senior management performance and key performance indicators for determined of the annual bonus components.
4. To review any grievance or complaints about remuneration of MD, CFO & senior management.
5. To ensure that company's remuneration, practices and performance indicators are aligned to the values and overall business objectives.

In discharging their responsibilities, the committee members have a duty to act in the best interests of company as a whole, irrespective of personal, commercial of other interests, loyalties or affiliations

## SECTION XV : VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue.

Over a short term, even a reasonably well functioning market may depict irrational and abrupt price movements due to investors' exuberance. However, considering a reasonable investment horizon, market provides a fair approximation of consensus value of a particular security according to its exposure to various risk factors and potentials for growth. In a well-functioning market, where all the investors are assumed to be rational and risk averse, the investors would not pay more for a particular security with given risk profile than they would for an otherwise similar security. As a result, a rational investor expects the market to reveal the fundamental value of the securities being traded. Nevertheless, in a market with numerous investors and participants, there would be differences in risk aversion, rate of required return and investment horizon. Hence, while deriving at the valuation of the shares of Runner Automobiles Limited, the perspective of a prudent investor has been taken into consideration for simplicity. The essential valuation methods delineated by the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, have been followed.

### Qualitative Factors

Unique shareholding structure, qualified and experienced management with proven track record, increasing demand of 2 Wheelers and expansionary project for development of new models with IPO proceeds are the key qualitative factors that were considered for valuation purpose.

Sponsors include dealers of motor cycles who has in-depth knowledge about market and its preferences and accordingly, helping the board to make the right decision about products and marketing strategies to be followed. Foreign investment by Brummer Frontier PE II (Mauritius) Limited, a foreign equity investor also shows the confidence on the Company, the sector, the sponsors and helped in instituting the governance practices, board functioning, strategic outlook and overall professionalism in the Company.

The market for 2 Wheelers is on the rise in Bangladesh riding on increase in disposable income among the general population. This is exemplified by the rise in the number of 2 Wheelers registered with Bangladesh Road Transport Association (BRTA) from 114,616 in 2011 to 249,138 during January to August 31, 2018 in the current year. During the last eight years the aggregate number of motorcycles registered more than doubled from 759,257 upto 2010 to 2,300,057 till August 31, 2018.<sup>6</sup>

Due to its strong brand image and rapidly growing business in the country, where industrial development and standard of living is on a rising trend, the demand of quality motorcycles at competitive prices is increasing. Runner Automobiles Limited plans to utilize the major portion of its IPO proceeds in expansionary project for development of new models of 2 Wheelers in the range of 110 CC to 150 CC as well as development of existing 80 CC to 100 CC to capitalize on that demand.

**Valuation under different valuation methods as per Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015 are outline below.**

The following table illustrates the summary of valuation under different valuation methods-

Sl. No.	Valuation Methods	Fair Value (BDT)
1A.	Net Asset Value Per Share (with revaluation)	55.70
1B.	Net Asset Value Per Share (without revaluation)	41.94
2.	Earning based Value per Share	50.26
3.	Average Market Price of Similar Stock Based Valuation	95.65

<sup>6</sup> Source: <http://www.brta.gov.bd/site/page/74b2a5c3-60cb-4d3c-a699-e2988fed84b2/সারা-বাংলাদেশে-মোটরযান-নিবন্ধনের-সংখ্যা>

### Method 1: Valuation based on Net Asset Value per Share

While deriving at the valuation of the common stock, the Net Asset Value per share of Runner Automobiles Limited has been taken into consideration. The following table illustrates the calculation of Net Asset Value per share based on the audited accounts as at June 30, 2017:

Particulars	As at June 30, 2017 (Figures in BDT)
Share capital	942,029,210
Share Premium	1,169,832,705
Revaluation Reserve	1,296,026,303
Retained Earnings	1,839,030,512
<b>Total Shareholders' Equity on June 30, 2017 attributable to the parent entity's shareholders</b>	<b>5,246,918,730</b>
Number of shares	94,202,921
<b>Net Asset Value Per Share (With Revaluation)</b>	<b>55.70</b>
<b>Net Asset Value Per Share (Without Revaluation)</b>	<b>41.94</b>

### Method 2: Valuation based on Earning based value per share

We have calculated the consolidated weighted average net profit after tax (NPAT) of the company for the year ended June 30, 2014 to June 30, 2017 and multiplied by the relevant P/E multiple to derive at the earning based value per share of the company.

Year	NPAT (BDT)	Number of Shares	Weight on No. of Shares	Weighted NPAT (BDT)
Dec 31, 2012	89,104,161	-	-	-
Dec 31, 2013	336,418,929	-	-	-
2014	483,965,766	43,478,261	0.14634	70,824,248
2015	294,088,795	65,217,391	0.21951	64,556,067
2016	252,463,357	94,202,921	0.31707	80,049,364
2017	303,319,719	94,202,921	0.31707	96,174,553
<b>Total</b>		<b>297,101,494</b>	<b>1.00000</b>	<b>311,604,233</b>
Number of shares				94,202,921
EPS based on consolidated weighted average net profit after tax				<b>3.31</b>
Lower of Average Market P/E and Engineering Sector P/E <sup>7</sup>				<b>15.19</b>
Earnings-based-value per share (in BDT)				<b>50.26</b>

The company changed its financial year from 31st December to 30th June to comply with the Finance Act 2015. Complying with the Finance Act, 2015, the company prepared its first financial statement from the year ended June 30, 2015. As per auditor's report of 2015, comparative information provided in the accompanying financial statements have been prepared through combining relevant amounts included in the previous audited financial statements of the Company for the years ended December 31, 2013 and 2014. Therefore, we considered only four

7

Calculation of relevant P/E multiple: (Source: DSE)

Month	Market P/E	Engineering Sector P/E
March' 18	15.67	16.5
April' 18	15.43	17.3
May' 18	14.48	16.28
Average	<b>15.19</b>	<b>16.69</b>
<b>Relevant P/E Multiple (Lower of three month average P/E of Market and Engineering Sector)</b>		<b>15.19</b>

years (June 30, 2014 to June 30, 2017) to calculate the earnings based valuation to avoid the overlapping period due to change in income year.

**Method 3: Average Market price of Similar Stock Based Valuation**

We have considered Comparable companies engaged in similar business listed with the Dhaka Stock Exchange to derive valuation based on average market price of similar stock.

<b>Date</b>	<b>Aftab Automobiles</b>	<b>Atlas Bangladesh</b>
June 29, 2017	66.50	128.70
July 31, 2017	71.00	144.50
August 31, 2017	69.90	125.80
September 28, 2017	64.20	126.20
October 31, 2017	67.50	123.80
November 30, 2017	63.70	125.00
December 28, 2017	64.20	131.40
January 31, 2018	60.50	125.00
February 28, 2018	60.40	129.30
March 29, 2018	56.80	128.40
April 30, 2018	57.80	127.30
May 31, 2018	51.50	126.10
<b>Average</b>	<b>62.8</b>	<b>128.50</b>
<b>Average Market price of similar stock</b>		<b>95.65</b>

**Rationale for selecting the similar stocks**

- The nature of business of **Aftab Automobiles Limited** and **Atlas Bangladesh Limited** are same as Runner Automobiles Limited. They are engaged in assembling and marketing of 2 wheelers. Runner Automobiles Limited is also engaged in manufacturing and marketing of 2 wheelers.

## **SECTION XVI : DEBT SECURITIES**

The Company has neither issued any debt securities nor has any future plan as such within next six months.

## SECTION XVII : PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties Involved	Name	Responsibilities
Issue Manager	IDLC Investments Limited	Issue manager's primary responsibility is to comply with the regulatory requirements, conduct due diligence appraisal of the issuer's affairs for ensuring proper disclosure of all material facts as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
Underwriters	<ol style="list-style-type: none"> <li>1. IDLC Investments Limited</li> <li>2. IIDFC Capital Limited</li> <li>3. LankaBangla Investments Limited</li> </ol>	Underwriters' responsibility is to take up unsubscribed shares in the event of under-subscription. In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s) within stipulated time.
Auditor	Hoda Vasi Chowdhury & Co. Chartered Accountants	<p>Auditors' responsibility is to express an opinion on the financial statements based on the audit. Auditors conducted the audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that auditors should comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p> <p>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, the auditor considers 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.</p>
Valuer	Rahman Rahman Huq	Valuer's responsibility is to provide a report and fairness opinion regarding valuation and to conduct valuation in accordance with IVS and condition and guidelines for valuation of assets by BSEC on the basis of present location and condition and documents and papers related to the property, plant and equipment of the issuer.
Credit Rating Agency	Credit Rating Agency of Bangladesh Limited	Credit rating agency is responsible for conducting the long term and short term rating of the company based on its financial statements and other relevant qualitative and quantitative information in line with Credit Rating Companies Rules, 1996.
Registrar to the Issue	LankaBangla Investments Limited	Registrar to the Issue is responsible for processing applications from investors, keeping record of applications and money received from investors or paid to the seller of securities, assisting in determining the basis of allotment of securities, finalizing the list of persons entitled to allotment of securities and processing and distributing allotments, refunds or certificates and other related documents as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

## SECTION XVIII : MATERIAL CONTRACTS

### (a) Major agreements entered into by the issuer

1. Underwriting Agreements between the Company and the Underwriters.
2. Issue Management Agreement between the Company and IDLC Investments Limited.
3. Registrar to the Issue Agreement between the Company and LankaBangla Investments Limited

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from BSEC may be inspected, on any working day, during office hours, at the Corporate Office of the Company and the Issue Manager.

### (b) Material Parts of the agreement & Fees Payable

Particulars	Underwriting Agreements with the Underwriters
Signing Date	October 25, 2016
Material Terms and Conditions	<ol style="list-style-type: none"> <li>1. In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s):</li> <li>2. The Company, in the event of under subscription, shall send notice to the underwriter(s) within 10 (ten) days of closure of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall be credited into securities subscription account within the said period</li> <li>3. Within 7 (seven) days of the expiry of the aforesaid 15 (fifteen) days the Company shall send to the Commission proof of subscription and deposit of the money by the underwriter(s).</li> </ol>
Fees Payable	0.5% on Underwritten Amount

Particulars	Issue Management Agreement with IDLC Investments Limited
Signing Date	July 01, 2016
Material Terms and Conditions	<ol style="list-style-type: none"> <li>1. The Issue Manager shall, in compliance with the regulatory requirements, conduct due diligence appraisal of the company's affairs for ensuring proper disclosure of all material facts.</li> <li>2. The Issue Manager shall, as part of its due diligence appraisal, examine and independently verify all relevant documents and materials, as furnished by the company, and also discuss with the Directors, Officers, and other agencies of the company to ensure true, fair, and adequate material disclosure in the prospectus.</li> <li>3. The Issuer shall extend adequate cooperation to the Issue Manager and other related parties so that they may carry out their respective duties.</li> <li>4. The Issuer shall bear all fees and commissions payable to the regulatory authorities, and other appointed service providers including all associated costs.</li> </ol>
Fees Payable	0.7% or BDT 7,500,000 whichever is higher

Particulars	Registrar to the Issue Agreement with LankaBangla Investments Limited
Signing Date	September 27, 2016
Material Terms and Conditions	<ol style="list-style-type: none"> <li>1. Carrying out the activities in relation to an issue including processing applications from investors, keeping record of applications and money received from investors or paid to the seller of securities.</li> <li>2. Assisting in determining the basis of allotment of securities, finalizing the list of persons entitled to allotment of securities and processing and distributing allotments, refunds or certificates and other related documents</li> </ol>
Fees Payable	0.2% of public offer amount (including premium)

## **SECTION XIX : LITIGATIONS, FINE OR PENALTY**

**(a) The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

- i. Litigation involving Civil Laws: No litigations
- ii. Litigation involving Criminal Laws: No litigations
- iii. Litigation involving Securities, Finance and Economic Laws: No litigations
- iv. Litigation involving Labor Laws: No litigations
- v. Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties): No litigations
- vi. Litigation involving any other Laws: No litigations

**(b) Cases including outstanding litigations filed by the Company or any of its directors:**

- i. Litigation involving Civil Laws: No cases filed
- ii. Litigation involving Criminal Laws: No cases filed
- iii. Litigation involving Securities, Finance and Economic Laws: No cases filed
- iv. Litigation involving Labor Laws: No cases filed
- v. Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties): No cases filed
- vi. Litigation involving any other Laws: No cases filed

## **SECTION XX : RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS**

### **(I) INTERNAL RISK FACTORS**

#### **(a) Credit Risk**

##### **Management Perception**

RAL sells its products on credit. If the buyer of the products do not pay for the goods, the shareholders of RAL may face credit risk. RAL has established relationship with many of its clients. For managing its credit risk efficiently, the bad debt of the company has been low historically.

#### **(b) Liquidity Risk**

##### **Management Perception**

Liquidity risk refers to any company's inability to meet short term financial demand. If the company fails to generate cash from its short term assets, the company may face difficulties to pay its creditors. The current ratio and quick ratio of RAL for the year ended June 30, 2017 are 1.47 and 1.13 respectively. Historically the liquidity condition of RAL is good as evidenced by good current and quick ratios. The company manages the liquidity efficiently and does not foresee any significant liquidity risk in the nearer term.

#### **(c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates**

##### **Management Perception**

Runner Automobiles Limited has two subsidiaries in operation namely, Runner Motors Limited and Freedom Motors Limited in which RAL holds 61.67% shares and 99.99% shares respectively. There is certain degree of risk exist for issuer's interest in subsidiary. To mitigate such risk, both the concern has separate management to run the overall operation.

#### **(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer**

##### **Management Perception**

If the company's revenue base is concentrated among few customers, losing any business from any customer of that limited base may affect the company adversely. The revenue base of the company is much diversified. During 2016-17, none of RAL's customer accounted for 10% or more of the total sales of the company. So, the management of the company does not consider losing any single customer as a significant risk for the company.

#### **(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely**

##### **Management Perception**

If the company depends on a single supplier for products or raw materials, failure of the supplier to deliver products may affect the production of the company adversely. Luyang Northern EK Chore MC Co. Limited (Dayang) is a major supplier of raw materials of the company. RAL procures the raw material from various sources around the world.

#### **(f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary**

##### **Management Perception**

If a significant portion of revenue of the company comes from related concerns, the business of the company may get affected if the business of sister concerns decline. None of the customers of RAL accounted for 10% or more revenues of the company during 2016-17. Further, there is no sales between group companies during the last five years.

**(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any**

**Management Perception**

The net profit after tax of the company enhanced during the year ended June 30, 2017 compared to that of previous year due to increase in revenue compared to the previous year. The company has positive earnings and positive cash flow from operating activities during last four years. Due to the nature of the industry and to expand the business, the company used to flexible credit scheme to gain market share in earlier year. Due this cash flow was negative in earlier year.

**(h) Loss making associate/subsidiary/group companies of the issuer**

**Management Perception**

Runner Automobiles Limited has two subsidiaries namely, Runner Motors Limited and Freedom Motors Limited in which RAL holds 61.67% shares and 99.99% shares respectively. Although, Freedom Motors Limited is currently not in operation, none of the two subsidiaries of RAL are loss making.

**(i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates**

**Management Perception**

The 2 Wheelers industry has a very strong correlation with the economy of the country. Any weakness in the economy may severely impact the business of RAL and convert to weak financial performance. RAL has been operating profitably in its business and expects to continue its operation in that way. The economy of Bangladesh has been growing at a good rate. So the management of RAL is very confident about the business prospect in future. At present Freedom Motors Limited, subsidiary of RAL, is not in active business operation and earns a small amount of non-operating income while incurring some administrative cost. The net profit of Freedom Motors for the year ended June 30, 2017 was BDT 26,801 only.

**(j) Decline in value of any investment**

**Management Perception**

Any decline in value of any investment may affect the profitability of the company. The company has equity investment in subsidiary companies and also has investment in capital market. Value of capital market investments appreciated during the year ended June 30, 2017.

**(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned**

**Management Perception**

If any plant and machinery is purchased in second hand condition, useful economic life of the asset may be lower than the usual estimated useful economic life of the asset. The company does not have any second hand machinery. The company purchased all the machineries in brand new condition.

**(l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled**

**Management Perception**

If RAL provides interest free loan facility to any related parties, it may affect the investment of the investors. Also, if RAL has taken interest free loan facilities from any directors or any other party, recalling such facility may impact the business of RAL negatively. The company provided short term loan to its related parties during the last year which are short term in nature. Management has obtained confirmation from each of the aforesaid entities and assessed recoverability, upon which satisfied that all these balances are recoverable in full. On the other hand, the company has not taken any loan from any of its directors.

**(m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors**

**Management Perception**

As other related parties of RAL is involved in motor vehicle industries, conflict of interest may arise. However, the products of RAL, i.e. motor cycle is completely different from the product line of other related businesses of the group companies. Hence, potential for conflict of interest does not exist.

**(n) Related party transactions entered into by the company those may adversely affect competitive edge**

**Management Perception**

If RAL enters into any related party transaction that affects its competitive edge, shareholders of RAL will be affected. RAL does not have significant related party transactions and hence the management thinks that the related party transaction will not affect the competitive edge of the company.

**(o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities**

**Management Perception**

If there is any restricting covenant in any agreement including shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or agreement with banks in respect of the loan/ credit limit and other banking facilities, it may hamper normal business operation of RAL. None of RAL's agreement with any parties have any restrictive covenant that may hamper normal business operation of RAL. RAL reviews terms and conditions of each agreement before entering and does not enter into any agreement with such restrictive covenant.

**(p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;**

**Management Perception**

Business operation of RAL may be affected by strikes, work stoppages or increase in wage demands by employees. RAL always maintains a good relationship with all of its employees. The company always believes that employees are their main strength. RAL has 691 employees as per the audited financials of June 30, 2017. Runner Automobiles Limited values its workers and employees and strives to maintain high standard of labor practices to ensure congenial work environment for its employees. So, it is highly unlikely that all the employees will go for strikes.

**(q) Seasonality of the business of the issuer**

**Management Perception**

There is no direct seasonal implication in the products of the company. However, during the crops season in north and south Bengal the business of the company generally improves.

**(r) Expiry of any revenue generating contract that may adversely affect the business**

**Management Perception**

Expiry of any revenue generating contract may adversely affect the business of RAL and the shareholder of RAL. However there is no revenue generating contracts of RAL with any parties.

**(s) Excessive dependence on debt financing which may adversely affect the cash flow**

**Management Perception**

If RAL takes significant amount of debt, the free cash flow available to equity shareholders may decline. Hence, taking on extensive debt may hamper the interest of the investors. RAL has outstanding short and long term debt of BDT 2,019.78 million against total assets of BDT 6,286.97 and a debt equity ratio of 0.5, that is, the company is does not have excessive dependence on debt financing.

**(t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance**

**Management Perception**

The management of RAL is really experienced in the industry of motor cycle. The company has a well-designed compensation package for the employees to encourage professionalism, greater productivity and stimulate teamwork. All the teams of RAL are composed of qualified professionals. Absence of any one of the team head will not impact the business significantly as the other team members will take up the responsibility. Moreover, the directors of RAL look after the business on a regular basis. The managing director of the business provided overall guidance in regular business issues. Hence, absence of any key management personnel may not impact the business significantly.

**(u) Enforcement of contingent liabilities which may adversely affect financial condition**

**Management Perception**

Any enforcement of contingent liabilities may affect the financial condition of the business adversely. As per audited accounts of the year ended June 30, 2017, RAL does not have any material contingent liability or assets requiring disclosure.

**(v) Insurance coverage not adequately protect against certain risks of damages**

**Management Perception**

If any insurable risk event materialize, the business of the company may be affected if the insurance coverage is not adequate. The company has taken industrial all risk insurance policy from Continental Insurance Limited, Green Delta Insurance Company Limited. Rupali Insurance Company Limited and Crystal Insurance Company Limited.

**(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period**

**Management Perception**

RAL is going to enlist its share in the capital market of Bangladesh subject to BSEC's approval. If the sponsor directors of RAL exit from their investment and directorship after the specified lock in period, the business may be affected due to lack of leadership and guidance. The sponsor directors of RAL are very much passionate about this business. They have nurtured the business from its infancy and contributed significantly to establish RAL at its current level. They foresee proliferate business opportunities in this segment and expects to remain with the business for long term.

**(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure**

**Management Perception**

RAL has been operating its business profitably. However ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure. However, the management has been very successful in running the business profitably. However it is very natural that, ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure. The management of RAL is very much aware regarding this issue and they are highly focused on maintaining sustainable growth of the business.

**(y) History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors**

**Management Perception**

Any history of non-operation negatively affects the reputation of a company. In addition, it leads to loss of revenue and profitability. The investors may also be affected adversely if the sponsors of the company lacks adequate background to conduct the business. If the company being listed has short operating history, it becomes difficult for the investors to take appropriate investment decision. Since inception, there has not been any instance of non-operation of the company. Instead, RAL has been able to grow its operation steadily over the years. The sponsors

of the company has been running the business since its inception in 2000 and has sufficient experience in this business.

**(z) Risks related to engagement in new type of business, if any;**

**Management Perception**

Any new business entered into by RAL is based on an opportunity to earn profit. But as the risk and return goes simultaneously, the company also needs to consider the risks regarding the business. The investors of the company may be affected if RAL takes excessive risks or starts doing a business without considering the risks involved in doing the business. The company conducts thorough due diligence and feasibility before entering into any new business.

**(aa) Risk in investing the securities being offered with comparison to other available investment options**

**Management Perception**

Investing in any securities in the capital market involves some risk. The risk may come from the business of the company as well as the capital market. If the business of the company becomes more volatile, the investment of RAL may become more risky. There are many investment options available for the investors including investing in stock market, Investing in bank deposit certificates, and investment in government savings certificate. Among these options, investing in stock market is more risky and risk averse investors may decide not to invest in stock market. Stock market is an ideal place for investors having a comparatively higher risk appetite. The potential investors are requested to carefully read the prospectus and understand the business potential of the company before make investment decision.

**(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law**

**Management Perception**

Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law may affect the business of RAL. The management of RAL is always respectful to all regulatory authorities. Therefore, RAL has never been penalized by any regulatory authorities for non-compliance with provisions of any law. The company will abide all the laws of respective regulatory authorities in future also.

**(cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case**

**Management Perception**

If there is litigation against the issuer for Tax and VAT related matters and other government claims, and if government claims this outstanding figure, the company may face liquidity crisis. There is no outstanding litigation against the issuer for Tax and VAT related matters and other government claims except appeal filed against order of DCT to tribunal of income tax by the company which is mentioned under (f) (j) of Section VI of the prospectus.

**(dd) Registered office or factory building or place of operation is not owned by the issuer**

**Management Perception**

If any company takes lease for its registered office or for its factory, and the owner decides to exit the lease contract, the company will have no place to carry on its business activities. The factory at Bhaluka and Registered Office at Tejgaon are located at the Company's own land.

**(ee) Lack of renewal of existing regulatory permissions/ licenses**

**Management Perception**

If the issuer is involved in any business that requires regulatory permission or licenses, lack of renewal of permission or licenses to do the business further may affect the investors adversely. The company has several licenses including trade license, export license, import license etc. The details of the licenses are given in (D)(xv)

of Section VI of the prospectus. Till date there has not been any failure in renewing existing regulatory permissions/licenses.

**(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates**

**Management Perception**

If there is any history of failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates, it may indicate the weakness of the management. Hence, investment in any company under that management might be risky. The company or its subsidiaries are not listed in the stock exchanges.

**(gg) Issuances of securities at lower than the IPO offer price within one year**

**Management Perception**

If the company issues shares in any form at lower than the IPO offer price within one year, the investors may be affected. However the management has no intention to issue shares at lower than the IPO price within one year of its listing.

**(hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission**

**Management Perception**

If the public issue of any securities of RAL or any of its associates or subsidiaries had been refused by the commission, it may indicate the issuer's inability to conduct its business properly or any problem in its business. Neither the company nor any of its subsidiaries/associates have been refused by the Commission for public issue of any securities.

**(I) EXTERNAL RISK FACTORS**

**a) Interest rate risks**

**Management Perception**

Interest rate risk is the risk that a Company faces due to unfavorable movement in the interest rates. For the year ended on June 30, 2017 the Company incurred net finance cost (difference between interest income and interest expense) of BDT 185.70 million. As on June 30, 2017, the total amount of outstanding short term and long term bank loans of RAL stood at BDT 2,019.77 million which is 32.13% of the total assets of the company. Overall, the leverage level of the company is well within its control. As a major portion of the IPO proceeds will be utilized in expansionary project, asset value of the company will be increased in future. In addition, the company will repay some its outstanding loan with the proceeds of IPO which will reduce the interest burden of the company. It should also be noted that, overall bank interest rates in Bangladesh is currently showing a decreasing trend due to macroeconomic stability and availability of loanable funds. As net finance cost is low and trend of interest rate is decreasing, the management of the company does not view interest expense as a major threat for its profitability.

**b) Exchange rate risks**

**Management Perception**

The company is exposed to fluctuation in foreign exchange rate as it imports machineries, raw materials and other spares parts against payment of foreign currency. Unfavorable volatility in exchange rates may affect the profitability of the company. The management of the company is very much aware of the risk and it has policy for continuous monitoring of the fluctuations on a day to day basis to capitalize the opportunity from any favorable movement in the currencies (normally US Dollar and BDT) whilst avoiding any unexpected movements in those currencies.

**c) Industry risks**

**Management Perception**

The company's machineries run on electricity. The factory's daily maximum requirement of electricity is around 1,367 KW. Due to the very nature of its technology, the painting machineries need to be kept running round the clock. In case there is any unscheduled stoppage for any reason, the machineries require extra time to warm up and restart. It causes cost overrun and delay in delivery of the products. Hence, without consistent and adequate supply of electricity the industry can hardly sustain in the long run. The company's requirement for electricity is met by Rural Electrification Board (REB) and its own generators. During severe shortage of electricity, the standby diesel generators operate. The combined capacities of the diesel generators are 1,136 KW (1430 KVA). As a result, the company can run the operation of the factory uninterruptedly even during severe power shortages.

#### **d) Economic and political risks**

##### **Management Perception**

The economy of Bangladesh has shown a strong resilience against all adversities over last decade. For last five years the economy grew over 6% annually irrespective of global economic swings, domestic political volatility, and series of natural calamities. Demographic indicators show gradual improvements and a broader market in the urban and rural economy of Bangladesh.

The next general election is due in 2019. With historical instances of turmoil in pre-election year, business people are expected to stay cautious up to election, which signal a potential slowdown in business expansion. In addition, if political turmoil heats up, business smoothness would be significantly affected.

#### **e) Market and technology-related risks**

##### **Management Perception**

Market risk may arise due to decrease in demand of RAL's products from increased competition which would affect the performance of the company. RAL is a strong brand and a dominant market player in the 2 Wheelers industry in Bangladesh. Due to its strong brand image and rapidly growing business in the country, where industrial development and standard of living is on a rising trend, the demand of quality 2 Wheelers at competitive prices is increasing. RAL has always been aware of the competitive situation in market and accordingly has developed a sound and effective marketing policy to share knowledge about their products thus creating more awareness in the minds of the customers. Moreover, with further business expansion through new technology, RAL will be able to enhance their market share and retain significant market presence in this sector for a long time to come.

The company's operation is highly capital intensive. The quality of the finished products is directly dependent on the sophistication of the machinery in place. Any fault in the technology of the machinery can result in significant overhauling cost and loss of production. All major machineries of the company are state-of-the-art and of mainly of Chinese and Taiwanese origin and are regarded as among the best technology of motor cycle machineries in the country and requires significantly lower maintenance costs. Till date, the machineries at the factory have been running smoothly. Since inception, there has not been any instance of breakdown or stoppage of production due to technical failure at the factory.

#### **f) Potential or existing government regulations**

##### **Management Perception**

Unless there is any significant change in regulatory policy that may bring about any adverse effect on the industry, the business of the company will not be affected significantly. As a developing country, economy as well as living standard is improving over time leading to rising demand of 2 Wheelers as a means of transport. Moreover, the industry has experienced robust growth during the last decade which is likely to sustain in the near future. Therefore, it is highly unlikely that the government will initiate any fiscal measure having adverse effect on the growth of the industry.

#### **g) Potential or existing changes in global or national policies**

##### **Management Perception**

Changes in the existing global or national policies can have either positive or negative impact on the company. Any scarcity or price hike of raw materials due to changes in policy in the international market might hamper the production and profitability. Any changes in the global and national policy will affect the industry as a whole.

Financial and operational strength of the company has reached a steady level by now and the company is capable of handling reasonable threats. Moreover, the company has adequate system and procedures in place to take care of such events.

**h) Statutory clearances and approvals those are yet to be received by the issuer**

**Management Perception**

The company has received all the statutory clearances and approvals that are required to operate the business. A list of licenses of the Company has been disclosed in (D) (xv) of Section VI of the prospectus.

**i) Competitive condition of the business**

**Management Perception**

Runner Automobile Limited is well renowned in the local market as one of the leading manufacturer, assembler and seller of 2 Wheelers in the country. The company has established brands in the market namely Dayang Runner, Freedom Runner, LML Freedom and Runner. There are several importers and sellers namely Uttara Motors, TVS Auto BD, Nitol Motors and Walton. RAL's competitive edge lies in its ability to manufacture and assemble quality products and market those at a lower cost compared to other importers and sellers. Hence, the company has been able to create a niche among value conscious buyers looking for quality products.

**j) Complementary and supplementary products/services which may have an impact on business of the issuer**

**Management Perception**

Motorcycle accessories, spare parts, lubricants, oil are the complementary products for the business in which RAL operates. Motor car is the supplementary product for motor cycle in a sense that with gradual increase of income and to accommodate increasing no. of family members, a part of motor cycle owners tend to buy motor car.

**k) Risk related to lack of own service centre**

**Management Perception**

Although Runner Automobiles Limited does not have any service centre of its own, it has arrangement with another entity for providing warranty and non-warranty related services for its customers and hence it is not considered a risk for the company.

**l) Risk related to unutilized capacity**

**Management Perception**

Although the company has unutilized capacity, a review of trend of capacity utilization shows considerable increase in utilization to 31.74% in June 30, 2017 that is an increase of 68.24% from that of the previous year. The management has taken steps to further augment its capacity through investing of IPO proceeds to develop existing as well as new models of motorcycles which will improve capacity utilization significantly over the next few years.

**m) Risk related to customized motor cycles which will be built from IPO proceeds may not attract customers**

**Management Perception**

Since incorporation in the year 2000, Runner Automobiles Limited has made significant progress from being an assembler to becoming the first motorcycle manufacturer in Bangladesh. Through our experience and market intelligence we have gathered market insight over the years on customer preferences based on which we will develop new models 2 wheelers that will attract customers.

**n) Risk related to cancellation of agreement regarding 3 wheeler with Bajaj Autos Limited**

**Management Perception**

3 wheeler being a new product of Runner Automobiles Limited, accounted for only BDT 197.64 million or 8.20% of revenue during the year ended June 30, 2017. Both management and Bajaj Autos Limited believe that there is business opportunity for 3 wheelers to flourish and hence has entered into agreement. Management does not foresee any risk of cancellation of the agreement in near future.

**o) Risk related to cancellation of distributorship of Runner Motors Limited by VE Commercial Vehicles Limited (A Volvo Group and Eicher Motors Joint Venture) regarding commercial vehicles**

**Management Perception**

Runner Motors Limited has been in the business of trading of commercial vehicles since inception in February 19, 2005. The company's strong track record and goodwill as one of the leading players in the market is also exemplified in the company being appointed as the sole distributor of Volvo Eicher commercial vehicles in Bangladesh since its inception. Management believes that in continuation of strong business relationship, risk of cancellation of the distributorship will not occur in the near future.

## SECTION XXI : DESCRIPTION OF THE ISSUE

### (a) Issue Size

Issue size of the company is BDT 1000 million.

### (b) Number of securities to be issued

Public Offer of 13,930,348 ordinary shares

### (c) Authorized capital and paid-up capital

Authorized capital : BDT 2,000,000,000  
Paid up capital : BDT 942,029,210

### (d) Face value, premium and offer price per unit of securities

Face Value : BDT 10  
Cut-off price for EIs : BDT 75 (premium BDT 65)  
Offer Price per unit of securities for General Public and NRB : BDT 67 (premium BDT 57)

### (e) Number of securities to be entitled for each category of applicants

Category	Securities	No. of Shares	Total Amount (BDT)
Eligible Investors	50% of IPO i.e. 6,944,444 Ordinary Shares shall be reserved for EI excluding mutual funds and CIS	6,944,444	520,833,300
	10% of IPO i.e. 1,388,889 Ordinary Shares shall be reserved for Mutual Funds and CIS	1,388,889	104,166,675
General Public	30% of IPO i.e. 4,197,761 Ordinary Shares shall be reserved for GP excluding NRB and ক্ষতিগ্রহ ক্ষুদ্র বিনিয়োগকারী	4,197,761	281,249,987
	10% of IPO i.e. 1,399,254 Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRB)	1,399,254	93,750,018
	<b>Total (approximately)</b>	<b>13,930,348</b>	<b>1,000,000,000</b>

### (f) Holding structure of different classes of securities before and after the issue

The company does not have different classes of securities. The company has issued only ordinary shares.

### (g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital

RAL is well renowned in the local market as one of the leading manufacturers, assemblers and sellers of 2 Wheelers in the country. It is a strong brand and a dominant market player. Due to its strong brand image and rapidly growing business in the country, where industrial development and standard of living is on a rising trend, the demand of quality motorcycles at competitive prices is increasing. Runner Automobiles Limited plans to utilize the major portion of its IPO proceeds in expansionary project for development of new models of motorcycles in the range of 110 CC to 150 CC as well as development of existing 80 CC to 100 CC to capitalize on that demand. The project will be financed from IPO proceeds as well as through company's business generated income. Net proceeds from Initial Public Offering (IPO) will be used for Design, Development and R&D, Machinery for New Models, Die & Mold for New Models, Development of Existing 80CC/110CC, Workshop & QC Machinery, Repayment of Bank Loan, IPO Expenses.

Payback Period of the project is 3.30 years, Discounted Payback Period is 4.03 years and Internal Rate of Return is 22.40% which indicate a good financial performance in terms of early pay back and cost of borrowing perspective scenario.

**List of EIs for Allotment:**

As per the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, 60% (Including Mutual Fund and CIS quota) of the proposed issue of 13,930,348 Ordinary Shares i.e 8,333,333 Ordinary Shares were allotted to Eligible Investors ( EIs) in the following manner :

Category	Securities	No. of Shares	Total
Eligible Investors	Mutual Funds and CIS (10%)	1,388,889	8,333,333
	EI excluding mutual funds and CIS (50%)	6,944,444	

BOID	Investor	Alloted Volume	Alloted Value
<b>Mutual Funds and CIS Quota</b>			
1604580064469912	CREDENCE FIRST SHARIAH UNIT FUND	25,798	1,934,850
1604620065381191	EDGE Bangladesh Mutual Fund	25,798	1,934,850
1604580000003585	EIGHTH ICB UNIT FUND	25,797	1,934,775
1604580000003550	FIFTH ICB UNIT FUND	25,797	1,934,775
1604580000003526	FIRST ICB UNIT FUND	25,797	1,934,775
1604580000003593	FOURTH ICB UNIT FUND	25,797	1,934,775
1604620016329737	GRAMEEN ONE: SCHEME TWO	25,798	1,934,850
1604580000002358	ICB AMCL CONVERTED FIRST UNIT FUND	25,797	1,934,775
1604580038429901	ICB AMCL FIRST AGRANI BANK MUTUAL FUND	25,797	1,934,775
1604580000965936	ICB AMCL ISLAMIC UNIT FUND	25,797	1,934,775
1604580000678491	ICB AMCL PENSION HOLDERS UNIT FUND	25,798	1,934,850
1604580021924762	ICB AMCL SECOND MUTUAL FUND	25,798	1,934,850
1604580037759084	ICB AMCL SONALI BANK LIMITED 1ST MUTUAL FUND	25,797	1,934,775
1604580024425376	ICB AMCL THIRD NRB MUTUAL FUND	25,798	1,934,850
1604580000002341	ICB AMCL UNIT FUND	25,798	1,934,850
1604580023574551	ICB EMPLOYEES PROVIDENT MUTUAL FUND ONE: SCHEME ONE	25,798	1,934,850
1201530000003518	ICB UNIT Fund	25,798	1,934,850
1604620061924201	ICL Balanced Fund	25,798	1,934,850
1604580024425368	IFIL ISLAMIC MUTUAL FUND-1	25,797	1,934,775
1604580062970426	NAM IBBL Islamic Unit Fund	25,797	1,934,775
1604580037482412	NLI First Mutual Fund	25,797	1,934,775
1604580024425384	PHOENIX FINANCE 1ST MUTUAL FUND	25,798	1,934,850
1604580019691026	PRIME FINANCE FIRST MUTUAL FUND	25,798	1,934,850
1604580024387821	Prime Bank 1ST ICB AMCL Mutual Fund	25,798	1,934,850
1604580043115667	Prime Finance Second Mutual Fund	25,798	1,934,850
1604620033389306	Prime Financial First Unit Fund	25,798	1,934,850
1604620041309123	Reliance Insurance Mutual Fund	25,798	1,934,850
1604620040597192	Rupali Life Insurance First Mutual Fund	25,798	1,934,850
1604580000003534	SECOND ICB UNIT FUND	25,797	1,934,775
1604580062684827	SEML IBBL Shariah Fund	25,798	1,934,850
1604620060706290	SEML Lecture Equity Management Fund	25,798	1,934,850
1604580000003577	SEVENTH ICB UNIT FUND	25,797	1,934,775
1604580000003569	SIXTH ICB UNIT FUND	25,797	1,934,775
1604620045167045	Sandhani Life Unit Fund	25,798	1,934,850
1604620064617121	Shanta First Income Unit Fund	25,798	1,934,850
1604580036409473	Southeast Bank 1st Mutual Fund	25,797	1,934,775
1604580000003542	THIRD ICB UNIT FUND	25,797	1,934,775
1604580065845271	UFS-Bank Asia Unit fund	25,782	1,933,650
1604580062996371	UFS-IBBL SHARIAH UNIT FUND	25,782	1,933,650
1604580062110225	UFS-PADMA LIFE ISLAMIC UNIT FUND	25,782	1,933,650
1604620062898126	UFS-PRAGATI LIFE UNIT FUND	21,678	1,625,850
1604580061410085	UFS-Popular Life Unit Fund	25,782	1,933,650
1604580060999479	VIPB ACCELERATED INCOME UNIT FUND	25,797	1,934,775
1604620064256949	VIPB Growth Fund	25,797	1,934,775

1604620049756141	Vanguard AML BD Finance Mutual Fund One	25,798	1,934,850
1604580051623248	Vanguard AML Rupali Bank Balanced Fund	25,798	1,934,850
1604580064507592	ZENITH ANNUAL INCOME FUND	25,798	1,934,850
<b>Sub Total</b>		<b>1,388,889</b>	<b>104,166,675</b>

#### Other EIs and CIS Quota

##### Alternative Investment Fund Managers Quota

1202880061465472	Athena Venture & Equities Ltd.	14,411	1,080,825
1204030061462361	BD Venture Limited	14,411	1,080,825
1202550062056956	Maslin Capital Limited	14,411	1,080,825

##### Alternative Investment Funds Quota

1204590060884946	Alternative Investment Fund of Bangladesh	14,411	1,080,825
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##### Asset Management Companies Quota

1204520062643965	Alif Assets Management Limited	14,412	1,080,900
1201470000025083	Asset and Investment Management Services of Bangladesh Limited	14,411	1,080,825
1203680058401547	Assurance Asset Management Limited	14,411	1,080,825
1201830063045236	BDV Asset Management Company Limited	14,411	1,080,825
1201700064434570	Bloominance Asset Management Company Limited	14,411	1,080,825
1605270062612291	CAPM (Capital & Asset Portfolio Management) Company Limited	14,412	1,080,900
1204280061152015	CREDENCE ASSET MANAGEMENT LTD	14,411	1,080,825
1201950064713133	EBL Asset Management Ltd.	14,411	1,080,825
1205590063298332	EDGE AMC Limited	14,411	1,080,825
1201530000002366	ICB ASSET MANAGEMENT COMPANY LTD.	14,411	1,080,825
1201820055033647	Impress Capital Limited	14,412	1,080,900
1202800063339302	Joytun Asset Management Ltd.	14,411	1,080,825
1205210064712741	Meghna Asset Management Ltd	14,411	1,080,825
1202790063397829	National Asset Management Ltd	14,411	1,080,825
1604420046916682	Prime Finance Asset management Company Limited	14,411	1,080,825
1204490064936808	RANKS Asset Management Company Ltd.	14,411	1,080,825
1202610063817837	ROCK ASSET MANAGEMENT LIMITED	14,411	1,080,825
1203490060953009	Shanta Asset Management Ltd.	14,411	1,080,825
1204590065091551	Strategic Equity Management Ltd.	14,411	1,080,825
1201500044807791	VIPB Asset Management Company Ltd.	14,411	1,080,825
1202140053733764	Vanguard Asset Management Limited	14,411	1,080,825
1201830059761388	ZENITH INVESTMENTS LIMITED	14,411	1,080,825
<b>Sub Total</b>		<b>317,045</b>	<b>23,778,375</b>

##### Banks Quota

1201820021984509	BRAC BANK LIMITED	14,411	1,080,825
1203000004128342	Bangladesh Commerce Bank Limited	14,411	1,080,825
1201630000001072	Dhaka Bank Ltd.	14,411	1,080,825
1201950030178336	Eastern Bank Limited	14,411	1,080,825
1602170000104251	MERCANTILE BANK LIMITED	14,402	1,080,150
1202550062701952	MIDLAND BANK LTD.	14,411	1,080,825
1201470054857861	Modhumoti Bank Limited	14,411	1,080,825
1202090000048338	NCC BANK LTD.	14,411	1,080,825
1204500055935143	NRB BANK LIMITED	14,412	1,080,900
1203980000035329	National Bank Limited	14,411	1,080,825
1203440044860791	Pubali Bank Ltd.	14,411	1,080,825
1204090005685607	SHAHJALAL ISLAMI BANK LIMITED	14,411	1,080,825
1201500000060633	Southeast Bank Limited	14,411	1,080,825
1602070044983338	Standard Bank Limited	14,359	1,076,925
<b>Sub Total</b>		<b>201,694</b>	<b>15,127,050</b>

##### Financial Institutions Quota

1205150002440950	Bangladesh Finance And Investment Company Ltd.	14,411	1,080,825
1203620020217413	Delta Brac Housing Finance Corporation Ltd	14,411	1,080,825

1204690000134328	FAREAST FINANCE & INVESTMENT LIMITED	14,411	1,080,825
1202830004187028	GSP FINANCE COMPANY(BANGLADESH) LTD.	14,411	1,080,825
1201740016611338	Hajj Finance Company Ltd.	4,325	324,375
1204480057176141	INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED	14,411	1,080,825
1201530000003501	INVESTMENT CORPORATION OF BANGLADESH	14,411	1,080,825
1201830058578907	ISLAMIC FINANCE AND INVESTMENT LIMITED	14,411	1,080,825
1201830000101207	MIDAS Financing Limited	14,411	1,080,825
1203680061474558	Meridian Finance & Investment Limited	14,412	1,080,900
1203110044295090	National Housing Finance And Investments Limited	14,411	1,080,825
1201740000017151	Prime Finance & Investment Limited	14,411	1,080,825
1201910000057140	Union Capital Limited	14,411	1,080,825
<b>Sub Total</b>		<b>177,258</b>	<b>13,294,350</b>

#### Foreign Investors Quota

1603870063717991	ACTINIUM INVESTMENTS FUND LIMITED	14,411	1,080,825
1603870061483494	POLUS GLOBAL FUND	14,411	1,080,825
1603870063718078	POLYXO GLOBAL LIMITED	14,411	1,080,825
1603870063717940	POSEIDON OPPORTUNITIES FUND LTD.	14,411	1,080,825
<b>Sub Total</b>		<b>57,644</b>	<b>4,323,300</b>

#### Insurance Companies Quota

1202540017855805	Agrani Insurance Company Limited	14,411	1,080,825
1204110014843771	Asia Pacific General Insurance Company Limited	14,411	1,080,825
1205210063381561	BANGLADESH NATIONAL INSURANCE CO. LTD.	14,411	1,080,825
1204780064975952	CHARTERED LIFE INSURANCE COMPANY LIMITED	14,411	1,080,825
1204780062587404	CRYSTAL INSURANCE COMPANY LIMITED	14,412	1,080,900
1205150028332076	City General Insurance Company Limited	6,487	486,525
1203510009734492	Continental Insurance Limited	14,411	1,080,825
1603420000842934	Delta Life Insurance Co. Ltd	14,411	1,080,825
1204820006536421	Dhaka Insurance Limited	14,411	1,080,825
1205790011903928	Fareast Islami Life Insurance Co. Ltd	14,411	1,080,825
1203620000042986	Green Delta Insurance Company Limited	14,411	1,080,825
1204500063612093	Homeland Life Insurance Company Ltd.	14,411	1,080,825
1203880016913892	Islami Commercial Insurance Co. Ltd.	14,411	1,080,825
1205720000268934	National Life Insurance Company Limited	5,406	405,450
1204780032968797	Padma Islami Life Insurance Ltd.	14,411	1,080,825
1203680001152151	Paramount Insurance Company Ltd.	14,411	1,080,825
1204450062621367	Peoples Insurance Co. Ltd	14,411	1,080,825
1201830000019025	Pragati Insurance Ltd	14,411	1,080,825
1201470000003791	Purabi General Insurance Company Ltd.	14,411	1,080,825
1203680000008794	RELIANCE INSURANCE LIMITED	2,880	216,000
1205670000803592	SUNLIFE INSURANCE COMPANY LIMITED	14,403	1,080,225
1201470000004349	Sandhani Life Insurance Company Ltd	14,411	1,080,825
1204500005139362	TAKAFUL ISLAMIC INSURANCE LTD.	14,411	1,080,825
<b>Sub Total</b>		<b>302,986</b>	<b>22,723,950</b>

#### Merchant Bankers and Portfolio Managers Quota

1605180039866810	Sonali Investment Limited	14,411	1,080,825
1204290045062825	AIBL CAPITAL MANAGEMENT LIMITED	5,760	432,000
1602770003383900	Abaci Investments Limited	14,403	1,080,225
1605110020703440	Agrani Equity & Investment Limited	14,411	1,080,825
1205150054817961	Alliance Financial Services Limited	14,411	1,080,825
1605550049519826	Alpha Capital Management Limited.	14,411	1,080,825
1204500060779129	Asian Tiger Capital Partners Investments Ltd.	14,359	1,076,925
1605570061564795	BANCO FINANCE AND INVESTMENT LIMITED	14,411	1,080,825
1205150045165228	BD Finance Capital Holdings Limited	14,411	1,080,825
1605650050408172	BLI CAPITAL LIMITED	14,411	1,080,825
1203110040416300	BMSL Investment Limited	14,411	1,080,825
1604650000060261	BRAC EPL Investments Limited	14,411	1,080,825
1605290048619978	CAPM Advisory Limited	14,411	1,080,825
1605860051858499	Citizen Securities & Investment Limited	14,402	1,080,150

1204500046667286	City Bank Capital Resources Limited	14,412	1,080,900
1201950048415426	EBL INVESTMENTS LIMITED	14,411	1,080,825
1602480042844534	EXIM ISLAMI INVESTMENT LTD.	14,411	1,080,825
1604630040382971	FAS Capital Management Limited	14,411	1,080,825
1604630019840113	FAS Finance & Investment Limited	14,411	1,080,825
1604190062608083	GSP Investments Limited	14,411	1,080,825
1203620043101779	Green Delta Capital Limited	14,411	1,080,825
1201530000001725	ICB Capital Management Limited	1,435	107,625
1604790028773041	IIDFC Capital Limited	14,411	1,080,825
1201950060942951	IMPERIAL CAPITAL LIMITED	14,411	1,080,825
1201530034513871	Janata Capital and Investment Limited	14,411	1,080,825
1204240045224956	MIDAS INVESTMENT LIMITED	14,411	1,080,825
1605070043537970	MTB Capital Limited	14,411	1,080,825
1205210064983942	Meghna Capital Management Ltd.	14,411	1,080,825
1203980043489533	NBL Capital and Equity Management Ltd.	14,411	1,080,825
1605760062455351	NRB Equity Management Limited	14,411	1,080,825
1605410018300497	PLFS INVESTMENTS LIMITED	14,411	1,080,825
1602110007884745	Prime Bank Investment Limited	14,411	1,080,825
1201740042118883	Prime Finance Capital Management Limited	14,411	1,080,825
1605910060966133	Riverstone Capital Limited	14,411	1,080,825
1605220044999407	Rupali Investment Limited	14,411	1,080,825
1604530021647727	SBL Capital Management Limited	6,340	475,500
1605610032935344	Sandhani Life Finance Ltd.	14,411	1,080,825
1605530040732747	Southeast Bank Capital Services Limited	14,411	1,080,825
1204590065833366	Strategic Finance Ltd.	14,411	1,080,825
1204380000164777	Swadesh Investment Management Limited	14,411	1,080,825
1205660051158541	Trust Bank Investment Limited	14,411	1,080,825
1201910048617192	UniCap Investments Limited	14,411	1,080,825
<b>Sub Total</b>		<b>575,496</b>	<b>43,162,200</b>
<b>Recognized Provident, Pension and Gratuity Funds Quota</b>			
1204030059705612	"CROSS FREIGHT LIMITED" EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204030059705655	"GLOBAL AVIATION SERVICES LIMITED" EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201840064357666	3A & Company Ltd. Employees Provident Fund	14,411	1,080,825
1201830062811332	AAMRA HOLDINGS LIMITED EMPLOYEES PROVIDENT FUND	14,412	1,080,900
1602770061586161	ABACI INVESTMENTS LTD EMPLOYEES CONTRIBUTORY PROVIDENT FUND	14,403	1,080,225
1204890062535998	ABDULLAH SAAD TRADING LTD E.P.F	14,411	1,080,825
1201830065144113	AFTIS ACCESSORIES LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1201470061222017	AIMS Employees Provident Fund	14,411	1,080,825
1203640064527032	ALITA(BD) LIMITED EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1605280064723421	ARK Strategic Associates Limited Employees Provident Fund	14,411	1,080,825
1204410064934148	Anaum Associates Ltd. Employees Provident Fund	2,300	172,500
1602510064221465	Aristopharma Limited Employees Provident Fund	14,411	1,080,825
1602510064932173	Attires Manufacturing Co. Ltd. Officers PF	8,650	648,750
1204890066143252	BASEWAY MANAGEMENT LIMITED E.P.F.	5,760	432,000
1203000062728769	BCBL Employees Provident Fund	14,411	1,080,825
1204030063795776	BD VENTURE LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204030064974875	BD Venture Ltd. Employees Gratuity Fund	14,411	1,080,825
1202550061369343	BEDL Employees Provident Fund	14,411	1,080,825
1604940064961162	BIZTRADE INNOVATION LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1605650064766109	BIZTRADE INNOVATION LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203640064802756	BMH Elastic & Accessories Ltd. Employees Provident Fund	2,880	216,000
1203110064356364	BMSL Employees Provident Fund	14,411	1,080,825

1201820060512573	BRAC BANK EMP GRATUITY FUND	14,411	1,080,825
1201820063901124	BRAC BANK EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201820064941580	BRAC EPL STOCK BROKERAGE EMPLOYEE PROVIDENT FUND	14,411	1,080,825
1204780065223043	BSRM Steels Ltd. Employees Provident Fund	14,411	1,080,825
1201830063721726	Bakara Fashions Ltd Employees Provident Fund	9,861	739,575
1204780065221954	Bangladesh Steel Re-Rolling Mills Ltd. Employees Provident Fund	14,411	1,080,825
1201910063170199	Bashundhara Food & Beverage Industries Ltd-Staff Provident Fund	14,412	1,080,900
1201510064296766	Bashundhara Industrial Complex Limited Employees Provident Fund	14,411	1,080,825
1201910064984301	Bashundhara Multi Paper Industries Ltd.- Employees Provident Fund Trust	8,650	648,750
1201910064884282	Bashundhara Paper Mills Limited Staff Gratuity Fund	14,411	1,080,825
1204500062965033	Bashundhara Paper Mills Ltd.-Staff Provident Fund	14,411	1,080,825
1203680065108966	Bengal Plastics Limited Employees Provident Fund	1,082	81,150
1203680062938367	Bengal Polymer Wares Limited Employees Provident Fund	1,082	81,150
1203680062938340	Bengal Windsor Thermoplastics Limited-EWPF	1,082	81,150
1201630065445234	Brain Station 23 Limited Staff PF	14,411	1,080,825
1204030062589122	CARGO CENTER LIMITED EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203000064313436	CBSIL Employees Provident Fund	14,411	1,080,825
1204800062138541	CMCL Employee Provident & Benevolent Fund	14,411	1,080,825
1203790065125346	Chittagong Capital Ltd. Employees Provident Fund	14,411	1,080,825
1203640062375336	Confidence Salt Limited Employees Provident Fund	8,650	648,750
1604650063706577	Contributory Prov. Fund of GHS	14,411	1,080,825
1201960064854794	Crisl Employees Provident Fund	14,411	1,080,825
1605650063578992	Cross Freight Limited Employees Gratuity Fund	14,411	1,080,825
1203620063768074	DBH EMPLOYEES GRATUITY FUND	14,411	1,080,825
1203620062792018	DBH STAFF PROVIDENT FUND	14,411	1,080,825
1602510062941651	DBL Group Employees PF	14,411	1,080,825
1204030062058179	DIPTA GARMENTS LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203260063395169	DIRD COMPOSITE TEXTILES LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203260062463911	DIRD FELT LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204030062058187	DIRD GARMENTS LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1605650063580273	DataFort Limited Employees Gratuity Fund	14,411	1,080,825
1201950063496943	EBL SECURITIES LIMITED EMPLOYEES GRATUITY FUND	5,760	432,000
1201950061476798	EBL Securities Ltd. Employees Provident Fund	14,411	1,080,825
1203680063865106	ESQUIRE DYEING INDUSTRIES LIMITED (EDIL) EMPLOYEES PROVIDENT FUND	865	64,875

1204030062589114	EXPO HOLDINGS (BD) :LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203640062418380	Eastern Shares & Securities Limited Employees Provident Fund	14,411	1,080,825
1204220061493946	Employees Provident Fund of ILSL	14,411	1,080,825
1203260064940500	Enactive Multi-Services (Pvt.) Ltd. Employees Provident Fund	14,411	1,080,825
1602510062782765	Eskayef Bangladesh Ltd. Employees Provident Fund	14,411	1,080,825
1203680063390131	Esquire Knit Composite Limited(EKCL) Employees Provident Fund	3,745	280,875
1204030031916200	Expo Freight Limited Employee's Provident Fund	14,411	1,080,825
1204030063402792	Expo Freight Limited Employees Gratuity Fund	14,411	1,080,825
1202550064958662	F.K.T. AGRO (PVT) LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204690063788614	FFIL Employees (Contributory) Provident Fund	14,411	1,080,825
1205790006347386	FILIC Employees Provident Fund	14,411	1,080,825
1201780065259176	FNR FASHION LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204030062589149	FREIGHT CARE AVIATION SERVICES LTD. EMPLOYEES P.F	14,411	1,080,825
1602510064932165	Fakhruddin Textile Mills Ltd. Officers PF	8,650	648,750
1204800066165371	GCL Employees Provident Fund	14,411	1,080,825
1202550064574407	GOLDEN INFORMATION TECHNOLOGY LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1605650063580696	Global Aviation Services Ltd. Employees Gratuity Fund.	14,411	1,080,825
1203260064902254	Globex Marketing Co. Ltd. Employees Provident Fund	14,411	1,080,825
1204560064486592	Good Lucktex Limited Employees' Provident Fund	14,411	1,080,825
1203260062227948	Grameen CyberNet Ltd Employees Provident Fund	14,411	1,080,825
1204890065830991	HEFAZATUR RAHMAN & CO. LTD. E.P.F	14,411	1,080,825
1203680065108974	Hamilton Metal Corporation Ltd Employees Provident Fund	1,082	81,150
1602510062880917	Healthcare Pharmaceuticals Limited Employees Provident Fund	14,411	1,080,825
1605550062518491	Hwa Well Textiles (BD) Limited Employees Provident Fund	14,411	1,080,825
1201530025968858	ICB AMCL EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201830061881928	IFIL EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1604790062775116	IIDFC Employees Provident Fund	14,411	1,080,825
1201830064492682	INDEPENDENT BIZ LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201830064766810	INNOVANA EVENT LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1201830064766802	INNOVANA EVENT LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201830064766901	INNOVATION ICT LTD. EMPLOYEES GRATUITY FUND	12,110	908,250
1201830064766896	INNOVATION ICT LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1602770065086340	ITX TRADING, SA-BANGLADESH BRANCH OFFICE EMPLOYEES CONTRIBUTOTY PROVIDENT FUND	14,402	1,080,150
1201960062925422	Island Securities Ltd. Employees (Contributory) Pro. Fund	14,411	1,080,825

1205720062960726	LLOL Employees' (Contributory) Provident Fund	10,950	821,250
1201780061573549	MEENHAR FISHERIES LTD EMPLOYEES PROVIDENT FUND.	14,411	1,080,825
1201780061526835	MEENHAR MARINE FOODS LTD EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201780061514804	MEENHAR SEA FOODS LIMITED EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204590064494186	MIDWAY CONSUMER PRODUCTS LIMITED EMPLOYEES CONTRIBUTORY PROVIDENT FUND	9,800	735,000
1203260064301697	MIKA ENTERPRISES LIMITED EMPLOYEES CONTRIBUTORY PROVIDENT FUND	14,411	1,080,825
1203260064931682	MIKA ENTERPRISES LIMITED EMPLOYEES GRATUITY FUND	14,411	1,080,825
1203260063570051	MIKA SECURITIES LTD. EMPLOYEES (CONTRIBUTORY) PROVIDENT FUND	14,411	1,080,825
1203260064359432	MIKA SECURITIES LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1201780061492114	Meenhar securities Limited Employees Provident Fund	14,411	1,080,825
1201510014775878	Meghna Cement Mills Ltd- Staff Provident Fund	14,411	1,080,825
1205950063762647	Meridian Finance & Investment Limited Employees Provident Fund	14,411	1,080,825
1203260064724804	Mika Travels Limited Employees Provident Fund	14,411	1,080,825
1201470046129641	Mona FCS Ltd. Employee Provident Fund	14,411	1,080,825
1202830041434061	Multi Securities & Services Ltd. Employees Provident Fund	14,411	1,080,825
1203260065757895	NEW GEN SOLOUTIONS LIMITED EMPLOYEE'S PROVIDENT FUND	14,411	1,080,825
1201830061564404	NHFIL Employees Provident Fund	14,411	1,080,825
1201830044839493	National Life Insurance Co. Ltd. Employees Provident Fund	4,757	356,775
1203260064186417	OCEAN ACCESSORIES LIMITED EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203260064935086	OCEAN ACCESSORIES LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1605650064934014	ONESTOP BUSINESS SOLUTION & TRADING LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1605650064733478	ONESTOP BUSINESS SOLUTION & TRADING LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201780066130326	OR TRADING LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1605640063888859	PARAMOUNT INSURANCE PROVIDENT FUND	2,880	216,000
1204690060969830	PFCML EMPLOYEES (CONTRIBUTORY) PROVIDENT FUND	14,411	1,080,825
1204570063477895	PMCL Employee Provident Fund	14,411	1,080,825
1202420063722324	POUSH TEXTILE INDUSTRY LTD EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204800062933273	PPL Employees Provident Fund	14,411	1,080,825
1204800062408094	PRFL Employee Provident & Benevolent Fund	14,411	1,080,825
1204780064374774	Padma Islami Life Insurance Ltd. Employees Provident Fund	14,411	1,080,825
1204570063478493	Paradise Employees Provident Fund	14,411	1,080,825
1201520061641343	Parkway Securities Limited Employees Provident Fund	14,411	1,080,825
1204800061834041	Perfect Touch Employment Provident Fund	14,411	1,080,825

1602510062894615	Popular Pharmaceuticals Ltd. Employees PF	14,411	1,080,825
1204570063477887	Potential Employees Provident Fund	14,411	1,080,825
1201950000019033	Pragati Insurance Limited Employee's Provident Fund	14,411	1,080,825
1201960045088787	Premier Cement Mills Limited Employees Provident Fund	14,411	1,080,825
1203260061945350	QUASEM DRYCELLS LTD.EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203260064475566	Quasem Food Products Ltd. Employees Provident Fund	14,411	1,080,825
1203260065717034	R.K. GARMENTS ACCESSORIES INDUSTRIES LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1203260064279939	R.K. GARMENTS ACCESSORIES INDUSTRIES LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203260065350864	RADIANT CAR LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1205020062321556	RAK CERAMICS (BANGLADESH) LIMITED EMPLOYEES' PROVIDENT FUND	14,411	1,080,825
1203260062463780	RAVEN SYSTEMS LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203020063776329	RELATION MEDIA BUSINESS LTD. Employees Provident Fund	2,508	188,100
1201780065332601	RISS FASHION LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203110063445067	Radiant Business Consortium Limited Employees Provident Fund	3,460	259,500
1203110063445331	Radiant Nutraceuticals Limited Employees Provident Fund	3,165	237,375
1203110062711381	Radiant Pharmaceuticals Limited Employees Provident Fund	14,411	1,080,825
1201750036943995	Reliance Insurance Provident Fund	2,880	216,000
1203260062463780	RAVEN SYSTEMS LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203020063776329	RELATION MEDIA BUSINESS LTD. Employees Provident Fund	2,508	188,100
1201780065332601	RISS FASHION LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1203110063445067	Radiant Business Consortium Limited Employees Provident Fund	3,460	259,500
1203110063445331	Radiant Nutraceuticals Limited Employees Provident Fund	3,165	237,375
1203110062711381	Radiant Pharmaceuticals Limited Employees Provident Fund	14,411	1,080,825
1201750036943995	Reliance Insurance Provident Fund	2,880	216,000
1204040061469545	SATCOM IT LIMITED EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1204890062814823	SHADESH MANAGEMENT LIMITED E.P.F	14,411	1,080,825
1205020062321572	STAR CERAMICS LTD. EMPLOYEES PROVIDEND FUND	14,411	1,080,825
1201780065259117	STAR IMPEX LTD. EMPLOYEES PROVIDEND FUND	14,411	1,080,825
1203510061640183	STOCK AND BOND LTD. EMPLOYEES CONTRIBUTORY PROVIDENT FUND	14,411	1,080,825
1203510062367536	STOCK AND BOND LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1203510064546977	SWISS GARDEN LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201470063462365	Sandhani Life Insurance Co. Ltd. Employee's Gratuity Fund	14,411	1,080,825

1201470040729859	Sandhani Life Insurance Co. Ltd. Employee's Provident Fund	14,411	1,080,825
1605120062942193	Simtex Industries Ltd. Employees Contributory Provident Fund	14,411	1,080,825
1201910064575626	TECHINNOVATION BD LTD. EMPLOYEES GRATUITY FUND	14,411	1,080,825
1201910064575618	TECHINNOVATION BD LTD. EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1202830064769675	THE GSP FINANCE COMPANY (BANGLADESH) LIMITED EMPLOYEES PROVIDENT FUND	14,411	1,080,825
1201910053946845	UniCap Securities Employees Contributory Provident Fund	14,412	1,080,900
1204780065569091	United Engineering And Power Services Ltd Employees (Contributory) Provident Fund	14,411	1,080,825
1204780064934750	United Enterprises and Co. Limited Employees Provident Fund	14,411	1,080,825
1201820060580516	VIPB Asset Management Co. Ltd. Employees Provident Fund	14,411	1,080,825
1201820062576579	VIPB Asset Management Company Ltd. Employees Gratuity Fund	14,411	1,080,825
1201910053946845	UniCap Securities Employees Contributory Provident Fund	14,412	1,080,900
1204780065569091	United Engineering And Power Services Ltd Employees (Contributory) Provident Fund	14,411	1,080,825
1204780064934750	United Enterprises and Co. Limited Employees Provident Fund	14,411	1,080,825
1201820060580516	VIPB Asset Management Co. Ltd. Employees Provident Fund	14,411	1,080,825
1201820062576579	VIPB Asset Management Company Ltd. Employees Gratuity Fund	14,411	1,080,825
1204030062589130	WINGS CLASSIC TOURS AND TRAVELS LTD EMPLOYEES PF	14,411	1,080,825
1202980064733311	Wetronic Motors Limited Employees' Provident Fund	14,411	1,080,825
1201830062424941	aamra networks limited Employees Provident Fund	14,412	1,080,900
1201830062414390	aamra technologies limited employees provident fund	14,412	1,080,900
<b>Sub Total</b>		<b>2,111,315</b>	<b>158,348,625</b>

#### Stock Dealers Quota

1201840061865964	3A & Company Ltd	14,411	1,080,825
1203760063412334	A. A. Securities Limited	14,411	1,080,825
1203500045200605	A. L. Securities Ltd.	14,411	1,080,825
1202820030981801	A.R. CHOWDHURY SECURITIES LTD.	14,411	1,080,825
1201940007747374	AB & Co. Ltd	14,411	1,080,825
1204660039432717	ACE CAPITAL MANAGEMENT SERVICE LTD.	14,411	1,080,825
1203830038476101	ADAMS SECURITIES LTD	14,411	1,080,825
1204960041270501	AHC SECURITIES LTD.	14,411	1,080,825
1204290019225111	AIBL CAPITAL MARKET SERVICES LIMITED	5,760	432,000
1204140016523068	AKIJ Securities Limited	14,411	1,080,825
1203460030627408	AL HAJA JAHANARA SECURITIES LTD.	14,411	1,080,825
1203210030687270	AL-MUNTAHA TRADING CO. LTD.	14,411	1,080,825
1202960050888017	ALI SECURITIES CO. LTD.	14,411	1,080,825
1202630050966076	ALOCO SECURITIES LTD	14,411	1,080,825
1204230040549939	ALPHA EQUITIES LTD.	2,162	162,150
1201840061865964	3A & Company Ltd	14,411	1,080,825
1203760063412334	A. A. Securities Limited	14,411	1,080,825
1203500045200605	A. L. Securities Ltd.	14,411	1,080,825
1202820030981801	A.R. CHOWDHURY SECURITIES LTD.	14,411	1,080,825
1201940007747374	AB & Co. Ltd	14,411	1,080,825
1204660039432717	ACE CAPITAL MANAGEMENT SERVICE LTD.	14,411	1,080,825
1203830038476101	ADAMS SECURITIES LTD	14,411	1,080,825
1204960041270501	AHC SECURITIES LTD.	14,411	1,080,825
1204290019225111	AIBL CAPITAL MARKET SERVICES LIMITED	5,760	432,000

1204140016523068	AKIJ Securities Limited	14,411	1,080,825
1203460030627408	AL HAJA JAHANARA SECURITIES LTD.	14,411	1,080,825
1203210030687270	AL-MUNTAHA TRADING CO. LTD.	14,411	1,080,825
1202960050888017	ALI SECURITIES CO. LTD.	14,411	1,080,825
1202630050966076	ALOCO SECURITIES LTD	14,411	1,080,825
1204230040549939	ALPHA EQUITIES LTD.	2,162	162,150
1204080016105241	AM SECURITIES AND FINANCIAL SERVICES LTD.	14,411	1,080,825
1202950048476574	ANCHOR SECURITIES LTD	14,411	1,080,825
1202590028555866	ANF Management Co. Ltd.	14,359	1,076,925
1202580030051617	ARC Securities Ltd.	14,411	1,080,825
1202850003772483	ARENA SECURITIES LTD.	14,411	1,080,825
1202060000039196	Adil Securities Ltd	14,411	1,080,825
1202270000185021	Al-Haj Securities & Stocks Ltd.	14,411	1,080,825
1204450039260134	Alpha Securities Ltd.	14,411	1,080,825
1203010029391671	Aries Securities Limited	14,411	1,080,825
1203080004167191	Associated Capital Securities Ltd.	14,411	1,080,825
1203060004162271	Azam Securities Limited	14,411	1,080,825
1204870061958089	Azim Securities Ltd.	13,260	994,500
1202790028773976	B & B ENTERPRISE Ltd.	14,359	1,076,925
1205970033264471	B.K. Capital Management Limited	14,411	1,080,825
1204990052522739	BASE CAPITAL LTD.	14,411	1,080,825
1205150043284418	BD Finance Securities Limited	14,411	1,080,825
1205670050639259	BD SUNLIFE SECURITIES LTD.	14,403	1,080,225
1201920061824845	BDBL Investment Services Ltd.	14,411	1,080,825
1202180045048887	BDBL Securities Limited	14,411	1,080,825
1204180017222163	BE RICH LIMITED	14,411	1,080,825
1201930016160034	BEXIMCO SECURITIES LIMITED	14,411	1,080,825
1201500048598349	BLI Securities Limited	14,411	1,080,825
1201820000005731	BRAC EPL Stock Brokerage Limited	14,411	1,080,825
1203910038355843	BRB Securities Limited	14,411	1,080,825
1202150033195699	Banco Securities Ltd	14,411	1,080,825
1204490045011859	Bank Asia Securities Limited	14,411	1,080,825
1203820012508151	British Bengal Securities Limited	14,411	1,080,825
1205980063271625	Buriganga Equity Management Ltd.	14,411	1,080,825
1202740002848051	CENTURY SECURITIES LIMITED	14,411	1,080,825
1203790012153033	CHITTAGONG CAPITAL LIMITED	14,411	1,080,825
1204260018461274	CHOWDHURY SECURITIES LTD.	14,411	1,080,825
1201750000001535	CMSL Securities Ltd	14,411	1,080,825
1203470050890604	CORDIAL SECURITIES LIMITED	14,402	1,080,150
1204050028921051	CREST SECURITIES LTD	14,411	1,080,825
1203230050895631	Chittagong Shares & Securities Limited	14,411	1,080,825
1204500028949639	City Brokerage Limited	14,411	1,080,825
1203000044662073	Commerce Bank Securities and Investment Limited	14,411	1,080,825
1301650062344886	Confidence Equities Limited	14,411	1,080,825
1203860013501896	D.N. Securities Ltd.	5,760	432,000
1204110016443604	DAULATUNNESSA EQUITIES LIMITED	14,411	1,080,825
1201630043531874	DBL Securities Limited	14,411	1,080,825
1203920014940996	DESA SECURITIES LIMITED	14,411	1,080,825
1205730053939461	DLIC Securities Ltd.	14,411	1,080,825
1203320039848311	DMR SECURITIES SERVICES LTD.	14,411	1,080,825
1202980004064050	DSFM Securities Ltd.	14,411	1,080,825
1202370038476185	DYNAMIC SECURITIES CONSULTANTS LTD	14,411	1,080,825
1203450051129552	Dayton Holdings Limited	14,411	1,080,825

1202530000819950	Delta Capital Limited	14,411	1,080,825
1205210061487350	Dhaka Securities Ltd	14,411	1,080,825
1203390029289594	Dhanmondi Securities Limited	14,411	1,080,825
1202140000080456	Dragon Securities Ltd.	14,411	1,080,825
1202880003801810	E-Securities Limited	14,411	1,080,825
1205990063864781	EASTERN CAPITAL LIMITED	14,411	1,080,825
1201950000015755	EBL Securities Limited	14,411	1,080,825
1201710030210546	EMINENT SECURITIES LTD.	14,411	1,080,825
1203250030563472	ETBL Securities & Exchange Ltd.	14,411	1,080,825
1203640007850771	Eastern Shares & Securties Ltd	14,411	1,080,825
1203270038301295	FARIDA RAQUIB SECURITIES LTD	14,411	1,080,825
1205870060259359	FBL Securities Ltd.	14,411	1,080,825
1203750030648423	FIRSTLEAD SECURITIES LTD	14,411	1,080,825
1204200017263638	Far East Shares & Securities Limited	14,412	1,080,900
1205790055232286	Fareast Islami Securities Ltd.	14,411	1,080,825
1203050004150059	Federal Securities And Investment Limited	14,411	1,080,825
1204430039584103	First Capital Securities Ltd.	14,411	1,080,825
1204800033270280	GALAXY CAPITAL LIMITED	14,411	1,080,825
1203880028811091	GLOBAL SECURITIES LTD.	14,411	1,080,825
1201990030226682	GMF Securities.ltd	14,411	1,080,825
1202380000345568	Gateway Equity Resources Ltd.	14,411	1,080,825
1203620007742588	Green Delta Securities Ltd.	14,411	1,080,825
1202190030807625	Greenland Equities Limited	14,411	1,080,825
1202840028703445	HAC SECURITIES LIMITED	14,411	1,080,825
1204460050952161	HAJI MOHAMMAD ALI SECURITIES LTD	14,411	1,080,825
1204000062000069	HARUN SECURITIES LTD.	14,411	1,080,825
1204890050927617	HEFAZATUR RAHMAN & CO. LTD.	14,411	1,080,825
1202640029233333	Haji Ahmad Brothers Securities Ltd	14,411	1,080,825
1204020023309987	Hallmark Securities Ltd.	14,411	1,080,825
1203940015369940	Harpoon Securities Limited	14,411	1,080,825
1204820033567045	Hasan Securities Limited	14,411	1,080,825
1204570028771356	Hazrat Amanat Shah Securities Ltd	14,411	1,080,825

1202050050877735	Hedayetullah Securities Ltd.	14,411	1,080,825
1202260030433948	Howlader Equity Services Ltd.	14,411	1,080,825
1201530028713102	ICB Securities Trading Company Limited	10,656	799,200
1204340043508890	IFIC SECURITIES LIMITED	14,411	1,080,825
1204480020376052	IIDFC Securities Limited	14,411	1,080,825
1201480030262640	IMTIYAZ HUSAIN SECURITIES LTD.	14,411	1,080,825
1301030034950845	INTER CONTINENTAL SECURITIES LIMITED	14,411	1,080,825
1201960028837738	ISLAND SECURITIES LTD	14,411	1,080,825
1202280032649844	Ibrahim Securities Ltd.	692	51,900
1204220030590007	International Leasing Securities Ltd.	14,411	1,080,825
1201850000007904	International Securities Co Ltd	13,183	988,725
1202010061719713	Investment Promotion Services Ltd.	14,411	1,080,825
1204770029642745	Ispi Securities Limited	14,411	1,080,825
1202610029280542	JAHAN SECURITIES LTD.	14,411	1,080,825
1301030033042976	JESCO CAPITAL MANAGEMENT LTD.	14,411	1,080,825
1201810000005517	Jamal Ahmed Securities Ltd	7,205	540,375
1202800029047556	Joytun Securities Int. Ltd.	14,411	1,080,825
1202350046570111	K-Securities & Consultants Ltd.	5,795	434,625
1203330029280914	KABIR SECURITIES LIMITED	14,411	1,080,825
1201730029204716	KAZI EQUITIES LTD.	14,411	1,080,825
1204520020759867	KHB Securities Limited	14,411	1,080,825
1202210025379170	KHWAJA EQUITY SERVICES LTD.	14,411	1,080,825
1204700031431552	KISHWAR SECURITY INVESTMENT LIMITED.	14,411	1,080,825
1202450000545359	Kazi Firoz Rashid Securities Ltd.	14,411	1,080,825
1202560029259822	Khurshid Alam Securities Limited	14,411	1,080,825
1203370023260349	M & Z SECURITIES LTD.	2,880	216,000
1202250030345204	M. Securities Ltd.	2,881	216,075
1202890003832461	M. ZUBAIR SECURITIES LTD.	14,411	1,080,825
1201540030520453	MAM Securities Ltd.	14,411	1,080,825
1205960050929592	MASCO Shares and Securities Ltd.	14,411	1,080,825
1203040004144191	MD. FAKHRUL ISLAM SECURITIES LTD.	14,411	1,080,825
1205780058195606	MEGHNA LIFE SECURITIES AND INVESTMENT LTD.	14,411	1,080,825

1602170046182750	MERCANTILE BANK SECURITIES LTD.	14,411	1,080,825
1204130045188475	MIAN ABDUR RASHID SECURITIES LTD.	14,411	1,080,825
1203900050881751	MODERN EQUITY LTD.	14,411	1,080,825
1203570028973202	MODERN SECURITIES LTD	14,411	1,080,825
1201580030169036	MOSHIHOR SECURITIES LTD	14,411	1,080,825
1601880000161286	MTB Securities Ltd.	14,412	1,080,900
1204950040989661	MUNTAHA SHARES & CAPITAL LIMITED	14,411	1,080,825
1204120062858558	Mah Securities Limited	14,411	1,080,825
1202760029429745	Md. Sahidullah Securities Ltd.	14,411	1,080,825
1201780019220259	Meenhar Securities Ltd	14,412	1,080,900
1203310005907344	Merchant Securities Ltd	14,411	1,080,825
1201890029057248	Midway Securities Ltd.	14,411	1,080,825
1203260005126048	Mika Securities Ltd	14,411	1,080,825
1203970028927180	Mirpur Securities Ltd.	14,359	1,076,925
1202690051007241	Mohammad Talha & Co. Ltd	14,411	1,080,825
1205880060990197	Mohammadi Stock Market Ltd	14,411	1,080,825
1201470000000763	Mona Financial Consultancy & Securities Ltd.	14,411	1,080,825
1203530051153217	Mondol Securities Ltd.	12,680	951,000
1202830003717284	Multi Securities & Services Limited	14,411	1,080,825
1202000050941467	Murshed Securities Limited	14,411	1,080,825
1201500007767708	NATIONAL SECURITIES & CONSULTANTS LTD.	14,411	1,080,825
1203980048433017	NBL SECURITIES LTD.	14,411	1,080,825
1202090044996438	NCCB Securities and Financial Services Limited	14,411	1,080,825
1204440050927914	NIZAMS SHARES AND SECURITIES LIMITED	14,411	1,080,825
1205720053777852	NLI SECURITIES LIMITED	14,411	1,080,825
1204110064263645	NORBAN SECURITIES LIMITED	14,411	1,080,825
1205950062197150	NRBC BANK SECURITIES LIMITED	14,411	1,080,825
1204170032507280	Nabiul Karim Securities Ltd	14,411	1,080,825
1604940066221038	New Era Securities Limited	14,411	1,080,825
1205700043557536	ONE SECURITIES LIMITED	14,411	1,080,825
1203740053880851	PASHA CAPITAL LIMITED	14,411	1,080,825
1204980063439357	PIONEER SHARES & SECURITIES LTD	14,411	1,080,825

1204250037999816	PRUDENTIAL CAPITAL LTD.	14,411	1,080,825
1201520020432993	Parkway Securities Ltd.	14,411	1,080,825
1205890060789530	Parom Securities Ltd.	14,411	1,080,825
1201490000000803	Popular Equities Limited	1,435	107,625
1205080038084991	Prime Bank Securities Limited	7,205	540,375
1205000045323294	Prime Islami Securities Limited	1,082	81,150
1203440006495692	Pubali Bank Securities Limited	14,411	1,080,825
1202650025289597	Quayum Securities Ltd.	14,411	1,080,825
1301030030642865	RAK Capital Ltd.	14,411	1,080,825
1203360030200233	RASTI SECURITIES CONSULTANT LTD.	14,411	1,080,825
1202430028980067	RNI SECURITIES LTD.	14,411	1,080,825
1201590000001005	ROYAL CAPITAL LIMITED	14,411	1,080,825
1205820052766436	RUPALI BANK SECURITIES LTD.	14,411	1,080,825
1204810047566389	Raja Securities Limited	3,425	256,875
1201900000011350	Rapid Securities Ltd	14,411	1,080,825
1202160045159261	Rashid Investment Services Limited	14,411	1,080,825
1203850038318433	Reliance Brokerage Services Limited	14,411	1,080,825
1204320039229492	Reliance Securities Consultant Ltd.	14,411	1,080,825
1202600028884856	Remons Investment & Securities Ltd.	14,411	1,080,825
1202540019187226	Rose Securities Ltd	14,411	1,080,825
1202810030631630	S & H EQUITIES LTD.	14,411	1,080,825
1204070016097639	S. B. SECURITIES LTD.	14,411	1,080,825
1301030039490358	S.N.SECURITIES LTD	14,411	1,080,825
1204910044087087	SADEQUE FINANCE MANAGEMENT LTD.	14,411	1,080,825
1205680051285768	SAHCO Securities Limited	14,411	1,080,825
1201640000001099	SALAM & COMPANY LIMITED	14,411	1,080,825
1204550006749122	SBC Securities & Investment Ltd.	14,411	1,080,825
1201570062821331	SCL Securities Ltd.	14,411	1,080,825
1203020029399204	SHAH MOHAMMAD SAGIR & CO. LTD.	8,651	648,825
1204040048025437	SHOHRAB SECURITIES & TRADE LTD.	14,411	1,080,825
1202400023261956	SHYAMOL EQUITY MANAGEMENT LTD.	14,411	1,080,825
1205200044789105	SIBL SECURITIES LIMITED	14,411	1,080,825

1203140030627218	SINHA SECURITIES LIMITED	14,411	1,080,825
1203340017227570	SKYS SECURITIES LIMITED	14,411	1,080,825
1202310051029524	SOUTH ASIA SECURITIES LIMITED	14,403	1,080,225
1203510028786331	STOCK AND BOND LTD	14,411	1,080,825
1203630007781341	SUBVALLEY SECURITIES LTD.	14,411	1,080,825
1204310038451260	SYLNET SECURITIES LTD	14,412	1,080,900
1203150030569148	Saad Securites Ltd.	14,411	1,080,825
1205850060373408	Secure Capital Limited	14,411	1,080,825
1202420029722439	Securities Broking & Management Services Ltd	14,411	1,080,825
1202870045211540	Shahjahan Securities Limited	14,411	1,080,825
1204090044634741	Shahjalal Islami Bank Securities Limited	14,411	1,080,825
1201510028774467	Shakil Rizvi Stock Ltd.	14,411	1,080,825
1203490029025239	Shanta Securities Ltd.	14,411	1,080,825
1203180019173164	Sharp Securities limited	14,411	1,080,825
1202550050945829	Sheltech Brokerage Limited	14,411	1,080,825
1205900061489748	Smart Share & Securities Ltd	14,411	1,080,825
1202390050897731	Sohel Securities Ltd.	14,411	1,080,825
1201560000061025	Square Securities Management Ltd.	14,411	1,080,825
1205600051708405	Standard Bank Securities Limited	14,359	1,076,925
1205690053649516	Sterling Stocks & Securities Ltd.	14,411	1,080,825
1204900039383607	Super Shares & Securities Ltd.	1,038	77,850
1203190004536751	Synthia Securities Ltd.	14,411	1,080,825
1204060028865318	Ten Stars (Pvt) limited	14,411	1,080,825
1203280028971031	Thea Securities Ltd.	14,411	1,080,825
1203350043297593	Times Securities Limited	14,411	1,080,825
1202120045725081	Tobarrak Securities Ltd.	14,411	1,080,825
1203220004814607	Total Communication Ltd.	14,411	1,080,825
1204390019842064	Transcon Securities Ltd.	14,411	1,080,825
1205660050869603	Trust Bank Securities Limited	14,411	1,080,825
1201910000012968	UNICAP SECURITIES LIMITED	14,412	1,080,900
1204730050946328	Unique Share Management Limited	14,411	1,080,825
1201770000002901	Uniroyal Securities Ltd	14,411	1,080,825

1203110029000391	United Financial Trading Co. Ltd.	11,530	864,750
1204780065237057	United Securities Limited	14,411	1,080,825
1206020000143363	VANGUARD SHARES & SECURITIES LTD.	14,411	1,080,825
1204280029275995	VISION CAPITAL MANAGEMENT LTD	14,411	1,080,825
1204560021549096	Vantage Securities Ltd.	14,411	1,080,825
1203520038128053	WIFANG SECURITIES LIMITED	14,411	1,080,825
1202930033641081	Western Security Investment Mangement Ltd.	14,411	1,080,825
<b>Sub Total</b>		<b>3,143,362</b>	<b>235,752,150</b>

## SECTION XXII : USE OF PROCEEDS

### (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up

The Company has plans to develop new series of two-wheelers in the range of 110cc to 150cc as well as development of existing 80cc to 150cc bike and also introduce Scooter series for local and international market which will be financed from IPO proceeds and company's business generated income. The Company plans to raise BDT 1,000 mn through IPO and utilize the IPO proceeds in the following manner:

Particulars	Estimated Amount (BDT)
Design, Development and R&D	147,000,000
Machinery for New Models	100,000,000
Die & Mold for New Models	205,000,000
Development of Existing 80CC/110CC	18,000,000
Workshop & QC Machinery	160,000,000
Repayment of Bank Loan	330,000,000
Estimated IPO Expenses	40,000,000
<b>Total</b>	<b>1,000,000,000</b>

Note: The estimated IPO expenses will be paid at actual and any adjustment will be made from repayment of bank loans

### Total Project Cost

Runner Automobiles Limited is planning to introduce some attractive models of two wheelers with concurrent design and style that goes with the users' choice. The new two wheelers will be the combination of Cruiser bikes, Street bike and Scooter Bike which ranges from 100cc to 150cc segments. The Company has already signed an agreement for production of high range product with UM International LLC, USA for local and international market. In order to reach that target, the company plans to revamp it's press shop with new dies and moulds for manufacturing new models. The introduction with these new models will enhance the quality of two wheelers to get a competitive edge in two wheelers market. Dies, moulds, new product design and machineries will be purchased from various countries and mostly from Europe, India, Korea and Japan. Presently RAL is sourcing its products design from single supplier for specific models from PRC and India. By implementing this project, the Company will be able to improve excellence for producing different components at its own plant which will reduce the risk of single supplier also help to reduce cost of material. The total project cost would be **BDT 787 mn**. The new design of motorcycles will be marketed **within 19 months of obtaining IPO proceeds** and the expansion through this project will increase the overall profitability of the company.

Particulars	Estimated Project Total Cost (BDT)	From IPO Proceeds (BDT)	From Own Finance (BDT)
1. Building & Civil Works	45,600,000	-	45,600,000
2. Design, Development and R & D	169,320,000	147,000,000	22,320,000
3. Machinery	104,995,000	100,000,000	4,995,000
4. Die & Mold	223,685,000	205,000,000	18,685,000
5. Development of Existing 80CC/110CC	20,459,500	18,000,000	2,459,500
6. Workshop & QC Machinery	220,946,000	160,000,000	60,946,000
7. Furniture & Fixtures	2,682,706	-	2,682,706
<b>Total</b>	<b>787,688,206</b>	<b>630,000,000</b>	<b>157,688,206</b>

## 1. Building & Civil Works [financed from own source]

Items of Building	Area/Sft	Rate / Sft (BDT)	Estimated Total Price (BDT)
Pre-Engineered Building-Basic Package for CKD Store /Warehouse Building	20,000	850	17,000,000
Material & Labor Cost for CKD Store/ Warehouse Building	20,000	310	6,200,000
Test Track for Bikes	10,000	750	7,500,000
Enclosed / Covered Engine Shop	8,000	500	4,000,000
Floor Painting of Engine Shop	8,000	50	400,000
Utility, Power Cables, Air & Water pipe Line	300	500	150,000
Enclosed Room for QC Standard Room	3,000	500	1,500,000
Utility, Power Cables, Air pipe Line	100	500	50,000
Machine Shop Utility, Power Cables, Air & Water Line	10,000	500	5,000,000
Floor Painting of Machine Shop	10,000	50	500,000
Other related cost	-	-	3,300,000
<b>Total</b>			<b>45,600,000</b>

## 2. Design, Development and R&D

USD/BDT - 83

Item Name	Source	Country	Qty	Est. Unit Price in USD	Estimated Total Price in USD	Estimated Total Price in BDT	Remarks/ Specification
Cost for 80CC/100CC & 110 CC (Existing)	InterTech, Giant Union	India, Europe & Taiwan	1	600,000	600,000	49,800,000	New Design of Antilock Braking System (ABS), Head Lamp, Fuel Tank
Cost for 100 CC (Vertical Engine)	InterTech, Giant Union	India, Europe & Taiwan	1	250,000	250,000	20,750,000	Engine development & Testing
Cost for 125 CC (Vertical Engine)	InterTech, Giant Union	India, Europe & Taiwan	1	300,000	300,000	24,900,000	Engine development & Testing
Cost for 150 CC (Vertical Engine)	InterTech, Giant Union	India, Europe & Taiwan	1	320,000	320,000	26,560,000	Engine development & Testing
Scooter Bike	InterTech, Giant Union	India, Europe & Taiwan	1	175,000	175,000	14,525,000	Engine development & Testing
Drawing Plotter	HP	India	1	20,000	20,000	1,660,000	Computerized embroidery machine to design, plot vector graphics.
3 D Printer	HP, Stratasys, Sindoh	India, USA & Korea	1	125,000	125,000	10,375,000	Liquid Resin 3D Printer SLA Large Printing Machine for Rapid Prototype
Design Software - Reverse Engineering, 3 D Model Generation, 2 D Drawings	3 D System, Dassault, System, Microsoft	India, Europe	1	100,000	100,000	8,300,000	-
Load Sensors	PCB Piezotronics	USA	1	150,000	150,000	12,450,000	Converts an input mechanical force into an electric output signal.
<b>Total</b>					<b>2,040,000</b>	<b>169,320,000</b>	

### 3. Machinery

USD/BDT – 83

Item Name	Brand	Country of Origin	Unit of Measure	Qty	Est. Unit Price in USD	Estimated Total Price in USD	Estimated Total Price in BDT
a. Press Shop Machinery	Iszec, Schuler	India, Europe	Lot	1	700,000	700,000	58,100,000
b. Welding Machinery	Weldronics	India	Lot	1	200,000	200,000	16,600,000
Lab Machinery & Literature	Mira Horiba	India, Europe, Japan	Lot	1	250,000	250,000	20,750,000
<b>Total</b>						<b>1,150,000</b>	<b>95,450,000</b>
Bank Charge, C&F, Transportation & Others							9,545,000
<b>Grand Total</b>							<b>104,995,000</b>

#### 3.1 Press Shop Machinery

Item Name	Model	Specifications	Unit	Est. Unit Price in USD	Estimated Total Price in USD
Straight-sided two-point mechanical press	JS2-400A	45 KW	1	235,500	235,500
C frame inclinable mechanical press	JH23-80	7.5 KW	2	70,000	140,000
C frame inclinable mechanical press	JH23-63	5.5 KW	2	50,000	100,000
Four-column hydraulic press	YH32-500D	45 KW	3	21,500	64,500
Four-column hydraulic press	YH32-315		2	50,000	100,000
CNC tube bending machine	CNC-35		3	20,000	60,000
<b>Subtotal</b>					<b>700,000</b>

#### 3.2 Welding Shop Machinery

Item Name	Model	Unit	Specification	Est. Unit Price in USD	Estimated Total Price in USD
Seam Welding machine	FN160Q	5	Speed: 200 dph, Forming time: 1-3.8m/min, Dimension: 2600*730*2100mm, Voltage: 380V	33,000	165,000
Spot welding machine	DN80G	6	Cylinder cell, Dimensions: L400*W560*H400mm, Voltage-220V, Output: 10KVA	3,400	20,400
MIG welding machine	NBC 350	9	Iron Panel, Power: 24.3 KV, Dimensions: 650*340*890	1,289	11,600
TIG welding machine	WSM-400	6	Pulsed TIG, Voltage: 220V, DC Motor, Power: 18 KVA, Dimension: 450*200*385.	500	3,000
<b>Subtotal</b>					<b>200,000</b>

### 4 Die & Mould

USD/BDT - 83

Item Name	Brand	Country	Qty	Est. Unit Price in USD	Estimated Total Price in USD	Estimated Total Price in BDT
Die/Mold for 80cc & 100CC (ABS Items & AI Castings)	Imould, InterTech	India, China, Taiwan	1 Lot	500,000	500,000	41,500,000
Die/Mold for 110CC (Sheet Metals, ABS Items & AI Castings)	Imould, InterTech	India, China, Taiwan	1 Lot	650,000	650,000	53,950,000
Die/Mold for 125CC (Sheet Metals, ABS Items & AI Castings)	Imould, InterTech	India, China, Taiwan	1 Lot	650,000	650,000	53,950,000
Die/Mold for 150CC (Sheet Metals, ABS Items & AI Castings)	Imould, InterTech	India, China, Taiwan	1 Lot	650,000	650,000	53,950,000
<b>Total Machinery value</b>						<b>203,350,000</b>
Bank Charge, C&F, Transportation & Others						20,335,000
<b>Grand Total</b>						<b>223,685,000</b>

## 5 Development of 80CC/110CC

USD/BDT - 83

Items	Unit of Measure	Qty	Est. Unit Price in USD	Estimated Total Price in USD	Estimated Total Price in BDT
Plastic Mould	Pcs	1	80,000	80,000	6,640,000
Lamps Mould	Pcs	1	75,000	75,000	6,225,000
Speedometers Mould	Pcs	1	20,000	20,000	1,660,000
Air Cleaner Mould	Pcs	1	10,000	10,000	830,000
Muffler Mould	Pcs	1	30,000	30,000	2,490,000
Rear Fork Mould	Pcs	1	5,000	5,000	415,000
Foot Feg Mould	Pcs	1	3,000	3,000	249,000
Carrier Mould	Pcs	1	2,500	2,500	207,500
Inner Plate of Fender Mould	Pcs	2	2,000	4,000	332,000
Protecting Wire Net	Pcs	2	3,500	7,000	581,000
Rear Fork Mould	Pcs	2	5,000	10,000	830,000
<b>Total</b>					<b>20,459,500</b>

## 6 Workshop Machines, QC Equipment & Logistic Fleets

USD/BDT - 83

Item Name	Brand	Country of origin	Unit of Measure	Qty	Est. Unit Price in USD	Estimated Total Price in USD	Estimated Total Price in BDT	Remarks/ Specification
VMC - 5 Axis (Cyl Head)	Grob, Doosan	Europe, S Korea	pcs	2	400,000	800,000	66,400,000	Motion control system, high-quality finishes often required in aerospace and die/mold applications.
Valve Seat Pressing Station (Cyl Head)	SPM Machines	India	pcs	1	40,000	40,000	3,320,000	Cutting system to create valve seats of any angle and minimizes tool pressures.
HMC(Horizontal Machining Centers) - 4 Axis with APC (Automatic Pallet Changer System)	LMT, Doosan	India, S Korea	pcs	3	90,000	270,000	22,410,000	MCC- and MCD-Series for large parts and molds made of steel and other hardened materials.
VMC (Vertical Machining Centers) - 4 Axis	LMT, Doosan	India, S Korea	pcs	4	80,000	320,000	26,560,000	Creating the parts and die/molds that matter with precision, accuracy, repeatability and surface finishes that virtually eliminate bench work.
Drill Tap Center	LMT, Doosan, Fanuc	India, S Korea	Set	4	60,000	240,000	19,920,000	Drilling, rigid tapping, precision milling with minor allowance on non-ferrous material like copper, aluminum or steel parts.
Engine Test Bench (50 cc ~	SAJ, CP Cireia, Horiba	India, Europe, Japan	Set	1	125,000	125,000	10,375,000	Load units supplied with control system, mounted on an anti-vibration chassis,

250 cc) with Gas Analyser								together with any motor trucks and quick-connection plates for fluid management.
Quality / Measuring Instruments & Equipment	Nickon, Carl Ziess, Mitotoyo	India, Europe, Japan	Set	1	350,000	350,000	29,050,000	Testing the bikes in brakes and weighing, Compression, leakdown, metal stuck to the drain plug with a user-friendly remote control handset to command the operation in digital display.
R&D Equipment Chassis Test Rig	Mira, AVL	India, Europe, Japan	Set	3	40,000	120,000	9,960,000	Modular chassis dynamometers controlled by CADET software on a single roll set.
Material Handling Equipment Bins & Trolleys	Runner	Bangladesh	Set	1	15,000	15,000	1,245,000	-
Chips, Scrap handling, Storage & Disposal	Runner	Bangladesh	Set	1	15,000	15,000	1,245,000	
Truck Fleet - 22 feet Long Truck	Runner	Bangladesh	Pcs	5	25,000	125,000	10,375,000	
<b>Total Value of machinery</b>						<b>2,420,000</b>	<b>200,860,000</b>	
Estimated bank charge							20,086,000	
<b>Total</b>							<b>220,946,000</b>	

## 7 Furniture & Fixtures [ financed from own source]

Items	Brand/Supplier	Unit of Measure	Qty	Est. Unit Price (BDT)	Estimated Total Price (BDT)
Half Secretarial Table	Alif Enterprise/ Apon Furniture/ Akter Furniture	Pcs	5	8,000	40,000
Revolving Chair –High back	Alif Enterprise/ Apon Furniture/ Akter Furniture	Pcs	2	22,500	45,000
Revolving Chair –Low back	Alif Enterprise/ Apon Furniture/ Akter Furniture	Pcs	10	6,000	60,000
Side Rack	Alif Enterprise/ Apon Furniture/ Akter Furniture	Pcs	2	5,500	11,000
Wooden Rack	Alif Enterprise/ Apon Furniture/ Akter Furniture	Pcs	2	15,000	30,000
Almira	Alif Enterprise/ Apon Furniture/ Akter Furniture	Pcs	10	25,000	250,000
Air Condition	Best Electronics/ Tiara Trading	Pcs	8	65,000	520,000
Drawing Racks	Akhtar Furnishers Ltd	Pcs	10	50,000	500,000
Documents Cup Board	Akhtar Furnishers Ltd	Pcs	10	40,000	400,000
Wooden Table with Top Glass	Akhtar Furnishers Ltd	Pcs	5	20,000	100,000
Computers Desktop - High End	HP, Dell	Pcs	5	40,000	200,000
Interior Decoration	Skelteton Architect Ltd.				526,706
<b>Total</b>					<b>2,682,706</b>

**Repayment of Bank Loan**

SI No	Name of Bank	Name of Branch	Estimated Amount of loan to be Repaid
1	BRAC Bank Limited.	Head Office, Head of Corporate Banking	20,000,000
2	Eastern Bank Limited.	Area Head, Corporate Banking	130,000,000
3	Mercantile Bank Limited.	Karwan Bazar Branch, Dhaka	100,000,000
4	Standard Bank Limited.	Principal Branch	30,000,000
5	Al-Arafah Islami Bank Ltd.	New Elephant Road Branch, Dhaka	30,000,000
6	Dhaka Bank Ltd.	Local Office, Dhaka	20,000,000
<b>Total amount in BDT</b>			<b>330,000,000</b>

**(b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;**

Utilization of the total amount of paid-up capital and share premium –

Particulars	Allotment Date	Form of consideration	Amount in Paid-up capital (BDT)	Amount in Share Premium (BDT)	Indication of use of the fund in the financial statements
1 <sup>st</sup> Allotment (Subscription to the Memorandum & Articles of Association)	At the time of Incorporation	Cash	4,020,000	-	Statement of Financial Position (Asset)
2 <sup>nd</sup> Allotment	11.06.2002	Cash	9,380,000	-	Statement of Financial Position (Asset)
3 <sup>rd</sup> Allotment	17.02.2005	Bonus	13,400,000	-	Statement of Financial Position (Shareholders Equity)
4 <sup>th</sup> Allotment	07.08.2005	Cash	2,000,000	-	Statement of Financial Position (Asset)
5 <sup>th</sup> Allotment	10.02.2009	Cash	400,000	-	Statement of Financial Position (Asset)
6 <sup>th</sup> Allotment	11.07.2010	Cash	200,000	900,000	Statement of Financial Position (Asset)
7 <sup>th</sup> Allotment	28.08.2010	Bonus	58,800,000	-	Statement of Financial Position (Shareholders Equity)
8 <sup>th</sup> Allotment	01.08.2011	Cash	1,500,000	-	Statement of Financial Position (Asset)
9 <sup>th</sup> Allotment	10.03.2012	Other than cash	60,300,000	-	Statement of Financial Position (Asset)
10 <sup>th</sup> Allotment	12.01.2013	Bonus	150,000,000	-	Statement of Financial Position (Shareholders Equity)
11 <sup>th</sup> Allotment	28.09.2013	Cash	134,782,610	915,308,705	Statement of Financial Position (Asset & Loan)
12 <sup>th</sup> Allotment	22.02.2015	Bonus	217,391,300	-	Statement of Financial Position (Shareholders Equity)
13 <sup>th</sup> Allotment	22.09.2015	Bonus	217,391,300	-	Statement of Financial Position (Shareholders Equity)
14 <sup>th</sup> Allotment	17.12.2015	Cash	72,464,000	253,624,000	Statement of Financial Position (Asset and Long Term Loan)
<b>Total</b>			<b>942,029,210</b>	<b>1,169,832,705</b>	

**(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture**

The IPO proceeds will be utilized in loan repayment, IPO expenses and development of new models of motorcycles in the range of 110cc to 150cc as well as development of existing 80cc to 100cc The Company has no plan to invest the IPO proceeds in any subsidiary, associate, joint venture companies or any acquisition.

**(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds**

The total project cost for will be BDT 787,688,206. Out of the total project cost, BDT 630,000,000 will be invested from IPO proceeds and rest amount will be invested from own financing.

**(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer**

The estimated IPO expenses will be paid time to time, as and when required. The tentative implementation schedule of the project is presented below:

Particulars	Progress Status	Approximate date of completion of the project	Projected date of full commercial operation
Civil Construction	After receiving the IPO proceeds	Within 9 months of obtaining IPO Proceeds	Within 19 months of obtaining IPO Proceeds
Completion of Design & Drawing of New Models		Within 5 months of obtaining IPO Proceeds	
LC opening for Imported Machinery		Within 5 months of obtaining IPO Proceeds	
LC opening for Die/Mould Manufacturing		Within 6 months of obtaining IPO Proceeds	
Completion of Die/Mould Manufacturing		Within 12 months of obtaining IPO Proceeds	
All Machinery/Die/Mould Arrival		Within 15 months of obtaining IPO Proceeds	
Completion of Machinery Erection		Within 16 months of obtaining IPO Proceeds	
Trial Production		Within 18 months of obtaining IPO Proceeds	
Start of commercial Production		Within 19 months of obtaining IPO Proceeds	
Loan Repayment	-	Within 3 months of obtaining IPO Proceeds	-
IPO Expenses (approximated)	-	At actual	-

Sd/-  
**Hafizur Rahman Khan**  
Chairman  
On behalf of Board of Directors  
Runner Automobiles Limited

Sd/-  
**Mukesh Sharma**  
Managing Director and CEO  
Runner Automobiles Limited

Sd/-  
**Muhammad Nazrul Islam FCA**  
Chief Financial Officer  
Runner Automobiles Limited

**(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus**

There are no contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used.

**(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection**

The company is not going to utilize its IPO proceeds in working capital.

**(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;**

The company has planned to use its IPO proceeds in expansionary project. The company has planned to expand the project by developing civil construction, purchasing machineries which have been disclosed in Use of IPO proceeds and implementation schedule of this chapter.

**(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented**

The company has planned to implement to project by using IPO proceeds after receiving the funds, which have been mentioned in projects Implementation schedule of this chapter.

**(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

**(k) Summary of the project appraisal/ feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report**

To  
The Managing Director  
Runner Automobiles Limited  
138/1 Tejgoan I/A, Dhaka

Date: 14<sup>th</sup> November 2017

Dear Sir,

I would like to submit the Business Case Feasibility Report of Investment amount of Taka 787.69 million which will be utilized for capital machineries procurement, buildings and development and furniture and fixture proposed to be financed through IPO process.

The proposed Project Investment Cost Payback period is 3.30 and Internal Rate of Return is 22.40% which indicate a good financial performance in terms of early pay back and cost of borrowing perspective scenario.

Best Regards,

Sd/-

**Md.Faruque Sikder, FCMA**  
Consultant & CEO  
Cost & Management Accountant's

## Summary of feasibility report

### Cost of the Project and Means of Finance

The total project cost would be BDT 787 mn. The new design of motorcycles will be marketed within 19 months of obtaining IPO proceeds and the expansion through this project will increase the overall profitability of the company.

Particulars	Estimated Project Total Cost (BDT)	From IPO Proceeds (BDT)	From Own Finance (BDT)
1. Building & Civil Works	45,600,000	-	45,600,000
2. Design, Development and R & D	169,320,000	147,000,000	22,320,000
3. Machinery for New Models	104,995,000	100,000,000	4,995,000
4. Die & Mold for New Models	223,685,000	205,000,000	18,685,000
5. Development of Existing 80CC/110CC	20,459,500	18,000,000	2,459,500
6. Workshop & QC Machinery	220,946,000	160,000,000	60,946,000
7. Furniture & Fixtures	2,682,706	-	2,682,706
<b>Total</b>	<b>787,688,206</b>	<b>630,000,000</b>	<b>157,688,206</b>

### Weaknesses and Threats

#### Weakness

- Not a global brand despite high volume production
- Absence in the premium bike segment
- Market is becoming more competitive

#### Threats

- Entry of international brands
- Other 2 Wheelers players have a strong brand
- Strong competition from Indian as well as International
- Dependency on overseas market for raw materials brands

### Financial Projection

#### Financial Evaluation

The profitability analysis of the project has been computed for five projected years of operation to assess the financial viability of the project. The financial projections that have been made include sales revenue, manufacturing expenses, other direct expenses, administrative expenses, marketing and financial expenses. The complete statement showing the results of the projections are shown in the Projected Income Statement in the following page. Assumptions in this regard are mentioned in the following section.

#### Assumptions underlying the Financial Projections:

The main assumptions on the basis of which the financial projections have been made are as follows:

- The project will operate 200 days in yearly capacity calculated considering single shift operation.
- Incremental 10% revenue will be generated by the result of the implementation of the project.
- Consumption of raw materials have been computed on the basis of standard requirement for standard proportion of the products. Normal process loss of the above mentioned materials has been considered.
- Price of raw materials and finished goods have been assumed to remain same throughout the projected years of operation with the assumption such that any increase in the price of raw materials would be offset by the corresponding increase in the price of finished goods.
- Sales price of the projects have been assumed on the basis of the prevailing price in the local market.
- Annual increment has been considered for calculating of wages and salaries. Moreover, two bonuses have been considered for the workers as well as employees.
- Cost of goods sold has been calculated on the basis of the previous year's actual cost.

- Raw materials, administrative and general overhead, marketing, distribution and promotional expenses and other costs will get about 10% cost benefit after implementation of the projects
- Depreciation has been charged on the reducing balance method at the rate of 10% to 20 % on Machinery and equipment and 10% to 20% on Furniture and fixtures.
- As per Govt. tax policy applied in the DSE and CSE listed company, 5% of corporate tax has been accounted for in operating profit. &

#### Profitability:

Based on the above projection, the earning forecast of the Company (as whole) reveals the following:

a) Profitability	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Sales	4,296	5,080	6,692	8,215	9,991
Gross Profit	1,274	1,505	1,985	2,442	3,132
Operating Profit	738	837	1,164	1,424	1,870
Net Profit before tax	449	518	702	847	1,167
Net Profit after tax	410	474	647	783	1,085
<b>b) Profitability Ratio</b>					
Gross Profit ratio	30%	30%	30%	30%	31%
Operating Profit ratio	17%	16%	17%	17%	19%
Net Profit before tax ratio	10%	10%	10%	10%	12%
Net Profit after tax ratio	10%	9%	10%	10%	11%

#### Payback Period:

The project promises to return back its total initial investment within very short time, the detailed calculations of which is as follows. The project payback period is **3.30 years**.

PAY BACK PERIOD					
	FY 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
Cash inflow from incremental sales	42,682,184	49,239,026	66,675,692	80,474,828	120,703,681
Cash inflow from cost savings	133,578,860	148,215,407	262,843,395	280,065,637	349,083,815
<b>Total incremental Cash inflows</b>	<b>176,261,044</b>	<b>197,454,433</b>	<b>329,519,087</b>	<b>360,540,465</b>	<b>469,787,496</b>

Year	Cash Flows	Recovery of Initial Outlay		Payback Year
		Needed	Balance	
0	(787,688,206)	-		
1	176,261,044	787,688,206	611,427,162	1.00
2	197,454,433	611,427,162	413,972,729	1.00
3	329,519,087	413,972,729	84,453,642	1.00
4	360,540,465	84,453,642	-	0.30
		<b>Total Payback Years</b>		<b>3.30</b>

#### Net Present Value:

The future cash inflow and outflow of the project has been considered with the time value of money. The project will have a positive attractive **net present value of Tk. 257.34 million**.

## NET PRESENT VALUE (NPV) & INTERNAL RATE OF RETURN (IRR)

Year	Cash Flows	PV of Tk 1.00 @ 12%	PV of Cash flows	Cumulative PV of Cash Flow	Discounted Payback Year
0	(787,688,206)	1	(787,688,206)	(787,688,206)	
1	176,261,044	0.893	157,375,932	(630,312,274)	1.00
2	197,454,433	0.797	157,409,465	(472,902,809)	1.00
3	329,519,087	0.712	234,545,178	(238,357,631)	1.00
4	360,540,465	0.636	229,129,984	(9,227,648)	1.00
5	469,787,496	0.567	266,570,042	257,342,394	0.03
	<b>Net Present Value</b>		<b>257,342,394</b>		<b>4.03</b>

**Discounted Payback Year: 4.03 Years**

### Internal Rate of Return (IRR):

The internal rate of return has been computed following the discounted cash flow method, the detailed of which may be seen in *above exhibit*. The project promises an **Internal Rate of Return (IRR) of 22.40%**.

### Cash Flow

The projected cash flow indicates that the project will have comfortable fund generation from the beginning of the first operational year. The project will be able to meet all its operational expenses, repay its debt obligations provide substantial return to the sponsors and build an excellent reserve.

### Project Viability

On the basis of the above, it can be undoubtedly said that the project is financially viable, technically possible and demandable in present market scenario of Bangladesh.

### Conclusion

Within a short span of time the Runners Automobiles Ltd. has been able to make a strong market position. The company has delivered strong top line growth in the past with the help of their innovative and time demanding products, quality management and on ground sales employees.

The proposed capital expenditure is more of a necessity from RAL's perspective to cater to the demand from 2018 onwards. Although management have considered the own financing or Loan financing for machinery procurement and project implementation purpose.

Payback period is 3.30 years, Discounted Payback period is 4.03 years and Internal Rate of Return is 22.40% which indicate a good financial performance in terms of early pay back and cost of borrowing perspective scenario.

The automobiles sector by nature is less prone to negative impacts of economic cycles. Steady growth in income levels of consumers coupled with population growth and no drastic change in the demographics in the near future, we feel that the sector will enjoy significant growth in the near term. We believe there is enough scope in the market for Runners Automobiles Ltd. to achieve the projected results.

## SECTION XXIII : LOCK IN

### (a) Provisions for lock in as per these Rules;

Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- 1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03(three) years.
- 2) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years.
- 3) Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months.
- 4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year.
- 5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub-rules (1), (2) and (3) above, for 01 (one) year.

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

### (b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in

Sl. No.	Name	Designation	BO ID No.	Number of Shares	Pre IPO Percentage of Shareholding	Lock-in Period from date of Prospectus Issuance
1	Hafizur Rahman Khan	Chairman	1203680059525023	10,272,000	10.90%	3 years
2	Md. Mozammel Hossain	Director	1203680059521405	6,648,000	7.06%	3 years
3	Taslim Uddin Ahmed	Director	1203680059523265	2,580,000	2.74%	3 years
4	Mohammad Ali Deen	Director	1203680059525157	2,400,000	2.55%	3 years
5	Md. Jahurul Alam	Director	1203680059510596	3,000,000	3.18%	3 years
6	Brunner Frontier PE II (Mauritius) Limited	Shareholder	1601670066971452	26,956,521	28.62%	3 years
7	Md. Sairul Islam	Sponsor	1203680059521456	100,000	0.11%	3 years
8	Mohammad Nazim Uddin	Sponsor	1203680059525041	100,000	0.11%	3 years
9	Md. Ahsan Sayed	Sponsor	1203680059525173	750,000	0.80%	3 years
10	Rafiqul Islam Chowdhury	Sponsor	1203680059510611	1,200,000	1.27%	3 years
11	Sabrina Bari	Shareholder	1203680059525058	1,752,000	1.86%	1 year
12	Md. Anisur Rahman	Shareholder	1203680059523273	375,000	0.40%	1 year
13	Alhaj Imtiaz	Shareholder	1203680059510601	300,000	0.32%	1 year
14	Md. Rezaul Karim	Shareholder	1203680059510636	100,000	0.11%	1 year
15	Sankar Roy	Shareholder	1203680059521421	150,000	0.16%	1 year
16	Tofail Ahmed Chowdhury	Shareholder	1203680059521464	60,000	0.06%	1 year
17	Tofail Ahmed Choudhury & Jubair Raquib Chowdhury	Shareholder	1203680059525090	240,000	0.25%	1 year
18	Md. Mozammel Haque	Shareholder	1203680059521472	150,000	0.16%	1 year

Sl. No.	Name	Designation	BO ID No.	Number of Shares	Pre IPO Percentage of Shareholding	Lock-in Period from date of Prospectus Issuance
19	Syed Mokbar Ali	Shareholder	1203680059510628	40,000	0.04%	1 year
20	Mahafuza Begum	Shareholder	1203680059523230	1,308,000	1.39%	3 years
21	Amid Sakif Khan	Shareholder	1203680059525031	3,840,000	4.08%	3 years
22	Rudaba Tazin	Shareholder	1203680059525181	1,800,000	1.91%	3 years
23	Mahamud Al Nahian	Shareholder	1203680059523222	600,000	0.64%	3 years
24	Nawsheen Ishrat Promee	Shareholder	1203680059523206	1,395,000	1.48%	3 years
25	Md. Shamsul Alam	Shareholder	1203680059523257	100,000	0.11%	3 years
26	Sherin Akhter	Shareholder	1203680053875675	75,000	0.08%	1 year
27	Rokshana Yeasmin	Shareholder	1201610041069945	25,000	0.03%	1 year
28	4 You Clothing Limited	Shareholder	1602510060182191	200,000	0.21%	1 year
29	Md. Golam Mostafa	Shareholder	1202020059201161	50,000	0.05%	1 year
30	Humayun Kabir	Shareholder	1203680024057107	225,000	0.24%	1 year
31	Dr. Md. Abu Syed Tito	Shareholder	1203300000173662	400,000	0.42%	1 year
32	Saida Dil Afroz	Shareholder	1201900020422000	25,000	0.03%	1 year
33	Shanta Holdings Limited	Shareholder	1203490007707441	2,465,000	2.62%	1 year
34	Prime Bank Investment Limited. P086	Shareholder	1602110046848797	150,000	0.16%	1 year
35	Prime Bank Investment Limited. N491	Shareholder	1602110054529389	200,000	0.21%	1 year
36	Md. Abdul Karim	Shareholder	1202800066402423	5,000	0.01%	1 year
37	Asadullah Mahmud	Shareholder	1201730063180891	3,000	0.0032%	1 year
38	Nasima Akter Lata	Shareholder	1205700055599464	890,000	0.94%	1 year
39	Md. Sayadur Rahman	Shareholder	1204220000101539	50,000	0.05%	1 year
40	Mohammed Yeasin	Shareholder	1601880002280647	100,000	0.11%	1 year
41	Mahtab Uddin Ahmed	Shareholder	1202980015641263	100,000	0.11%	1 year
42	Farhat Tabassum	Shareholder	1203520059967853	25,000	0.03%	1 year
43	Farida Banu	Shareholder	1203300045081619	50,000	0.05%	1 year
44	H. I. Technology and Properties Limited	Shareholder	1202020059525403	100,000	0.11%	1 year
45	Md. Salah Uddin	Shareholder	1202400058704295	2,500	0.0027%	1 year
46	Md. Azmal Hossain Chowdhury	Shareholder	1204100021477325	3,200	0.0034%	1 year
47	Ekhlasul Jannet	Shareholder	1203300043481106	302,700	0.32%	1 Year
48	Shafinaz Islam	Shareholder	1203300007721878	250,000	0.27%	1 Year
49	Md. Abdullah	Shareholder	1203300003677573	50,000	0.05%	1 Year
50	Md. Moazzem Hossain	Shareholder	1202420000688181	200,000	0.21%	1 Year
51	SAR Securities Limited	Shareholder	1201690000007607	100,000	0.11%	1 Year
52	Md. Rafiqul Islam	Shareholder	1201520000001578	100,000	0.11%	1 Year
53	Islami Bank Bangladesh Limited	Shareholder	1603700044716333	5,462,000	5.80%	1 Year
54	First Security Islami Capital & Investment Limited	Shareholder	1605140054136021	400,000	0.42%	1 Year
55	The Premier Bank Limited	Shareholder	1204590020688076	4,080,000	4.33%	3 Years
56	United Commercial Bank Limited	Shareholder	1205590015459615	3,240,000	3.44%	3 Years
57	Md. Saydur Rahman	Shareholder	1202550062754323	50,000	0.05%	1 Year
58	Hajera Khanom	Shareholder	1202550062084488	50,000	0.05%	1 Year
59	Rekha Kundu	Shareholder	1201910062218441	40,000	0.04%	1 Year

Sl. No.	Name	Designation	BO ID No.	Number of Shares	Pre IPO Percentage of Shareholding	Lock-in Period from date of Prospectus Issuance
60	Indira Rani Kundu	Shareholder	1201910062216691	30,000	0.03%	1 Year
61	Mohammad Fakhru Alam	Shareholder	1205150062036961	70,000	0.07%	1 Year
62	Sadhan Kumar Kundu	Shareholder	1201910062218573	30,000	0.03%	1 Year
63	Md Lutfor Rahman	Shareholder	1203600013625030	70,000	0.07%	1 Year
64	Shikha Ghosh	Shareholder	1201750064437507	18,000	0.02%	1 Year
65	Alea Corporation	Shareholder	1205200062885987	1,300,000	1.38%	1 Year
66	Romana Rouf Chowdhury	Shareholder	1204490063810795	600,000	0.64%	1 Year
67	Manik Ahmed	Shareholder	1202140008557293	100,000	0.11%	1 Year
68	SRP Trading	Shareholder	1201500063883674	500,000	0.53%	3 Years
69	beliv IT	Shareholder	1203680063917102	500,000	0.53%	3 Years
70	Credence First Growth Fund	Shareholder	1604580062906208	200,000	0.21%	1 Year
71	Md. Zakir Hossain	Shareholder	1204280020398371	1,000,000	1.06%	3 Years
72	Md. Delowar Hussain	Shareholder	1204280063912781	50,000	0.05%	3 Years
73	Shamsun Nahar	Shareholder	1204280058572439	50,000	0.05%	3 Years
74	Prilink Securities Limited	Shareholder	1203300005828888	800,000	0.85%	3 Years
75	Mohammad Saidul Hoque	Shareholder	1602510062579341	500,000	0.53%	1 Year
76	Uttara Finance and Investments Limited	Shareholder	1203770012801322	1,000,000	1.06%	1 Year
77	ERP Consultants BD Ltd	Shareholder	1201510064941620	1,700,000	1.80%	3 Years
	<b>Total</b>			<b>94,202,921</b>	<b>100%</b>	

## **SECTION XXIV : MARKETS FOR THE SECURITIES BEING OFFERED**

The issuer shall apply to all the relevant exchanges in Bangladesh with 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

The issuer will apply at:

**Dhaka Stock Exchange Limited**

Stock Exchange Building, 9/E, Motijheel C/A, Dhaka 1000

**Chittagong Stock Exchange Limited**

CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100

### **Declaration about listing of shares with Stock Exchange(s)**

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

### **Trading and Settlement**

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

The issue shall be placed in Category "N" with DSE and CSE.

## **SECTION XXV : DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

The Company has issued ordinary shares to the Subscribers to the Memorandum and other shareholders from time to time which has been disclosed in the Section XIII "OWNERSHIP OF THE COMPANY'S SECURITIES".

### **a) Dividend, Voting, Preemption Rights**

The share capital of the company is divided into ordinary shares and is eligible to receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy or power of attorney in connection with, among others, selection of Directors and Auditors and other usual General Meeting whether ordinary or extraordinary. On a show of hands every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her. In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled in terms of the guidelines issued by BSEC time to time.

### **b) Conversion and Liquidation Rights**

If the Company at any time issues convertible preferences shares or debentures with the consent of BSEC or/and other regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the company are freely transferable. The company shall not charge any fee for registering transfer of bonds. No transfer shall be made to firms, minors or persons of unsound mind.

### **c) Dividend Policy**

1. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.
2. The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. But no larger dividend shall be declared than is recommended by the Directors, but the Company at its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the company shall be conclusive.
3. No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest as against the Company.
4. The Directors may, from time to time, pay the members, such interim dividend, as in their judgment, the financial position of the Company may justify.
5. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
6. There is no limitation on payment of dividends to common stockholders.

### **d) Other Rights of the Shareholders**

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the law and Bangladesh Accounting Standards (BAS). Financial Statements will be prepared in accordance with the Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standard to the shareholders regarding the financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it, in proportion to their shareholdings, on the date of book closure for the purpose.

The shareholder holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

## **SECTION XXVI : FINANCIAL STATEMENTS**

- (a) Consolidated & Standalone Audited Financial Statements of Runner Automobiles Limited for the years ended June 30, 2017
- (b) Information as is required under section 186 of the Companies Act 1994 relating to holding company for the years ended June 30, 2017
- (c) Selected ratios as specified in Annexure D
- (d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the Companies Act 1994

**SECTION XXVII : CREDIT RATING REPORT**

## Credit Rating Report [Surveillance] Runner Automobiles Limited

Particulars	Ratings	Remarks
Runner Automobiles Ltd.	A <sub>2</sub>	
BDT 202.7 million Long Term Outstanding	A <sub>2</sub> (Lr)	
BDT 740.0 million OD/Cash Credit (CC)/ Biam * limit	A <sub>2</sub> (Lr)	Please see Appendix – 1 for details
BDT 2,265.0 million aggregate short term fund based limit	ST-3	
BDT 2,360.0 million aggregate short term non fund based limit	ST-3	
Outlook	Stable	

Lr – Loan Rating; ST – Short Term; (Refer Appendix – 2 for rating history)

\* Due to its revolving nature CRAB views OD/Cash Credit and Biam as long term facility.

**Date of Rating:** 26 October 2017

**Validity:** The entity rating is valid up to 30 September 2018 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 September 2018 whichever is earlier.

**Rating Based on:** Audited financial statements up to 30 June 2017 and other relevant quantitative & qualitative information up to the date of rating declaration.

**Methodology:** CRAB's Corporate Rating Methodology ([www.crab.com.bd](http://www.crab.com.bd))

**Analysts:**

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**■ RATIONALE**

Credit Rating Agency of Bangladesh Ltd. (CRAB) has upgraded the rating of Runner Automobiles Limited (hereafter also referred to as RAL or the Company) to 'A<sub>2</sub>' (pronounced as Single A Two) and loan rating to A<sub>2</sub>(Lr) for BDT 202.7 million aggregate Long Term Outstanding (LTO) and BDT 740.0 million OD/Cash Credit limit in the Long Term. CRAB has also assigned ST-3 rating to BDT 2,265.0 million aggregate fund based limit and BDT 2,360.0 million aggregate non fund based limit of the Company in the Short Term.

CRAB has upgraded the ratings considering substantial growth of sales, increasing trend of profit margin at the top line, improved liquidity position, strong business strength of the Company having further growth prospects following diversified product ranges, new strategies and improved distribution facilities along with brand image.

Total sales of the Company substantially increased to BDT 2,410.0 million in 2017 from BDT 1,550.0 million in 2016 registering 55.5% growth. Following the ease of registration process and fee, high growth in market demand, change in product ranges, effective planning and strong monitoring following recently taken business strategy and increased showrooms sales bounced back to previous trend having further growth prospects which was considered while upgrading the ratings. In 2016 the Company sold 1,949 pcs motorcycles through 11 showrooms which largely increased to 5,013 pcs through 21 showrooms where 10 additional showrooms were opened during the last one year.

**Financial Highlights**

(Mil. BDT)	Year ended June 30		
	2017	2016	2015
Net Sales	2,410.0	1,550.2	2,250.2
EBITDA	493.7	330.8	436.4
EBITDA Margin (%)	20.5	21.3	19.4
Net Profit Margin (%)	7.9	4.8	9.2
ROAA (%)	3.2	1.4	4.5
Quick Ratio (x)	1.1	1.1	1.05
Operating Cycle (Days)	311	414	208
Debt to Equity (x)	0.5	0.4	0.4
Borrowed Fund to EBITDA (x)	4.1	4.6	2.8
Cash Flow from Operation	(374.3)	(155.5)	70.7
Free Cash Flow	(530.4)	(239.6)	(158.6)
EBIT/Interest (x)	2.1	1.5	2.6

**■ PROFILE**

Runner Automobiles Ltd is involved in the business of manufacturing & selling motorcycles and three wheelers throughout the country with a network of more than 80 active dealers and over 230 sales centers along with 28 operational showrooms as of October 2017. RAL's products range covers 7 series of motorcycles ranging from 50 cc to 150 cc, and about 15 models of motorcycles. RAL's manufacturing facility is located at Bhaluka, Mymensingh on a total area of 4,944.04 decimals as per land mutation and 4,970.3 decimals as per land title deed.

Recently the Company has started business of three wheelers, exported to Nepal and has undertaken a plan to start business of four wheelers with the coalition of BAJAJ which will eventually support growth in the upcoming years. The business performance and revenue trend are susceptible to the overall market demand which was considered as favourable while upgrading the ratings. Following the efficiency in raw material procurement, operational efficiency and production using low costs stock the gross profit margin of the Company has been improving over the years and stood at 29.0% in 2017 when net profit margin improved to 8.6% following the increase in other income mainly in the form dividend income from subsidiary.

The ratings are supported by good credit risk profile. Total shareholders' equity of the Company has been increasing over the years and stood at BDT 4,005.6 million in 2017 comprising BDT 942.0 million paid up capital, BDT 1,169.8 million share premium, BDT 597.7 million retained earnings and BDT 1,296.0 million revaluation surplus. Total borrowed fund largely increased to BDT 2,020.5 million in 2017 from BDT 1,524.3 million in 2016 to support the new products, business strategy and sales growth. Therefore, the debt ratio remains almost stable during the last two years. However the improved borrowed fund to EBITDA ratio of 4.1x supports the credit risk profile of the Company.

The ratings are constrained by increasing trend of downward pressure on the liquidity position of the Company during the last two years although operating cycle slightly improved in 2017 following the sales growth. Due to the nature of business and sales strategy the receivable collection period still remains high at 186 days while inventory processing period was 125 days in 2017 which eventually puts pressure on timely repayment of debt obligations as well as increased financial expense. Following the inclusion of new products and new strategy the position may remain same in the upcoming year irrespective of increase in sales.

The assigned ratings consider the nature of business as well as the easy availability of spare parts and quick service through 230 sales service centers of RAL that eventually support the Company to report favorable business performance during the recent competitive situation. Moreover the business risk profile of the Company may be adversely affected by increasing competition in market, cost structure due to raw material price and frequent obsolescence or modification of design of the product.

The assigned ratings also consider the growth potential relation to operating strategies, market position, degree of competition, product/sales diversification, business model and fund management. The assigned ratings also incorporate the management structure & practices, IT infrastructure & MIS system, experienced manpower, sales & marketing strategy and business monitoring system. The assigned ratings take into consideration Runner Group's business profile, financial performance of Runner Motors Ltd where RAL has 61.67% shares and long track record of successful business supported by growing presence in the automobile sector.

## ■ COMPANY PROFILE

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Runner Automobiles Ltd was incorporated as a private limited company in July 2000 and was converted into public limited company in January 2012. The Company started its commercial operation since 2000 as an importer and trader of motorcycles. Later it started the business of manufacturing and selling the motorcycle. Presently the Company is also involved in assembling three wheeler vehicles. Subsequently the Company established its facility of assembling engines and manufacturing other parts of motorcycle and presently established its effective distribution channel throughout the country with a network of more than 80 active dealers and over 230 sales centers along with own twenty eight operational showrooms as of October 2017. The Company has a chain of 28 Company Owned and Company Operated outlets delivering a seamless sales and service experience to the customers. RAL's products range of motorcycles covers 7 series of motorcycles ranging from 50 cc to 150 cc, and about 15 models of motorcycles. RAL's manufacturing facility is located at Bhaluka, Mymensingh. The factory is constructed with pre-fabricated steel structure on its own premises on total area of 4,944.04 decimals as per land mutation and 4,970.3 as per land title deed.

## ■ GROUP STRENGTH

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Runner Automobiles Ltd is the flagship company of Runner Group which is presently involved in manufacturing and selling motorcycle of 7 series and about 15 models under four different brands throughout the country. Annual manufacturing capacity of the Company is 100,000 pcs where the Company manufactured 31,741 pcs in 2017

registering capacity utilization of 31.7% which was 18.9% (18,867 pcs) in 2016 following the market trend. Total sales of the Company substantially declined to BDT 1,550.2 million in 2016 from BDT 2,250.2 million in 2015 following the reduction in sales of 80 CC motor cycles to BDT 559.6 million in 2016 from BDT 1,196.3 million from 2015 due to overall market condition and strategic plan of the management. However subsequent strategy and attempts of the management as well as new addition of products led to bounce back of the sales trend and stood at BDT 2,410.0 million in 2017 having further growth prospects.

Later the owners incorporated Runner Motors Ltd as a private limited company in February 2005 and are involved in the business of trading imported trucks, pickups and tractors of different brands and models. Total paid up capital of the Company is BDT 90.0 million where Runner Automobiles Ltd is holding 61.67% share. The Company was the key distributor of Truck, pickup and tractor of Eicher brands. Runner Motors Ltd. created its position in the market especially during the last three years with assistance of the brand name Eicher and by ensuring the easy availability of spare parts and proper services. Total sales of the Company increased to BDT 4,084.6 million in 2017 from BDT 3,614.8 million in 2016 registering a growth of 13.0%. The profitability and leverage position was favourable although operating cycle was high during the last two years.

Freedom Motors Ltd and Runner Electronics Ltd are two other companies of the Group where none of these two has revenue in recent years. Freedom Motors Ltd is private limited company incorporated in February 2008 and started commercial operation during the same year. Total paid up capital is BDT 6.9 million where all the shares, except 1,000 owned by Mr. Hafizur Rahman Khan, are owned by Runner Automobiles Ltd. The Company has been set up to manufacture/assemble all kinds of automobiles/mechanical materials and sell the same all over the countries. During the recent period the Company has limited operational activities and no revenue as well.

Runner Electronics Ltd started its operation in 2005. Initially it was engaged with dealing of electronics and household appliance. Now the Company is dormant and in the process of liquidation.

The management has prepared audited consolidated financial statements that comprise the consolidated financial position and the consolidated results of operation of the Company and its subsidiaries (collectively referred as Group). Consolidated financial statements have been prepared for the last three years RAL gained controlled on Runner Motors Ltd effective on 01 July 2013 and Freedom Motors Ltd on 25 July 2013. As per consolidated financial statements of June 2017 total revenue was BDT 6,494.7 million comprising BDT 2,410.0 million from motor cycle sales (Runner Automobiles Ltd) and BDT 4,084.6 million from Truck sales (Runner Motors Ltd.) Details financial performance based consolidated financial statements are given in the annexure 4.

All the Companies are managed under the common top management and each company has completely separate management both regarding factory and head office. Sound financial strength, effective strategic planning and monitoring, diversified product ranges, the quick flow of information, sound MIS system, experienced management, effective distribution channel of individual companies and brand image support the companies and the group as a whole to operate successfully over the years, even in the increased competitive market condition during the last two years.

## ■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation	Financial
Management	Risk
Credit Facility	Control

Runner Automobiles Ltd is the flagship company of Runner Group that started commercial operation in 2000 as a trader of motorcycle importing in the form of CBU. Later in 2012 the Company started commercial operation of manufacturing motorcycle. Later the Company established its entire facilities to assemble engines and manufacture other parts of a motorcycle. The Company is engaged in the business of assembling motorcycle where few parts including engine are imported from China and India as CKD and remaining parts are manufactured in the factory located at Bhaluka, Mymensingh. RAL obtained government motorcycle type approval from Bangladesh Road Transport Authority (license ) after a quality testing by Bangladesh University of Engineering and Technology (BUET). After assembling the motorcycle the Company sells through dealer network and Company operated showrooms almost all over the country. RAL's product range covers 7 series of motorcycle ranging from 50 cc to 150 cc and 15 models. The manufacturing and assembling facilities of the Company are imported from China, India and USA. The facilities are divided

into several subsections including pressing, welding, painting, engine assembling, motorcycle assembling and R & D. After assembling all the motorcycles all are checked through computerized testing system. The quality of the motorcycles is ensured by separate quality control department.

Average annual assembling capacity of RAL is 100,000 pcs where the Company produced 31,741 pcs in 2017 registering capacity utilization of 31.7% which was 18.9% (18,867 pcs) in 2016 following the market trend. The capacity utilization rate was low due to high level of production capacity which eventually facilitates the Company to enjoy economies of scales as well as production flexibility. Going forward this will also support the company to capture growth prospects in the upcoming years.

**Table: 1**

Break up of Sales (Mil. BDT)						
Particulars	2017		2016		2015	
	Pcs	Amount	Pcs	Amount	Pcs	Amount
50 CC Motor Cycle	147	9.8	256	17.3	960	64.9
80 CC Motor Cycle	12,264	871.4	7,873	559.6	17,368	1,196.3
100 CC Motor Cycle	9,462	779.2	7,375	610.7	7,760	613.8
110 CC Motor Cycle	2,659	255.9	2,368	248.0	2,958	310.0
125 CC Motor Cycle	1,623	189.9	329	39.1	-	-
135 CC Motor Cycle	2	0.2	216	27.6	257	28.7
150 CC Motor Cycle	761	106	273	36.6	224	29.8
Three Wheeler	562	197.6	39	11.5	23	6.7
<b>Total</b>	<b>27,480</b>	<b>2,410.0</b>	<b>18,729</b>	<b>1,550.2</b>	<b>29,550</b>	<b>2,250.2</b>

Total sales of the Company largely varied during the last three years where the sales largely declined to BDT 1,550.2 million in 2015 from BDT 2,250.2 million in 2016 due to fallen in market demand. It is understood from the management that the sales declined following the increased legal actions regarding registration of motor cycle since August 2015 which continue to till February 2016, high registration cost upto February 2016, strategic planning of changing product ranges, decline of demand of 80 CC motor cycle (major contributors of sales) in north Bengal area. However the situation has been improved after ease of registration process and fee apart from improvement in market demand, change in product ranges, improved concentration in Dhaka, effective planning & strong monitoring following recently taken business strategy, increasing concentration on showroom based sales. Therefore total sales of the Company bounced back to its previous trend to BDT 2,410.0 million reporting 55.5% growth in 2017. Although 80cc motorcycle still contributing highest portion of sales of the Company the contribution has been declined during over the years following change in market trend as was as business strategy of the management. New addition of three models supports the Company to report sales growth. Moreover the sales growth mostly supported by showroom sales. In 2016 the Company sold 1,949 pcs motorcycles through 11 showrooms which largely increased to 5,013 pcs in 2017 through 21 showrooms where 10 additional showrooms were opened during the last one year. Following the growth in the market demand RAL is expecting to report substantial revenue growth in the upcoming year. Recently the Company has undertaken a plan to start business of three wheeler and four wheeler with the coalition of BAJAJ. Moreover the recent retail financing facility for 6 to 30 months for two wheeler will have positive impact on the sales trend of the Company in the upcoming years.

The Company usually set its assembling plan considering the market demand and trend. From the analysis of aging of inventory it is found that the Company usually maintains on an average of 60 days inventory of different models other than the sample motor-cycle. In 2017 the Company purchased total raw materials amounting BDT 1,723.6 million and

consumed 95.3% resulted in slightly improved inventory processing performance. The Company imported 97.8% of total required raw materials where most was from China and the remaining was from Bajaj Auto, India. The management experience and expertise along with financial strength and countrywide distribution channel is supportable for favourable growth funding of the Company

Overall sales and marketing activities of the Company are conducted under separate department where there is another service department to provide after sales service to meet customer satisfaction. The sales system is segregated into dealer sales, corporate sales and showroom sales. Presently the Company has 28 operational show rooms located at different area including five showrooms in Dhaka and one showroom in Chittagong. The increased showrooms support the Company to report revenue growth. The key sales force of the Company is organized by a professional expert through dealer network all over Bangladesh. There are around 80 active dealers and 230 sales centers in 6 divisions to ensure selling of the motorcycle throughout the country which eventually reduces the customer concentration risk of the Company. Dhaka and adjacent areas are covered by the head office where the marketing staff is also engaged in corporate and institutional sales. Apart from 156 employees in sales division 127 employees are employed in customer care division to develop brand image. In 2017, the Company sold 26,918 pcs motor cycle comprising dealer sales of 20,669 pcs, showroom sales of 5,537 pcs, corporate sales of 623 pcs, tender sales 35 and 54 pcs export to Nepal.

The Company usually sells its products on credit basis having set criteria and terms & conditions. Total sales of BDT 2,410.0 million in 2017 comprises BDT 399.7 million (17%) cases sales and BDT 2,010.3 million (83%) credit sales which eventually increase the liquidity constraint and the credit risk of the Company though it is the industry pattern. The Company sells more than 73% of total motorcycle through dealers having credit terms of maximum 1 year under set terms & condition. The company borrowed the fund from financial institutions to meet its import payments, and provide credit limits to the dealer. Before providing credit facility for vehicle to any dealer, the recovery wings assess the credit worthiness of the dealer. There is separate collection department which usually assess the credit worthiness of a dealer to set the credit terms. The showroom sales cover both cash and credit sales where the credit terms vary 3 months without any service charge to maximum 1 year having installment system. Recently the Company has taken new credit policy of 6 to 12 months and 6 to 36 months for two wheeler and three wheeler respectively which may eventually increase the operating cycles as well as credit risk profile of the Company. Total accounts receivable of the Company was BDT 1,240.3 million as of 30 June 2017 comprising BDT 745.7 million (60.1%) due for less than two months, BDT 211.4 million (17.0%) due for two to four months, 267.5 million (21.6%) due for more than four months and 15.7 million (1.3%) was due for more than one year.

**RAL** ensures its service at the doorsteps of its customers throughout the country through its mobile service teams under the supervision of the service department. The customers are notified by the local dealers prior to the arrival of the mobile service teams. RAL has also integrated local roadside mechanics that are trained and efficient in providing service when the mobile service teams are not available. Besides this, the central service station is located 138/1, Tejgaon I/A, Dhaka-1208 and fourteen service centers located at various sites of the country. The Company gives free after sales service of engine for the period of 6 years or 1<sup>st</sup> 75,000 Km running, whichever is earlier.

Automobile industry in Bangladesh is largely dominated by imported motorcycle mostly from China, India and Taiwan. Due to lack of domestic source of raw materials and backward linkage, vehicle manufacturing and assembling industries did not grow after independence of Bangladesh. However, different private endeavor grabs distributorship of different vehicle brands in Bangladesh in last 2-3 decades. Recently few entrepreneurs emerged with the collaboration foreign companies like Hero, Yamaha, Honda etc. to start assembling. Sales of motorcycle in the country increased significantly because of boom in remote area especially for easy financing. However, government tariff and tax structure also pay important role to motivate the supply of vehicles in Bangladesh. There are 14-16

Revenue	Industry/Market
Management	Human
Operational	Capital

large automobile marketers in Bangladesh, among them 5-6 have own assembling facilities. Others are sole distributors or importers in nature of their respective partners. Irrespective of increase in demand overall market becomes more competitive during the last two years due to increase in supply putting pressure on stress in both liquidity position and profitability position of the companies operating business in the automobile sector of Bangladesh.

Board	Company Officers
Management	Finance
Production	Others

Presently the Board of Runner Automobiles Ltd. comprises of ten members including two nominated directors nominated by Brummer Frontier PE II (Mauritius) and two independent directors. The authorized share capital of the Company is BDT 2,000.0 million divided into 200,000,000 no. of ordinary shares of BDT 10.0 each. Total paid up capital of the Company was BDT 942.0 million in 2017.

Local investors are holding 672.38 million shares (71.4% of total) and foreign investor, Brummer Frontier PE II (Mauritius), is holding remaining 28.62% shares of the Company. The Brummer Frontier PE II (Mauritius) Ltd is a private limited company incorporated in June 2013 under Companies Act 2001 of Republic of Mauritius with an aim to provide equity capital to private companies. It is a private equity fund domiciled in Mauritius and dedicated to equity investment in Bangladesh. The Fund's investors include the IFC, CDC (a fund owned by the UK Government), Norfund (a fund owned by the Norwegian Government), FMO (a fund owned by the Netherland Government) and other international financial institutions.

Mr. Hafizur Rahman Khan, Chairman of Runner Group of Companies is an M.Com from Rajshahi University. Mr. Hafizur Rahman has vast experience of working in various reputed organizations of Bangladesh. In 2000 he established Runner Automobiles Ltd, later the business has been expanded with five strategic companies under the umbrella of Runner Group. He is also a Director of Autism Welfare Trust, member of executive committee of Bangladesh Automobiles Assemblers and Manufacturers Association. He is holding 10.9% shares of the Company.

Mr. Md. Mozammel Hossain, Vice-Chairman of Runner Group of Companies is an M.Com in marketing from Dhaka University. As expert in marketing his experience contributed to the acceleration of the Runner Group of Companies. He is holding 7.06% shares of the Company.

Mr. Jahurul Alam, Mr. Mohammad Ali Deen, Mr. Taslim Uddin Ahmed, Mr. Khalid Shahidul Quadir, Mr. Muallem Choudhury FCA, Mr. Johannes (Phil) N. H. van Haarlem (independent), Mr. Faruq Ahmad Siddiqi (independent) are the other Directors. The management of the Company is headed by Mr. Mukesh Sharma, Managing Director and CEO. The management of the Group is headed by Mr. Hafizur Rahman Khan, Chairman of Runner Group of Companies, also the founder of the company. Mr. Hafizur Rahman Khan is the successful entrepreneur of automobile business organization. The Chairman is supported by the other director of the company. Besides, a group of senior professionals assist the top management. Most of the senior professionals have been working with Runner group for long time. There was no major change in the management of the Company during the last one year. The Company had total 691 employees as of 30 June 2017 where factory division, sales division and customer care division covers major portion of employees.

Runner Automobiles Ltd. has an in-house management information system for smooth operation of the company as well as for making strategic management decision. The MIS system of the Company is well developed and flow of information is good. Sales & Accounts division prepares monthly report for the top management. Service division of the company produces structured report for the management regarding monthly sales & collection and overdue collection.

Revenue	Monthly
Management	Financial
Debt Ratio	Share

The revenue source of the Company is the sales of motorcycle of different models under the brand name Runner in the entire country through its dealer network system along with own 28 operational showrooms. Total sales of the Company largely varied during the last three years where the sales largely declined to BDT 1,550.2 million in 2015 from BDT 2,250.2 million in 2016 due to fallen in market demand. However the situation has been improved after ease of registration process and fee apart from improvement in market demand, change in product ranges, improved concentration in Dhaka, effective planning & strong monitoring following recently taken business strategy, increasing concentration on showroom based sales. Total sales of the Company bounced back to its previous trend to BDT 2,410.0 million reporting 55.5% growth in 2017. New addition of three models supports the Company to report sales growth. Moreover the sales growth mostly supported by showroom sales. In 2016 the Company sold 1,949 pcs motorcycles through 11 showrooms which largely increased to 5,013 pcs through 21 showrooms where 10 additional showrooms were opened during the last one year. Recently the Company has undertaken a plan to start business of three wheeler and four wheeler with the coalition of BAJAJ which will eventually support growth in the upcoming years.

Overall profitability position of the Company varied over the years. Following the efficiency in procurement, operational efficiency and production using low costs stock the Company reported 28.3% gross profit margin in 2017 which was 27.8% in 2016. Net profit margin of the improved to 7.9% in 2017 following the increase in other income mainly in the form dividend income from subsidiary.

Liquidity position of the Company marginally improved in 2017 following the increase in sales. However the increasing trend of market competition, launching of new products and change in business strategy slightly put downward pressure for temporary period on the liquidity position of the Company in the recent period as well as timely repayment of debt obligations. Although operating cycle improved to 311 in 2017 days from 414 days in 2016 the position still remains tight. The increase in receivable collection period was resulted from increase in sales although 22.9% contribution of receivable for more than four months following change in credit policy put slight downward pressure on liquidity position for temporary period.

Total shareholders' equity of the Company increased to BDT 4,005.6 million in 2017 from BDT 3,814.7 million in 2016 resulted in 0.5x debt ratio which was 0.7x considering adjusted equity of BDT 2,709.6 million (excluding revaluation surplus of BDT 1,296.0 million) during the same period. Total borrowed fund largely increased to BDT 2,020.5 million in 2017 from BDT 1,524.3 million in 2016 to support the new products, business strategy and sales growth. However the improved borrowed fund to EBITDA ratio of 4.1x support the credit risk profile of the Company.

Recently the Company has undertaken a plan to issue ordinary shares to expand its production facility. Company also has a plan to pay off a certain portion of its bank loan to optimize the capital structure. The main purpose of the investment is related to development of new models of motorcycles in the range of 100cc to 150cc will be financed from IPO proceeds and rest will be financed through company's business generated income and debt financing.

Operation	Liability
Management	Ratio
Credit Facility	Company

Presently Runner Automobiles Ltd has banking relationship with ten banks and one NBFi. The Company has satisfactory track record of honoring debt obligation. Details bank liability position of the Company is given in appendix - 1.

**APPENDIX – 1: CREDIT FACILITIES OF RUNNER AUTOMOBILES LTD.**

**Details of Credit Facilities of Runner Automobiles Ltd as of 30 August 2017 (Mil. BDT)**

Loan Type	Funded/Non		Bank	Nature of Facility	Limit	Outstanding	Limit Expiry
	Funded	Non Funded					
Long Term	Funded		Jamuna Bank Ltd	HPSM	119.1	23.1	30-06-18
			Basic Bank Ltd	Term Loan	100.0	5.4	7/11/2017
			United Leasing Company Ltd.	Term Loan	6.9	5.1	29-08-20
			Mercantile Bank Ltd	HPSM	200.0	-	31-07-18
			Eastern Bank Ltd	Term Loan	42.0	42.0	31-08-18
			Premier Bank Ltd.	Term Loan	150.0	127.1	14-08-21
				<b>Total Long Term</b>		<b>618.0</b>	<b>202.7</b>
Short Term	Funded			LTR	300.00	199.35	
			Mercantile Bank Ltd	Time loan	100.00	64.92	31-07-18
				OD	250.00	240.00	
			Al-Arafah Islami Bank Ltd	MPI-TR/LTR/CIL/IL	40.0	34.8	30-05-18
				MPI	150.0	82.9	
			Standard Bank Ltd	MPI-TR/LTR/CIL/IL	250.0	96.1	31-03-18
				SOD	80.0	66.8	
				CC (Hypo)	150.0	146.2	
			Jamuna Bank Ltd	MPI-TR	140.0	45.7	30-06-18
				MPI-TR/LTR/CIL/IL	150.0	-	
			Exim Bank Ltd	MPI	50.0	-	30-11-18
				Baim (CCH)	50.0	-	
				SOD/RL/TL/LNL/DL	50.0	12.1	
			Eastern Bank Ltd	MPI-TR/LTR/CIL/IL*	250.0	8.7	31-08-18
				OD	10.0	6.3	
				MPI-TR/LTR/CIL/IL	135.0	39.6	
			BRAC Bank Ltd	SOD/RL/TL/LNL/DL	80.0	11.1	28-06-18
				LTR	270.0	83.0	
			Dhaka Bank Ltd	Time loan	100.0	28.0	31-01-18
				OD	100.0	91.7	
				LTR	150.0	-	
	Premier Bank Ltd	STL	50.0	-	30-06-18		
		OD	100.0	100.0			
			<b>Total Short Term Funded</b>	<b>3,005.0</b>		<b>1,357.1</b>	
Short Term	Non Funded	BRAC Bank Ltd	LC	150	56.5	28-06-18	
			LC	300	108.0	31-01-17	
			Standard Bank	BG	20		
			Jamuna Bank Ltd	LC	140.00		30-06-18
			Mercantile Bank Ltd	LC	400.00	19.73	31-07-18
			Al-Arafah Islami Bank Ltd	LC	150.00	11.60	30-05-18
			Exim Bank Ltd	LC	350.00	-	30-11-16
			Eastern Bank Ltd.	LC	300.00	98.67	31-08-18
			Dhaka Bank Ltd	LC	350.00	12.99	31-01-18
			Premier Bank Ltd.	LC	200.00	-	30-06-18
				<b>Total Short Term Non Funded</b>	<b>2,360.0</b>	<b>307.4</b>	

**Date of Rating:** 22 September 2016

<b>Particulars</b>	<b>Ratings</b>
Runner Automobiles Limited	A <sub>3</sub>
BDT 157.8 million Long Term Outstanding	A <sub>3</sub> (Lr)
BDT 610.0 million OD/Cash Credit (CC)* limit	A <sub>3</sub> (Lr)
BDT 1,815.0 million aggregate short term fund based limit	ST-3
BDT 1,540.0 million aggregate short term non fund based limit	ST-3
Outlook	Stable

*Lr – Loan Rating; ST – Short Term*

**Rating Based on:** Audited financial statements up to 30 June 2016 and other relevant quantitative & qualitative information up to the date of rating declaration.

**Date of Rating:** 30 March 2015

<b>Particulars</b>	<b>Ratings</b>
Runner Automobiles Ltd.	A <sub>3</sub>
BDT 283.0 million Long Term Outstanding	A <sub>3</sub> (Lr)
BDT 60.0 million Cash Credit (CC)* limit	A <sub>3</sub> (Lr)
BDT 1,241.0 million aggregate short term fund based limit	ST-3
BDT 910.0 million aggregate short term non fund based limit	ST-3
Outlook	Stable

*Lr – Loan Rating; ST – Short Term*

**Rating Based on:** Audited financial statements up to 31 December 2014 and other relevant quantitative & qualitative information up to the date of rating declaration.

**APPENDIX – 3: FINANCIAL HIGHLIGHTS OF RUNNER AUTOMOBILES LIMITED**

<b>Financial Highlights</b>				
		<b>--Year ended June 30--</b>		
<b>(Mil. BDT)</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Earnings &amp; Stability</b>	Net Sales	2,410.0	1,550.2	2,250.2
	Sales Growth (%)	55.5	(31.1)	26.4
	CoGS as % of Sales	71.7	72.2	74.3
	EBITDA	493.7	330.8	436.4
	EBITDA Growth (%)	49.3	(24.2)	32.2
	EBITDA Margin (%)	20.5	21.3	19.4
	Net Profit after tax	190.9	74.0	208.0
	Net profit after tax growth (%)	158.1	(64.4)	54.6
<b>Profitability</b>	Gross Profit Margin (%)	28.3	27.8	25.7
	Operating Profit Margin (%)	14.7	14.9	15.7
	Net Profit Margin (%)	7.9	4.8	9.2
	Return on Average Asset (%)	3.2	1.4	4.5
	Return on Average Equity (%)	4.9	2.0	6.9
<b>Liquidity</b>	Current Ratio (x)	1.5	1.4	1.3
	Quick Ratio (x)	1.1	1.1	1.1
	Inventory +AR to TA (%)	30.9	29.9	28.9
	Net Working Capital to TA (%)	43.5	37.1	28.6
	Inventory Turnover Ratio (x)	2.9	2.6	5.3
	Average Inventory Processing Period (Days)	125	141	69
	Receivable Turnover Ratio (x)	2.0	1.3	2.6
	Average Receivable Collection Period (Days)	186	273	139
	Payable Turnover Ratio (x)	101.9	52.0	80.0
	Average Payable Payment Period (Days)	4	8	5
<b>Leverage &amp; Capital Structure</b>	Operating Cycle (Days)	311	414	208
	Cash Conversion Cycle (Days)	307	406	203
	Equity Capital	4,005.6	3,814.7	3,412.9
	Adjusted Equity Capital*	2,709.6	2,516.7	2,113.9
	Total Borrowed Fund	2,020.5	1,524.3	1,235.6
	Total Long Term Debt	114.4	67.8	157.3
	EBITDA	493.7	330.8	436.4
	Fund Flow from Operation (FFO)	263.9	145.8	273.6
	Cash Flow from Operation (CFO)	(374.3)	(155.5)	70.7
	Retained Cash Flow (RCF)	(374.3)	(155.5)	70.7
	Free Cash Flow (FCF)	(530.4)	(239.6)	(158.6)
	Debt to Equity (x)	0.5	0.4	0.4
	Debt to Adjusted Equity	0.7	0.6	0.6
	Borrowed Fund/EBITDA (x)	4.1	4.6	2.8
	FFO/Debt (%)	13.1	9.6	22.1
	CFO/Debt (%)	(18.5)	(10.2)	5.7
	RCF/Debt (%)	(18.5)	(10.2)	5.7
FCF/Debt (%)	(26.3)	15.7)	(12.8)	
<b>Coverage</b>	EBIT to Interest expense (x)	2.1	1.5	2.6
	FCF to Interest expense (x)	(2.7)	(1.4)	(1.1)
	(EBITDA-CAPEX) to Interest expense (x)	1.7	1.4	1.5

\* Excluding revaluation surplus

**APPENDIX – 4: FINANCIAL HIGHLIGHTS OF RUNNER AUTOMOBILES LIMITED (CONSOLIDATED)**

Financial Highlights		--Year ended June 30--		
	(Mil. BDT)	2017	2016	2015
<b>Earnings &amp; Stability</b>	Net Sales	6,494.7	5,165.0	4,538.9
	Sales Growth (%)	25.7	13.8	(11.5)
	CoGS as % of Sales	74.6	74.0	76.3
	EBITDA	1,030.9	909.0	782.1
	EBITDA Growth (%)	13.4	16.2	(14.0)
	EBITDA Margin (%)	15.9	17.6	17.2
	Net Profit after tax	393.5	363.8	351.4
	Net profit after tax growth (%)	8.2	3.5	(4.7)
<b>Profitability</b>	Gross Profit Margin (%)	25.4	26.0	23.7
	Operating Profit Margin (%)	13.5	14.9	14.7
	Net Profit Margin (%)	6.1	7.0	7.7
	Return on Average Asset (%)	3.0	3.1	3.3
	Return on Average Equity (%)	6.7	6.8	7.7
<b>Liquidity</b>	Current Ratio (x)	1.3	1.2	1.3
	Quick Ratio (x)	1.1	1.0	1.1
	Inventory +AR to TA (%)	30.6	28.1	36.0
	Net Working Capital to TA (%)	40.0	36.4	43.9
	Inventory Turnover Ratio (x)	4.1	3.4	3.4
	Average Inventory Processing Period (Days)	90	108	108
	Receivable Turnover Ratio (x)	2.4	1.9	1.8
	Average Receivable Collection Period (Days)	151	188	200
	Payable Turnover Ratio (x)	23.0	35.5	57.6
	Average Payable Payment Period (Days)	16	11	7
	Operating Cycle (Days)	241	296	308
Cash Conversion Cycle (Days)	225	285	301	
<b>Leverage &amp; Capital Structure</b>	Equity Capital	6,086.4	5,713.6	5,021.9
	Total Borrowed Fund	6,556.2	5,528.0	5,202.1
	Total Long Term Debt	2,364.1	1,936.1	1,664.9
	EBITDA	1030.9	909.0	782.1
	Fund Flow from Operation (FFO)	478.4	448.3	428.9
	Cash Flow from Operation (CFO)	(490.4)	1,156.2	(678.4)
	Retained Cash Flow (RCF)	(490.4)	1,156.2	(678.4)
	Free Cash Flow (FCF)	(657.1)	1,047.2	(947.8)
	Debt to Equity (x)	1.1	1.0	1.0
	Borrowed Fund/EBITDA (x)	6.4	6.1	6.7
	FFO/Debt (%)	7.3	8.1	8.2
	CFO/Debt (%)	(7.5)	20.9	(13.0)
RCF/Debt (%)	(7.5)	20.9	(13.0)	
FCF/Debt (%)	(10.0)	18.9	(18.2)	
<b>Coverage</b>	EBIT to Interest expense (x)	2.5	2.8	2.8
	FCF to Interest expense (x)	(1.7)	3.6	(3.7)
	(EBITDA-CAPEX) to Interest expense (x)	2.2	2.7	2.0

### CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
<b>AAA</b> 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.
<b>AA<sub>1</sub>, AA<sub>2</sub>, AA<sub>3</sub>*</b> 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.
<b>A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub></b> 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.
<b>BBB<sub>1</sub>, BBB<sub>2</sub>, BBB<sub>3</sub></b> 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.
<b>BB<sub>1</sub>, BB<sub>2</sub>, BB<sub>3</sub></b> 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>B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub></b> Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
<b>CCC<sub>1</sub>, CCC<sub>2</sub>, CCC<sub>3</sub></b> 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.
<b>CC</b> 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.
<b>C</b> 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.
<b>D</b> (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.*

**CRAB RATING SCALES AND DEFINITIONS**  
**LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS**  
*(All loans/facilities with original maturity exceeding one year)*

RATINGS	DEFINITION
<b>AAA (Lr)</b> <b>(Triple A) Highest Safety</b>	Loans/facilities rated <b>AAA (Lr)</b> 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.
<b>AA (Lr)*</b> <b>(Double A) High Safety</b>	Loans/facilities rated <b>AA (Lr)</b> 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.
<b>A (Lr)</b> <b>Adequate Safety</b>	Loans/facilities rated <b>A (Lr)</b> 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.
<b>BBB (Lr)</b> <b>(Triple B) Moderate Safety</b>	Loans/facilities rated <b>BBB (Lr)</b> 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.
<b>BB (Lr)</b> <b>(Double B) Inadequate Safety</b>	Loans/facilities rated <b>BB (Lr)</b> 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>B (Lr)</b> <b>High Risk</b>	Loans/facilities rated <b>B (Lr)</b> 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.
<b>CCC (Lr)</b> <b>Very High Risk</b>	Loans/facilities rated <b>CCC (Lr)</b> are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favourable circumstances continue.
<b>CC (Lr)</b> <b>Extremely High Risk</b>	Loans/facilities rated <b>CC (Lr)</b> are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
<b>C (Lr)</b> <b>Near to Default</b>	Loans/facilities rated <b>C (Lr)</b> 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.
<b>D (Lr)</b> <b>Default</b>	Loans/facilities rated <b>D (Lr)</b> 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)*

RATING	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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## EXTENSION OF CREDIT RATING

### CREDIT RATING AGENCY OF BANGLADESH LIMITED

Ref: AGL (01)/RCM/171039/Validity Ext./2018-14261

04 October 2018

**Mr. Hafizur Rahman Khan**

Chairman

Runner Automobiles Ltd.

138/1, Tejgaon Industrial Area,

Dhaka.

**Subject: Credit Rating – Runner Automobiles Limited**

Dear Sir,

We are pleased to inform you that Credit Rating Agency of Bangladesh Ltd. (CRAB) has extended the following ratings of Runner Automobiles Ltd. up to 30 November 2018:

<b>Particulars</b>	<b>Ratings</b>
Runner Automobiles Ltd.	<i>A<sub>2</sub></i>
BDT 202.7 million Long Term Outstanding	<i>A<sub>2</sub> (Lr)</i>
BDT 740.0 million OD/ Cash Credit (CC)/ Biam * limit	<i>A<sub>2</sub> (Lr)</i>
BDT 2,265.0 million aggregate short term fund based limit	ST-3
BDT 2,360.0 million aggregate short term non fund based limit	ST-3
Outlook	Stable

*Lr – Long Rating, ST – Short Term*

\*Due to its revolving nature CRAB views Cash Credit and Biam as long term facility

Surveillance credit rating of the Company is under process. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We hope the Ratings Awards will serve the intended purpose of your organization.

Yours Sincerely,

Sd/-

**Hamidul Huq**

Managing Director

## SECTION XXVIII : PUBLIC ISSUE APPLICATION PROCEDURE

### Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
  - c) Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).

### Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date;
  - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts **and certificates** received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

#### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.

17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

## Application Form

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

Interested persons are entitled to a Prospectus, if they desire, and that copies of Prospectus may be obtained from the Issuer and Issue Manager

**Runner Automobiles Limited**

### APPLICATION FOR PUBLIC ISSUE

Date	:	
Name of Applicant	:	
Client Code	:	
BO ID Number	:	
Category of Applicant	:	
Name of the Company/Fund	:	
Number of Shares/Units	:	
Total Amount	:	
Amount in word	:	
Mode of payment	:	
Cheque/Draft information	:	

\_\_\_\_\_  
Signature of  
Applicant (s)

\_\_\_\_\_  
Signature of  
Authorized Officer

## SECTION XXIX: OTHERS

### MANAGEMENT'S ADDITIONAL DISCLOSURE

1. It is observed from the consolidated financial statements of Runner Automobiles Ltd. that total loan of the company as on June 30, 2016 is Tk.552,48,90,023/- and total asset is Tk. 1249,76,98,923/-. It appears that the company is a very highly leveraged company where 44.21% of total assets are financed from loan. If the company fails to pay-off these loan successfully that will be threat for the company to continue as a going concern. Explain your position with documents;

As on June 30, 2016 the liability position of the company and its subsidiary is detailed as follows:

	RAL	RML	Consolidation
<b>Liability Position:</b>			
Long term loan net off current portion	66,528,795	1,868,312,239	1,934,841,034
Short term loan from banks	1,374,208,709	1,201,208,833	2,575,417,542
Current portion of long term loan	80,475,328	934,156,119	1,014,631,447
<b>Total:</b>	<b>1,521,212,832</b>	<b>4,003,677,191</b>	<b>5,524,890,023</b>

Out of total liability of BDT 5,524.89 million in consolidated financial statement, BDT 4,003.68 million (72.5%) belongs to Runner Motors Limited (RML) a subsidiary of Runner Automobiles Limited with 61.67% shareholding.

RML sells commercial vehicles both on cash and on long term credit (36 to 60 instalment) basis. In Bangladesh, the banks and NBFIs are not financing directly to the customers of commercial vehicles and finance the company engaged in selling commercial vehicles. RML extends credit to the customers and take back to back loan from commercial banks and NBFIs to match the fund requirement. However, to protect the interest of the bank and the Company, the vehicles are registered in the name of both bank and selling company which covers default risks. Moreover, vehicles sold on credits are fully covered by first party insurance. With these kinds of safety measures and tight monitoring, the default rate is very insignificant. The company has full right to recover the vehicle in case of failure to pay instalments in due time and can resell the same in the market at a competitive price. Out of BDT 4,003.67 million, BDT 2,802.50 million represents refinance or investment in the retail market of commercial vehicles and BDT 1,201.20 million represents working capital financing for import of vehicles from Volvo Eicher Commercial Vehicle Limited, India. This liability is as per the nature of the commercial vehicle industry in Bangladesh and exposed minimal or almost no risk to the company.

RAL standalone loan exposure is BDT 1,521.21 million with long term exposure of BDT 146.9 million only against plant and machineries. Short term loan represents financing inventory of BDT 477.50 million and Accounts Receivable of BDT 1,115.20 million. However, to protect the interest of the Company, the vehicles are registered in the name of the company for sales from its own showroom and have dealership agreement for dealer sales. RAL standalone current ratio is 1.42 and total debt/total asset ratio is 0.27 by indicating no or minimum risk of coverage.

Finally, because of the financing arrangements followed by RML (which is in fact true for any other commercial vehicles selling companies or the industry) it may appear that borrowings are very high. However, this borrowing is fully secured with very low rate of default. Hence the company's financial leverage is as per the standard of the industry and the management of the company do not find any indication of risk of default or over exposure.

2. It is observed from red-herring prospectus that the company's current capacity utilization is very poor (only 18.87%) whereas projected capacity utilization for the next three years is more than double (46.75%) of current utilization seems very inflated projections. Explain how the company will achieve this target in future;

RAL has invested in capital machineries required to produce two and three wheelers in Bangladesh. Presently, the company have production capabilities of 100,000 units in a year. Existing machineries are base machines with minimum scale of operation for this kind of manufacturing facilities. This capacity can be fully utilized by adding die, molds and other additional machineries in order to make new and market competitive models as per market demand. To expand the market and crop up market demand, Company need additional sub machine in press, welding and lab section. With those additional machineries, the company can utilize its maximum production capacity by offering low price product compared to imported motorcycles in Bangladesh. The company has also started export of 2 wheelers and gone for product diversification into 3 wheelers. Our efforts are exemplified by the increased capacity utilization of 31.74% in 2016-2017 which is expected to go up to 94% in 2021-2022.

Capacity utilization during 2015-16 was low for fall in demand in the market due to various socio-economic and geo-political situations. Last three years average capacity utilization is 25% which is representative of manufacturing trend of Runner Automobiles Limited.

With the introduction of new products including UM Runner (joint manufacturing agreement with Runner Automobiles Limited and UM international LLC) with more new products and to cater for exports, utilization is bound to increase. However, to effectively utilize the current rated capacity (100,000 in a year) we need to invest in die and mold making, designing, and other products specific requirement.

The capacity utilization plan is as follows:

Particulars	Year	Runner Qty.	Capacity utilization %
Base year	2015-'16	18,867	18.87%
Actual	2016-'17	31,741	31.74%
Projection	2017-'18	36,000	36%
	2018-'19	48,000	48%
	2019-'20	61,000	61%
	2020-'21	76,000	76%
	2021-'22	94,000	94%

If you look at the number of motorcycles to be produced, this will be a gradual increase over a period of 5 years. But from current base, in percentage terms it may look high growth though, but as explained and as planned, we are highly confident that with efforts underway, in 5 years achieving this target volume is very much possible.

This capacity utilization plan is linear with the development of market and at a lower side than our aggressive plan of utilizing the capacity by export and capturing high penetrating geography like Dhaka, Chittagong and Sylhet.

- Justification of going into IPO for a fund of Tk. 100 (one hundred) crore though the company has fixed deposit with bank(s) of Tk.96,17,39,962/-, investment in listed company's share of Tk. 3,81,156/-, share money deposit of Tk. 4,71,13,500/- in Runner Terra EV Ltd. and advance to different parties of Tk. 90,59,37,884/- as per audited consolidated financial statements prepared for the year ended June 30, 2016;

The utilization of BDT 1,000 million raised from IPO will be through investment in Runner Automobiles Limited. Hence, consolidated position of Fixed Deposit, Investment in Listed Securities, Share Money Deposit and Advances have no effect on the fund requirement of the company. It is evident from the breakup of the items in table below that on a standalone basis Runner Automobiles Limited has investment in Fixed Deposit of BDT 176.34 million, Investment in Listed Securities of BDT 38.18 million and Advances of BDT 184.54 million only.

Particulars	RAL	RML	FML	Consolidation
Fixed Deposit	176,339,859	736,259,699	1,027,710	961,739,962
Investment in Listed Securities	38,181,156	-	-	38,181,156
Share Money Deposit		47,113,500		47,113,500
Advances	184,539,542	726,200,600	41,488	905,937,884

The FDR consists of capital raised from other than existing shareholders and raised from other portion is hypothecated against borrowings as disclosed in note 9.2 of the standalone audited financials of the year ended June 30, 2016. As regards to Runner Motors Limited, the company is required to maintain a certain portion of loans disbursed against retail sales by loan giving institutions as FDR. Please note, out of the total fixed deposit as shown in the consolidated financials, only 18.33% comes from the standalone financials of Runner Automobiles Limited.

Also please be informed that to comply with the requirement of SRO No-186-LAW/2009 dated July 01, 2009, (applicable income tax rate for the company is 5% of business income) the company is required to invest 10% of rebate amount in listed securities which is exemplified by BDT 38,181,156 investment in listed securities.

As regards to Share Money Deposit, Runner Motors Limited invested BDT 47.11 million in Runner Terra EV Limited of which RML holds 49% shares.

Out of BDT 184.54 million advance by RAL, major portion of BDT 79.90 million was for the purpose of decoration of 12 new showrooms as disclosed in note 10.2 of audited accounts of the year ended June 30, 2016 while the rest was for other operational purpose. Out of BDT 726.20 million advances of Runner Motors, BDT 481.24 million was as advance income tax, BDT 200.45 million as advance to suppliers while the remaining portion was for other operational purpose. Out of the total advances of BDT 906 million shown in the consolidated financials of June 30, 2016, only 20.41% comes from the standalone financials of Runner Automobiles Limited.

4. It is observed from auditors certificate dated 29 September, 2016 that 22 transactions each above Tk.5,00,000/- (five lac) were made in cash During the FY 2015-16 which is a contravention of Condition No. 7 & 14 of the Commission's consent letter dated July 23, 2015. Explain your position;

We have some cash transaction above BDT 500,000 due to the nature of our business it is not always practically possible to fully maintain all requirements. During the year ended June 30, 2016 cash transaction above BDT 500,000 was made for the following reasons-

- **Advance paid for local purchase:** As a manufacturer of motorcycles the company needs to purchase some components of motorcycle from local market. Major portion of those suppliers are not used to with banking transaction because of which we needed to pay cash directly to the employees as advance to purchase those components from different suppliers. After purchase those employees adjust their amount by submitting bill.
  - **Payment of wages to worker and non-executive:** The company has paid salary on cash basis to casual employees and executive of whose scale of salary do not fall under the purview of transfer through account payee check.
5. It is observed from the land title deeds of the company that the company purchased total 4970.29 decimals of land but in the red-herring prospectus you have declared that the company has 4944.04 decimals of land. Explain your position in this regard with documents;

As per land title deed the company owns 4,970.29 decimals of land. However, as is customary in our country measurement of land during mutation may result in an amount lesser than that of title deed. In the case of RAL, mutation in the case of land title deed 20506, 3101, 5784, 8236, and 6846 was lower by 76.58 decimal of land.

6. In the valuation report dated 31-12-2010 valuer has stated under disclaimer head that the total quantity of land as per deed is higher by 74.84 decimal compare to the quantity of mutation and the value of difference is Tk.1,02,20,000/-. The valuer has taken the quantity of land as per deed instead of mutation for valuation purpose. Mention whether this land at present is mutated or not;

Mutation of land in the name of Runner Automobiles Limited has subsequently been completed. As a result subsequent valuation report of 2014 by the same valuer does not contain such disclaimer.

Sd/-  
**Mukesh Sharma**

Managing Director and CEO  
Runner Automobiles Limited

Date: November 15, 2017

**MANAGEMENT DISCLOSURE REGARDING EXCESSIVE STOCK OF 135CC MOTORCYCLES**

Runner Automobiles Limited manufactured 135CC especially for the overseas market. As on 30 June, 2017, the finished goods stock balance for Bullet 135CC motorcycle was 290 against orders for dispatch to Nepal. Subsequently, the finished goods stock has been exported to Nepal.

**Sd/-**

**Mukesh Sharma**

Managing Director and CEO  
Runner Automobiles Limited

Date: June 26, 2018

**STATEMENT REGARDING COST AUDIT**

This is to certify that as per provision of Companies Act, 1994 and Cost Audit (Report) Rules 1997 along with subsequent amendment of the said Rules in 2005, cost audit by Professional Accountant is not applicable for Runner Automobiles Limited.

**Sd/-**

**Mukesh Sharma**

Managing Director and CEO  
Runner Automobiles Limited

Date: June 26, 2018

**STATEMENT REGARDING COST AUDIT**

Based on statement regarding cost audit by Runner Automobiles Limited, we certify that cost audit by Professional Accountant is not applicable for Runner Automobiles Limited.

**Sd/-**

**Md. Moniruzzaman**

Managing Director  
IDLC Investments Limited

Date: June 26, 2018

## AUDITOR'S ADDITIONAL DISCLOSURES

### 1. Sales revenue of Runner Automobiles Limited (RAL) in Financial Year 2016 & 2017

Due to a number of events, sales revenue of Runner Automobiles Limited for the year ended 30 June 2016 does not represent the average sales of the Company over the last couple of years. During 2015-16, the sales dropped for various socio-economic and geo political situations (such as lower demand of motor bikes from dealers during second half of 2015 as they had higher stocks at 30 June 2015 due to sluggish sales in first half of 2015 for continuous blockade and also lower volume of sales due to police crack-down on motor bikes without registration documents initiated during the second half of 2015) which has the direct relation with decreasing trend in profitability.

However, based on comparison of year on year revenue, it has been observed that revenue in 2016-2017 has been increased by Tk. 859,848,931 or 55.47 % compared to previous year as cited below along with key drivers of such growth:

Revenue	2016-2017	2015-2016	% of Changes
	2,410,036,191	1,550,187,260	55%

The overall market of 2 Wheelers expanded during 2016-2017 which contributed towards higher sales revenue of the Company during the year ended June 30, 2017. Furthermore, the Company also introduced BAJAJ 3 Wheeler products in its product line which contributed also made impact on higher sales revenue. Management has further elaborated its revenue growth to the following two factors:

- **Product mix:** As referred on Note 26.1 on Audited Financial statement as on 30 June 2017 the Company's sales number of two wheeler as well as its mix has been changed and its top performers like 80CC and 100CC two wheelers registered 56% and 28% revenue growth respectively. RAL has also ramped up sales of its 125CC and 150CC two wheelers.

Product Particulars	2016-2017	2015-2016	Increase %
50 CC Motor Cycle	9,849,000	17,301,500	-43%
80 CC Motor Cycle	871,416,000	559,566,000	56%
100 CC Motor Cycle	779,186,500	610,669,500	28%
110 CC Motor Cycle	255,858,000	247,953,000	3%
125 CC Motor Cycle	189,891,000	39,055,000	386%
135 CC Motor Cycle	234,000	27,582,000	-99%
150 CC Motor Cycle	105,961,000	36,582,000	190%
3Wheeler	197,640,691	11,478,261	1622%
<b>Total</b>	<b>2,410,036,191</b>	<b>1,550,187,261</b>	<b>55%</b>

- **Introduction of 3 wheeler product:** Runner Automobiles Ltd. has been appointed as a distributor of Bajaj Auto Ltd. India for popular BAJAJ RE branded 3 Wheelers (Passenger/ cargo- LPG and Diesel range). Upon starting the business since 2017 the Company organized its 19 exclusive dealers with 19 showroom and covered service supports countrywide. More than 2000 units RE Brand 3Wheeler products has been distributed in Bangladeshi market by RAL during 2017.

Based on analysis of the Company's previous years revenue it has been observed that the revenue was in steady growth except during the year ended June 30, 2016 due to prevailing market condition.

### 2. Management of consolidated accounts receivable

Both Runner Automobiles Ltd (RAL) and its subsidiary Runner Motors Ltd (RML) offer credit sales to customers through 6 to 24 instalments for Motorcycles and up to 60 instalments for Truck respectively. Therefore, Accounts Receivable balances are increasing year on year basis over the period due to cumulative effect of accounts receivable balance not yet due together with subsequent period's new receivable balance from credit sales. RAL and RML has their own credit recovery team for managing and collecting purposes to closely monitor and manage the Account Receivable effectively.

Total Sales and receivables analysis for the last three years are as follows:

Year	Particulars	RAL	RML	Consolidation
2014-15	Sales Amount	2,250,238,633	2,288,670,866	4,538,909,499
	Accounts Receivable	1,101,444,384	3,021,760,941	4,124,228,406
2015-16	Sales Amount	1,550,187,260	3,614,812,137	5,164,999,397
	Accounts Receivable	1,214,471,350	3,680,873,892	4,896,368,324
2016-17	Sales Amount	2,410,036,191	4,084,637,639	6,494,673,830
	Accounts Receivable	1,240,299,595	4,256,531,587	5,497,854,264

### 3. Party wise breakup of accounts receivable as at June 30, 2017 and subsequent realization as on audit signing date

During the time of our audit, we selected top twenty accounts receivable balance comprising nearly 73.94% of dealer and 38.45% of total accounts receivable for subsequent receipt testing. The status of those top twenty receivable and its subsequent realization as at the audit report signing date has been summarized below:

Sl No	Particulars	Amount	% of Top 20 receivables against Dealer Receivable	% of Top 20 receivables against total Receivable	Subsequent realization
1	Rubel Auto	84,574,918	13.11%	6.82%	31,349,419
2	Hashi Khushi Motors	24,770,377	3.84%	2.00%	18,102,443
3	Choudhury Motors	20,296,194	3.15%	1.64%	1,610,139
4	Mohammad Motors	14,966,820	2.32%	1.21%	2,955,252
5	N N Enterprise	53,820,000	8.34%	4.34%	21,202,200
6	Sharmin Honda Center	4,488,039	0.70%	0.36%	2,404,761
7	Alam Motors	35,965,598	5.58%	2.90%	3,260,462
8	Suntime Electronics	7,575,621	1.17%	0.61%	3,944,280
9	Ahmed & Sons	35,299,737	5.47%	2.85%	33,366,798
10	Huda Motors	9,460,000	1.47%	0.76%	1,567,411
11	Basundhara Motors	25,435,978	3.94%	2.05%	7,112,753
12	AK Trader	43,127,263	6.69%	3.48%	1,783,209
13	Rezia Motors	17,216,461	2.67%	1.39%	6,635,351
14	R R Autos	24,447,490	3.79%	1.97%	5,366,407
15	Modern Enterprise	37,264,848	5.78%	3.00%	21,096,213
16	Desh Automobiles	9,582,048	1.49%	0.77%	7,043,000
17	Habib Motors	8,683,721	1.35%	0.70%	4,919,366
18	Khan Motors & Electronics	8,891,342	1.38%	0.72%	4,401,412
19	Judge Motors	5,751,051	0.89%	0.46%	-
20	Jamil Motors	5,323,063	0.83%	0.43%	-
	<b>Top 20 Dealer Receivable</b>	<b>476,940,569</b>	<b>73.94%</b>	<b>38.45%</b>	<b>178,120,876</b>
	Other Dealer Receivable	197,766,588			148,632,743
	<b>Total Dealer Receivable</b>	<b>645,045,189</b>			<b>326,753,619</b>
	Retail Receivable	531,606,422			114,871,015
	Other Receivable	63,647,984			14,181,907

#### 4. Month-wise gross sales revenue and amount of VAT for the year ended June 30, 2017

Month-wise amount of gross sales and VAT for the year 2016-2017 are given below:

Month	Amount in Taka		
	Gross Sales	VAT	Net Sales
July	167,651,059	21,867,531	145,783,528
August	198,234,217	25,856,637	172,377,580
September	194,818,225	25,411,073	169,407,152
October	211,365,569	27,569,422	183,796,147
November	187,688,917	24,481,163	163,207,754
December	147,228,369	19,203,700	128,024,669
January	119,589,177	15,276,909	104,312,268
February	142,732,770	18,671,817	124,060,953
March	261,117,333	34,190,581	226,926,752
April	330,376,152	43,401,886	286,974,266
May	358,245,720	47,204,417	311,041,303
June	679,653,341	47,320,328	632,333,013
<b>Total:</b>	<b>2,998,700,850</b>	<b>350,455,464</b>	<b>2,648,245,386</b>
Stock Transfer from Factory to own Showroom			238,209,195
<b>Sales revenue</b>			<b>2,410,036,191</b>

#### 5. Detailed calculation of income tax provision for the year ended June 30, 2017

The break-up of total current income tax expenses for the year ended June 30, 2017 amounting to Tk. 24,118,961 is given below:

Particulars	Business Income-2W	Business Income-3W	Gain on sale of shares & PPE	Dividend Income	Other Income	Total
Operating Profit	338,389,515	15,900,376	-	-	-	354,289,891
Finance Cost	(195,927,197)	(2,555,382)	-	-	-	(198,482,579)
Other Income	-	-	-	-	-	77,535,067
<b>Taxable Income</b>	<b>142,462,317</b>	<b>13,344,994</b>	<b>3,197,242</b>	<b>35,011,845</b>	<b>34,900,147</b>	<b>228,916,545</b>
Tax Rate	5%	35%	10%	20%	35%	
Gross Tax liability	7,123,116	4,670,748	319,724	7,002,369	12,215,052	31,331,009
Deferred Tax	(7,099,600)	(112,448)	-	-	-	(7,212,048)
<b>Net Tax liability</b>	<b>23,516</b>	<b>4,558,300</b>	<b>319,724</b>	<b>7,002,369</b>	<b>12,215,052</b>	<b>24,118,961</b>

#### 6. Break-up of others receivables as shown in note 12 of the audited accounts for the year ended June 30, 2017

Break-up of others receivables as shown in note 12 of the audited accounts for the year ended 30 June 2017 are given below;

Other receivables	Amount
Accrued interest on FDRs	149,654
Rental receivable	2,460,915
Advance income tax refund	76,430,433
<b>Total</b>	<b>79,041,002</b>

<b>Rental receivable</b>	<b>Amount</b>
Runner Motors Ltd	398,800
Runner Properties Ltd	574,800
Runner Bricks Ltd	120,000
IBFB	75,000
Varendra University	120,000
US Bangla (Savar)	745,305
Terra EV Ltd	277,010
Promita Oil & Gas	100,000
Kazi Equities Ltd.	50,000
<b>Total</b>	<b>2,460,915</b>

#### **7. Charging depreciation on land development expenses**

According to BAS-16 para 59, if the cost of land includes the costs of site dismantlement, removal and restoration, that portion of the land asset is depreciated over the period of benefits obtained by incurring those costs. In some cases, the land itself may have a limited useful life, in which case it is depreciated in a manner that reflects the benefits to be derived from it.

The amount capitalized under Land Development does not contain anything which has been referred in paragraph 59 as it contains mainly the leveling ground, filing holes etc. and hence depreciation has not been charged.

#### **8. Detailed list of the plant & machineries added during the year ended June 30, 2017**

List of plant and machineries acquired by the Company during the year are given below

<b>SI No</b>	<b>Name of the Plant &amp; Machinery</b>	<b>Year of Purchase</b>	<b>Seller Name</b>	<b>Address</b>	<b>Condition when Purchase</b>	<b>Country of origin</b>	<b>Purchase price</b>
1	Mold Rubber	2016-17	Hangzhou Color Powder Coating Ltd	Gongshu District, China	Brand New	China	175,480
2	Color Electrode holder, OptiFlex, Powder	2016-17	Hangzhou Color Powder Coating Ltd	Gongshu District, China	Brand New	China	114,903
3	PLC & Automation works for process Machine	2016-17	Multitech Solution	Sonargaon Road, Uttara	Brand New	Bangladesh	190,000
4	Fixed Asset transfer from Capital work in process						13,832,192
	<b>Total</b>						<b>14,312,575</b>

#### **9. Title deed of 106 decimal land located in Thakurgaon recorded as the Company's land**

Based on our scrutiny of the related title deed for 1.06 acre of land purchased in 2009, we observed that the name and address of the purchaser of land is "Chairman Runner Automobiles Limited" and the address is "138/1 Tejgaon Industrial Area" which is RAL's registered address. Since the land was purchased back in 2009, the same has been already included as the fixed assets of the Company and also valued by the Independent Valuer as the Company's own land. The title holder of the land was not any individual or in the name of any individual, rather in the name of "Chairman Runner Automobiles Limited". Since the post of Chairman in a limited liability company is not perpetually tied to any individual and neither can be inherited by any individual it is implied that the land actually belongs to Runner Automobiles Limited and the Chairman merely acted on behalf of the Company not at his individual capacity.

Nevertheless, since this was a legal matter, the Company has obtained a legal opinion on this matter where the lawyer has opined that Runner Automobiles Limited is the present owner of the land.

**10. Consequence of noncompliance of Bangladesh Labor Act, 2006 regarding non formation of trust, transfer of fund to separate bank audited accounts and disbursement of fund.**

As stated above under points 18 and 35, since 2013, the Company has started to make provision for WPPF in accordance with section 234 of the Bangladesh Labor (Amendment) Act 2013, where 5% of the net profit of each year is required to be transferred to the Fund of which 80% is to be transferred to participation fund, 10% is to be transferred to welfare fund and balance 10% is to be transferred to Government Welfare fund.

The Company has formed the Board of Trustee on 01 December 2016 and opened a bank account in 2017 to manage and disburse WPPF and in the process of completing all remaining formalities. Subsequently the Trust deed of RUNNER AUTOMOBILES LTD. WORKERS' PROFIT PARTICIPATION FUND has been registered duly.

As per section 236 of the Labour Act 2006, where the Company fails to comply with the provisions of section 234, the Government may, by order in writing, require it to comply with those provisions within such time as may be specified in that order. Since the Company has made the provision but not yet fully complied with Section 234 requirement as consequence the Government may instruct the Company to comply with all requirements within the specified timeframe. As at the signing of our audit report the Company management confirmed us that they have not received any written order from Government on this matter.

**11. Calculation of income tax for the year ended June 30, 2017**

Calculation of income tax as disclosed in note 32 is given below

Particulars	Business Income-2W	Business Income-3W	Gain on sale of shares/PPE	Dividend Income	Other Income	Total
Operating Profit	338,389,515	15,900,376	-	-	-	354,289,891
Finance Cost	(195,927,197)	(2,555,382)	-	-	-	(198,482,579)
Other Income	-	-	-	-	-	77,535,067
<b>Taxable Income</b>	<b>142,462,317</b>	<b>13,344,994</b>	<b>3,197,242</b>	<b>35,011,845</b>	<b>34,900,147</b>	<b>228,916,545</b>
Tax Rate	5%	35%	10%	20%	35%	
Gross Tax liability	7,123,116	4,670,748	319,724	7,002,369	12,215,052	31,331,009
Deferred Tax	(7,099,600)	(112,448)	-	-	-	(7,212,048)
<b>Net Tax liability</b>	<b>23,516</b>	<b>4,558,300</b>	<b>319,724</b>	<b>7,002,369</b>	<b>12,215,052</b>	<b>24,118,961</b>

As per SRO No-186-LAW/2009, Date- 01.07.2009 and NBR order no-08.01.0000.034.046.12-281 (2) Date-12.06.2012 applicable Income Tax rate for the Company is 5% of business income (wef. 15/03/2008 to 24/03/2020), instead of the normal income tax rate of 35% (2016: 35%).

**12. Updated status of winding up of Runner Electronics Limited ("REL") as disclosed in note 6**

REL has been liquidated as on 31st October, 2013. The liquidator final statement of accounts regarding the settlement of shareholders has been approved by the registrar of joint stock companies and firms (RJSCF) on 7th December, 2017. According to liquidator's statement the balance due to shareholder is 315,100 after paying off all secured and unsecured creditors and other related cost regarding to liquidation. Runner Automobiles Limited (RAL) had shareholdings of 83.27%, therefore settled amount has been 262,384 for RAL Accordingly the receivable and investment to subsidiaries have been adjusted in the half yearly accounts as on 31 December 2017.

**13. Quantity wise information of sales and inventory as per requirement of Companies Act, 1994**

Quantity wise break-up of sales and inventory (finished goods) as at June 30, 2017 are as follows:

2016-2017	Sales Quantity	Inventory (Finished Goods)
50 CC Motor Cycle	147	16

80 CC Motor Cycle	12,264	665
100 CC Motor Cycle	9,462	268
110 CC Motor Cycle	2,659	708
125 CC Motor Cycle	1,623	144
135 CC Motor Cycle	02	290
150 CC Motor Cycle	761	206
Three Wheeler	562	85
<b>Total:</b>	<b>27,480</b>	<b>2,382</b>

As disclosed in Note-07 of the financial statements for the year ended 30th June 2017, quantity wise breakup of raw materials and stores and spares could not be given as it is quite difficult to quantify each items in a separate and distinct category due to large variety of inventory. Information in summarized form may not be useful for the user.

Dhaka, 24 April 2018

Sd/-  
**Hoda Vasi Chowdhury & Co**  
Chartered Accountants

#### 14. Break-up of land and land development

Land development expenses mainly include land registration and mutation costs, leveling of fields, filling holes in the grounds, soil digging for ponds and lakes, gardening and playground establishments etc.

Total value of Land and Land development costs as on **June 30, 2017** are as follows:

Particulars	Land	Land Development	Total
	1,534,102,741	268,033,378	1,802,136,119

Area of total Land	4,970.29 Decimal
Particulars	Taka
Deed Value	239,969,000
Land Development Cost *	268,033,378
<b>Total Land value at Cost</b>	<b>508,002,378</b>

Revaluation Reserve (Revaluation conducted in 2010)	758,569,086
Revaluation Reserve (Revaluation conducted in 2014)	535,564,655
<b>Revaluation Reserve</b>	<b>1,294,133,741</b>
<b>Total Land value with revaluation</b>	<b>1,802,136,119</b>

#### *\*Details of Land development Cost*

Particulars	Taka
<b>Land Registration Cost:</b>	<b>30,351,822</b>
Land Registration Fees at the time of purchases (Taka 26,396,590)	
Land Mutation and other affiliated costs (Taka 3,955,232)	
<b>Soil Filling, and Old Pond Filling</b>	<b>158,951,910</b>
Soil Filling, Labor Cost, Sand, carrying cost with land area with 2 feet height from the surrounding level land for 440,310 sft. @ BDT. 361 per sft. (average) in association with some earth filling works.	
<b>New Pond &amp; Lake Excavation:</b>	<b>53,752,982</b>
New Pond Excavation for plant water disposal and usage of water for the Factory workers and employees as well as reusing rain water along with excavation, leveling, RCC piling for the pond protection, water disposing machine filling, ditching, pouring water, dressing etc. In addition, a lake has been developed in the factory premises.	

<b>Water drainage system development:</b>	<b>12,864,705</b>
Water/Sewerage line, water outlet line up to main channel @ 11 feet height with RCC pipeline running 3,805 meter @ BDT. 3,381 per meter	
<b>Plantation and Play Ground</b>	<b>12,111,959</b>
Various type of fruits, flowers plants, Golf Ground developed at premises with average BDT. 285 per tree cost and ground cost for Golf.	
<b>Total Land Development Cost</b>	<b>268,033,378</b>

**15. Detail break up of cash payments to suppliers, employees and others for the year ended June 30, 2017**

The break-up of cash payments to suppliers, employees and others is as follows;

<b>Cost of goods sold</b>	<b>(1,728,585,019)</b>
Increase in inventories	(222,008,865)
Increase in LC margin deposit with Banks & prepaid insurance	14,447,532
Non-cash item (depreciation)	58,419,113
<b>Cash payment for cost of material</b>	<b>(1,877,727,239)</b>
<b>Admin expenses</b>	<b>(90,529,626)</b>
Decrease in other suppliers	(1,200,000)
Decrease in liabilities for expense & provision	(42,225,887)
Non-cash item (depreciation)	14,604,778
<b>Cash payment for admin expenses</b>	<b>(119,350,734)</b>
<b>Selling expenses</b>	<b>(236,631,655)</b>
Increase in other advances	(53,201,405)
Decrease in liabilities for expense & provision	(6,837,673)
Decrease in trade payable	(20,488,129)
<b>Cash payment of selling expenses</b>	<b>(317,158,863)</b>
<b>Net Cash paid to suppliers, employees and others</b>	<b>(2,314,236,836)</b>

The summary of the operating cash payment for the abovementioned period is as follows;

<b>Particulars</b>	<b>Taka</b>
Cash Payment to Suppliers	(1,750,105,780)
Cash Payment to Employees	(136,817,061)
Cash Payment to Others (It includes mainly administrative and selling expenses other than employee related costs and indirect factory costs.)	(427,313,995)
<b>Net Cash paid to suppliers, employees and others</b>	<b>(2,314,236,836)</b>

**16. Management, disbursement and investment of WPPF by the Company**

From 2013, the Company has started to make provision for WPPF in accordance with section 234 of the Bangladesh Labor (Amendment) Act 2013, where 5% of the net profit of each year is required to be transferred to the WPPF, of which 80:10:10 is to be paid to Participation Fund, Welfare Fund and Workers Welfare Foundation Fund respectively.

The Company has formed the Board of Trustee ("the Trustee") on 01 December 2016 and opened a bank account in 2017 in the name of "Runner Automobiles Ltd. Workers' Profit Participation Fund" to manage and

disburse WPPF and in the process of completing all formalities. Thereafter on November 14, 2017 an amount of Tk. 25,720,542 (provision up to 30 June 2016) and on June 24, 2018 an amount of 11,111,542 (provision for the year 30 June 2017) has been transferred from bank account of Runner Automobile Ltd. to bank account of the Fund. Subsequently the required amount has been distributed to the entitled members as per trust deed policy of the WPPF. and the Trustee is in the process of paying the required amount to the “Bangladesh Sramik Kallyan Foundation” in accordance with provision of Bangladesh Labor Law.

Furthermore, in pursuance with the administration of WPPF, the Trust deed of Runner Automobiles Ltd. Worker’s Profit Participation Fund has been duly registered under sub-register office, Tejgaon, Dhaka vide Deed No: IV-38/2018 dated June 04, 2018.

**Status of payment of WPPF of the Company as follows:**

Particulars	Amount
Total provision for WPPF up to 30 June 2017 (as per financial statements)	36,832,084
Less: Payment made from Company Bank A/c on November 14, 2017	(25,720,542)
Less: Payment made from Company Bank A/c on June 24, 2018	(11,111,542)
<b>Outstanding provision for WPPF relating to the period ended on June 30, 2017</b>	<b>Nil</b>

**17. Compliance with the group insurance as per provision of the ‘Bangladesh Labor (Amendment) Act, 2013**

Runner Automobiles Limited (“the Company” or “RAL”) has executed a contract of group insurance with Guardian Life Insurance Limited on 10<sup>th</sup> July 2017. This contract is concluded initially for a period of 3 years and thereafter shall stand automatically renewed with terms and conditions mutually agreed upon by the both the parties for the same period unless terminated by either party. The insurance agreement covers the benefits of Accidental Death Benefit (ADB), Permanent and Total Disability (PTD) and Permanent and Partial Disability (PPD) for the employees of Runner Group. Initially total number of insured employees through the group insurance was 1,374 having annual premium for each employee of BDT. 377 and total premium comes consolidated BDT. 5,173,998. Initially Runner Motors Limited (the subsidiary company of RAL) has paid the mentioned total premium of Group Insurance premium which subsequently adjusted with RAL for its 557 employees of BDT. 209,989 as a share of common expenses.

**18. Detail break-up of advance to employees**

Employee advance of the company as at 30 June 2017 is as follows:

SI No	Employee Name	Designation	Payment Date	Purpose	Amount
1	Abdullah-Al- Mamun	Assistant Manager	5/30/2017	Tour	137,930
2	Abu Liece	Senior Executive	4/20/2017	Local Purchase	835,000
3	Ahmad Sadi	Senior Executive	5/1/2017	Tour	25,000
4	Alamgir Howlader	Assistant Manager	5/5/2017	Local Purchase	83,333
5	Tareq Aziz	Executive	4/1/2017	Selling expense	1,634,457
6	Anisur Rahman	Assistant Mechanic	6/28/2017	Tour	150,000
7	Asif Chowdhury	Assistant Manager	6/2/2017	Registration Exp	1,000,000
8	Faisal Mahboob Rahman	Senior Executive	6/7/2017	Selling Expense	510,000
9	Farzana Afrin	Assistant Manager	6/29/2017	Local Purchase	196,321
10	FazleSadain	Deputy Manager	5/15/2017	Local Purchase	602,410
11	G M Shariful Islam	Executive	5/30/2017	Tour	10,000
12	GoswamiAshim Ranjan	Assistant General Manager	4/20/2017	Selling expense	964,705
13	Hafizur Rahman	Senior Executive	5/1/2017	Local Purchase	317,197
14	Kazi Md Sadek	Executive	5/5/2017	Tour	116,832
15	Lutfur Rahman Mollah	Executive	4/1/2017	Selling expense	400,000

SI No	Employee Name	Designation	Payment Date	Purpose	Amount
16	Mamunur Rashid	GM	6/28/2017	Branding Expense	1,482,642
17	Maruf Ahammed Khan Manik	Assistant Manager	6/2/2017	Local Purchase	400,000
18	Md Abdur Rahim	Driver	6/7/2017	Tour	1,415
19	Md Abul Kalam Azad	Executive	6/29/2017	Local Purchase	264,605
20	Md Akter Hossan	Jr. Executive	5/15/2017	Selling expense	519,742
21	Md Aminur Rahman	Assistant Manager	3/2/2017	Selling expense	900,000
22	Md Ashraf Uddin	Sr. Officer	6/17/2017	Selling expense	1,111,581
23	Md Ashraful Islam	Executive	6/23/2017	Tour	113,800
24	Md Iftekhar-ur Rahman	Assistant Manager	5/15/2017	Local Purchase	808,775
25	Md Mintu	Jr. Asst Painter	4/30/2017	Tour	272,890
26	Md Mizanur Rahman	Deputy Manager	5/20/2017	Registration Exp	2,132,639
27	Md Mohiuddin	Executive	6/1/2017	Tour	10,275
28	Md Mozammel Hossain	Assistant General Manager	6/7/2017	Local Purchase	403,856
29	Md Nasirul Haque	Executive	6/29/2017	Selling expense	1,050,277
30	Md Nazmul Hosen	Sr. Officer	5/15/2017	Tour	103,000
31	Md Omar Faruque	Sr. Executive	5/30/2017	Selling expense	1,769,013
32	Md Sazedul Islam	Assistant Manager	4/20/2017	Tour	122,433
33	Md Selim	Senior Executive	5/1/2017	Tour	114,793
34	Md Shahadat Miah	Sr. Officer	5/5/2017	Tour	156,711
35	Md Shahel Rana	Executive	4/1/2017	Local Purchase	780,000
36	Md Shahjahan Mia	Senior Executive	6/28/2017	Selling expense	1,142,003
37	Md Zahidul Islam	Senior Executive	6/2/2017	Selling expense	758,110
38	Md Zakir Hossain (Lavlu)	Senior Executive	6/7/2017	Selling expense	400,000
39	Md. Aftab Uddin Shah	Executive	6/29/2017	Selling expense	2,500,000
40	Md. Jakir Hossain	Officer	5/15/2017	Local Purchase	1,600,000
41	Md. Kaium Uddin Ahmed	Senior Executive	3/2/2017	Admin Expense	400,000
42	Md. Mizanur Rahman	Deputy Manager	6/29/2017	Selling expense	1,217,020
43	Md. Nasim Uddin Khan	Officer	5/15/2017	Tour	15,000
44	Md. Nazmul Hasan	Executive	3/2/2017	Tour	15,000
45	Md. Nazrul Islam	Assistant Mechanic	6/17/2017	Tour	200,000
46	MD. Obaidunnobi	Senior Executive	6/23/2017	Tour	234,443
47	Md. Razibul Islam	Senior Executive	5/15/2017	Tour	90,000
48	Md. Saifullah Khaled.	Senior Executive	4/30/2017	Tour	300,000
49	Md. Ziaul Hasan	Executive	5/20/2017	Selling expense	1,200,000
50	Md.Imam Uddin Babu	Executive	6/1/2017	Tour	214,703
51	Md.Shifuzzaman	Deputy Manager	6/7/2017	Local Purchase	5,000,000
52	Mongilur Rahman	Senior Executive	6/29/2017	Local Purchase	1,500,000
53	Mosharraf Hossain	Deputy Manager	5/15/2017	Local Purchase	905,000
54	Mrs. ShahnajHaider	Senior Executive	5/30/2017	Selling expense	1,600,000
55	Muhammad Nazrul Islam	Executive	4/20/2017	Tour	376,486
56	Mukesh Sharma	Managing Director	5/1/2017	Overseas Tour	400,000
57	Owahiduzzaman	Deputy Manager	5/5/2017	Selling expense	718,000
58	Rakib Ahmed	Senior Executive	4/1/2017	Local Purchase	981,000
59	Rakibul Islam Rakib	Executive	3/10/2017	Tour	167,900
60	S.K.M. Asaduzzaman.	Executive	2/1/2017	Selling expense	920,000
61	SanaulSikdar	Deputy Manager	5/7/2017	Branding Expense	1,750,000
62	Saifuddin	Senior Executive	6/27/2017	Local Purchase	453,000
63	Saiful Haque	Assistant Manager	5/15/2017	Local Purchase	400,000
64	SayedSamima Akter	Executive	5/30/2017	Tour	200,000
65	Sayedur Rahman	Executive	4/20/2017	Tour	48,434
66	Shahed Khan	Officer	5/1/2017	Tour	56,371
67	Shamim Uddin Ahmed	Executive	5/5/2017	Selling expense	500,000
68	ShamsurNaharMita	Assistant Manager	4/1/2017	Selling expense	600,000
69	Sharmin Haque	Deputy Manager	5/5/2017	Tour	15,753
70	Shekh Aman	Executive	4/1/2017	Tour	300,000
71	Shohoz	Sr. Officer	3/10/2017	Tour	425,000
72	Syed Shahidul Alam	Officer	2/1/2017	Registration Exp	2,610,493
73	Yeasmin Alam	Assistant Manager	5/7/2017	Tour	178,848
	<b>Total</b>				<b>49,894,196</b>

#### 19. Attendance of physical verification of inventories as on June 30, 2017:

The attendance and conducting of physical verification of Inventories is one of the critical audit step. The audit team has attended the physical verification of inventories at the factory location and showroom of the Company on 30<sup>th</sup> June, 2017 and subsequent period. The Inventory Audit has been conducted by below team members;

1. Md. Hasibur Rahman FCA, Director.
2. Md. Rahat Sardar, Audit Staff.
3. Mr. Ariful Islam, Audit Staff.
4. Md. Iftekhar Alam, Audit Staff.

#### 20. Balance confirmation certificates from all the parties of the trade and other receivables;

We have conducted our audit in accordance with Bangladesh Standards on Auditing (BSA) and as required by those BSAs our audit procedures on revenue and receivables included a mix of control and substantive testing. Furthermore, we have applied both substantive analytical procedures as well as test of details. Few types of test of details we have conducted on trade and other receivables included amongst other subsequent receipt testing, review of balance confirmation certificates, cut-off testing, three-way matching (covering customer invoice, delivery challan for goods dispatched, GL posting) etc. Accordingly, we have collected 20 Dealer Balance Confirmation out of Total 6,076 Customers (Dealers & Retails) which covers 73.94% of total receivable balance as at 30 June 2017 and obtain balance confirmation since it was not feasible to confirm each and every balance. However, from our samples selected we found confirmation from customers to be in agreement with the recorded balance.

#### 21. Detail list of transport as at June 30, 2017

Details list of transport are given below:

SI No.	Vehicle Name	Vehicle Registration Number	User
1	PRADO JEEP	Dha Met GHA-13-4749	Office Pool
2	PREMIO G-Superior	Dha Met GA-39-6641	Office Pool
3	KIA JEEP	Dha Met GHA-13-5961	Office Pool
4	X-COROLLA	Dha Met GA -29-0575	Office Pool
5	Hyundai (Sonata)	Dha Met GA-32-0474	Office Pool
6	AXIO-X	Dha Met GA -39-1467	Office Pool
7	X-COROLLA	Dha Met GA -33-2968	Office Pool
8	PROBOX	Dha Met GA -33-2694	Office Pool
9	ALLION	Dha Met GA-33-7164	Office Pool
10	AXIO-X	Dha Met GA-39-1677	Office Pool
11	AXIO-X	Dha Met GA-39-1678	Office Pool
12	STATION WAGONE	Dha Met GA -17-0188	Office Pool
13	AXIO-X	Dha Met GA-32-6085	Office Pool
14	AXIO-X	Dha Met GA-32-6086	Office Pool
15	AXIO-X	Dha Met GA-32-6207	Office Pool
16	AXIO-X	Dha Met GA-32-4264	Office Pool
17	HIACE MICROBUS	Dha Met CHA-56-2410	Office Pool
18	F-PREMIO	Dha Met GA-19-5684	Office Pool
19	STATION WAGON	Dha Met GA-17-6368	Office Pool
20	Probox	Dha Met GA -31-7409	Office Pool
21	Nissan	Dha Met GA -15-8200	Office Pool
22	Probox	Dha Met GA -31-3998	Office Pool
23	AXIO-X	Dha Met GA-39-4418	Office Pool
24	STATION WAGONE	Dha Met GA -17-4792	Office Pool
25	HIACE	Dha Met CHA -51-4946	Office Pool
26	HIACE	Dha Met CHA -53-2848	Office Pool
27	PICUP	Dha Met AU-11-3223	Office Pool
28	PICUP	Dha Met THA-13-0264	Office Pool

29	CARA VAN	Dha Met MA -11-2100	Office Pool
30	CARA VAN	Dha Met MA-51-7435	Office Pool
31	CARA VAN	Dha Met AU-11-4088	Office Pool
32	Hyundai Sonata	Dha Met GA 32-0474	Office Pool

## 22. Compliance of Bangladesh Labour (Amendments) Act, 2013 regarding WPPF

As stated earlier under point 12, From 2013, the Company has started to make provision for WPPF in accordance with section 234 of the Bangladesh Labor (Amendment) Act 2013, where 5% of the net profit of each year is required to be transferred to the WPPF, of which 80:10:10 is to be paid to Participation Fund, Welfare Fund and Workers Welfare Foundation Fund respectively.

The Company has formed the Board of Trustee ("the Trustee") on 01 December 2016 and opened a bank account in 2017 in the name of "Runner Automobiles Ltd. Workers' Profit Participation Fund" to manage and disburse WPPF and in the process of completing all formalities. Thereafter on November 14, 2017 an amount of Tk. 25,720,542 (provision up to 30 June 2016) and on June 24, 2018 an amount of 11,111,542 (provision for the year 30 June 2017) has been transferred from bank account of Runner Automobile Ltd. to bank account of the Fund. Subsequently the required amount has been distributed to the entitled members as per trust deed policy of the WPPF. And the Trustee is in the process of paying the required amount to the "Bangladesh SramikKallyan Foundation" in accordance with provision of Bangladesh Labor Law.

Furthermore, in pursuance with the administration of WPPF, the Trust deed of Runner Automobiles Ltd. Worker's Profit Participation Fund has been dully registered under sub-register office, Tejgaon, Dhaka vide Deed No: IV-38/2018 dated June 04, 2018.

### Status of payment of WPPF of the Company as follows:

Particulars	Amount
Total provision for WPPF up to 30 June 2017 (as per financial statements)	36,832,084
Less: Payment made from Company Bank A/c on November 14, 2017	(25,720,542)
Less: Payment made from Company Bank A/c on June 24, 2018	(11,111,542)
<b>Outstanding provision for WPPF for the period ended June 30, 2017</b>	<b>Nil</b>

## 23. Explanation regarding the Production capacity of 500 Motorcycles per day and 100,000 in a year.

Runner Automobiles Limited has a spacious Factory possessing a wide range of production capacity of 100,000 units in a year. The Total Production Capacity in a year has been estimated in the following manner:

Particulars	Days
Number of days in a year	365
Less: 2 Days off in a week (52 weeks*2 days)	(104)
Remaining days	261
Less: Estimated Government and other holidays	(61)
Working days in a year	<b>200</b>

So, total estimated working days is 200 and per day production capacity is 500 per day which comes 100,000 per year.

Sd/-

Dhaka, 28 June 2018

**Hoda Vasi Chowdhury & Co**  
Chartered Accountants