



Runner Automobiles Limited

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

Telephone: 8870160, Fax: 8870164, 8870174, Website: www.runnerbd.com

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.

Opening date of subscription: 31 January, 2019

Closing date of subscription (Cut-off date): 10 February, 2019

ISSUE MANAGER



IDLC Investments Limited
DR Tower (4th Floor), 65/2/2, Bir Protik Gazi Golam Dostogor Road
Purana Palta, Dhaka 1000
Telephone: 16409, +8809609994352
Fax: 9571171, Website: www.idlc.com

Name and address, telephone numbers, web addresses, e-mails, fax numbers and contact persons of the Issuer, Issue Manager and Underwriter

Company	Contact person	Contact Number
Runner Automobiles Limited D R Tower (4th Floor) 65/2/2 Bir Protik Gazi Golam Dostogor Road, Purana Palta Dhaka 1000	Muhammad Nazrul Islam FCA Chief Financial Officer mizan@runnerbd.com Website: www.runnerbd.com	Tel: 8870160 Fax: 8870164, 8870174 E-mail: nazrul@runnerbd.com
Manager to the Issue	Md. Mizanur Rahman Company Secretary mizan@runnerbd.com Website: www.runnerbd.com	Tel: 16409, +8809609994352 Fax: 9571171 E-mail: mizan@runnerbd.com
IDLC Investments Limited D R Tower (4th Floor) 65/2/2 Bir Protik Gazi Golam Dostogor Road, Purana Palta Dhaka 1000	Md. Moniruzzaman, CFA Managing Director mmonir@idlc.com Website: www.idlc.com	Tel: 16409, +8809609994352 Fax: 9571171 E-mail: mmonir@idlc.com
Underwriters	Md. Moniruzzaman, CFA Managing Director mmonir@idlc.com Website: www.idlc.com	Tel: 16409, +8809609994352 Fax: 9571171 E-mail: mmonir@idlc.com
IDFC Capital Limited Ennoos Trade Center (Level-7) 5-2/5 Dilkusha C/A, Dhaka 1000	Mohammad Saleh Ahmed Chief Executive Officer Email: info@idfc.com Website: www.idfc.com	Tel: 9514637-8 Fax: 9514641 E-mail: info@idfc.com
LankaBangla Investments Limited City Centre, Level-24 90/1 Motijheel C/A, Dhaka 1000	Hassan Zabeed Chowdhury Chief Executive Officer Email: info@lankabangla.com Website: www.lankabangla.com	Tel: 9512621 Fax: 9512622 E-mail: info@lankabangla.com

Availability of the Full Prospectus

Prospectus of Runner Automobiles Limited may be obtained from following addresses

Company	Contact person	Contact Number
Runner Automobiles Limited 138/1, Tejgaon I/A Tejgaon, Dhaka 1208	Muhammad Nazrul Islam FCA Chief Financial Officer mizan@runnerbd.com Website: www.runnerbd.com	Tel: 8870160 Fax: 8870164, 8870174 E-mail: nazrul@runnerbd.com
Manager to the Issue	Md. Mizanur Rahman Company Secretary mizan@runnerbd.com Website: www.runnerbd.com	Tel: 16409, +8809609994352 Fax: 9571171 E-mail: mizan@runnerbd.com
IDLC Investments Limited D R Tower (4th Floor) 65/2/2 Bir Protik Gazi Golam Dostogor Road, Purana Palta, Dhaka 1000	Md. Moniruzzaman, CFA Managing Director mmonir@idlc.com Website: www.idlc.com	Tel: 16409, +8809609994352 Fax: 9571171 E-mail: mmonir@idlc.com
Stock Exchanges	Available at	Contact Number
Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000	DSE Library	Tel: 9564601, 9567210-18 Fax: 9564727, 9569755 Website: www.dsebd.org
Chittagong Stock Exchange Limited 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), DSE (www.dsebd.org), CSE (www.cse.com.bd), Runner Automobiles Limited (www.runnerbd.com) and Issue Manager (www.idlc.com) and Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

Name of the Credit Rating Agency along with rating assigned with date of validity

Particulars	Long Term	Short Term
Entity Rating	A2	3+3
Date of Rating	October 26, 2017	October 26, 2017
Validity of Rating	November 30, 2018	November 30, 2018
Rating by	Credit Rating Agency of Bangladesh Limited	

Name of the Valuer and the Auditor

Valuer	Contact person	Contact Number
Rahman Rahman Huq 9 Motakhali C/A (11 th & 12 th floors) Bir Uttam AK Khondakar Rd Dhaka	All Ashfaq, FCA Partner E-mail: aashfaq@kpmg.com Website: www.kpmg.com/bd	Tel: 988 6450-2 Fax: 988 6450-1
Auditor	Sabbir Ahmed, FCA Partner Tel: 8121114, 9120090 E-mail: sabbir@hodavasi.com Website: www.hodavasi.com	Tel: 8121114, 9120090 E-mail: sabbir@hodavasi.com

"পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। তেজে ও ত্বরে 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."

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/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, MANAGING DIRECTOR, UNDERWRITERS, AUDITOR(S) AND/OR VALUER, CREDIT RATING COMPANY (IF ANY)."

Summary of Use of Proceeds of the Offer

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
Total	1,000,000,000

Note: The estimated IPO expenses will be paid at actual and any adjustment will be made from repayment of bank loans

Brief Corporate Directory of the Issuer

Dhaka, 28 June 2018
NAV and EPS for the last five years

Particulars	2016-17		2015-16		2014-15		2013-14		2012-13	
	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated
NAV per share with revaluation	42.52	56.70	40.49	52.48	66.90	60.31	79.57	58.15	75.13	75.13
NAV per share without revaluation	28.76	41.94	26.72	38.70	52.43	46.99	43.11	62.07	40.93	57.92

The Company has declared dividend as follows:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Cash dividend	nil	nil	nil	nil	nil
Stock dividend	nil	nil	nil	1.033	1.030

The Company has declared 11% cash dividend for the year ended 30 June 2017.

Runner Automobiles Limited (the "Company") is a public company limited by shares is domiciled in Bangladesh. The address of the Company's registered office is at Head office -138/1 Tejgaon Industrial Area, Dhaka-1208, Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on July 4, 2004 under incorporation no. C-04559 (17/2000) under the Companies Act 1994 as a private company limited by shares. The Company was converted into a public company on January 26, 2012 under the Companies Act 1994. The Company has following subsidiaries as at 30 June 2017 which together formed the "Group".

Runner Automobiles Limited (date of acquisition: 1 July 2013)
Freedom Motors Limited (date of acquisition: 25 July 2013)
Runner Automobiles Limited (date of acquisition: 1 December, 2017)

F. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the Company in purchase of any other business.

G. The Company did not prepare any financial statements for 30 June 2017.

H. Figures appearing previous year's column have been restated/rearranged, wherever necessary to ensure comparison and better presentation. Due to rounding off decimal points to the nearest 'paka', when added some sub totals may differ by Tk. 1.

Ratio Analysis for last five years

Ratios	2016-2017		2015-2016		2014-2015		2013-2014		2012-2013	
	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated
Liquidity Ratios										
Current Ratio (Times)	1.47	1.34	1.40	1.22	1.31	1.34	1.42	1.19	1.60	1.43
Quick Ratio	1.13	1.09	1.12	1.09	1.05	1.08	1.22	0.97	1.10	1.15
Operating Efficiency Ratios										
Accounts Receivable Turnover Ratio	1.30	0.82	1.34	1.93	2.35	1.83	2.58	4.30	3.86	1.18
Inventory Turnover Ratio	2.94	4.08	2.60	3.39	5.34	3.38	3.62	6.28	3.22	2.45
Assets Turnover Ratio	0.40	0.49	0.29	0.43	0.49	0.43	0.43	0.79	0.47	0.35
Profitability Ratios										
Gross Margin Ratio (%)	28.28%	25.39%	27.78%	25.96%	25.68%	23.65%	24.77%	23.54%	18.95%	19.73%
Operating Profit Margin (%)	14.70%	13.55%	14.93%	14.89%	15.73%	14.69%	14.51%	15.66%	10.09%	11.48%
Net Income Ratio before tax (%)	9.22%	8.63%	5.68%	10.32%	10.23%	9.94%	8.29%	9.99%	5.48%	6.74%
Net Income Ratio after tax (%)	7.52%	6.06%	4.77%	7.04%	9.24%	7.56%	7.19%	5.07%	5.14%	
Return on Assets (%)	3.20%	2.99%	1.37%	3.06%	4.51%	3.32%	3.25%	5.66%	2.37%	1.80%
Return on Equity (%)	4.88%	7.27%	2.05%	7.82%	6.89%	8.98%	5.22%	10.95%	4.40%	4.72%
Earning Per share	2.03	3.22	0.81	2.78	2.39	3.38	1.61	5.78	1.12	4.37
EBITDA Margin (%)	20.48%	18.67%	21.34%	17.57%	19.40%	17.23%	18.55%	17.74%	14.25%	12.34%
Solvency Ratios										
Debt to Total Assets Ratio	0.32	0.48	0.27	0.44	0.24	0.46	0.26	0.50	0.26	0.45
Debt to Equity Ratio	2.04	0.25	0.21	0.24	0.39	0.21	0.37	0.27	0.31	0.14
Time Interest Earned Ratio (Times)	2.18	2.53	1.54	2.92	2.72	2.87	2.26	2.65	2.12	2.32
Debt to Equity Ratio (Times)	0.50	1.25	0.40	1.12	0.36	1.19	0.40	1.44	0.44	1.19
Cash Flow Ratios:										
Net Operating Cash Flow per Share	0.56	0.77	0.35	1.63	0.42	2.81	0.24	2.52	(4.74)	(31.29)
Net Operating Cash Flow per Share/EPS	0.28	0.24	0.42	0.59	0.18	0.83	0.15	0.44	(4.24)	(7.16)

* Average amount has been calculated based on only the consolidated balance sheet as at December 31, 2013.

Dhaka, 28 June 2018

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

Comparative Financial Statements for last five years

Auditor's Report under Section-135(i), Para 24 (i), of Part-II of Schedule III to the Companies Act 1994 (the "Company") has prepared the following statements of its stand alone and consolidated assets and liabilities, profit and loss accounts and cash flows as at and for the years ended 30 June 2017, 2016, 2015, 2014 and 31 December 2013, and submitted those to us for working and issuance of our confirmation thereon.

We, as the auditors of the Company, having examined the consolidated financial statements of the Group comprising the Company and its controlled entities as at and for the years ended 30 June 2017, 2016, 2015, 2014 and 31 December 2013 as well as the Company's stand alone financial statements as at and for the years ended 30 June 2017, 2016, 2015, 2014 and 31 December 2013, hereby confirm that the information has been correctly extracted from those stand alone financial statements.

(A) Statement of assets and liabilities

Particulars	30-Jun-17		30-Jun-16		30-Jun-15		30-Jun-14		31-Dec-13	
	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated	Stand alone	Consolidated
ASSETS										
Non-current assets	3,006,895,877	4,020,040,263	2,923,904,278	3,938,438,714	2,929,428,864	3,932,091,886	2,193,755,507	3,168,150,956	2,054,216,347	3,013,611,942
Property, plant and equipment net of accumulated depreciation	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Intangible assets	50,376,583	15,322,456	170,895,755	199,941,872	102,174,659	102,174,659	558,508	1,506,253	942,014	942,014
Capital Work in progress	153,224,000	59,734,663	153,224,000	58,101,823	153,224,000	153,224,000	149,474,000	7,620,000	149,474,000	7,620,000
Investment in subsidiaries	1,225,999,914	2,556,683,894	2,871,720	2,452,077,648	1,227,243,250	1,227,243,250	1,985,372,000	2,024,632,361	1,083,240,947	1,083,240,947
Trade receivables-net current	3,227,255,404	6,790,301,276	3,276,785,394	6,679,160,853	3,184,827,524	5,271,016,350	2,345,294,266	5,166,407,970	2,640,632,361	4,105,414,359
Current assets										
Inventories	699,515,450	1,279,606,414	477,506,585	1,097,045,455	383,885,888	1,599,308,653	242,502,389	2,059,893,070	496,288,231	981,158,669
Trade and other receivables	1,224,930,851	2,941,180,370	1,385,709,633	2,413,686,716	1,101,444,384	817,746,745	817,746,745	2,855,980,419	562,320,340	1,486,259,057
Short term investments	131,988,259	1,007,391,022	214,520,016	989,921,119	71,445,465	811,047,364	303,014,925	927,818,826	521,725,645	1,069,590,898
Advances, deposits and prepayments	317,131,159	1,145,247,711	249,628,009	985,928,197	194,975,857	856,623,974	282,320,923	174,844,199	256,337,622	609,998,080
Related party receivables	442,599,573	115,527,371	77,224,281	106,374,373	65,963,089	65,963,089	58,502,053	60,972,244	46,979,221	46,979,221
Other receivables	75,941,002	77,136,888	107,286,322	178,489,973	3,187,572	3,187,572	3,187,572	39,422,459	38,402,459	38,402,459
Cash and cash equivalents	165,307,259	442,030,688	170,100,124	238,685,141	5,820,026,692	1,951,065,663	5,992,957,679	1,745,494,378	4,759,977,767	1,975,641,611