# ANNUAL REPORT
# 2014-2015



## SHAHJIBAZAR POWER CO. LTD.

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# COMPANY INFORMATION

Shahjibazar Power Co. Ltd., is a Public Limited Company, registered under The Companies Act, 1994. The Company was incorporated in Bangladesh as a private limited company on 4th November, 2007 vide registration no. C-68888(1400)/07 and subsequently converted into public limited company on 28th September 2009. The registered office of the Company is located at Youth Tower, 822/2, Rokeya Sarani, Dhaka–1216 and the Plant is located at Fatepur, Madhobpur, Hobigonj, Bangladesh. The Company has 86 MW power plants and started commercial production from 10th February, 2009.

Shahjibazar Power Co. Ltd. produce electricity from natural gas and supply to Bangladesh Power Development Board (BPDB). The agreement for supply of power with Bangladesh Power Development Board (BPDB) held on 14th February, 2008. The Company supplies its generated electricity to Bangladesh Power Development Board (BPDB). After successful completion of IPO process the Company has started trading of shares in Dhaka and Chittagong stock exchange from July 15, 2014.

The company has a subsidiary company named as Petromax Refinery Ltd (PRL) a condensate fractionation plant situated at Mongla, Bagerhat, Bangladesh and an associate company named as Midland Power Co. Ltd. a 51 MW IPP situated at Ashuganj, Brahmanbaria.



# CORPORATE DIRECTORY

## Board of Directors:

**Mr. Rezakul Haider**
Chairman

**Mr. Feroz Alam**
Managing Director

**Mr. Anis Salahuddin Ahmad**
Director

**Mr. A.K.M Badiul Alam**
Director

**Mr. Shamsuzzaman**
Director

**Mr. Mohammad Liaquat Ali**
Independent Director

**Mr. Dr. Mohammad Quamruzzaman**
Independent Director

## Company Secretariat:

**Mr. Bhulon Kumar Bhowmik**
Chief Financial Officer

**Mr. Yeasin Ahmed**
Company Secretary

## Registered Office:

822/2 Rokeya Sarani
Dhaka-1216
Tel: +88-02 9025401-2
Fax- +88-02 9032436
E-Mail: info@youthbd.com
Website: www.youthbd.com

## Auditors :

Howladar Yunus & Co.
House-14, Road-16A, Gulshan-1,
Dhaka - 1212,
Tel: +88-02-9883863
Fax: +88-02-9562989
E-mail: hyc@howladaryunus.com

## Legal Advisor :

Amicus Curiae
(Barristers, Advocates
& Legal Consultants)
211/1 (Ground Floor),
Elephant Road, Dhaka-1205

## Main Bankers:

Islami Bank Bangladesh Ltd
Bank Asia Ltd



# PARTICULARS OF TOP EXECUTIVES/OFFICERS

### Feroz Alam

| | |
|---|---|
| Position | Director & Managing Director |
| Educational Qualification | Bachelor of Arts |
| Date of Joining | Since start of the Project |
| Last Five Years' Experience | Worked as Managing Director in different companies within the group |

### Engr. Md. Hafizur Rahman

| | |
|---|---|
| Position | Executive Director |
| Educational Qualification | BSc Engineer – Mechanical (BUET) |
| Date of Joining | Since start of the Project |
| Last Five Years' Experience | Worked as Executive Director in different companies within the group |

### Engr. Shariful Islam

| | |
|---|---|
| Position | General Manager |
| Educational Qualification | BSc Engineer – Mechanical (RUET) |
| Date of Joining | 01.01.2010 |
| Last Five Years' Experience | Worked as Sr. Manager in different companies within the group |

### Engr. Tamiz Uddin Sohoarwardy

| | |
|---|---|
| Position | Asst. General Manager |
| Educational Qualification | BSc Engineer – Mechanical (KUET) |
| Date of Joining | 01.01.2008 |
| Last Five Years' Experience | Worked as Dy. Manager in different companies within the group |

### Bhulon Bhowmik

| | |
|---|---|
| Position | Chief Financial Officer (CFO) |
| Educational Qualification | MBA (Finance), LLB, ITP |
| Date of Joining | 01.01.2008 |
| Last Five Years' Experience | Worked as Sr. Manager in different companies within the group |

### Yeasin Ahmed

| | |
|---|---|
| Position | Company Secretary |
| Educational Qualification | BBA, MBA (Finance), CMA-Part, CS-Part |
| Date of Joining | 02.05.2014 |
| Last Five Years' Experience | Worked as Manager in different Group of companies |

### Hasan Imam Siddiki ACA

| | |
|---|---|
| Position | Manager - Finance |
| Educational Qualification | BBA, MBA (AIS), ACA |
| Date of Joining | 01.03.2015 |
| Last Five Years' Experience | Worked as Manager in Audit Firms |

# LETTER OF TRANSMITTAL

All Members & Shareholders
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Dear Sir(s)

The undersigned on behalf of the Board of Directors of Shahjibazar Power Co. Ltd. is pleased to present herewith the Annual Report together with the Audited Financial Statements which includes Statement of Financial Position as at June 30, 2015 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended June 30, 2015 and notes thereon and related subsidiary financial statements.

Thanking You

Sincerely Yours,

Yeasin Ahmed
Company Secretary





# Notice Of The 08th Annual General Meeting

Notice is hereby given that the 08th Annual General Meeting of the Members of Shahjibazar Power Company Limited will be held on Monday the 8th day of February, 2016, at KIB Complex Auditorium, Krishi Khamar Road, Farmgate, Dhaka-1215 at 11.00 A.M to transact the following business :

## Agenda(s) :

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended June 30, 2015 together with the Auditors' Report thereon
2. To declare dividend for the year 2015 as recommended by the Board of Directors
3. To elect/Re-elect Directors
4. To appoint Auditors for the year 2015-2016 and to fix their remuneration
5. To Approve the appointment of Independent Director

By order of the Board

(Yeasin Ahmed)
Company Secretary

Dhaka, January 16, 2016.

## Notes:

1. Shareholders whose names appeared at the record date i.e. December 7, 2015 in the Share Register of the Company or in the Depository Register on that date will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.
2. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 72 hours before the time fixed for the Annual General Meeting.
3. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy Form.
4. In case of non-receipt of Annual Report – 2015 sent through courier, Members may collect the same from the Company's share office with in February 7, 2016. No additional annual report will be distributed at AGM venue. Soft copy of the Annual Report is available in investor relation section of Company's website – www.Youthbd.com

Special Note: No benefit or gift in cash or kind shall be given to the Shareholders for attending the 08th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার কোন ধরনের কুপন প্রদানের ব্যাবস্থা থাকবে না।

## VISION

- Partner In Progress
For Energy Self-reliant
Bangladesh

## MISSION

- Reliable And Uninterrupted Supply Of Energy To The Whole Country Partnering With The Government;
- Optimum Utilization Of Resources And Innovative Technology To Achieve Highest Growth;
- Triple Bottom Line View Of Doing Business Caring For People And Planet While Generating Profit;

## OUR VALUES

- Sustainable Relationship With Our Shareholders By Maximizing Wealth, Including Employees, And All Business Partners Through Integrity, Honesty And Sincerity In Every Business Dealings;
- Passion To Excel
- Innovation To Stay Updated
- Diversification
- Cater For New Opportunities

# CORPORATE ETHOS



Mr. Rezakul Haider-Chairman

# MESSAGE FROM THE CHAIRMAN

Respected Members, Shareholders and Other Stakeholders,

The Board of Directors (BOD) and I would like to welcome you all in the 8th Annual General Meeting of Shahjibazar Power Co. Ltd (SPCL). For the last one year, despite having several hurdles including energy price fluctuation in the international market, your company maintains a persistent operational and financial performance as you will read in the following pages. Your company has maintained a prudent investment and best use of available resources to enhance sustainable growth.

Our vision is to help the government for a successful implementation of Power Sector Master Plan (PSMP). Achievement of 3 E's i.e. Economic Growth, Energy Security and Environmental Protection for attainment of a stable power supply is the mutual vision.

Shahjibazar Power Company Limited (SPCL) has come into the power sector of Bangladesh winning a competitive tender beating several other participants with Bangladesh Power Development Board (BPDB) on February 14, 2008. Subsequently the company has entered into Gas Supply Agreement (GSA) with Jalalabad Gas Transmission and Distribution System Limited (JGTDSL) on April 9, 2009. SPCL has started commercial operation from February 10, 2009 after accomplishing all necessary acquisition of capital machineries.

SPCL has diversified its business within the energy sector of the country by expanding the horizon of investments in midstream and downstream oil refinery and more power plants either of gas, domestic coal, LNG, HFO based or other renewable source of energy. In process on May, 2009 SPCL has set the motion to start investing in the oil refinery industry establishing Petromax Refinery Ltd (PRL) a fractionation plant to process gas condensate producing Octane, Diesel, Kerosene and some other joint and by products in Mongla port area. By the grace of the almighty, PRL has been in successful operation from October, 2013.

SPCL with Viyellatex Group have established a 51 Megawatt IPP project of Gas fired power plant at Ashugonj, Bangladesh named as Midland Power Company Ltd (MPCL) which has been in successful operation from December 2013 as well.

In last year's report, around 2 quarter performance of subsidiary and associate was merged with the consolidated performance. During the year under report, full year performance was consolidated and presented before you. Total revenue was increased by 82% amounting BDT 9,182.11 Million with an increase in gross margin by 43% amounting BDT 1,654.39 Million. SPCL separately was able to sustain the consistency adding total revenue of BDT 1,539.46 Million which was 7% higher than that of the previous year. As you know, your company is highly exposed to the risk of international market price of energy and unpredictable policy change of the government, necessary reserve to be kept within the business for mitigation of such risks. Therefore, a final dividend of 28% cash and 3% stock for the year ended 2015 shall be recommended for the approval of the members at the 8th AGM.

We value our employees for the dedication, integrity and commitment to the organization. We involve our business partners, government and other stakeholders as to how our business can generate value and contribute in maximizing wealth. We care for people and planet while generating profit.

On that note, I would like to express my sincere thanks to all respected shareholders for the confidence and trust on the management of the company and endurable involvements. Your company is producing energy for the greater interest of the economy and directly contributes towards the GDP growth. Your hard earned invested money is not only maximizing your wealth but also helping the government and people ensuring the availability of energy and drive the national growth.

I humbly express my gratitude to the government for their far sight and deep concern of the energy sector of the country, Bangladesh Power Development Board (BPDB), Bangladesh Petroleum Corporation (BPC), Rupantarita Prakritik Gas Company Ltd (RPGCL), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd, Central Depository Bangladesh Limited and our shareholders, financial institutions extending their co-operation in response to our needs and last but not the least our innovative employees without their full hearted effort your company could not able to stand where it is today. Our commitment to attain our ultimate mission is to become a partner in progress for energy self-reliant Bangladesh.



Chairman
Shahjibazar Power Co. Ltd.

# DIRECTORS PROFILE



## Rezakul Haider
Chairman

Mr. Rezakul Haider aged 59 years, is the Chairman of the Company, has joined the Board on November 2007. After completing his graduation from University of Chittagong, he has started his career as a businessman dated back from 1982. With a long experience of 33 years, he has established himself as a seasoned Industrialist of different sectors like Readymade Garments, Textile, Apparel, Energy and Power Generation. Sensing the urge of the contribution for the development of the society, Mr. Haider has extended his footsteps in School, University and different social welfare organization by his direct participation and generous donations. Mr. Haider has travelled many places throughout the Globe including USA, UK, Germany, Italy, France, Japan, Korea, China, Malaysia, Thailand, Singapore, Srilanka, India, Pakistan to enrich his knowledge and experience in Trade and Business.

## Feroz Alam
Director & Managing Director



Feroz Alam, aged 58 years, is the Director & Managing Director of the Company. He has joined the Board of the Company on November 2007. He has completed his graduation from University of Chittagong and engaged himself in business. With his true vision and strong leadership quality he has attained the ultimate success in the business arena of the Country. Starting with apparel and textile industry vertical to beverage, Private Power Generation and petrochemical industry he has proved his capacity in building strong footings in all diversified fields. He inherently possesses the expertise of managing manufacturing, marketing and finance area of the organization.

Mr. Alam is very much keen to different technical aspects of the business. He always keeps himself updated by studying different development aspects of technical issues. He has been subscribing all related journals, magazine, whitepapers and other publications habitually and keeps himself updated with the continuously changing global business environment. Mr. Alam has overextended his steps in School, University and different social welfare organization by his direct participation and generous donations. Extensive business tours in many countries, including America, Japan, Korea, China, India, German, U.K, Australia, Italy, France, Austria, Saudi Arab, Hong Kong, Singapore, Canada, Taiwan, Holland and many other countries, have given him an inbuilt power to visualize and foresee the changes in business trends in future which, enables him to take strategic decisions and diversifications in business ventures to keep the investment safe and secured. Mr. Alam has been an extra ordinary Business character in the contemporary business and industrial arena of the Country.



## Anis Salahuddin Ahmad
Director

Anis Salahuddin Ahmad, aged 49 years, is the Director of the Company. He has accomplished higher diploma from abroad. He has started his career as a service person in a reputed textile trading house and later on he switched over to the business profession in 1985. He has engaged himself in different types of local and international businesses. Mr. Ahmad acquired vast experience in textile trading and other manufacturing business through his many years of high profile services and business career. Mr. Ahmad has been associated with and patrons many schools, colleges and different social welfare organizations by his active participation and generous donations. He traveled many countries of America, Europe and Asia to enrich his knowledge and experience.



## A.K.M Badiul Alam
## Director

Mr. A.K.M. Badiul Alam, aged 54 years, is the Director of the Company. He has taken Master Degree in Management from the University of Dhaka. He started his career as a business man after his education. Mr. Alam acquired vast experience in textile trading and other manufacturing business through his business career. He owns a group of full vertical Ready Made Garment named as Amtranet Group with 17 years of legacy. Mr. Alam is associated with and donor of many schools, colleges and different social welfare organizations. He traveled several times to Spain and Belgium to enrich his knowledge in textile trading and several other countries of America, Europe and Asia as well.



## Md. Shamsuzzaman
## Director

Md. Shamsuzzaman, aged 53 years, is the Director of the Company. He has taken Bachelor of Textile Science & Technology & Post Graduate Diploma in Industrial Management (PGDIM). He started his career as a business man after his education. He was engaged in different types of local and international businesses related to textile chemicals and composite knit. He has been the owner of Micro Fibre Group consist of several manufacturing units producing knitwear apparels for the last around 18 years. Md. Shamsuzzaman acquired vast experience in textile, Chemicals trading and other manufacturing business through his 24 years of business career. Mr. Shamsuzzaman is associated with and donor of many schools, colleges and different social welfare organizations. He traveled many countries of America, Europe and Asia to enrich his knowledge and experience in his career.



## Mr. Mohammad Liaquat Ali
## Independent Director

Mohammad Liaquat Ali, aged 61 years, is the Independent Director of the Company. He has taken his bachelor degree from University of Dhaka at the year 1982 and LL.B from University of Dhaka at the year 1984. He is an advocate of Supreme Court Bangladesh for a long time. He also holds the membership of Supreme Court Bar Association, Judge Court Bar Association Dhaka and Labor Court Bar Association Dhaka. In his career he has moved for various cases relating to company and labor law and obtained extensive experience in the field of Corporate Finance and Accounting, Corporate Tax and labor related laws and implications.



## Mr. Dr. Mohammad Quamruzzaman
## Independent Director

Dr. Mohammad Quamruzzaman, aged 41 years, is the Independent Director of the Company. He has taken his MBBS from Bangladesh Medical College under University of Dhaka at the year 1999. He has more than 14 years of experience in the field of Consultancy and Teaching. He also holds the membership of Bangladesh Medical and Dental Council, Bangladesh Medical Association, Senate Dhaka University, Sandhani National Eye Donation Society, Sandhani National Blood Donation Society, Alumni Bangladesh Medical College and Alumni Dhaka Residential Model College. He is also an Ex Officio Secretary of Bangladesh Medical College Teachers' Welfare Association.

# MEMORABLE EVENT







# 7TH ANNUAL GENERAL MEETING










# SUCCESS MILESTONES

## 2007

Incorporation of Company As Private Ltd Company
Sunday, November 04, 2007
Notification of award issued by BPDB
Thursday, November 08, 2007

## 2008

Signing of Project Agreement
Thursday, February 14, 2008
Gas Supply Agreement with (JGTDSL)
Wednesday, April 09, 2008
Gen-set Supply contract with GE and Other Vendors
Friday, April 11, 2008
Sub-station equipment Supply Contract
Thursday, May 08, 2008
Gas RMS supply contract
Monday, June 23, 2008

## 2009

Commissioning
Tuesday, February 10, 2009
Commercial Operation
Tuesday, February 10, 2009
Formal Inauguration
Saturday, February 14, 2009
Conversion to Private to Public Ltd Co
Monday, November 09, 2009

## 2011

Submission of draft prospectus to BSEC
Thursday, July 28, 2011

## 2014

Accomplished credit rating
Wednesday, January 29, 2014
Approval of Prospectus for IPO
Tuesday, February 18, 2014
Publication of Prospectus
Tuesday, February 18, 2014
IPO Lottery Drawn
Thursday, May 08, 2014
Listing of Shares with Stock Exchanges
Tuesday, July 15, 2014
Starting trade of Shares
Tuesday, July 15, 2014

## 2015

Certificate of Accreditation for PRL Laboratory
Tuesday, June 9 ,2015
Condensate Sale & Purchase Agreement
Wednesday, June 24, 2015
Awarded as "Best Private Sector Organization"
Thursday, December 10, 2015

# DIRECTORS REPORT TO SHAREHOLDERS

Respected Members & Shareholders,
Assalamualikum,

On behalf of the Board of Directors of Shahjibazar Power Co. Ltd. (SPCL) I would like to extend my warm greetings and welcome you all to the 8th Annual General Meeting of the Company. Being authorized on behalf of the Board of Directors I am hereby submit the Audited Financial Statements of your Company for the year then ended June 30, 2015.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994, Rules and Regulations of the Institute of Chartered Accountants of Bangladesh (ICAB), The Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015 and Bangladesh Securities & Exchange Commission's (BSEC) notification no- SEC/CMRRCD/2006-158/134/ Admin/44 dated 07th August 2012.

## 10.1. ECONOMY AT A GLANCE

Bangladesh has managed to sustain a consistent GDP growth of over six percent from the last five years. As per the earlier estimates 6.40% growth was achieved for the Fiscal Year 2015 which resembles a reliable economic condition of the country. It is nevertheless, could have been the right time to exceed the all-time high record of 6.63% ensuring the available supply of energy to the industrial sector. Strategic steps to be taken at the earliest time possible to lock the consistent supply of energy in industrial sector to accelerate the growth.

In terms of Consumer Price Index (CPI), the index point hits at all-time high of 219.62 as of October 2015, assuming the base index of the period of 2005-06. A 119.62% increase in price is recorded. Several forecasts have reported the increment of CPI in the upcoming periods. It is therefore clearly indicates the necessity of growth to cover such increasing price level of consumer goods.

Foreign exchange reserve has been showing a historic rise for last several months. As per the estimates of Bangladesh Bank USD 26407.63 Million reserve was reported as of the month of November 2015 which is slightly lower than that of the previous month. Forecasts are there to fall the reserve in recent periods to keep a steady exchange rate in the economy.

The inflation rate measures a broad rise or fall in prices that consumers pay for a standard basket of goods. Inflation rates for the last eleven months of the year have shown a consistent record averaging just a fraction over 6%. Consumer price level for both food and non-food products keep a consistent momentum which proves a prudent control of money supply by Bangladesh Bank and a steady price level condition.

To summarize the overall economic condition of Bangladesh, the development was challenged by some political unrest making the overall GDP and Foreign Exchange Reserve a little sluggish comparing to that of the previous year. In terms of Consumer Price Index and Inflation there is a notable growth that the Country has achieved.

## 10.2. POWER SECTOR SCENARIO OF BANGLADESH

As per the report of Bangladesh Power Development Board (BPDB), existing installed generation capacity of the country is 11,877 MW of which 6,365 MW (54%) is being installed by Public Sector and rest 5,512 MW (46%) is being installed by Private Sector. Independent Power Producers (IPPs) have installed 2,536 MW out of the total contribution of Private Sector of the country.

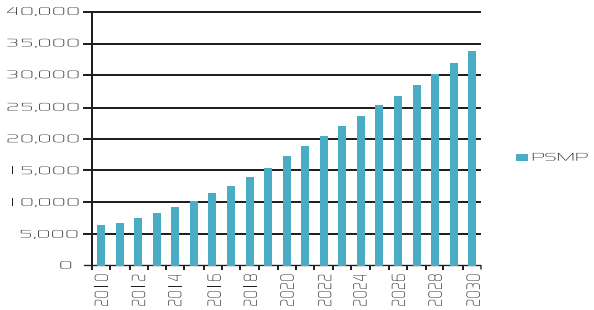
It is nevertheless evident that, IPPs are contributing around 46% of Private Sector contribution of the Power Generation and 21% of national Power Production of the country. Fuel Mixes for the generation of Power still are being dominated by the use of Natural Gas as of September 2015 according to BPDB.

Nevertheless the access to electricity has been raised to 72% and per capita electricity generation improved dramatically (from 220 kWh to 371 kWh). Total consumer stand at 17.8 Million (June 2015) and System loss (distribution) reduced from 15.67% to 11.36%.

Power System Master Plan by BPDB Assuming 7% GDP Growth Rate

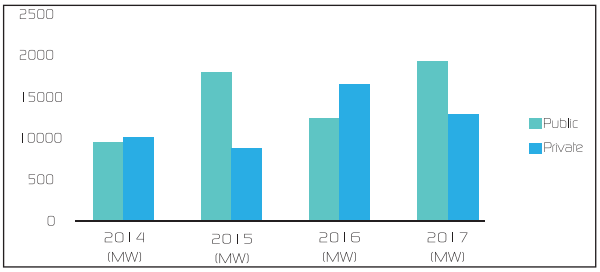
| Fiscal Year | Peak Demand (MW) |
|---|---|
| 2010 | 6,454 |
| 2011 | 6,765 |
| 2012 | 7,518 |
| 2013 | 8,349 |
| 2014 | 9,268 |
| 2015 | 10,283 |
| 2016 | 11,405 |
| 2017 | 12,644 |
| 2018 | 14,014 |
| 2019 | 15,527 |
| 2020 | 17,304 |
| 2021 | 18,838 |
| 2022 | 20,443 |
| 2023 | 21,993 |
| 2024 | 23,581 |
| 2025 | 25,199 |
| 2026 | 26,838 |
| 2027 | 28,487 |
| 2028 | 30,134 |
| 2029 | 31,873 |
| 2030 | 33,708 |





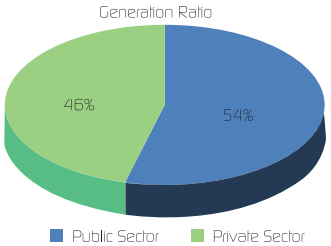

Calendar Year Wise Generation Addition program (From 2014 to 2017)

| Calendar Year | 2014 (MW) | 2015 MW | 2016 MW | 2017 (MW) | TOTAL |
|---|---|---|---|---|---|
| Public | 960 | 1813 | 1260 | 1950 | 5023 |
| Private | 1028 | 888 | 1654 | 1300 | 4870 |
| **Total** | **1988** | **2701** | **2914** | **3250** | **9893** |




### Present Installed Generation Capacity (MW) as on September, 2015.

| Public Sector | Installed Generation Capacity (MW) | % |
|---|---|---|
| BPDB | 4320 | 36% |
| APSCL | 904 | 8% |
| EGCB | 622 | 5% |
| NWPGCL | 368 | 3% |
| RPCL-BPDB JV | 226 | 2% |
| **Sub-Total** | **6440** | **54%** |
| IPPs | 2536 | 21% |
| SIPPs (BPDB) | 99 | 1% |
| SIPPs (REB) | 251 | 2% |
| 15 Yr Rental | 167 | 1% |
| 3/5 Yr Rental | 1959 | 16% |
| Power Import | 500 | 4% |
| **Sub-Total** | **5512** | **46%** |
| **Total** | **11952** | **100%** |




Public and private sector is contributing 54% and 46% respectively in the total generation of power as of September 2015. Amongst the public sector generation units BPDB is playing the champion role as usual.

Several opportunities are still available in power generation, distribution and transmission business in the country due to some facilities and incentives provided by the government. Some of them are outlined as below.

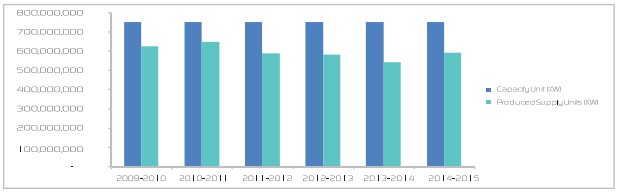
1. To participate and provide advocacy to GOB to ensure the optimum utilization of domestic primary energy resources
2. To become a partner with the GOB for the establishment of Power System Portfolio by fuel diversification
3. To control effluents by ensuring low $CO_2$ emission from the power plants help realizing a low carbon society
4. To help the GOB building the necessary infrastructure for stable power supply under joint multi-sector co-ordination
5. Help the GOB with advocacy and research for enacting laws for stable power supply
6. To establish the proper transition and fuel shift of private sector power investors upon accomplishment of contract period.
7. Ensure pay back to the GOB and the society as a whole for the incentives that are being enjoyed by the Private Sector Investors.

## 10.3. BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

Shahjibazar Power Company Limited (SPCL) has come into the power sector of Bangladesh winning competitive tender beating several other participants with Bangladesh Power Development Board (BPDB) on February 14, 2008. Subsequently the company has entered into Gas Supply Agreement (GSA) with Jalalabad Gas Transmission and Distribution System Limited (JGTDSL) on April 9, 2009. Partnering with US based Company General Electric International, the 86 MW Company constructed based on PPA (Power Purchase Agreement) between BPDB and the Company to supply electricity to the Government. As of June 30, 2015 the company is producing 78.72% of total capacity on an average. The operational performance of the Company is shown hereunder:

| Fiscal Year | Capacity Unit (KW) | Produced Supply Units (KW) | Utilized % |
|---|---|---|---|
| 2009-2010 | 753,360,000 | 625,518,348 | 83.03% |
| 2010-2011 | 753,360,000 | 651,615,360 | 86.49% |
| 2011-2012 | 753,360,000 | 589,434,211 | 78.24% |
| 2012-2013 | 753,360,000 | 584,089,568 | 77.53% |
| 2013-2014 | 753,360,000 | 543,261,043 | 72.11% |
| 2014-2015 | 753,360,000 | 593,039,904 | 78.72% |

The generation report of Shahjibazar Power Co. Ltd. (SPCL)




The generation report of Shahjibazar Power Co. Ltd. (SPCL)

In the fiscal year 2014-2015 your company has contributed a total of 593,039,904 Kwh to the national grid as compared to 543,261,043 of the Fiscal Year 2013-2014. The sole customer of your company is Bangladesh Power Development Board (BPDB). Total revenue for the year under report stands at Tk.1,539.46 Million as compared to that of the previous year 1,432.20 Million which is higher due to higher demand of BPDB.

Your Company with its subsidiary Petromax Refinery (PRL) Ltd which has been in commercial operation since October 2013 has managed to achieve consolidated revenue of Tk. 9,182.11 Million. Net profit of your company with its subsidiary stands at Tk. 1,031.80 Million. PRL has sold around 119.35 Million Liter of different grade of products including Octane, MS and HSD garnering revenue of Tk.7,642.65 Million.

From December 2013 associate of your company Midland Power Co. Ltd (MPCL) has started their commercial operation after successful commissioning. MPCL has generated 344,252,901 Kw against its total capacity 446,760,000 Kw for the year under account. The company has attained 77.06% of its total generation capacity.

## 10.4. SEGMENT WISE PERFORMANCE

| Segment/Product | Quantity | | Sales in Million Tk. |
|---|---|---|---|
| Power | 593,039,904 | Kwh | 1539.46 |
| Oil & Gas | 119,356,062 | Ltr | 7642.65 |
| Total | | | 9182.10 |

## 10.5. CONTRIBUTION TO THE NATIONAL EXCHEQUER

The driving force of growth to any economy is uninterrupted energy supply and your company is supplying energy to the whole country in the form of Power and Oil. In process, As of June 30, 2015 your company has contributed Tk. 111.13 Million as income tax and subsidiary of your company has added Tk. 580.50 Million in the form of VAT to the national exchequer.

## 10.6. EXTRA-ORDINARY GAIN OR LOSS

Bank interest and wastage sale can be termed as Extra-Ordinary Gain which may fluctuate time to time.

## 10.7. RELATED PARTY TRANSACTION

The related party transactions have been taken place on arm's length basis during the year have been disclosed in the Annexure - B to the financial statements.

## 10.8. UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR THROUGH ANY OTHER INSTRUMENT

Your company has collected Tk. 317,000,000 by issuing 1,26,80,000 shares through Initial Public Offering (IPO) at a face value of Tk.10 with a premium of Tk. 15. Full amount of the collected fund has been utilized for the repayment of outstanding loan as provided in the prospectus and reported accordingly to the regulators.

## 10.9. SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

Variations between quarterly and annual financial statements occurred due to decreased administered price of petroleum products by the Government circulated by publishing gazette on March 5, 2015.

## 10.10. REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of managing director is disclosed in Note 28.01 Other directors are not entitled to remuneration and other facilities for their directorship except the Board Meeting Fee.

## 10.11. CORPORATE AND FINANCIAL REPORTING FRAMEWORK

As per law the financial statements of your Company has followed International Financial Reporting Standards (IFRS) as adopted by ICAB as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). This has been completely followed to fairly present the financial position and performance of the Company. While preparing the financial statements, the following points were considered –

I. Selection of suitable accounting policies and then applying them consistently,

II. Making judgments and estimates that are reasonable and prudent;

III. Ensuring that the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS),

IV. Preparing the financial statements in an ongoing concern basis unless it is appropriate to presume that the Company will not continue in business. Proper accounting records have been kept so that at any given point the financial position of the Company is reflected with reasonable accuracy, which will enable them to ensure that its financial statements comply with Companies Act 1994 and other required regulatory authorities.

In compliance with the requirements of the SEC's Notification dated 07th August 2012, the Directors are also pleased to make the following declarations in their report:

a. The financial statement prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;

b. Proper books of accounts of your Company have been maintained;

c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;

d. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the

financial statements and any discrepancies have been adequately disclosed;

e. The system of internal control is well structured and has been effectively implemented and monitored;

f. There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;

i. Significant plans and decisions, such as corporate restructuring, business expansion and discontinuation of operations as appropriate, future prospects, risks and uncertainties surrounding the Company has been outlined under the related captions of this report;

j. The number of Board meetings held during the year and attendance of each director has been disclosed;

k. The pattern of shareholding has been reported in page 18 to disclose the aggregate number of shares.

## 10.12. FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

Consolidated and separate Financial Result compared with last year is detailed below:

| Particulars | 2013-2014 | | 2014-2015 | | % Change |
|---|---|---|---|---|---|
| | (in Million Taka) | % on Sales | (in Million Taka) | % on Sales | |
| Revenue | 5,055.73 | | 9,182.11 | - | 82% |
| Cost of Sales | 3,901.71 | 77% | 7,527.72 | 82% | 93% |
| **Gross Profit** | **1,154.01** | **23%** | **1,654.39** | **18%** | **43%** |
| Other Income Net | 45.48 | 1% | 27.32 | 0% | -40% |
| General and Administrative Expenses | 158.10 | 3% | 120.27 | 1% | -24% |
| Finance Costs Net | 501.08 | 10% | 443.03 | 5% | -12% |
| **Operating Profit** | **494.83** | **10%** | **1,091.09** | **12%** | **120%** |
| WPPF | 12.16 | 0% | 53.26 | 1% | 338% |
| **Net Profit Before Income Tax** | **528.15** | **10%** | **1,065.16** | **12%** | **102%** |
| Income Tax | 78.87 | 2% | 111.14 | 1% | 41% |
| Share of Profit from Associate | 23.01 | 0% | 77.78 | 1% | 238% |
| **Total Comprehensive Income** | **472.29** | **9%** | **1,031.80** | **11%** | **118%** |

**Consolidated Summary of Financial Statement of Shahjibazar Power Co. Ltd.**

| Particulars | 2013-2014 | | 2014-2015 | | % Change |
|---|---|---|---|---|---|
| | (in Million Taka) | % on Sales | (in Million Taka) | % on Sales | |
| Revenue | 1,432.20 | | 1,539.46 | | 7% |
| Cost of Sales | 810.63 | 57% | 950.92 | 62% | 17% |
| **Gross Profit** | **621.56** | **43%** | **588.54** | **38%** | **-5%** |
| Other Income Net | 45.07 | 3% | 26.58 | 2% | -41% |
| General and Administrative Expenses | 85.86 | 6% | 69.90 | 5% | -19% |
| Finance Costs Net | 246.60 | 17% | 194.29 | 13% | -21% |
| **Operating Profit** | **289.11** | **20%** | **324.35** | **21%** | **12%** |
| WPPF | 12.16 | 1% | 16.71 | 1% | 37% |
| **Net Profit Before Income Tax** | **322.01** | **22%** | **334.22** | **22%** | **4%** |
| Income Tax | 78.72 | 5% | 109.06 | 7% | 39% |
| Share of Profit from Associate | 23.01 | 2% | 77.78 | 5% | 238% |
| **Total Comprehensive Income** | **266.30** | **19%** | **302.94** | **20%** | **14%** |

**Separate Summary of Financial Statement of Shahjibazar Power Co. Ltd.**

## 10.13. SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

There are noticeable significant deviations between the last year operating results in the consolidated summary of financial statement of your company; since Petromax Refinery Ltd (PRL) subsidiary of your company has come into the commercial operation from October 2013 and Midland Power Company Limited (MPCL) associate of your company has started commercial operation from December 2013. Therefore, in the last year, partial period performance was added while in the current year full year performance was added in financial statements of your company from both subsidiary and associate concerns.

## 10.14. A DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

| Particulars | 2013-2014 | | 2014-2015 | | % Change |
|---|---|---|---|---|---|
| | (in Million Taka) | % on Sales | (in Million Taka) | % on Sales | |
| Revenue | 5,055.73 | | 9,182.11 | | 82% |
| Cost of Sales | 3,901.71 | 77% | 7,527.72 | 82% | 93% |
| **Gross Profit** | **1,154.01** | **23%** | **1,654.39** | **18%** | **43%** |
| **Net Profit Before Income Tax** | **528.15** | **10%** | **1,065.16** | **12%** | **102%** |
| Income Tax | 78.87 | 2% | 111.14 | 1% | 41% |
| Share of Profit from Associate | 23.01 | 0% | 77.78 | 1% | 238% |
| **Total Comprehensive Income** | **472.29** | **9%** | **1,031.80** | **11%** | **118%** |
| Less: Minority Interest | 1.37 | 0% | 72.88 | 1% | 5220% |
| **Net Profit (After Tax & Minority Interest)** | **470.92** | **9%** | **958.92** | **10%** | **104%** |

### Consolidated

As per the consolidated brief of accounts during the year under report, the revenue of the company has increased by 82% against a raise of cost of sales of 93% due to the addition of revenue of subsidiary company and therefore, gross profit margin is 18% as compared to 23% of the previous year and Net Profit Margin is 10% as compared to 9% of the previous year.

| Particulars | 2013-2014 | | 2014-2015 | | % Change |
|---|---|---|---|---|---|
| | (in Million Taka) | % on Sales | (in Million Taka) | % on Sales | |
| Revenue | 1,432.20 | | 1,539.46 | | 7% |
| Cost of Sales | 810.63 | 57% | 950.92 | 62% | 17% |
| **Gross Profit** | **621.56** | **43%** | **588.54** | **38%** | **-5%** |
| **Total Comprehensive Income** | **266.30** | **19%** | **302.94** | **20%** | **14%** |

### Separate

As per the separate brief of accounts during the year under report, the revenue of the company has increased by 7% against an increase of cost of sales of 17% due to higher energy demand by the BPDB therefore, gross profit margin was 38% as compared to 43% of the previous year and Total Comprehensive Income has increased by 14% as compared to the previous year.

## 10.15. PROFIT APPROPRIATION

In the year under report the net profit of your company is Tk. 958.92 Million as compared to Tk. 470.91 Million. However, the Company needs availability of funds for continuous progress and investments in new projects. Keeping these in view, the Directors would like to report the Company's financial results for the year that ended on June 30, 2015 with the recommendations for appropriation as follows:

| Particulars | Amount in Million Taka |
|---|---|
| Net Profit for the year 2015 | 958.92 |
| Profit brought Forward | 523.74 |
| Profit available for appropriation | 1,482.65 |
| **Appropriations:** | |
| Proposed Stock and Cash Dividend | 412.73 |
| Transferred to Retained Earning | 1,069.92 |
| Profit available for appropriation | 1,482.65 |

## 10.16. DIVIDEND

Your Board recommends a final cash dividend of 28% and also a 3% stock dividend for the year 2015 i.e. 3 (Three) Ordinary shares of Taka 10 each for 100 shares held on the record date, subject to approval by the shareholders at the 8th Annual General Meeting.

## Dividend Trend

| Dividend Type | 30-Jun-15 | 30-Jun-14 | 30-Jun-13 | 30-Jun-12 | 30-Jun-11 |
|---|---|---|---|---|---|
| Cash Dividend (%) | 28% | 25% | 15% | 0% | 0% |
| Stock Dividend (%) | 3% | 5% | 0% | 100% | 0% |
| **Total** | **31%** | **30%** | **15%** | **100%** | **0%** |

Note: Dividend for the Year Ended June 30, 2012 was other than Directors & Sponsors

## 10.17. DIRECTORS' MEETING & ATTENDANCE

During the year ended June 30, 2015 The Board of Directors has attended 5 meetings. Directors who attended the board meetings are shown below:

| Name of Directors | Attended |
|---|---|
| Mr. Rezakul Haider | 5 |
| Mr. Feroz Alam | 5 |
| Mr. Anis Salahuddin Ahmad | 5 |
| Mr. A.K.M Badiul Alam | 4 |
| Mr. Shamsuzzaman | 4 |
| Mr. Mohammad Liaquat Ali | 3 |
| Mr. Dr. Mohammad Quamruzzaman | 3 |

The directors who could not attend the meetings were granted leave of absence.

## 10.18. THE PATTERN OF SHAREHOLDING

Pattern of Shareholding as on June 30, 2015

| Name of Shareholders | Status | Relation | Share Held | Percentage (%) |
|---|---|---|---|---|
| i) Parent/Subsidiary/Associated Companies and other related parties | - | | - | - |
| ii) Directors | | | | |
| A. Mr. Rezakul Haider | Chairman | | 14,112,000 | 10.60% |
| B. Mr. Feroz Alam | Managing Director | | 13,104,000 | 9.84% |
| C. Mr. Anis Salahuddin Ahmad | Director | | 13,104,000 | 9.84% |
| D. Mr. A. K. M. Badiul Alam | Director | | 10,080,000 | 7.57% |
| E. Mr. Md. Shamsuzzaman | Director | | 15,120,000 | 11.36% |
| F. Ms. Shahida Alam | Sponsor | Spouse of Mr. A.K.M. Badiul Alam | 5,040,000 | 3.79% |
| G. Mr. Akbor Haider | Sponsor | Son of Mr. Rezakul Haider | 5,040,000 | 3.79% |
| H. Mr. Faridul Alam | Sponsor | Son of Mr. Feroz Alam | 5,040,000 | 3.79% |
| I. Ms. Rezina Alam | Sponsor | Daughter of Mr. Feroz Alam | 5,040,000 | 3.79% |
| J. Mr. Faisal Alam | Sponsor | Son of Mr. Feroz Alam | 5,040,000 | 3.79% |
| K. Mr. Asgar Haider | Sponsor | Son of Mr. Rezakul Haider | 5,040,000 | 3.79% |
| L. Ms. Israt Azim Ahmad | Sponsor | Spouse of Mr. Anis Salahuddin Ahmad | 5,040,000 | 3.79% |
| F. Mr. Mohammad Liaquat Ali | Independent Director | | Nil | Nil |
| G. Mr. Dr. Mohammad Quamruzzaman | Independent Director | | Nil | Nil |
| iii) Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens: | | | | |
| A. Bhulon Kumar Bhowmik | CFO | | 26,400 | 0.01% |
| B. Yeasin Ahmed | Company Secretary | | 0 | 0.00% |
| C. Khawja Abul Bashar | Head of Internal Audit | | 0 | 0.00% |
| iv) Executives | | | Nil | Nil |
| v. Shareholders Holding 10% or more voting interest in the company: | - | - | - | - |
| A. Mr. Rezakul Haider | Chairman | | 14,112,000 | 10.60% |
| B. Mr. Md. Shamsuzzaman | Director | | 15,120,000 | 11.36% |

## 10.19. DIRECTORS' ELECTION & RE-APPOINTMENT:

As per Articles of Association Mr. Anis Salahuddin Ahmad and Mr. Md. Shamsuzzaman shall retire in 8th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

## 10.20.RESUME OF THE DIRECTORS & THEIR EXPERTISE IN SPECIFIC FUNCTIONAL AREA

Described in Directors Profile

## 10.21.HOLDING OF DIRECTORSHIP AND MEMBERSHIP OF THE COMMITTEES OF THE BOARD OTHER THAN THIS COMPANY

| Mr. Shamsuzzaman | Mr. A.K.M Badiul Alam | Mr. Anis Salahuddin Ahmad | Mr. Feroz Alam | Mr. Rezakul Haider | Name of Directors | Companies >> |
|---|---|---|---|---|---|---|
| √ | √ | √ | √ | √ | | Petromax Refinery Ltd. |
| | | | √ | √ | | Midland Power Company Ltd. |
| | | √ | √ | √ | | Comfit Composite Knit Ltd. |
| | | | √ | √ | | Youth Fashion Ltd. |
| | | | √ | √ | | Youth Garments Ltd. |
| | √ | | √ | √ | | Zenith Islami Life Insurance Ltd |
| | | √ | √ | √ | | Islamic Finance & Investment Ltd. |
| | √ | | | | | Garments Export Village Ltd. |
| | √ | | | | | Grey Stone Sweater Ltd. |
| | √ | | | | | Power Vantage Wear Ltd. |
| | √ | | | | | Shirts Mine Ltd. |
| | √ | | | | | Apparel Marketing & Trading Network Ltd. |
| | √ | | | | | Orbital Accessories Ltd. |
| | √ | | | | | Eden Multi Care Hospital (Pvt.) Ltd. |
| √ | | | | | | Orient Chem-Tex Ltd. |
| √ | | | | | | Micro Fiber Ltd. |
| √ | | | | | | Liberty Knitwear Ltd. |
| √ | | | | | | Midland Knitwear Ltd. |
| √ | | | | | | A-One Polar Ltd. |
| √ | √ | | | | | Midland Bank Limited |

## 10.22. AUDIT COMMITTEE

The Company has an audit committee with an established charter. The audit committee has met four times this year and the committee members' attendance record is disclosed below:

| Name of Directors | Status | Attended |
|---|---|---|
| Mr. Mohammad Liaquat Ali | Chair | 4 |
| Mr. Anis Salahuddin Ahmad | Member | 3 |
| Mr. A.K.M Badiul Alam | Member | 4 |

## 10.23. AUDITORS

Howladar Younus & Co, Chartered Accountants was appointed as the auditor of the Company in the 07th Annual General Meeting. They have carried out the audit for the year 2015 and the auditor of the Company will retire in the 08th Annual General Meeting. According to BSEC order being number: SEC/CMRRCD/2009-193/104/Admin/ Dated: July 27, 2011 and SEC/CMRRCD/2009 193/174/Admin/ 61 Dated: July 8, 2015, a chartered accountant firm cannot be appointed for a consecutive period of 3 (Three) years. Howladar Younus & Co, Chartered Accountants has already re-appointed for consecutive period of 3 (Three) years as auditors of your company. ACNABIN Chartered Accountants have expressed their willingness to become appointed as the Statutory Auditor of your company. Being eligible as per section 212 of Company Act 1994, the appointment of ACNABIN Chartered Accountants shall be presented at the 8th AGM for member's approval.

## 10.24. BUSINESS RISK & UNCERTAINTIES

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal Audit, under the purview of Audit Committee, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Your company operates in a field of involving some internal/external risk factors and those some are avertible; others are beyond control, which may be causes of loss. The management of Shahjibazar Power Company Limited perceives the risk factors which are as follows simultaneously:

Now private sector power producer is highly competitive in Bangladesh. Government goes to produce electricity through the independent power producer/private sector power producer. Lots of local investor has interest to invest in this sector. That is per unit electricity price goes to downwards trend. The company faces a number of aggressive competitors within the country.

Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan process interest rate structure to be fixed at

high. Raising of interest rate increases the cost of fund for a company, which has borrowed fund, consequently profit is squeezed.

The management of the company is always aware of interest rate, which is connected to the cost of fund of the Company the Management prefers procuring the long-term fund with minimum fixed interest rate and the short term fund with reasonable competitive rate. On the other hand management of the company is emphasizing equity based financing.

Technology always plays a vital role for existence of any industrial concern. Innovation of new and cost effective technology may obsolescence existent technology, which may cause negative impact. The project is equipped with world's modern and latest machineries and technology and to cope with the pace in harmony with modern power sector, the company is continuing modernization program of its machinery.

The company operates under companies act, taxation policy adopted by NBR, Security and Exchange Commission's rule and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the company will not be effected.

Government emphasizes on the growth of electricity production in Bangladesh. Yet the promoters and the sponsors have to endeavor to convince the policy makers for adopting favorable terms and conditions, which will eventually help the power production of Bangladesh to complete with the firms at low cost.

The performance of the Company may be affected by the both political and economic instability both in Bangladesh. Any instance of political turmoil and disturbance in the country may adversely affect the power production of the company and can adversely impact the profitability of the company.

## 10.25. GOING CONCERN

While approving the financial statements, the Directors have made appropriate enquires and analyzed significant operating and indicative financials which enabled them to understand the ability of the Company to continue its operations for a foreseeable future. The Directors are convinced and have a reasonable expectation that the company has adequate resources and legal instruments to continue its operations without interruptions. Therefore the Company adopted the going concern basis in preparing these financial statements.

## 10.26. CORPORATE GOVERNANCE

Corporate Governance is the system through which companies are directed, guided and controlled by the Board while keeping in view its accountability to the shareholders. Your Company strives to maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest standards. Since corporate governance is not a static process, we will always continue to improve our practices.

## 10.27. CORPORATE SOCIAL RESPONSIBILITY

As a part of the ongoing commitment to the society and environment in which the company conducts its business, your company continues to perform its obligations. As in the previous years, the Company remains committed to support the following CSR activities that included:

- Regular contributor to Bangladesh Scout Annually
- Regular contributor of IEB
- Regular Contributor in National Power & Electricity Week
- Co-organizer of Environment Rally organized by DOE

## 10.28. HUMAN RESOURCE MANAGEMENT

Your company recognizes that people are the most important resource and key to success of any organization. To develop and equip the employees with key skills, the company places great emphasis on the development of its people and hence regular courses and workshops are arranged at regular interval for their training and updating knowledge on the respective functional areas.

## 10.29. STATUS OF COMPLIANCE

In accordance with the requirement stipulated in condition no-7.00 of the Securities & Exchange Commission's notification no-SEC/ CMRRCD/2006-158/Admin/44 dated 07 August 2012 issued under section 2CC of the Ordinance 1969 the Corporate Governance Compliance Report is shown in from page 26-28. A certificate from Mazumdar and Associates confirming compliance of conditions of Corporate Governance Guidelines as stipulated under condition 7(i) is also annexed to this report in page 25.

## 10.30. KEY OPERATING AND FINANCIAL DATA

The summarized key data for last five years is set out in the page 22.

## 10.31. ACKNOWLEDGEMENT

Through the undersigned, the Board of Directors (BOD) would like to extend their sincerest thanks to the shareholders for their continuous support and trust upon the business of the Company.

The board would further like to extend their graceful appreciation for the assistance and co-operation received from Bangladesh Power Development Board (BPDB), Power Cell of the Power Division, MPEMR, Jalalabad Gas T&D System Limited. Banks and financial institutions, Insurance Companies, Service Providers, the Bangladesh Securities and Exchange Commission (BSEC), registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Ltd (DSE), Chittagong Stock Exchange Ltd (CSE), Central Depository System (CDBL) and various government authorities, individual and agencies.

The Board of Directors would like to acknowledge the effort of its employees to the Business of the Company. Their commitment, passion and teamwork towards the dream of the Company has helped to stand the company where it is today.

Looking forward for a better future and sustainable growth.
For and On Behalf of the Board

Feroz Alam
**Managing Director**

# COMPLIANCE REPORT

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No: SEC/CMRRCD/2006-158/134/admin/44 dated August 07, 2012 is presented in Page No 26-28.

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Shahjibazar Power Company Ltd (SPCL) a subcommittee of Board of Directors (BOD) was formed in Company's Board meeting held on 27th January 2014 and its Charter was approved by the Company's Board. The Audit Committee of SPCL comprises of the following Board members:

1. Mr. Mohammad Liaquat Ali (Chair)
2. Mr. Anis Salahuddin Ahmad (Member)
3. Mr. A.K.M Badiul Alam (Member)

A total of 4 (four) meetings were held since the last Annual General Meeting of SPCL, the last being on 15th April 2015. Besides Company Secretary who supports the committee as its secretary as well, permanent invitees to the meetings were the CFO and Head of Internal Audit. Relevant heads of other functions. The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function and the terms of reference are detailed in Committee Charter approved by the Board. The major responsibilities of the Committee, among others, include:

1. Reviewing the quarterly, half-yearly and annual financial statements and other financial results of the company and, upon its satisfaction of the review, recommend them to the board for approval.
2. Monitoring and reviewing the adequacy and effectiveness of the company's financial reporting process, internal control and risk management system.
3. Monitoring and reviewing the arrangements to ensure objectivity and effectiveness of the external and internal audit functions. Examine audit findings and material weaknesses in the system and monitor implementation of audit action plans.
4. Recommending to the Board the appointment, re-appointment or removal of external auditors.
5. Reviewing and monitoring the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

The Committee during the period under report met four times and its activities include:

1. Reviewed, among other issues, the quarterly and half yearly financial statements of the Company and recommended to the Board for adoption and circulation as per the requirement of Bangladesh Securities & Exchange Commission.
2. Also reviewed the audited financial statements of the Company together with consolidated statements with its associate and subsidiary for the year ended June 30, 2015 and being satisfied that the critical accounting policies, significant judgments and practices used by the Company are compliant with the required laws and regulations, also confirmed by the external auditor in their independent report, recommended to Board for adoption.
3. Committee recommended ACNABIN Chartered Accountants, for appointment as the external auditors of the Company for the year ending on June 30, 2016 since Howladar Younus & Co, Chartered Accountants has carried out the audit for last 3 consecutive years and cannot be re-appointed as per Corporate Governance Guidelines imposed by BSEC;
4. Reviewed the external auditors' findings arising from audit, particularly comments and responses given by the management.
5. Reviewed the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).
6. The committee is of the opinion that reasonable controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and the financial position of the Company is adequately managed.



On behalf of the Committee
Mr. Mohammad Liaquat Ali
Chairman of the Audit Committee



# KEY OPERATING AND FINANCIAL DATA

## OF PRECEDING 5 (FIVE) YEARS

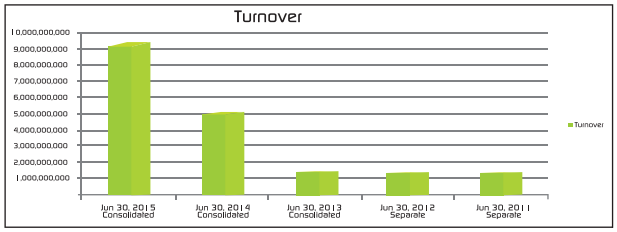
| Operational Result ( Taka in Million) | 2014-2015 Consolidated | 2013-2014 Consolidated | 2012-2013 Consolidated | 2011-2012 Separate | 2010-2011 Separate |
|---|---|---|---|---|---|
| Turnover | 9,182.11 | 5,055.73 | 1,446.88 | 1,367.02 | 1,422.05 |
| Cost of Sales | 7,527.72 | 3,901.71 | 815.86 | 788.96 | 832.62 |
| Gross Profit | 1,654.39 | 1,154.01 | 631.02 | 578.06 | 589.43 |
| Profit From Operation | 1,091.09 | 494.83 | 304.17 | 251.77 | 268.73 |
| Net Profit Before Tax | 1,065.16 | 528.15 | 308.04 | 281.51 | 292.86 |
| Net Profit After Tax | 1,031.80 | 472.29 | 243.17 | 273.33 | 286.23 |
| Net Cash Flow From Operation | 204.25 | 1,873.90 | 463.91 | 14.19 | 81.65 |

| Financial Position ( Taka in Million) | Jun 30,2015 Consolidated | Jun 30,2014 Consolidated | Jun 30,2013 Consolidated | Jun 30,2012 Separate | Jun 30,2011 Separate |
|---|---|---|---|---|---|
| Non-Current Assets | 6,666.09 | 6,836.45 | 6,320.81 | 3,412.22 | 3,296.62 |
| Current Assets | 3,840.51 | 4,275.81 | 1,887.82 | 1,427.36 | 1,456.56 |
| Inventories | 907.67 | 1,125.66 | 130.99 | 133.63 | 139.27 |
| Shareholders' Equity | 4,073.74 | 3,214.15 | 2,914.41 | 2,583.72 | 2,310.38 |
| Long Term Liability | 1,350.41 | 2,609.31 | 3,268.41 | 1,532.48 | 1,738.29 |
| Current Liabilities | 4,908.33 | 5,286.89 | 2,025.27 | 723.38 | 704.51 |
| Total Liabilities | 6,258.74 | 7,896.20 | 5,293.68 | 2,255.86 | 2,442.80 |

| Key Financial Ratio | Jun 30,2015 Consolidated | Jun 30,2014 Consolidated | Jun 30,2013 Consolidated | Jun 30,2012 Separate | Jun 30,2011 Separate |
|---|---|---|---|---|---|
| Current Ratio | 0.78 | 0.81 | 0.93 | 1.97 | 2.07 |
| Quick Ratio | 0.60 | 0.60 | 0.87 | 1.79 | 1.87 |
| Debt to Equity Ratio | 1.54 | 2.46 | 1.82 | 0.87 | 1.06 |
| Net Income Ratio (%) | 11% | 9% | 17% | 20% | 20% |
| Return on Equity (%) | 25% | 15% | 8% | 11% | 12% |
| Earnings Per Share | 7.20 | 4.13 | 2.13 | 2.60 | 2.88 |

**Note: Consolidation of Accounts was started from FY June 2012-2013

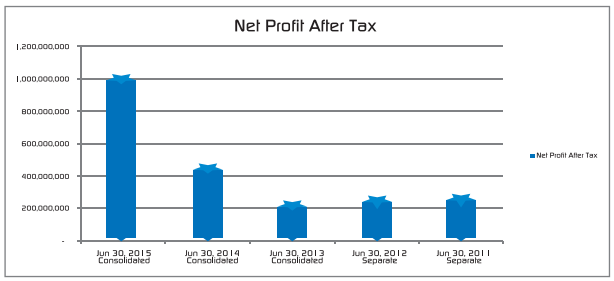
# FINANCIAL REVIEW – 2015




## Revenue:

❑ Consolidated revenue has significantly increased by 82% (Tk. 4,126 Million) for the period ended June 30, 2015 as compared to the revenue generated previous year.

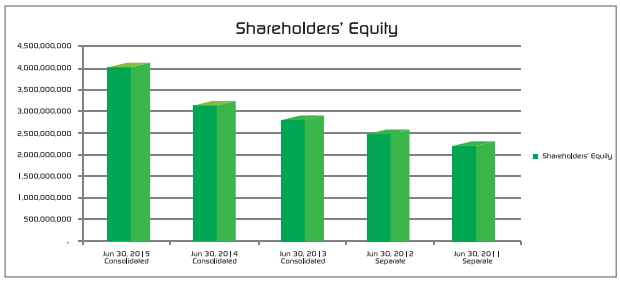
❑ Such increase in revenue can be accounted to the consolidation of full year performance of both subsidiary and associate company.




## Net Profit after Tax & Minority Interest:

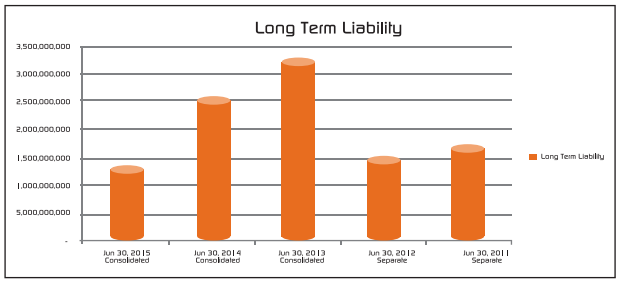
❑ Net Profit after Tax & Minority Interest has increased by 104%.

❑ Such significant increase is also can be attributed to the full year performance of Subsidiary & Associate Company.




## Shareholders' Equity:

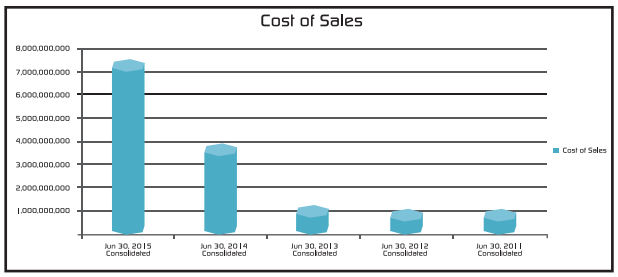
❑ Shareholders' Equity has increased by 27% due to the increase in Retained Earnings.




## Long Term Liabilities:

❑ The long term liabilities has decreased by 48% this year

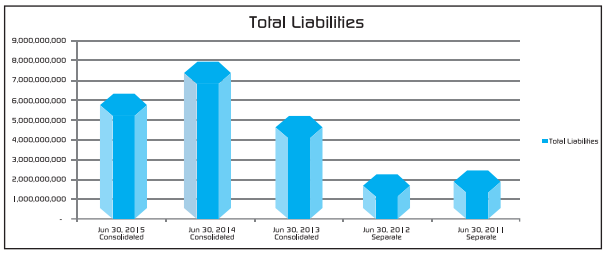
❑ The reason of such significant difference can be attributable towards the repayment of borrowed fund.




## Cost of Sales:

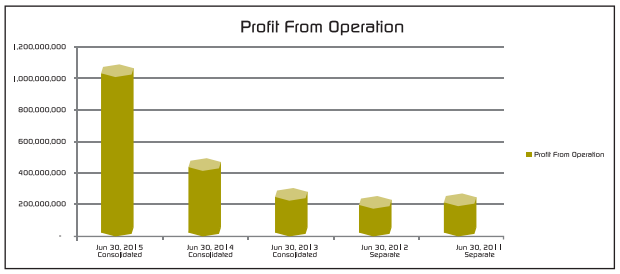
❑ Cost of sales has increased by 93%.

❑ The rise of Cost of Sales can be accounted to the consolidation of full year performance of both subsidiary and associate company.



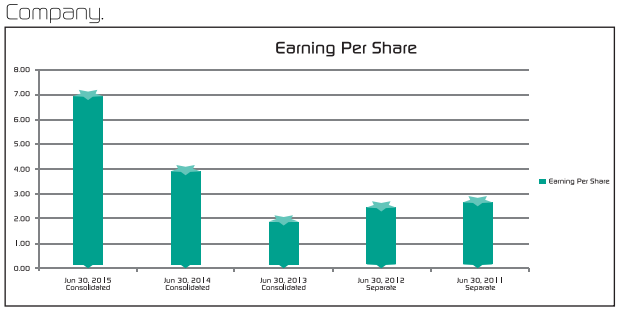

## Total Liabilities

❑ Total Liabilities of the Company has declined by 21% during the year under report due to on time repayment of borrowed fund.




## Operating Profit:

❑ Operating Profit has also increased by 120% on account of full year performance of both Subsidiary and Associate Company.




## Earnings per Share (EPS)

❑ The EPS has increased by Tk. 3.29 over the last year's re-stated EPS

# CEO AND CFO'S DECLARATION TO THE BOARD

Dated: October 28, 2015

The Board of Directors
Shahjibazar Power Co. Ltd.
822/2 Rokeya Sarani
Dhaka-1216

Subject : CEO and CFO's Declaration to the Board

Dear Sirs,

Compliance with the condition no. 6 imposed by Bangladesh Securities & Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

We do hereby certify to the Board that:

1. We have reviewed financial statements for the year ended 30th June, 2015 and that to the best of our knowledge and belief:

a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

2. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,

Bhulon Bhowmik
Chief Financial Officer

Feroz Alam
Managing Director

# MAZUMDAR SIKDER AND ASSOCIATES
Cost & Management Accountants

## CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

To The Members of Shahjibazar Power Co. Ltd. and its subsidiary

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Shahjibazar Power Co. Ltd.** and its subsidiary for the year ended 30 June 2015. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination was limited to the procedures and implementation there of as adopted by the management in ensuring compliance to the conditions of Corporate Governance.

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

Place -Dhaka.
Date- January 18, 2016

**Mazumdar Sikder and Associates**
Cost & Management Accountants

105/A (3rd Floor), Kakrail, Dhaka - 1000, Phone: 02-8300376, Fax: 02-8300375

# STATUS REPORT ON COMPLIANCE WITH THE CONDITIONS IMPOSED BY BSEC

Status of compliance with the conditions imposed by the Commission's Notification No BSEC / CMRRCD / 2006-158 / Admin / 44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

| Condition No. | Title | Compliance Status | | Remark (If any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1. | **Board of Directors:** | | | |
| 1.1 | Board's Size: The number of the board members shall not be less than 5 (Five) and more than 20 (Twenty) | √ | | |
| 1.2 | Independent Directors: | | | |
| 1.2(i) | One fifth (1/5) of the total number of directors | √ | | |
| 1.2(ii) a) | Does not hold any share or holds less than 1% shares of the total paid-up shares. | √ | | |
| 1.2(ii) b) | Not connected with any Sponsor/ Director/ Shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship | √ | | |
| 1.2(ii) c) | Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary / associated companies. | √ | | |
| 1.2(ii) d) | Not a member, director of officer of any stock exchange. | √ | | |
| 1.2(ii) e) | Not a shareholder, director or office of any member of stock exchange or an intermediary of the capital market. | √ | | |
| 1.2(ii) f) | Not a partner or an executive or was not a partner or an executive during the preceding 3(three) years Of any statutory audit firm. | √ | | |
| 1.2(ii) g) | Not be an independent director in more than 3 (three) listed companies. | √ | | |
| 1.2(ii) h) | Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI. | √ | | |
| 1.2(ii) i) | Been Not convicted for a criminal offence involving moral turpitude. | √ | | |
| 1.2(iii) | Nominated b the board of directors and approved by the shareholders in the AGM. | √ | | |
| 1.2(iv) | Not remain vacant for more than 90 (ninety) days. | √ | | |
| 1.2(v) | Board shall lay down a code of conduct of all Board members and annual compliance of the code to be Recorded. | √ | | |
| 1.2(vi) | Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only. | √ | | |
| 1.3 | **Qualification of Independent Director (ID):** | | | |
| 1.3(i) | Knowledge of Independent Directors. | √ | | |
| 1.3(ii) | Background of Independent Directors. | √ | | |
| 1.3(iii) | Special cases for qualifications. | | | N / A |
| 1.4 | Individual chairman of the Board and CEO. | √ | | |
| 1.5 | The Directors' Report to Shareholders: | | | |
| 1.5(i) | Industry outlook and possible future developments in the industry. | √ | | |
| 1.5(ii) | Segment-wise or product-wise performance. | √ | | |
| 1.5(iii) | Risks and concerns. | √ | | |
| 1.5(iv) | Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin. | √ | | |
| 1.5(v) | Discussion on continuity of any Extra-ordinary gain or loss. | √ | | |
| 1.5(vi) | Basis for related party transactions. | √ | | |

| | | | | |
|---|---|---|---|---|
| 1.5(vii) | Utilization of proceeds from public issues, right issues and /or through any others. | √ | | |
| 1.5(viii) | Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing | | | N / A |
| 1.5(ix) | Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing | √ | | |
| 1.5(x) | Remuneration to directors including independent directors. | √ | | |
| 1.5(xi) | Fairness of financial Statement. | √ | | |
| 1.5(xiii) | Maintenance of proper books of accounts. | √ | | |
| 1.5(xiii) | Adoption of appropriate accounting policies and estimates. | √ | | |
| 1.5(xiv) | Followed IAS, BAS, IFRS and BFRS in preparation of financial statements. | √ | | |
| 1.5(xv) | Soundness of internal control system. | √ | | |
| 1.5(xvi) | Ability to continue as a going concern. | √ | | |
| 1.5(xvii) | Significant deviations from the last year's. | √ | | |
| 1.5(xviii) | Key operating and financial data of at least preceding 5 (five) year. | √ | | |
| 1.5(xix) | Reasons for not declared dividend. | | | N / A |
| 1.5(xx) | Number of board meeting held during the year and attendance. | √ | | |
| **1.5(xxi)** | **Pattern of shareholding:** | | | |
| 1.5(xxi)a) | Parent\Subsidiary/Associated Companies and other related parties. | √ | | |
| 1.5(xxi)b) | Directors, CEO, CS, CFO, HIA and their spouses and minor children. | √ | | |
| 1.5(xxi)c) | Executives. | √ | | |
| 1.5(xxi)d) | 10% or more voting interest. | √ | | |
| **1.5(xxii)** | **Appointment/re-appointment of director:** | | | |
| 1.5(xxii)a) | Resume of the director | √ | | |
| 1.5(xxii)b) | Expertise in specific functional areas. | √ | | |
| 1.5(xxii)c) | Holding of directorship and membership of committees of the board other than this company. | √ | | |
| **2.** | **CFO, Head of Internal Audit (HIA) and CS:** | | | |
| 2.1 | Appointment of CFO, HIA and CS and defining their responsibilities. | √ | | |
| 2.2 | Attendance of CFO and CS at the meeting of the Board of Director. | √ | | |
| **3.** | **Audit Committee:** | | | |
| 3(i) | Constitution of Audit Committee | √ | | |
| 3(ii) | Assistance of the Audit Committee to Board of Directors. | √ | | |
| 3.(iii) | Responsibility of the Audit Committee. | √ | | |
| **3.1** | **Constitution of the Audit Committee:** | | | |
| 3.1(i) | At least 3 (three) members. | √ | | |
| 3.1(ii) | Appointment of members of the Audit Committee. | √ | | |
| 3.1(iii) | Qualification of Audit committee members. | √ | | |
| 3.1(iv) | Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within one month | | | N / A |
| 3.1(v) | Secretary of the Audit Committee. | √ | | |
| 3.2(vi) | Quorum of the Audit Committee. | √ | | |
| 3.2 | Chairman of the Audit Committee: | | | |
| 3.2(i) | Board of Director shall select the Chairman. | √ | | |
| 3.2(ii) | Chairman of the audit committee shall remain present in the AGM. | √ | | |

| | | | | |
|---|---|---|---|---|
| **3.3** | **Role of Audit committee.** | | | |
| 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 annul financial statements before submission to the board for approval | √ | | |
| 3.3(vi) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval | √ | | |
| 3.3(vii) | Review the adequacy of internal audit function. | √ | | |
| 3.3(viii) | Review statement of significant related party transactions. | √ | | |
| 3.3(ix) | Review Management Letters/Letter of Internal Control weakness issued by statutory auditors. | √ | | |
| 3.3(x) | Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue. | √ | | |
| **3.4** | **Reporting of the Audit Committee:** | | | |
| 3.4.1 | Reporting to the Board of Directors. | | | |
| 3.4.1 (i) | Activities of Audit Committee. | √ | | |
| 3.4.1 (ii) | The Audit Committee shall immediately report to the Board of Directors on the Following findings, if any | | | |
| 3.4.1 (ii)a | Conflicts of interests. | | | N / A |
| 3.4.1 (ii)b | Material defect in the internal control system. | | | N / A |
| 3.4.1 (ii)c | Infringement of laws, rules and regulations. | | | N / A |
| 3.4.1 (ii)d | Any other matter. | | | N / A |
| 3.4.2 | Reporting to the Authorities. | | | N / A |
| 3.5 | Reporting to the Shareholders and General Investors. | √ | | |
| **4** | **Engagement of External/Statutory Auditors:** | | | |
| 4(i) | Non-engagement in appraisal or valuation services or Fairness opinions. | √ | | |
| 4(ii) | Non-engagement in designing and implementing of financial Information Systems. | √ | | |
| 4(iii) | Non-engagement in Book-Keeping or accounting | √ | | |
| 4(iv) | Non-engagement in Broker-Dealer services. | √ | | |
| 4(v) | Non-engagement in Actuarial services | √ | | |
| 4(vii) | Non-engagement in Internal Audit services. | √ | | |
| 4(viii) | Non-engagement in services that the audit committee determines | √ | | |
| 4(viii) | Possessing on share by any partner or employee of the external audit firm during the tenure of their audit assignment of that company | √ | | |
| **5** | **Subsidiary Company:** | | | |
| 5(i) | Composition of the Board of Directors. | √ | | |
| 5(ii) | At least 1 (one) independent director to the subsidiary company. | √ | | |
| 5(iii) | Submission of Minutes to the holding company. | √ | | |
| 5(iv) | Review of Minutes by the holding company. | √ | | |
| 5(v) | Review of Financial Statement by the holding company. | √ | | |
| **6** | **Duties of Chief Executive Officer and Chief Financial Officer:** | | | |
| 6(i)a | Reviewed the materially untrue of the financial statement. | √ | | |
| 6(ii)b | Reviewed about compliance of the accounting standard. | √ | | |
| 6(ii) | Reviewed about fraudulent, illegal or violation of the Company's code of conduct. | √ | | |
| **7** | **Reporting and Compliance of Corporate Governance:** | | | |
| 7(i) | Obtain certificate about compliance of conditions of Corporate Governance Guidelines. | √ | | |
| 7(ii) | Annexure attached in the directors' report. | √ | | |

# COMMITTEES

## Audit Committee

| | |
|---|---|
| Mr. Mohammad Liaquat Ali (Independent Director) | -Chair |
| Mr. Anis Salahuddin Ahmad (Director) | -Member |
| Mr. A.K.M Badiul Alam (Director) | -Member |
| Mr. Yeasin Ahmed (Company Secretary) | -Secretary |

## Operation & Maintenance Committee

| | |
|---|---|
| Engr. Md. Hafizur Rahman (Executive Director) | -Chair |
| Engr. Shariful Islam (General Manager) | -Member |
| Engr. Md. TamizUddin (AGM) | -Member |

## Purchase Committee

| | |
|---|---|
| Mr. Rezakul Haider (Chairman) | -Chair |
| Mr.Feroz Alam (Managing Director) | -Member |
| Mr. Md. Engr. Hafizur Rahman (Executive Director) | -Member |
| Mr. Bhulon Bhowmik (CFO) | -Member |



Howladar Yunus & Co.

Gulshan Office

**Howladar Yunus & Co.**
House - 14 (4th floor)
Road - 16A, Gulshan -1
Dhaka - 1212
Bangladesh

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www.howladaryunus.com

# Independent Auditor's Report

to the Shareholders of
Shahjibazar Power Company Limited

We have audited the accompanying separate financial statements of Shahjibazar Power Company Limited ("the Company") as well as the consolidated financial statements of Shahjibazar Power Company Limited and its subsidiary ("the Group") which comprises the consolidated and separate statement of financial position as at June 30, 2015, and the Statement of Profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) , the Companies Act 1994 and the Bangladesh Securities and Exchange Rules 1987, and for such internal control as management determines is necessary to enable the preparation of these consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the separate financial statements of the company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company as well as of the Group as at June 30, 2015 and of their financial performances and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

## Emphasis of matter

Without qualifying our opinion , we draw attention to the following matters:

# Howladar Yunus & Co.

The auditor of Petromax Refinery Limited, subsidiary company of Shahjibazar Power Company Limited, emphasized the following matters in their audit report for the year then ended 30 June 2015:

1. Note # 9 to the financial statements where management explains, the circumstances and current status of receivable from BPC due to reduction in the petroleum price by Government.
2. Note # 27.1 to the financial statements where management explains, the details of Business promotion expenses.

The above two notes are stated and consolidated in the consolidated financial statements in note 10a and 28a respectively.

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) the separate and the consolidated statement of financial position and statement of profit or loss and other comprehensive income of the Company dealt with by the report are in agreement with the books of accounts; and

d) the expenditure incurred and payments made were for the purpose of the company's business.

Howladar Yunus & Co.
Chartered Accountants

Dated: October 28, 2015
Dhaka

**Chartered Accountants**
Correspondent firm of Grant Thornton International Ltd.

# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT JUNE 30, 2015

| | Notes | June 30, 2015 Taka | June 30, 2014 Taka |
|---|---|---|---|
| **ASSETS:** | | | |
| **Non-Current Assets** | | **6,666,085,325** | **6,836,447,741** |
| Property, Plant and Equipment | 4a | 6,400,681,600 | 6,665,124,158 |
| Biological Assets | 5a | - | 801,726 |
| Intangible Assets | 5b | 191,962 | 107,300 |
| Investment Accounted for using Equity Method | 6a | 95,888,003 | 72,007,031 |
| Capital Work In progress | 7a | 67,919,695 | - |
| Other Investments | 8a | 101,404,065 | 98,407,526 |
| **Current Assets** | | **3,840,511,387** | **4,275,808,552** |
| Inventories | 9a | 907,674,381 | 1,125,663,025 |
| Accounts Receivables | 10a | 1,056,867,366 | 1,028,886,444 |
| Other Receivables | 11a | 2,044,863 | 1,720,365 |
| Advance, Deposits and Prepayments | 12a | 876,422,951 | 596,837,319 |
| Cash and Cash Equivalents | 13a | 680,258,853 | 1,093,426,399 |
| Goods in Transit | 14a | 317,242,973 | 429,275,000 |
| **TOTAL ASSETS** | | **10,506,596,713** | **11,112,256,292** |
| **SHARE HOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' Equity** | | **4,073,740,808** | **3,214,152,921** |
| Share Capital | 15.00 | 1,331,379,000 | 1,141,180,000 |
| Share Premium | 16.00 | 914,920,000 | 724,720,000 |
| Share Money Deposit | 16a | - | 99,333,400 |
| Tax Holiday Reserve | 16b | 344,788,265 | 82,397,956 |
| Retained Earnings | 17a | 1,482,653,543 | 1,166,521,565 |
| **Non-controlling interests** | | **174,119,916** | **1,900,319** |
| **Total equity** | | **4,247,860,724** | **3,216,053,240** |
| **Non-Current Liabilities** | | **1,350,408,166** | **2,609,313,244** |
| Long Term Loan- Net of Current Maturity | 18a | 1,179,103,794 | 1,823,748,941 |
| Loan from other than Bank | 18b | 159,675,475 | 336,799,384 |
| Deferred L/C Liabilities | 19a | 11,628,897 | 448,764,919 |
| **Current Liabilities** | | **4,908,327,823** | **5,286,889,808** |
| Short Term Loan | 20a | 1,941,704,945 | 812,142,594 |
| IPO Application Amount | 21a | 6,224,318 | 335,957,637 |
| Long Term Loan - Current Maturity | 22a | 1,145,519,408 | 994,495,704 |
| Sundry Creditors | 23a | 88,177,446 | 50,352,418 |
| Liabilities for Expenses | 24a | 18,338,004 | 12,648,041 |
| Unclaimed Dividend | 24b | 6,460,989 | 171,177,000 |
| Trade Payable | 25a | 155,891,496 | 319,720,362 |
| L/C Liabilities | 25b | 1,546,011,216 | 2,590,396,052 |
| **Total liabilities** | | **6,258,735,989** | **7,896,203,052** |
| **TOTAL EQUITY AND LIABILITIES** | | **10,506,596,713** | **11,112,256,292** |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman | Director | Managing Director

Howladar Yunus & Co.
Chartered Accountants

Signed as per annexed report on even date.

Date: October 28, 2015
Dhaka

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION
## AS AT JUNE 30, 2015

| | Notes | June 30, 2015 Taka | June 30, 2014 Taka |
|---|---|---|---|
| **ASSETS:** | | | |
| **Non-Current Assets** | | **4,155,303,793** | **3,489,616,840** |
| Property, Plant and Equipment | 4.00 | 3,058,011,725 | 3,219,515,518 |
| Biological Assets | 5.00 | - | 353,365 |
| Investment Accounted for Using Equity Method | 6.00 | 95,888,003 | 72,007,031 |
| Investment in Subsidiary | 7.00 | 900,000,000 | 99,333,400 |
| Other Investments | 8.00 | 101,404,065 | 98,407,526 |
| **Current Assets** | | **1,159,008,688** | **2,347,865,332** |
| Inventories | 9.00 | 108,985,944 | 128,064,872 |
| Accounts Receivables | 10.00 | 273,220,924 | 393,626,962 |
| Other Receivables | 11.00 | 2,044,863 | 1,720,365 |
| Advance, Deposits and Prepayments | 12.00 | 572,457,385 | 1,470,485,846 |
| Cash and Cash Equivalent | 13.00 | 175,966,632 | 353,967,287 |
| Goods In Transit | 14.00 | 26,332,940 | - |
| **TOTAL ASSETS** | | **5,314,312,482** | **5,837,482,171** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' Equity** | | **3,233,922,451** | **2,930,976,936** |
| Share Capital | 15.00 | 1,331,379,000 | 1,141,180,000 |
| Share Premium | 16.00 | 914,920,000 | 724,720,000 |
| Retained Earnings | 17.00 | 987,623,451 | 1,065,076,936 |
| **Non-Current Liabilities** | | **757,440,099** | **1,405,543,397** |
| Long Term Loan- Net of Current Maturity | 18.00 | 745,811,202 | 956,778,478 |
| Deferred L/C Liabilities | 19.00 | 11,628,897 | 448,764,919 |
| Current Liabilities | | **1,322,949,933** | **1,500,961,838** |
| Short Term Loan | 20.00 | 485,876,427 | 207,130,332 |
| IPO Application Amount | 21.00 | 6,224,318 | 335,957,637 |
| Long Term Loan - Current Maturity | 22.00 | 649,170,872 | 523,440,000 |
| Sundry Creditors | 23.00 | 50,867,032 | 50,130,496 |
| Liabilities for Expenses | 24.00 | 5,873,133 | 3,784,466 |
| Unclaimed Dividend | 24b | 6,460,989 | 171,177,000 |
| Trade Payable | 25.00 | 118,477,161 | 209,341,907 |
| **Total Liabilities** | | **2,080,390,032** | **2,906,505,235** |
| **TOTAL EQUITY AND LIABILITIES** | | **5,314,312,482** | **5,837,482,171** |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman | Director | Managing Director

Signed as per annexed report on even date.

Chartered Accountants

Date: October 28, 2015
Dhaka

# SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

| | Notes | June 30, 2015 Taka | June 30, 2014 Taka |
|---|---|---|---|
| **Revenue** | 26a | 9,182,109,019 | 5,055,725,129 |
| Cost of Sales | 27a | 7,527,721,229 | 3,901,712,993 |
| **Gross Profit** | | **1,654,387,790** | **1,154,012,136** |
| **Operating Expenses:** | | | |
| General and Administrative Expenses | 28a | 120,265,275 | 158,101,913 |
| Financial Expenses | 29a | 443,027,960 | 501,075,374 |
| **Operating Profit** | | **1,091,094,555** | **494,834,849** |
| Non-Operating Income | 30a | 27,322,296 | 45,482,381 |
| **Net Profit before Tax and WPPF** | | **1,118,416,851** | **540,317,230** |
| Workers' Profit Participation Fund | 31a | 53,257,946 | 12,164,528 |
| **Net Profit before Tax** | | **1,065,158,905** | **528,152,702** |
| **Share of Profit From Associate** | 32a | **77,780,972** | **23,007,031** |
| **Income Tax Expenses:** | 33a | **111,137,393** | **78,867,258** |
| Current Tax | | 111,137,393 | 78,867,258 |
| Deferred Tax | | - | - |
| **Net profit after Tax** | | **1,031,802,484** | **472,292,475** |
| **Other Comprehensive Income** | | - | - |
| **Total Comprehensive Income** | | **1,031,802,484** | **472,292,475** |
| **Profit Attributable to:** | | | |
| Equity holders' of the parent | | 958,916,287 | 470,919,313 |
| Non Controlling Interest | | 72,886,197 | 1,373,162 |
| | | **1,031,802,484** | **472,292,475** |
| **Total Comprehensive Income Attributable to:** | | | |
| Equity holders' of the parent | | 958,916,287 | 470,919,313 |
| Non Controlling Interest | | 72,886,197 | 1,373,162 |
| | | **1,031,802,484** | **472,292,475** |
| **Earnings Per Share (EPS)** | 34a | 7.20 | 3.91 |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman | Director | Managing Director

Howladar Yunus & Co.
Chartered Accountants

Signed as per annexed report on even date.

Date: October 28, 2015
Dhaka

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED JUNE 30, 2015

| | Notes | 2014-2015 Taka | 2013-2014 Taka |
|---|---|---|---|
| **Revenue from Sales** | 26.00 | 1,539,459,033 | 1,432,197,494 |
| Cost of Sales | 27.00 | 950,921,576 | 810,632,550 |
| Gross Profit | | 588,537,457 | 621,564,944 |
| Operating Expenses: | | | |
| General and Administrative Expenses | 28.00 | 69,898,186 | 85,859,081 |
| Financial Expenses | 29.00 | 194,289,983 | 246,595,591 |
| Operating Profit | | 324,349,288 | 289,110,272 |
| Non-Operating Income | 30.00 | 26,576,915 | 45,066,517 |
| Net Profit before Tax and WPPF | | 350,926,203 | 334,176,789 |
| Less: Workers' Profit Participation Fund | 31.00 | 16,710,772 | 12,164,528 |
| Net Profit before Tax | | 334,215,431 | 322,012,261 |
| Share of Profit From Associate | 32.00 | 77,780,972 | 23,007,031 |
| Income Tax Expenses: | 33.00 | 109,055,889 | 78,721,706 |
| Current Tax | | 109,055,889 | 78,721,706 |
| Deferred Tax | | - | - |
| Net profit after Tax | | 302,940,514 | 266,297,586 |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income | | 302,940,514 | 266,297,586 |
| Earnings Per Share (EPS) | 34.00 | 2.28 | 2.21 |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman | Director | Managing Director

Signed as per annexed report on even date.

Chartered Accountants

Date: October 28, 2015
Dhaka

# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENTS OF CASH FLOWS
## FOR THE YEAR ENDED JUNE 30, 2015

| | | June 30, 2015 Taka | June 30, 2014 Taka |
|---|---|---|---|
| A | **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| | Cash receipt from customers | 9,153,803,599 | 4,406,364,441 |
| | Cash paid to suppliers, employees | (8,022,304,075) | (1,660,695,572) |
| | Cash Paid for operational Expenses | (394,160,945) | (416,178,586) |
| | Cash received from Other Activities | 23,222,296 | 45,482,381 |
| | Cash paid for Workers Profit Participation Fund | (12,164,528) | - |
| | Income Tax Paid | (101,119,635) | - |
| | Cash payment for Financial Expenses | (443,027,960) | (501,075,374) |
| | **Net Cash flows from operating activities** | **204,248,754** | **1,873,897,290** |
| B | **CASH FLOWS IN INVESTING ACTIVITIES** | | |
| | Acquisition of property plant and equipment | (243,679,080) | (455,793,449) |
| | Capital Working-In-Progress | (67,919,695) | |
| | Disposal of Fixed Assets | 4,100,000 | - |
| | Dividend received from Associate | 53,900,000 | - |
| | Goods in Transit | 112,032,027 | - |
| | Biological Assets | - | (172,130) |
| | Intangible Assets | (84,662) | (107,300) |
| | Assets in Transit | - | - |
| | Investment in Subsidiary and FDR | (2,996,539) | 10,251,550 |
| | **Net cash used in investing activities** | **(144,647,948)** | **(445,821,329)** |
| C | **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| | Bank Loan (Short Term ) | 1,129,562,351 | (174,589,914) |
| | IPO Application Amount | (329,733,319) | 335,957,637 |
| | Payment of Deferred L/C Liabilities | (437,136,022) | - |
| | Payment of Dividend | (164,716,011) | - |
| | Loan from Subsidiaries | - | 23,537,472 |
| | Loan Other Than Bank and Financial Institutes | (177,123,909) | |
| | Bank Loan (Long Term ) | (493,621,443) | (550,080,262) |
| | **Net cash used in financing activities** | **(472,768,352)** | **(365,175,067)** |
| D | **Net Cash for the year (A+B+C)** | (413,167,546) | 1,062,900,894 |
| E | **Opening cash and bank balance** | 1,093,426,399 | 30,525,505 |
| F | **Closing cash and cash equivalents (D+E)** | **680,258,853** | **1,093,426,399** |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman | Director | Managing Director

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED JUNE 30, 2015

| | | June 30, 2015 Taka | June 30, 2014 Taka |
|---|---|---|---|
| A | **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| | Cash receipt from customers | 1,659,540,573 | 1,418,096,288 |
| | Cash paid to suppliers, employees | (774,409,994) | (622,156,508) |
| | Cash Paid for operational Expenses | (72,236,286) | (266,816,911) |
| | Cash received from Other Activities | 22,476,915 | 45,066,517 |
| | Cash paid for Workers Profit Participation Fund | (12,164,528) | - |
| | Income Tax Paid | (99,038,131) | - |
| | Cash Paid for Financial Expenses | (194,289,983) | (246,595,591) |
| | **Net Cash flows from operating activities** | **529,878,567** | **327,593,795** |
| B | **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | Acquisition of property plant and equipment | (105,194,442) | (92,040,665) |
| | Disposal of Fixed Assets | 4,100,000 | - |
| | Dividend received from Associate | 53,900,000 | - |
| | Loan and Advance (Subsidiary and Associate) | 106,720,360 | - |
| | Goods in Transit | (26,332,940) | - |
| | Investment in Subsidiary and FDR | (2,996,539) | 10,251,550 |
| | **Net cash flow from investing activities** | **30,196,439** | **(81,789,115)** |
| C | **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| | Bank Loan (Short Term ) | 278,746,095 | 93,727,950 |
| | IPO Application Amount | (329,733,319) | 335,957,637 |
| | Payment of Deferred L/C Liabilities | (437,136,022) | - |
| | Payment of Dividend | (164,716,011) | - |
| | Bank Loan (Long Term ) | (85,236,404) | (330,526,174) |
| | **Net cash used financing activities** | **(738,075,661)** | **99,159,413** |
| D | **Net Cash inflow/(outflow) for the year (A+B+C)** | **(178,000,655)** | **344,964,093** |
| E | **Opening cash and bank balance** | 353,967,287 | 9,003,194 |
| F | **Closing cash and bank balance (D+E)** | **175,966,632** | **353,967,287** |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman | Director | Managing Director

# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED JUNE 30, 2015

| Particulars | Attributable to share holders' equity | | | | | | Non Controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Share Capital | Tax Holiday Reserve | Share money deposit | Share Premium | Retained Earning | Total | | |
| **Balance as at July 01, 2014** | 1,141,180,000 | 82,397,956 | 99,333,400 | 724,720,000 | 1,166,521,564 | 3,214,152,921 | 1,900,319 | 3,216,053,240 |
| Net profit (After Tax) for the period | - | - | - | - | 958,916,287 | 958,916,287 | 72,886,197 | 1,031,802,484 |
| Share Issued through IPO | 126,800,000 | - | - | - | - | 126,800,000 | | 126,800,000 |
| Bonus share Issue/stock dividend | 63,399,000 | - | - | - | (63,399,000) | - | - | - |
| Adjustment this Year | - | - | (99,333,400) | - | - | (99,333,400) | 99,333,400 | - |
| IPO share issue Premium | - | - | - | 190,200,000 | - | 190,200,000 | - | 190,200,000 |
| Tax Holiday Reserve (Parent Portion) | - | 262,390,309 | - | | (262,390,309) | | - | |
| Cash Dividend | - | - | - | - | (316,995,000) | (316,995,000) | - | (316,995,000) |
| **Balance as at June 30, 2015** | **1,331,379,000** | **344,788,265** | **0** | **914,920,000** | **1,482,653,543** | **4,073,740,808** | **174,119,916** | **4,247,860,724** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2014

| Particulars | Attributable to share holders' equity | | | | | | Non Controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Share Capital | Tax Holiday Reserve | Share money deposit | Share Premium | Retained Earning | Total | | |
| **Balance as at July 01, 2013** | 1,141,180,000 | - | 99,333,400 | 724,720,000 | 949,177,207 | 2,914,410,607 | 527,157 | 2,914,937,764 |
| | - | - | - | - | 470,919,313 | 470,919,313 | 1,373,162 | 472,292,475 |
| Net profit / (Loss) for the year | | | | | | | | |
| Tax Holiday Reserve | | 82,397,956 | | | (82,397,956) | | | |
| Cash Dividend- 15% | | | | | (171,177,000) | (171,177,000) | | (171,177,000) |
| **Balance as at June 30, 2014** | **1,141,180,000** | **82,397,956** | **99,333,400** | **724,720,000** | **1,166,521,564** | **3,214,152,921** | **1,900,319** | **3,216,053,240** |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman | Director | Managing Director

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED JUNE 30, 2015

| Particulars | Share Capital | Share Premium | Retained Earning | Total Equity |
|---|---|---|---|---|
| **Balance as at July 01 , 2014** | 1,141,180,000 | 724,720,000 | 1,065,076,936 | 2,930,976,936 |
| | | | | - |
| IPO Share Allotment | 126,800,000 | 190,200,000 | | 317,000,000 |
| Net profit (after tax) for the period | - | - | 302,940,514 | 302,940,514 |
| Bonus share issue/Stock Dividend-5% | 63,399,000 | - | (63,399,000) | - |
| Cash Dividend- 25% | | | (316,995,000) | (316,995,000) |
| **Balance as at June 30, 2015** | **1,331,379,000** | **914,920,000** | **987,623,451** | **3,233,922,451** |

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED JUNE 30, 2014

| Particulars | Share Capital | Share Premium | Retained Earning | Total Equity |
|---|---|---|---|---|
| **Balance as at July 01, 2013** | 1,141,180,000 | 724,720,000 | 969,956,350 | 2,835,856,350 |
| Net profit (after tax) for the period | - | - | 266,297,586 | 266,297,586 |
| Cash Dividend -15 % | - | | (171,177,000) | (171,177,000) |
| **Balance as at June 30, 2014** | **1,141,180,000** | **724,720,000** | **1,065,076,936** | **2,930,976,936** |

The annexed notes 1 to 41 form an integral part of these Financial Statements.

Chairman

Director

Managing Director

## SHAHJIBAZAR POWER COMPANY LIMITED
Notes to the Financial Statements
As on and for the year ended June 30, 2015

## SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

### 1. Status of the Reporting Entity

#### 1.1. Corporate History:
The Shahjibazar Power Company Limited is a Public Limited Company listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) tin the Stock Exchange registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 4th November, 2007 vide registration no C-68888(1400)/07. The registered office of the company is located at Youth Tower, 822/2 Rokeya Sarani, Dhaka – 1216 and the plant is located at Fatepur, Madhobpur, Hobigonj, Bangladesh.

#### 1.2. Nature of business
The principal activity of this company is to set up power plants for generation and supply of electricity. The agreement for supply of power with Bangladesh Power Development Board (BPDB) held on 14th February, 2008. The company has 86 MW power plants and started commercial production on 10th February, 2009. The company supplies its generated electricity to Bangladesh Power Development Board (BPDB).

The company has a 90% owned subsidiary company namely Petromax Refinery Limited. The principal activity of this company is production and supply of petroleum products like liquid petroleum gas, special boiling point solvent, mineral turpentine, high speed diesel, octane, kerosene and fuel gas to Bangladesh Petroleum Corporation. The company has started its commercial operation on 25th October, 2013.

The company also has an Associates Company namely "Midland Power Co. Ltd" (51 MW Gas based power Plant) and holding 49% shares. This company has started its commercial operation on 7th December, 2013.

The management of the company will continue its operational existence for the foreseeable future on the basis of improved profitability and continued support its bankers, equipment vendors and other contractors, suppliers.

#### 1.3. Description of Subsidiary
Petromax Refinery Limited is a public Company limited by shares and registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 14th May, 2009 vide registration no. C – 58744 and not listed with any Stock Exchange in Bangladesh. The Company went into commercial operation on October 25, 2013.

The registered office of the company is located at 822/2 Rokeya Sarani, Dhaka – 1216 and the factory is located at 15, Mongla Port Industrial Area, Mongla, Bagerhat, Bangladesh.

The principal activity of this company is production and supply of petroleum products like liquid petroleum gas, special boiling point solvent, mineral turpentine, high speed diesel, octane, kerosene, and fuel gas to Bangladesh Petroleum Corporation.

#### 1.4. Description of Associate
Midland Power Co. Ltd. (hereinafter referred to as "the Company") was incorporated on 27th November 2011 as a private company limited by shares under the Companies Act, 1994. The registered office of the Company is located in Dhaka and the plant is located at Ashuganj, Brahmanbaria.

The principal activity of the Company is to set up 51 MW Gas Fired Power Generating Plant for the generation and supply of electricity. An agreement has been signed for supply of electricity with Bangladesh Power Development Board (BPDB) on 11th April 2012 for a period of 15 years with a provision of further renewal. The Company has started its commercial operation on 7th December 2013.

## 2. Basis of Preparation:

### 2.1. Statement of Compliance

The financial statements of Shahjibazar Power Company Limited have been prepared in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### 2.2. Application of Standards

The following BASs and BFRSs are applicable for the financial statement for the year under review

| | |
|---|---|
| BAS 1 | Presentation of Financial Statements |
| BAS 2 | Inventories |
| BAS 7 | Statement of Cash Flows |
| BAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors |
| BAS 10 | Events after the Reporting Period |
| BAS 12 | Income Taxes |
| BAS 16 | Property, Plant and Equipment |
| BAS 18 | Revenue |
| BAS 19 | Employee Benefits |
| BAS 21 | The Effects of Changes in Foreign Exchange Rates |
| BAS 23 | Borrowing Costs |
| BAS 24 | Related Party Disclosures |
| BAS 27 | Consolidated and Separate Financial Statements |
| BAS 28 | Investment in Associates |
| BAS 32 | Financial Instrument: Presentation |
| BAS 33 | Earnings Per Share |
| BAS 36 | Impairment of Assets |
| BAS 37 | Provisions, Contingent Liabilities and Contingent Assets |
| BAS 38 | Intangible Assets |
| BAS 39 | Financial Instrument: Recognition and measurement |
| BAS 41 | Agriculture |

### 2.3. Date of authorization

The consolidated financial statements as well as separate financial statements were authorized by the Board of Directors on October 28, 2015 for publication.

### 2.4. Measurement bases used in Preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC).

### 2.5. Use of estimates and judgments

The preparation of financial statements requires management to make judgement estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

### 2.6. Accounting Convention and Basis

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

### 2.7. Functional and presentational currency and level of precision

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

### 2.8. Reporting period

The financial period of the company covers one year from 1st July to 30th June and followed consistently.

### 2.9. Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

i) Statement of Financial Position
ii) Statement of Profit or Loss and other comprehensive Income
iii) Statement of Changes in Equity
iv) Statement of Cash Flows
v) Notes to the Financial Statements

### 3. Principal Accounting Policies:

The accounting policies set out below have been applied in preparations of these financial statements

### 3.1. Basis of consolidation

#### 3.1.1. Subsidiary

Subsidiaries are entities controlled by Shahjibazar Power Co. Ltd. Control exists when Shahjibazar Power Co. Ltd. has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries have been included in the consolidated financial statements from the date that control commences until the date that it ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by Shahjibazar Power Co. Ltd.

#### 3.1.2. Subsidiary

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.
Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of Shahjibazar Power Co. Ltd. interest in the investee. Unrealized losses, if any, are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

### 3.2. Property, Plant and Equipment

#### 3.2.1.Recognition and Measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of BAS-16: Property, Plant and Equipment.

#### 3.2.2.Disposal of Fixed Assets

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

#### 3.2.3. Depreciation on Fixed Assets

Depreciation is recognized in the profit and loss account on a straight line basis over the estimated useful life of property, plant and equipment in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Plant and machinery are depreciated from the month on which the asset comes into use or being capitalized. Other items of property, plant and equipment continue to be depreciated for a full year of capitalization respective of the date on which the asset comes into use or being capitalized.

Land is not depreciated. Depreciation on other assets is calculated using straight line method to allocate their cost or revalued amounts to their residual values over their estimated lives, as follows:

| | |
|---|---|
| Building and Construction | 5 to 10 % |
| Plant and Machinery | 6 to 15% |
| Water Treatment Plant | 15% |
| Mechanical & Electrical Equipment | 10% |
| Computer & Computer Equip. | 20% |
| Motor Vehicles | 20% |
| Office Equipment | 15% |
| Furniture and Fixture | 10% |

### 3.2.4. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

### 3.2.5. Capitalization of Borrowing Cost

Borrowing cost relating to acquisition of fixed assets is capitalized as per Bangladesh Accounting Standard (BAS) - 23, Borrowing costs at the weighted average cost of borrowings. However, capitalization of borrowing costs is ceased when acquisition of relevant asset is completed.

### 3.2.6. Impairment of Assets

Impairment of assets are carried out if carrying value is less than the value of using the asset or net realizable value of the assets whichever is lower.

### 3.3. Inventories

Inventories in hand as at 30th June, 2015 have been valued at lower of cost and net realizable value in accordance with BAS -2 "Inventories" after making due allowance for any obsolete or slow moving items.

### 3.4. Accounts Receivables

Accounts Receivables are considered good and realizable. Accounts Receivables are stated at the original invoice value.

### 3.5. Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

### 3.6. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction.

### 3.7. Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

### 3.8. Other Corporate Debt, Accounts Payable, Trade and Other Liabilities

Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

### 3.9. Taxation

Provision is not required for current income tax on the company's profits as the company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy of Bangladesh (SRO No. 188 of ITO 1984 dated 1st July, 2009) for a period of 15 years from the date of start of its commercial operation.

### 3.10. Deferred Tax

As the Tax Deducted at Sources (TDS) from the revenue is full and final discharge of tax liability under section 52N of the Income Tax Ordinance 1984 applicable for rental Power Company, there is no effect regarding deferred taxation to increase or decrease the current tax liability.

### 3.11. Provisions

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

### 3.12. Revenue Recognition

Invoice are made by survey of meter reading in every month and recognized in the income statement after satisfying all the condition for revenue recognition as provided in BAS 18 "Revenue".

### 3.13. Foreign Exchange:

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance at bank at the close of the business, at the rate prevailing on the Balance Sheet date in accordance with IAS 21 "The effects of Changes in Foreign Currency Rates."

### 3.14. Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized on accrual basis. Finance expenses comprise interest expenses on loan, overdraft and bank charges. All borrowing costs are recognized in the profit and loss account using effective interest method except to the extent that they are capitalized during constructions period of the plants in accordance with BAS-23 Borrowing cost.

### 3.15. Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning per Share, which has been shown on the face of Statement of Comprehensive Income account, and the computation of EPS is stated in Note 34.

#### Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

#### Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year.

#### Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

#### Diluted earnings per share

No diluted earnings per share are required to be calculated per year as there was no scope for dilution during the year.

### 3.16. Cash flows statement

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

### 3.16. Workers Profit Participation Fund (WPPF)

During 2013-2014 the company has been producing worker profit participation fund for its employees in accordance with provisions of Bangladesh Labor Act 2006 as amended in 2013.

### 3.17. Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

### 3.18. Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

### 3.19 Related Party Transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of BAS 24.

### 3.20. Comparative Amounts

Certain comparative amounts have been re-classified & rearranged for the better presentation.

| | | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|---|
| 4.00 | **Property, Plant and Equipment:** | | | |
| | **Cost:** | | | |
| | Cost at 30 June, 2014 | | 4,442,108,423 | 3,957,268,968 |
| | Addition during the year | | 105,194,442 | 503,652,750 |
| | Disposal during the year | | (4,700,000) | (18,813,295) |
| | Cost at 30 June , 2015 | | **4,542,602,865** | **4,442,108,423** |
| | **Accumulated Depreciation:** | | | |
| | At 30 June, 2014 | | 1,222,592,906 | 982,156,774 |
| | Charged during the year | | 266,698,234 | 247,049,427 |
| | Adjustment during the year | | (4,700,000) | (6,613,295) |
| | At 30 June, 2015 | | 1,484,591,140 | 1,222,592,906 |
| | **Carrying Value at 30 June, 2015** | | **3,058,011,725** | **3,219,515,518** |
| | **LEASEHOLD/FREEHOLD STATUS (at carrying value)** | | | |
| | Land, Building, Plant & Machinery, Furniture fixtures & Others | | | |
| | Leasehold | | - | - |
| | Freehold | | 3,058,011,725 | 3,219,515,518 |
| | | | **3,058,011,725** | **3,219,515,518** |
| | **For details breakup please refer to Annexure - A** | | | |
| 4a | **Consolidated Property, Plant and Equipment:** | | | |
| | Shahjibazar Power Company Limited | | 3,058,011,725 | 3,219,515,518 |
| | Petromax Refinery Limited | | 3,342,669,875 | 3,445,608,640 |
| | | | **6,400,681,600** | **6,665,124,158** |
| 5.00 | **Biological Assets:** | | | |
| | Tree Plantation | | - | 353,365 |
| | | | **-** | **353,365** |

An impairment test has been carried out by the management and it seems that biological assets are destroyed by cyclone. So management decided to impair full amount of biological asset.

| | | | | |
|---|---|---|---|---|
| 5a | **Consolidated Biological Assets:** | | | |
| | Shahjibazar Power Company Limited | | - | 353,365 |
| | Petromax Refinery Limited | | - | 448,361 |
| | | | **-** | **801,726** |

An impairment test has been carried out by the management and it seems that biological assets are destroyed by cyclone. So management decided to impair full amount of biological asset for both Shahjibazar Power Company Limited and Petromax Refinery Limited

| | | | | |
|---|---|---|---|---|
| 5b | **Consolidated Intangible Assets:** | | | |
| | Shahjibazar Power Company Limited | | - | - |
| | Petromax Refinery Limited | | 191,962 | 107,300 |
| | | | **191,962** | **107,300** |
| 6.00 | **Investment Accounted for Using Equity Method** | | | |
| | Initial Investment in Midland Power Co. Ltd. | | 49,000,000 | 49,000,000 |
| | Share of Post Acquisition Change in Net Asset | 6.01 | 46,888,003 | 23,007,031 |
| | | | **95,888,003** | **72,007,031** |
| 6.01 | **Share of Post Acquisition Change in Net Asset** | | | |
| | Share of net profit for the year 2014 | | 23,007,031 | 23,007,031 |
| | Share of net profit for the year 2015 | | 77,780,972 | - |
| | Interim dividend declared and paid | | (53,900,000) | - |
| | | | **46,888,003** | **23,007,031** |

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|

Midland Power Company Limited is 49% owned associate company of Shahjibazar Power Company Limited. The investee Company has declared and paid interim cash dividend @ 110%.

**6a Consolidated Investment Accounted for Using Equity Method**

| | | | |
|---|---|---|---|
| Shahjibazar Power Co. Ltd. | | 95,888,003 | 72,007,031 |
| Petromax Refinery Limited | | - | - |
| | | **95,888,003** | **72,007,031** |

**7.00 Investment In Subsidiary**

| | | | |
|---|---|---|---|
| Petromax Refinery Limited | | 900,000,000 | 99,333,400 |
| | | **900,000,000** | **99,333,400** |

Petromax Refinery Limited is 90% owned subsidiary company of Shahjibazar Power Co. Ltd.

**7a Consolidated Capital Work in Progress:**

| | | | |
|---|---|---|---|
| Shahjibazar Power Co. Ltd. | | - | - |
| Petromax Refinery Limited | | 67,919,695 | - |
| | | **67,919,695** | **-** |

**8.00 Other Investments**

| | | | |
|---|---|---|---|
| Investment In FDR/MTDR | 8.01 | 101,404,065 | 98,407,526 |
| | | 101,404,065 | 98,407,526 |

**8.01 Investment in MTDR/FDR:**

| | | |
|---|---|---|
| MTDR to Islami Bank Bangladesh Limited | 94,824,815 | 92,476,096 |
| MTDR to Islamic Finance & Investments Limited | 6,579,250 | 5,931,430 |
| | **101,404,065** | **98,407,526** |

**Lien Status:**

| | | |
|---|---|---|
| Under Lien (against Short Term Loan) | 94,824,815 | 92,476,096 |
| Free from Lien | 6,579,250 | 5,931,430 |
| | **101,404,065** | **98,407,526** |

**8a Consolidated Other Investment**

| | | |
|---|---|---|
| Shahjibazar Power Company Limited | 101,404,065 | 98,407,526 |
| Petromax Refinery Limited | - | - |
| | **101,404,065** | **98,407,526** |

**9.00 Inventories:**

| Items | Balance as at 1st July, 2014 | Purchase during the year | Consumption during the year | Balance as at June 30, 2015 |
|---|---|---|---|---|
| Oil & Lubricant | 2,132,375 | 72,117,760 | 71,003,158 | 3,246,977 |
| Spare parts and others | 125,932,497 | 16,699,492 | 36,893,022 | 105,738,967 |
| **Total** | **128,064,872** | **88,817,252** | **107,896,180** | **108,985,944** |

Inventories in hand have been valued at lower of cost and net realizable value.

Quantity wise disclosure of inventory:

| Items | Measurement Unit | Quantity | Value |
|---|---|---|---|
| | Dram | 46 | 2,753,442 |
| | Liter | 10 | 8,299 |
| Oil & Lubricant | Can | 282 | 485,236 |
| | Pieces | 54403 | 98,413,551 |
| | Packet | 137 | 1,047,323 |
| | Set | 66 | 877,674 |
| | Roll | 1 | 900 |

| Items | Measurement Unit | 30 June 2015 Taka Quantity | 30 June 2014 Taka Value |
|---|---|---|---|
| Spare parts & Others | Rim | 2 | 740 |
| | Rft | 20722 | 3,285,004 |
| | Pair | 161 | 389,916 |
| | Book | 258 | 23,598 |
| | Box | 33 | 1,504,176 |
| | Kg | 23 | 75,550 |
| | Lbs | 1 | 1,650 |
| | Mtr | 105 | 118,885 |
| Total | | 76250 | 108,985,944 |

| | | | |
|---|---|---|---|
| 9a | **Consolidated Inventories:** | | |
| | Shahjibazar Power Company Limited | 108,985,944 | 128,064,872 |
| | Petromax Refinery Limited | 798,688,437 | 997,598,153 |
| | | 907,674,381 | 1,125,663,025 |
| 10.00 | **Accounts Receivables** | | |
| | Bangladesh Power Development Board (BPDB) | 273,220,924 | 393,626,962 |
| | **Ageing Status of Accounts Receivables** | | |
| | Less than six months | 273,220,924 | 393,626,962 |
| | More than six months | - | - |
| | | 273,220,924 | 393,626,962 |
| 10a | **Consolidated Accounts Receivables:** | | |
| | Shahjibazar Power Company Limited | 273,220,924 | 393,626,962 |
| | Petromax Refinery Limited | 783,646,442 | 635,259,482 |
| | | 1,056,867,366 | 1,028,886,444 |

Out of total receivable of Petromax Refinery Limited an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.

| | | | |
|---|---|---|---|
| 11.00 | **Other Receivables** | | |
| | Interest on FDR-IFIL | 319,811 | 320,665 |
| | Interest on FDR-IBBL | 1,725,052 | 1,399,700 |
| | | 2,044,863 | 1,720,365 |
| 11a | **Consolidated Other Receivables:** | | |
| | Shahjibazar Power Company Limited | 2,044,863 | 1,720,365 |
| | Petromax Refinery Limited | - | - |
| | | 2,044,863 | 1,720,365 |
| 12.00 | **Advance, Deposits and Prepayments:** | | |
| | Advance 12.01 | 504,967,753 | 1,421,206,899 |
| | Deposits 12.02 | 32,373,524 | 45,955,475 |
| | Prepayments 12.03 | 35,116,108 | 3,323,472 |
| | | 572,457,385 | 1,470,485,846 |
| 12.01 | **Advances:** | | |
| | Advance to Subsidiary: | | |
| | Petromax Refinery Limited | - | 946,838,041 |

The company was invested to its subsidiary Company for capital expenditure requirement. On July 24, 2014 80,066,660 shares of Tk. 10 per share totaling Tk. 800,666,600 have been allotted by Petromax Refinery Limited against the said investments. Rest of the advance has been repaid accordingly.

| | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|
| **Advance to Associate:** | | |
| Midland Power Co. Ltd. | **498,811,492** | **459,360,411** |

SPCL has advanced to MPCL as Share Money Deposit of Tk. 498,811,492 to meet up Capital Expenditure of MPCL. Out of which Tk. 490,000,000 will be converted into paid up capital in near future and rest of the amount will be repaid to SPCL.

| | | |
|---|---|---|
| **Advance Income Tax:** | | |
| Opening Balance | 8,060,830 | 48,000,000 |
| Actual Expenses Incurred against share premium | - | (21,741,600) |
| Adjusted with Non-Operating Income Tax Payable | (4,004,943) | (18,197,570) |
| | **4,055,887** | **8,060,830** |
| **Advance to Others :** | | |
| AAA Consultant & Financial Advisors Ltd. | - | 1,000,000 |
| Saudia Electric Co. | - | 31,792 |
| United Corporate Advisory Services Ltd. | - | 2,000,000 |
| Jackson International Ltd. | - | 156,000 |
| Linde Bangladesh Limited | 250,000 | - |
| MJL Bangladesh Limited | - | - |
| Energypac Engineering Ltd. | 747,500 | - |
| Multitech International | 60,000 | - |
| | **1,057,500** | **3,187,792** |
| **Advance to Staffs:** | | |
| Mr. Shariful Islam | 518,796 | 145,750 |
| Mr. Bhulon Bhowmik | 34,333 | 142,663 |
| Mr. Tarequl Islam | 45,732 | - |
| Mr.Yasin Ahmed | - | 1,601,323 |
| Mr. Nizam Uddi | - | 1,350,000 |
| Mr. Jamal Mia Iqbal | 319,183 | 369,183 |
| Mr. Redwanul Bari | - | 21,540 |
| Others | 124,830 | 129,366 |
| | 1,042,874 | 3,759,825 |
| **Total Advances :** | **504,967,753** | **1,421,206,899** |

## 12.02 Deposits :

| | | |
|---|---|---|
| Central Depository Bangladesh Ltd.(CDBL) | 500,000 | 500,000 |
| Power Development Board ( Hobigonj | 72,660 | 72,660 |
| Bank Guarantee margin - IBBL | 23,642,499 | 23,642,499 |
| Letter of credit margin - IBBL | 8,158,365 | 21,740,316 |
| Total Deposits : | **32,373,524** | **45,955,475** |

## 12.03 Pre-Payments:

| | | |
|---|---|---|
| Pre-paid Insurance | 3,671,407 | 3,323,472 |
| Pre-paid Legal & professional fees | 7,160,400 | - |
| Pre-paid Anser & VDP's payment | - | - |
| Pre-paid Interest-Bai Murabaha FC bills | 7,090,137 | - |
| Pre-paid Interest-Bai Murabaha TR Loan | 7,660,744 | - |
| Pre-paid BG Commission | 9,533,420 | - |
| Total Prepayments : | **35,116,108** | **3,323,472** |

Islami Bank Bangladesh Limited has issued Bank Guarantee on behalf of SPCL favoring Bangladesh Power Development Board (BPDB) & Jalalabad Gas Transmission and Distribution Company Limited (JGTDCL) regarding Plant Operation & ensuring the bill payment. The Bank has kept a Margin of said Guarantee which will be continue up to 2023.

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| | **Ageing Status of Advance, Deposits & Prepayments** | | |
| | Less than six months | 37,216,482 | 10,271,089 |
| | More than six months | 535,240,903 | 1,460,214,757 |
| | | **572,457,385** | **1,470,485,846** |
| 12a | **Consolidated Advance, Deposits and Prepayments:** | | |
| | Shahjibazar Power Company Limited | 572,457,385 | 1,470,485,846 |
| | Petromax Refinery Limited | 494,884,125 | 73,189,514 |
| | Less : Loan from Petromax Refinery Limited | (190,918,559) | (946,838,041) |
| | | **876,422,951** | **596,837,319** |
| 13.00 | **Cash and Cash Equivalent** | | |
| | **Cash in Hand** | **71,477** | **2,087** |
| | **Cash at Bank:** | **175,895,155** | **353,965,200** |
| | CD Account with Bank Asia Limited # 6128 | 0.20 | 537 |
| | CD Account with Bank Asia Limited, IPO-USD | 95,860 | 25,536,488 |
| | CD Account with Bank Asia Limited, IPO-GBP | 40,875 | 757,561 |
| | CD Account with Bank Asia Limited, IPO-EURO | 828 | 317,758 |
| | STD Account with Bank Asia Limited, IPO-Taka | 13,499,023 | 326,092,873 |
| | CD Accounts with Exim Bank Limited # 14088 | 183 | 183 |
| | CD Account with Islami Bank Bangladesh Ltd# 9396 | 94,866,598 | 373,050 |
| | CD Account with Islami Bank Bangladesh Ltd# 1250 | 2,692,555 | 821,770 |
| | CD A/C with Standard Chartered Bank # 53917701 | 8,050 | 9,200 |
| | STD A/C with Exim Bank Limited # 85345 | 3 | 294 |
| | SND Account with Islami Bank Bangladesh Ltd# 49 | 64,691,180 | 55,486 |
| | | **175,966,632** | **353,967,287** |
| 13a | **Consolidated Cash and Cash Equivalent** | | |
| | Shahjibazar Power Company Limited | 175,966,632 | 353,967,287 |
| | Petromax Refinery Limited | 504,292,221 | 739,459,112 |
| | | **680,258,853** | **1,093,426,399** |
| 14.00 | **Goods In Transit :** | | |
| | Parts of Plant & Machinery | 26,332,940 | - |
| | | **26,332,940** | **-** |
| 14a | **Consolidated Goods in Transit** | | |
| | Shahjibazar Power Company Limited | 26,332,940 | - |
| | Petromax Refinery Limited | 290,910,033 | 429,275,000 |
| | | **317,242,973** | **429,275,000** |
| 15.00 | **Share Capital:** | | |
| | **Authorized :** | | |
| | 500,000,000 shares @ Tk.10.00 each | **5,000,000,000** | **5,000,000,000** |
| | **Issued, Subscribed and paid -up:** | | |
| | 133,137,900 shares @ Tk.10.00 each fully paid in Cash | **1,331,379,000** | **1,141,180,000** |

The Company submitted the Return of Allotment to the Registrar of Joint Stock Companies on July 06, 2014 for allotment of 12,680,000 shares of Tk. 10 each amounting to Tk. 126,800,000 which was approved by RJSC on September 22, 2014.

| | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|
| **Movement of Share Capital:** | | |
| Opening Balance | 1,141,180,000 | 1,141,180,000 |
| Add: Share Issue through IPO | 126,800,000 | - |
| Add: Bonus Share issued ( 5%) | 63,399,000 | - |
| | **1,331,379,000** | **1,141,180,000** |

| | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|

Shareholding position was as follows:

| Name of Shareholders | % of Shareholding 30-Jun-15 | % of Shareholding 30-Jun-14 |
|---|---|---|
| Mr. Rezakul Haider | 10.60% | 11.78% |
| Mr. Feroz Alam | 9.84% | 10.94% |
| Mr. Anis Salahuddin Ahmad | 9.84% | 10.94% |
| Mr. A.K.M.Badiul Alam | 7.57% | 8.41% |
| Md. Samsuzzaman | 11.36% | 12.62% |
| Ms. Shahida Alam | 3.79% | 4.21% |
| Md. Akbor Haider | 3.79% | 4.21% |
| Mr. Faridul Alam | 3.79% | 4.21% |
| Mr. Rezina Alam | 3.79% | 4.21% |
| Mr. Faisal Alam | 3.79% | 4.21% |
| Mr. Asgor Haider | 3.79% | 4.21% |
| Ms. Israt Azim Ahmad | 3.79% | 4.21% |
| General Public | 24.29% | 15.88% |
| | 100% | 100% |

Classification of Shareholders by holding:

| Class by number of shares | Number of Shareholders | | Percentage of Shareholding | Percentage of Shareholding |
|---|---|---|---|---|
| | 30-Jun-15 | 30-Jun-14 | 30-Jun-15 | 30-Jun-14 |
| Less than 500 Shares | 5,710 | - | 60.96% | 0% |
| 501 to 5,000 shares | 2913 | 5 | 31.10% | 2% |
| 5,001 to 10,000 shares | 312 | 24 | 3.33% | 11% |
| 10,001 to 20,000 Shares | 185 | 85 | 1.98% | 38% |
| 20,001 to 30,000 Shares | 90 | 9 | 0.96% | 4% |
| 30,001 to 40,000 Shares | 26 | 20 | 0.28% | 9% |
| 40,001 to 50,000 Shares | 29 | 12 | 0.31% | 5% |
| 50,001 to 100,000 Shares | 47 | 20 | 0.50% | 9% |
| 100,001 to 1,000,000 Shares | 39 | 32 | 0.42% | 14% |
| Over 1,000,000 Shares | 16 | 14 | 0.17% | 6% |
| | 9367 | 221 | 100% | 100% |

Name of the Directors and their Shareholding position:

| Name of the Directors | No. of Shareholding As at June 30, 2015 | No. of Shareholding As at June 30, 2014 |
|---|---|---|
| Mr. Rezakul Haider | 14,112,000 | 13,440,000 |
| Mr. Feroz Alam | 13,104,000 | 12,480,000 |
| Mr. Anis Salahuddin Ahmad | 13,104,000 | 12,480,000 |
| Mr. A.K.M.Badiul Alam | 10,080,000 | 9,600,000 |
| Md. Samsuzzaman | 15,120,000 | 14,400,000 |
| **Total :** | **65,520,000** | **62,400,000** |

## 16.00 Share Premium

| | | |
|---|---|---|
| Opening Balance | 724,720,000 | 724,720,000 |
| Addition during this period (12,680,000 shares @ Tk. 15.00 each) | 190,200,000 | - |
| | **914,920,000** | **724,720,000** |

| | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|

The Company submitted the Return of Allotment to the Registrar of Joint Stock Companies on July 06, 2014 for allotment of 12,680,000 shares of Tk. 10 each at a premium of Tk. 15 each amounting to Tk. 190,200,000 which was approved by RJSC on September 22, 2014.

**16a Consolidated Share Money Deposit**

| | | |
|---|---|---|
| Shahjibazar Power Company Limited | - | - |
| Petromax Refinery Limited | - | 99,333,400 |
| | **-** | **99,333,400** |

**16b Consolidated Tax Holiday Reserve**

| | | |
|---|---|---|
| Shahjibazar Power Company Limited | - | - |
| Petromax Refinery Limited | 344,788,265 | 82,397,956 |
| | **344,788,265** | **82,397,956** |

**17.00 Retained Earning**

| | | |
|---|---|---|
| Opening Balance of Retained Earning | 1,065,076,936 | 969,956,350 |
| Add: Net profit for this year | 302,940,514 | 266,297,586 |
| Less: 15% Cash Dividend | (316,995,000) | (171,177,000) |
| Less: Bonus Share issue | (63,399,000) | - |
| | **987,623,451** | **1,065,076,936** |

**17a Consolidated Retained Earning**

| | | |
|---|---|---|
| Shahjibazar Power Company Limited | 987,623,451 | 1,065,076,936 |
| Petromax Refinery Limited | 495,030,092 | 101,444,629 |
| | **1,482,653,543** | **1,166,521,565** |

**18.00 Long Term Loan - Net of Current Maturity:**

| | | |
|---|---|---|
| Islami Bank Bangladesh Limited | 745,811,202 | 956,778,478 |
| | **745,811,202** | **956,778,478** |

**Name of the facility:** HPSM (Project)

**Purpose of Loan:** To import equipment/accessories for the existing power plant.

**Rate of interest:** 12.50%

**Mode of Repayment:** Monthly installment

**Security:** Proportionate ownership of the proposed machinery of the project to be procured valued Tk. 234.37 million shall be retained in the Bank's name by creating hypothecation till full adjustment of Bank's dues.

**Collaterals:** Registered Mortgage/further charge with registered irrevocable power of attorney from the mortgagors in Bank's favor including the clause "Bank can sell the property as per section-12 of Artho Rin Adalot Ain-2003 without the intervention of court in case of default to pay bank's dues within due date by the client"

432.00 decimal project land and building (Total area: 62,360 sft), 199.00 decimal project land and building (Total area: 24,200 sft) & Machineries and vehicles as per Balance sheet.

**Name of facility** Working Capital

**Purpose of Loan:** To procure spare parts, lube oil etc. for the existing power plant

**Rate of interest:** 12.50%

**Mode of Repayment:** Deal to deal basis as per bank's standard norms

**Security:** Proportionate ownership of the proposed machinery of the project to be procured valued Tk. 234.37 million shall be retained in the Bank's name by creating hypothecation till full adjustment of Bank's dues.

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|

**Collaterals:** Registered Mortgage/further charge with registered irrevocable power of attorney from the mortgagors in Bank's favor including the clause "Bank can sell the property as per section-12 of Artho Rin Adalot Ain-2003 without the intervention of court in case of default to pay bank's dues within due date by the client"

432.00 decimal project land and building (Total area: 62,360 sft), 199.00 decimal project land and building (Total area: 24,200 sft) & Machineries and vehicles as per Balance sheet.

| | | | |
|---|---|---|---|
| 18a | **Consolidated Long Term Loan- Net of Current Maturity** | | |
| | Shahjibazar Power Company Limited | 745,811,202 | 956,778,478 |
| | Petromax Refinery Limited | 433,292,592 | 866,970,463 |
| | | 1,179,103,794 | 1,823,748,941 |
| 18b | **Consolidated Loan from other than Bank** | | |
| | Shahjibazar Power Company Limited | - | - |
| | Petromax Refinery Limited | 159,675,475 | 1,283,637,425 |
| | Less: Shahjibazar Power Co. Ltd. | - | (946,838,041) |
| | | 159,675,475 | 336,799,384 |
| 19.00 | **Deferred L/C Liabilities** | | |
| | Liabilities for Deferred LC (L/C No: 100862150200740O Dated:25.05.2015 Islami Bank Bangladesh Ltd. Local Office, Dhaka.) | 11,628,897 | 448,764,919 |
| | | 11,628,897 | 448,764,919 |
| 19a | **Consolidated Deferred/LC Liabilities** | | |
| | Shahjibazar Power Company Limited | 11,628,897 | 448,764,919 |
| | Petromax Refinery Limited | - | - |
| | | 11,628,897 | 448,764,919 |
| 20.00 | **Short Term Loan:** | | |
| | QTDR - Islami Bank Bangladesh Ltd. | 59,892,460 | 75,868,150 |
| | Bai Murabaha FC Bills-IBBL | 52,967,387 | - |
| | Bai Murabaha TR-IBBL | 125,692,777 | 62,550,316 |
| | Comfit Composite Knite Ltd. | 56,340,866 | 56,211,866 |
| | Youth Fashion Ltd. | 18,594 | 12,500,000 |
| | Youth Garments Ltd (C&F). | 45,784 | - |
| | Petromax Refinery Ltd. | 190,918,559 | - |
| | | 485,876,427 | 207,130,332 |

a. The above Short term Loan of QTDR taken from Islami Bank Bangladesh Limited, Local Office and has no profit bearing. This loans are fully secured to IBBL against lien of MTDR .

b. Short term loan from Comfit Composite Knit Ltd. and Petromax Refinery Ltd. were taken at zero profit margin basis. This loan was taken due to overcome the short time deficiencies. Repayment will be made on availability of cash with in one year.

| | | | |
|---|---|---|---|
| 20a | **Consolidated Short Term Loan** | | |
| | Shahjibazar Power Company Limited | 485,876,427 | 207,130,332 |
| | Petromax Refinery Limited | 1,646,747,077 | 605,012,262 |
| | Less: Intercompany Loan | (190,918,559) | - |
| | | 1,941,704,945 | 812,142,594 |
| 21.00 | **IPO Application Amount:** | 6,224,318 | 335,957,637 |

This amount represents the balance amount of IPO proceeds collected through applications from general public. The company submitted the Return of Allotment to the Registrar of Joint Stock Companies on July 06, 2014 for allotment of 126,80,000 shares of Tk. 10 per share which was approved by RJSC on September 22, 2014. On that day an amount of Tk. 19,02,00,000 was also credited to Share Premium Account. The balance amount are the refund amount of the un-successful applicant of IPO.

| | | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|---|
| 21a | **Consolidated IPO Application Amount** | | | |
| | Shahjibazar Power Company Limited | | 6,224,318 | 335,957,637 |
| | Petromax Refinery Limited | | - | - |
| | | | **6,224,318** | **335,957,637** |
| 22.00 | **Long Term Loan- Current Maturity:** | | | |
| | Islami Bank Bangladesh Limited | | 649,170,872 | 523,440,000 |
| | | | **649,170,872** | **523,440,000** |
| | This represents the current portion of Long Term Loan payable with in one year from the Financial Position date. | | | |
| 22a | **Consolidated Long Term Loan- Current Maturity** | | | |
| | Shahjibazar Power Company Limited | | 649,170,872 | 523,440,000 |
| | Petromax Refinery Limited | | 496,348,536 | 471,055,704 |
| | | | **1,145,519,408** | **994,495,704** |
| 23.00 | **Sundry Creditors:** | | | |
| | ABB Limited | | 1,623,871 | - |
| | Adroit Environment Consultants Ltd. | | 40,000 | 40,000 |
| | Square Pharmaceuticals Ltd. | | 10,200 | 10,200 |
| | Dhaka Insurance Ltd. | | 72,113 | 72,113 |
| | Global Insurance Ltd. | | 18,377 | 18,377 |
| | Aamra Networks Ltd | | 21,000 | 84,000 |
| | Dhaka.com | | 12,508 | 14,668 |
| | Watashi Security Ltd. | | - | 9,000 |
| | A.R Automobile | - | 245,100 | |
| | Alpana Tyre Corporation | | 159,120 | 236,954 |
| | Tofazzal Book House | | - | 34,000 |
| | BITS Ltd. | | 10,699 | 96,150 |
| | Galaxy Corporation | | - | 202,000 |
| | Patuakhali Nursery | | - | 43,000 |
| | Perfect Auto Care Ltd. | | - | 60,348 |
| | Star Advertisers Ltd. | | - | 750 |
| | Amicus Curiae | | 93,750 | 15,000 |
| | Federal Insurance Co. Ltd. | | - | 69,684 |
| | H.K.International | - | 108,000 | |
| | Orient Energy Systems Ltd. Bangladesh | | 1,319,382 | 1,319,382 |
| | Rainbow Software Ltd. | | - | 5,000 |
| | Rupali Insurance Co. Ltd. | | 219,836 | 219,836 |
| | Somoy Express Limited | | - | 17,800 |
| | A. Hossain Associates | | 3,300 | - |
| | Barrister Mahmud Jabbar Khan | | 26,250 | - |
| | BDJobs | | 9,405 | - |
| | M/S Nahar Enterprise | | 182,280 | - |
| | Navana Toyota 3S center | | 16,018 | - |
| | Rifat Automobile | | 9,900 | - |
| | TDS & VAT Payable | | 30,830 | - |
| | Provision for WPPF | | 30,349,773 | 25,803,529 |
| | Payable for Current Tax | 23.01 | 16,638,420 | 21,405,605 |
| | | | **50,867,032** | **50,130,496** |
| 23.01 | **Payable for Current Tax** | | | |
| | Sales Tax at Source | | 92,356,660 | 21,405,605 |
| | Previous year Income Tax Payable | | 21,405,605 | 5,536,432 |
| | Tax on non-operating income | | 5,919,229 | 78,721,706 |
| | | | 119,681,494 | 105,663,743 |
| | Tax paid during the year | | (99,038,131) | (3,112,143) |
| | | | 20,643,363 | 102,551,600 |
| | Adjustment of Non-Opr. tax with AIT on Share premium | | (4,004,943) | (81,145,995) |
| | | | **16,638,420** | **21,405,605** |

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| 23a | **Consolidated Sundry Creditors** | | |
| | Shahjibazar Power Company Limited | 50,867,032 | 50,130,496 |
| | Petromax Refinery Limited | 37,310,413 | 221,922 |
| | | **88,177,446** | **50,352,418** |
| 24.00 | **Liabilities for Expenses:** | | |
| | Salary & Allowance | 3,124,165 | 2,824,466 |
| | Festival Bonus | 1,693,968 | - |
| | Directors Remuneration | 300,000 | 300,000 |
| | Audit Fees | 660,000 | 660,000 |
| | Office Rent | 50,000 | - |
| | Car Maintenance | 45,000 | - |
| | | **5,873,133** | **3,784,466** |
| 24a | **Consolidated Liabilities for Expenses** | | |
| | Shahjibazar Power Company Limited | 5,873,133 | 3,784,466 |
| | Petromax Refinery Limited | 12,464,871 | 8,863,575 |
| | | **18,338,004** | **12,648,041** |
| 24b | **Unclaimed Dividend** | | |
| | Cash Dividend | 6,460,989 | 171,177,000 |
| | | **6,460,989** | **171,177,000** |
| 25.00 | **Trade Payable:** | | |
| | Jalalabad Gas Transmission and Distribution Systems Ltd. | 111,458,407 | 200,432,154 |
| | Clarke Energy Bangladesh Ltd. | - | 5,617,750 |
| | SYS Computers | 14,900 | 102,100 |
| | Orient Energy Systems Ltd. | 65,200 | 193,000 |
| | Nahar Enterprise | - | 65,200 |
| | DETA Computers | - | 7,500 |
| | Mahir Enterprise | - | 27,408 |
| | Manik Electric | - | 33,593 |
| | Mamun Light House | - | 26,700 |
| | MJL Bangladesh Limited | 6,223,360 | |
| | Pacific Chemitrade Co. | 229,500 | 60,000 |
| | M.S.International | - | 300,000 |
| | Aqua Care Trading | 75,000 | 365,000 |
| | ABB Limited | - | 2,093,760 |
| | Others Parties | - | 17,742 |
| | Anwara Trade International | 6,700 | - |
| | A to Z Computers | 30,650 | - |
| | Berger Paints Bangladesh Ltd. | 281,444 | - |
| | Sohan Business Centre | 2,000 | - |
| | S.S. Trade Link | 90,000 | - |
| | | **118,477,161** | **209,341,907** |
| 25a | **Consolidated Trade Payable** | | |
| | Shahjibazar Power Company Limited | 118,477,161 | 209,341,907 |
| | Petromax Refinery Limited | 37,414,334 | 110,378,455 |
| | | **155,891,496** | **319,720,362** |
| 25b | **Consolidated L/C Liabilities** | | |
| | Shahjibazar Power Company Limited | - | - |
| | Petromax Refinery Limited | 1,546,011,216 | 2,590,396,052 |
| | | **1,546,011,216** | **2,590,396,052** |
| 26.00 | **Revenue :** | | |
| | Sales | 1,539,459,033 | 1,432,197,494 |
| | | **1,539,459,033** | **1,432,197,494** |

| | | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|---|
| 26a | **Consolidated Revenue** | | | |
| | Shahjibazar Power Company Limited | | 1,539,459,033 | 1,432,197,494 |
| | Petromax Refinery Limited | | 7,642,649,986 | 3,623,527,635 |
| | | | **9,182,109,019** | **5,055,725,129** |
| 27.00 | **Cost of Sales:** | | | |
| | Opening Stock | | 128,064,872 | 130,994,934 |
| | Gas Consumption | | 497,138,124 | 465,765,470 |
| | Lube & Other Oil Expenses | | 72,117,760 | 39,540,170 |
| | Salary & Allowance | | 29,985,194 | 22,781,972 |
| | Overtime | | 298,634 | 359,090 |
| | Festival Bonus | | 4,212,076 | 2,996,760 |
| | Chemical Purchase | | 640,000 | 715,000 |
| | Grease/Spare Parts/Helium Gas | | 17,194,592 | 1,521,188 |
| | Plant & Machinery maintenance | | 46,679,278 | 29,287,513 |
| | Fuel for Car & Maintenance | | 1,226,672 | 1,693,747 |
| | Diesel for Generator | | 230,452 | 187,040 |
| | Depreciation | | 262,119,866 | 242,854,538 |
| | Closing stock | | (108,985,944) | (128,064,872) |
| | | | **950,921,576** | **810,632,550** |
| 27a | **Consolidated Cost of Sales** | | | |
| | Shahjibazar Power Company Limited | | 950,921,576 | 810,632,550 |
| | Petromax Refinery Limited | | 6,576,799,653 | 3,091,080,443 |
| | | | **7,527,721,229** | **3,901,712,993** |
| 28.00 | **General & Administrative Expenses** | | | |
| | Salary & Allowance | | 7,496,298 | 10,960,185 |
| | Festival Bonus | | 1,053,019 | |
| | AGM related expenses | | 628,450 | 319,342 |
| | Audit Fee | | 760,000 | 690,000 |
| | Advertisement & Publicity | | 1,321,410 | - |
| | Business Development Expenses | | 154,380 | 10,186,660 |
| | BG Commission | | 1,519,869 | 3,439,640 |
| | Board Meeting Fees | | 120,000 | - |
| | Accidental Loss of Machineries | | - | 2,200,000 |
| | Compliance Expenses | | 393,688 | 107,607 |
| | Computer Cartize & Accessories | | 542,613 | 792,820 |
| | Credit Rating Fees | | 430,000 | 20,686 |
| | Cleaning Charges | | 42,039 | 52,933 |
| | Carrying Inward | | 672,080 | 765,475 |
| | Capital Raising Expenses/IPO Expenses | | 15,492,947 | 9,481,222 |
| | Corporate Governance Fees | | 100,000 | - |
| | CDBL related expenses | | 20,000 | - |
| | Donation & Subscription | | 2,213,000 | 1,555,500 |
| | Electricity bill | | 542,718 | 573,643 |
| | Entertainment | | 827,820 | 921,489 |
| | Fuel for Car | | 928,984 | 786,576 |
| | Gardening | | 155,093 | 135,443 |
| | Gift & Compliments | | 80,700 | 53,812 |
| | Insurance Premium | | 5,368,194 | 1,872,806 |
| | Internet Services | | 560,562 | 569,422 |
| | Legal & Professional Fees | | 6,895,864 | 4,255,990 |
| | LP Gas Purchase | | 273,650 | 337,890 |
| | Labor Charges | | 53,290 | 85,400 |
| | LD Charges | | 4,267,839 | - |
| | Listing Fees | | 516,996 | - |
| | Directors Remuneration | 28.01 | 3,600,000 | 3,600,000 |

| | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|
| Tax Expense | - | 21,788,950 |
| Office Maintenance | 176,832 | 105,457 |
| Office Rent | 300,000 | 300,000 |
| Postage & Courier | 117,016 | 42,295 |
| Printing & Stationary | 819,266 | 288,986 |
| Registration & Renewals | 1,197,505 | 897,039 |
| Security & Protection | 1,937,439 | 2,275,492 |
| Telephone bill | 210,142 | 226,865 |
| Tiffin & Fooding | 539,350 | 655,692 |
| Tool Tax | 10,355 | 48,263 |
| Traveling & Conveyances | 373,319 | 245,249 |
| Tour Expenses | - | 666,771 |
| Training & Workshop | 10,925 | - |
| Vehicle's Rent & Maintenance | 892,801 | 358,592 |
| Write off of advance | 1,350,000 | - |
| Impairment of Biological Assets | 353,365 | - |
| Depreciation Expenses | 4,578,368 | 4,194,889 |
| | **69,898,186** | **85,859,081** |

## 28.01 Discloser as per requirement of Schedule XI, Part II, Para 4

| Name | Designation | Remuneration-2015 | Remuneration-2014 |
|---|---|---|---|
| Feroz Alam | Managing Director | 3,600,000 | 3,600,000 |
| **Total** | | **3,600,000** | **3,600,000** |

Note: Other directors are not entitled to receive remuneration and other facilities for their directorship.

## 28a Consolidated General & Administrative Expenses

| | | |
|---|---|---|
| Shahjibazar Power Company Limited | 69,898,186 | 85,859,081 |
| Petromax Refinery Limited | 50,367,089 | 72,242,832 |
| | **120,265,275** | **158,101,913** |

## 29.00 Financial Expenses

| | | |
|---|---|---|
| Interest on Loan - Islami Bank Bangladesh Limited | 189,423,438 | 233,483,298 |
| Bank Charges & Commission | 4,866,545 | 3,096,470 |
| Interest on Loan - Islamic Finance & Investments Limited | - | 3,623,503 |
| Bank commission for IPO fund collection | - | 6,392,320 |
| | **194,289,983** | **246,595,591** |

## 29a Consolidated Financial Expenses

| | | |
|---|---|---|
| Shahjibazar Power Company Limited | 194,289,983 | 246,595,591 |
| Petromax Refinery Limited | 248,737,977 | 254,479,783 |
| | **443,027,960** | **501,075,374** |

## 30.00 Non-operating Income

| | | |
|---|---|---|
| Income from Interest - Bank Asia Ltd. | 1,637,716 | 25,710,053 |
| Income from Interest - Exim Bank Ltd. | 4 | 34 |
| Income from Interest - Islami Bank Ltd. | 193,230 | - |
| Interest from FDR - Islami Bank BD Ltd. | 2,674,489 | 6,418,571 |
| Interest from FDR - Islami Finance & Investment Ltd. | 1,052,671 | 711,899 |
| Wastage Sale | 10,802,860 | 12,225,960 |
| Foreign Exchange Gain | 6,567,992 | - |
| Foreign Exchange Loss | (452,048) | - |
| Gain on sale of vehicle | 4,100,000 | - |
| | **26,576,915** | **45,066,517** |

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| 30a | **Consolidated Non-operating Income** | | |
| | Shahjibazar Power Company Limited | 26,576,915 | 45,066,517 |
| | Petromax Refinery Limited | 745,381 | 415,864 |
| | | **27,322,296** | **45,482,381** |
| 31.00 | **Workers' Profit Participant Funds:** | | |
| | WPPF is based on net profit before tax @ 5% | 16,710,772 | 12,164,528 |
| | | **16,710,772** | **12,164,528** |
| 31a | **Consolidated Workers' Profit Participant Funds:** | | |
| | Shahjibazar Power Company Limited | 16,710,772 | 12,164,528 |
| | Petromax Refinery Limited | 36,547,174 | - |
| | | **53,257,946** | **12,164,528** |

In accordance with Bangladesh Labor Act 2006 as amended in 2013, the company has made a provision for Workers Profit Participation Fund @ 5% of Profit Before Tax.

| | | | |
|---|---|---|---|
| 32.00 | **Share of Profit from Associate:** | | |
| | Net Profit of Associate company | 158,736,677 | 46,953,125 |
| | Percentage of share holding | 49% | 49% |
| | Share of profit from Associate | **77,780,972** | **23,007,031** |
| 32a | **Share of Profit from Associate:** | | |
| | Shahjibazar Power Company Limited | 77,780,972 | 23,007,031 |
| | Petromax Refinery Limited | - | - |
| | | **77,780,972** | **23,007,031** |
| 33.00 | **Current Tax** | | |
| | Sales Tax (Deducted at Source) | 92,356,660 | 62,948,425 |
| | Tax on Non-Operating Income @ 25% | 5,619,229 | 15,773,281 |
| | Tax on Dividend @ 20% | 10,780,000 | - |
| | Tax on Capital Gain @ 15% | 300,000 | - |
| | | **109,055,889** | **78,721,706** |
| 33a | **Consolidated Current Tax** | | |
| | Shahjibazar Power Company Limited | 109,055,889 | 78,721,706 |
| | Petromax Refinery Limited | 2,081,504 | 145,552 |
| | | **111,137,393** | **78,867,258** |
| 34.00 | **Basic Earning Per Share (EPS)** | | |
| | Net Profit after tax | 302,940,514 | 266,297,586 |
| | Number of share | 133,137,900 | 120,457,900 |
| | Earnings Per Share | **2.28** | **2.21** |
| 34a | **Consolidated Basic Earning Per Share (EPS)** | | |
| | Net Profit after tax | 958,916,287 | 470,919,313 |
| | Number of share | 133,137,900 | 120,457,900 |
| | Earnings Per Share | **7.20** | **3.91** |

| | Amount in Taka 30 June 2015 | Amount in Taka 30 June 2014 |
|---|---|---|
| **35.00 Capacity and Utilization:** | | |
| License Capacity (Unit - Kw) | 753,360,000 | 753,360,000 |
| Actual Utilized (Unit - Kw) | 593,039,904 | 543,261,043 |
| Capacity Utilization (Unit - Kw) | **79%** | **72%** |

During the period license capacity and Actual capacity considered for 12 (Twelve) months.

## 36.00 Contingent Liabilities:

The Company has also Contingent Liabilities of an amount Tk. 31,87,69,225/- which was issued by Shahjibazar Power Company Limited infavour of BPDB, Commissioner of Customs, Chittagong and Jalalabad Gas Transmission & Distribution Systems Ltd.. These contingent liabilities created due to released of capital goods from customs authority, guarantee of power sell and gas bill List of contingent liabilities are as follows:

| B.G Issued | Beneficiary Name | B.G No | Guarantee Value |
|---|---|---|---|
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/51 | 1,897,479 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/57 | 839,273 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/60 | 127,431 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/58 | 648,848 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/61 | 509,724 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/71 | 4,247,697 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/75 | 118,935 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/80 | 1,136,259 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/81 | 4,247,696 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/82 | 4,183,981 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/85 | 95,572 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/86 | 1,018,152 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/87 | 4,183,981 |
| Islami Bank Bangladesh Ltd. | Jalalabad Gas Transm. & Dist. Co. Ltd. | BG/08/91 | 139,816,591 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/94 | 4,041,046 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/97 | 4,041,046 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/98 | 826,644 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/100 | 8,082,049 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/101 | 9,135,058 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/105 | 8,750,934 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/107 | 45,875 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/109 | 8,664,228 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/08/110 | 420,564 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/09/02 | 35,043 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/09/03 | 8,407,253 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/09/10 | 10,619 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/09/13 | 467,247 |
| Islami Bank Bangladesh Ltd. | Commissioner of Customs, Ctg. | BG/09/16 | 20,389 |
| Islami Bank Bangladesh Ltd. | Bangladesh Power Development Board | BG/09/25 | 91,500,000 |
| Islami Bank Bangladesh Ltd. | Jalalabad Gas Transm. & Dist. Co. Ltd. | Gas Purchase | 11,249,611 |
| Grand Total = | | | **318,769,225** |

**37.00 Capital Expenditure commitment:**

●No capital expenditure contracted or incurred provided for as at 30th June, 2015.

●There was no material capital expenditure authorized by the Board or contracted for as at 30th June, 2015.

**38.00 Claim Acknowledgement:**

There was no claim against the Company not acknowledged as debt as on June 30, 2015.

**39.00 Restatement**

"The Company has labeled the restated comparative information with the previous year. In our view, this is necessary to highlight the fact that the comparative information is not same as the informative previously presented in the prior year's financial statement."

**40.00 Events After the Reporting Period :**

Subsequent to the date of statement of financial position, the Board of Directors recommended the 31% dividend, out of that 28% cash and 3% stock dividend. The payment is subject to the approval of the shareholders in the Annual General Meeting to be held on February 08, 2016.

The proposed dividend is not recognized at the statement of financial position in accordance with para 11 of BAS 10 Events After the Reporting Period.

**41.00 Number of Employees:**

Total number of employees is 124 in comparison to 114 in previous year. There is no employees in the company who is entitled to get annual salary below TK. 36,000.

Chairman | Directetor | Managing Director

During the year under review, the Company carried out a number of transactions with related parties in the normal course of business The name of related parties, nature of these transactions and their value have been set out below in accordance with the provision of BAS 24 **"Related Party Disclosure".**

| Name of the Related Party | Nature of Relationship | Nature of Transaction | Balance as at July 01, 2014 | Addition during the year | Adjustment during the year | Balance as at June 30, 2015 |
|---|---|---|---|---|---|---|
| Comfit Composite Knit Ltd. | Common Directorship | Short Term Loan | 56,211,866 | 129,000 | - | 56,340,866 |
| Petromax Refinery Limited | Parent - Subsidiary | Advance | 946,838,041 | - | 946,838,041 | - |
| | | Short Term Loan | - | 190,918,559 | - | 190,918,559 |
| Youth Fashion Limited | Common Directorship | Short Term Loan | 12,500,000 | - | 12,481,406 | 18,594 |
| Youth Garments Limited | Common Directorship | Short Term Loan | - | 45,784 | - | 45,784 |
| Midland Power Co. Ltd. | Associate Company | Advance | 459,360,411 | 39,451,081 | - | 498,811,492 |
| Islamic Finance & Inv. Ltd. | Common Directorship | MTDR | 5,931,430 | 647,820 | - | 6,579,250 |
| Feroz Alam | Managing Director | Remuneration | 300,000 | 3,600,000 | 3,600,000 | 300,000 |
| | | Office Rent | 25,000 | 300,000 | 275,000 | 50,000 |

Annexure-C

## Financial risk management

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

## Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It mainly comprises of accounts/trade receivables, advances to suppliers and trade deposits . The Company's maximum exposure to credit risk at the reporting date is accounts receivables which is also secured by agreement with Bangladesh Power Development Board (BPDB) and Bangladesh Petroleum Corporation (BPC).

### a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | 2015<br>Taka | 2014<br>Taka |
|---|---|---|
| Accounts receivables | 1,056,867,366 | 1,028,886,444 |

### b) Ageing of receivables

| | | |
|---|---|---|
| Accounts receivable were aged as below: | | |
| Less than six months | 1,056,866,591 | 1,028,885,661 |
| More than six months | 775 | 783 |
| | 1,056,867,366 | 1,028,886,444 |

### c) Impairment losses

The accounts receivables are secured by agreement with Bangladesh Power Development Board (BPDB) and Bangladesh Petroleum Corporation (BPC). According to the company, recognition of any impairment losses were not necessary as they were fully collectible. Subsequent to year end the collectibles were realised duly.

## Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### a) Currency risk/foreign exchange rate risk

The company is not exposed to any significant currency risk or foreign currency risk related to its operation as most of its transactions are carried out with local parties.

### b) Interest rate risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

| | 2015<br>Taka | 2014<br>Taka |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial assets | 101,404,065 | 98,407,526 |
| Financial liabilities | 4,266,328,147 | 3,630,387,239 |
| **Variable rate instruments** | | |
| Financial assets | - | - |
| Financial liabilities | - | - |

## Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The contractual maturities of financial liabilities of the Group are as follows

| Particulars | Carrying amount | Cash flows | Up to 1 year | Above 1 Year |
|---|---|---|---|---|
| As at 30 June 2015 | Taka | Taka | Taka | Taka |
| Short Term interest bearing loans | 1,941,704,945 | 1,941,704,945 | 1,941,704,945 | - |
| Long Term interest bearing loans | 2,324,623,202 | 2,324,623,202 | 1,145,519,408 | 1,179,103,794 |
| Long Term non-interest bearing loans | 159,675,475 | 159,675,475 | - | 159,675,475 |
| Trade creditors/Payable | 155,891,496 | 155,891,496 | 155,891,496 | - |
| Sundry creditors | 88,177,446 | 88,177,446 | 88,177,446 | - |
| L/C Liabilities | 1,557,640,113 | 1,557,640,113 | 1,546,011,216 | 11,628,897 |
| Other liabilities | 31,023,312 | 31,023,312 | 31,023,312 | - |
| | 6,258,735,989 | 6,258,735,989 | 4,908,327,823 | 1,350,408,166 |
| As at 30 June 2014 | | | | |
| Short Term interest bearing loans | 812,142,594 | 812,142,594 | 812,142,594 | - |
| Long Term interest bearing loans | 2,818,244,645 | 2,818,244,645 | 994,495,704 | 1,823,748,941 |
| Long Term non-interest bearing loans | 336,799,384 | 336,799,384 | - | 336,799,384 |
| Trade creditors/Payable | 319,720,362 | 319,720,362 | 319,720,362 | - |
| Sundry creditors | 50,352,418 | 50,352,418 | 50,352,418 | - |
| L/C Liabilities | 3,039,160,971 | 3,039,160,971 | 2,590,396,052 | 448,764,919 |
| Other liabilities | 519,782,678 | 519,782,678 | 519,782,678 | - |
| | 7,896,203,052 | 7,896,203,052 | 5,286,889,808 | 2,609,313,244 |

# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED SCHEDULE OF PROPERTY, PLANT AND EQIUPMENT

## FOR THE YEAR ENDED JUNE 30, 2015

| SL | Particulars | Cost | | | | Depreciation | | | | | Written Down Value as on 30.06.2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as on 01.07.2014 | Addition during this Year | Disposal during the Year | Balance as on 30.06.15 | Rate % | Balance as on 01.07.2014 | Adjustment during the year | Charged During the Year | Balance as on 30.06.2015 | |
| 1 | Land & Land Development | 192,037,397 | 1,873,010 | - | 193,910,407 | 0.0% | - | - | - | - | 193,910,407 |
| 2 | Building & Construction | 783,040,083 | 5,718,053 | - | 788,758,136 | 7.0% | 145,626,965 | - | 53,352,401 | 198,979,366 | 589,778,770 |
| 3 | Plant & Machineries | 6,703,343,895 | 126,022,243 | 6,815,718 | 6,822,550,420 | 6.0% | 1,149,798,617 | - | 396,494,059 | 1,546,292,676 | 5,276,257,744 |
| 4 | Mechanical & Electrical Goods | 1,072,263 | | - | 1,072,263 | 10.0% | 372,629 | - | 107,226 | 479,855 | 592,408 |
| 5 | Office/factory Equipment | 8,172,053 | 1,457,689 | - | 9,629,742 | 15.0% | 1,652,205 | - | 1,264,040 | 2,916,245 | 6,713,497 |
| 6 | Computer & Computer Equipments | 2,825,490 | 668,906 | - | 3,494,396 | 20.0% | 1,491,994 | - | 575,053 | 2,067,047 | 1,427,349 |
| 7 | Water Treatment Plant | 4,504,205 | 688,440 | - | 5,192,645 | 15.0% | 1,146,325 | - | 688,103 | 1,834,428 | 3,358,217 |
| 8 | Furniture & Fixture | 8,124,167 | 2,574,154 | - | 10,698,321 | 10.0% | 2,208,683 | - | 1,129,607 | 3,338,290 | 7,360,031 |
| 9 | Vehicles | 24,926,717 | 7,719,500 | 4,700,000 | 27,946,217 | 20.0% | 13,756,761 | 4,700,000 | 5,547,926 | 14,604,687 | 13,341,530 |
| 10 | Electric Installation | 33,719,520 | 219,106 | | 33,938,626 | 15.0% | 2,181,547 | - | 4,487,310 | 6,668,857 | 27,269,769 |
| 11 | Fire Extinguisher/Equipments | 560,910 | | - | 560,910 | 15.0% | 31,373 | - | 75,074 | 106,447 | 454,463 |
| 12 | Lab Equipments | 1,164,431 | 1,462,270 | - | 2,626,701 | 15.0% | 39,389 | - | 261,859 | 301,248 | 2,325,453 |
| 13 | Safety Shoes | 198,825 | | 198,825 | - | 15.0% | 4,378 | 4,378 | - | - | - |
| 14 | Refrezarator | 28,300 | | - | 28,300 | 15.0% | 2,123 | - | 3,712 | 5,835 | 22,465 |
| 15 | Air Conditioner | 2,518,140 | 2,441,900 | - | 4,960,040 | 15.0% | 74,493 | - | 542,954 | 617,447 | 4,342,593 |
| 16 | Fork LIFT | 1,750,000 | | - | 1,750,000 | 15.0% | 131,250 | - | 229,493 | 360,743 | 1,389,257 |
| 17 | Jetty | 9,047,777 | | - | 9,047,777 | 15.0% | 246,204 | - | 1,247,812 | 1,494,016 | 7,553,761 |
| 18 | Crockerries | 218,900 | | 218,900 | - | 15.0% | 11,676 | 11,676 | - | - | - |
| 19 | Cylindrical Vertical Steel Tank | 104,569,605 | 1,100,000 | - | 105,669,606 | 15.0% | 7,833,725 | - | 13,755,637 | 21,589,362 | 84,080,244 |
| 20 | Generator | 19,670,278 | 630,000 | - | 20,300,278 | 15.0% | 1,462,791 | - | 2,649,552 | 4,112,343 | 16,187,936 |
| 21 | Ship | 90,000,000 | 97,196,247 | - | 187,196,247 | 20.0% | - | - | 25,048,497 | 25,048,497 | 162,147,750 |
| 22 | Solar Power System | 560,000 | | - | 560,000 | 15.0% | 42,000 | - | 73,438 | 115,438 | 444,562 |
| 23 | Telephone Installation | 886,812 | 723,279 | - | 1,610,091 | 15.0% | 2,398 | - | 143,414 | 145,812 | 1,464,279 |
| 24 | Water Line Installation | 326,395 | | - | 326,395 | 15.0% | 24,480 | - | 42,803 | 67,283 | 259,112 |
| | **June-2015** | **7,993,266,162** | **250,494,798** | **11,933,443** | **8,231,827,518** | | **1,328,142,005** | **4,716,054** | **507,719,966** | **1,831,145,918** | **6,400,681,600** |
| | **June-2014** | **7,144,673,923** | **867,405,534** | **18,813,295** | **7,993,266,162** | | **982,156,774** | **6,613,295** | **352,598,526** | **1,328,142,005** | **6,665,124,158** |

# SHAHJIBAZAR POWER COMPANY LIMITED

## SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED JUNE 30, 2015

Annexure - A

| SL No. | Particulars | Cost | | | | Depreciation | | | | | Written Down Value as on 30.06.2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as on 01.07.14 | Addition during this period | Disposal/ Impairment during the period | Balance as on 30.06.15 | Rate % | Balance as on 01.07.14 | Adjustment during the year | Charged During the Year | Balance as on 30.06.2015 | |
| 01 | Land & Land Development | 149,587,065 | - | - | 149,587,065 | 0.0% | - | | - | - | 149,587,065 |
| 02 | Building & Construction | 374,855,803 | - | - | 374,855,803 | 7.0% | 132,382,067 | - | 26,239,906 | 158,621,973 | 216,233,830 |
| 03 | Plant & Machineries | 3,891,723,227 | 102,424,922 | - | 3,994,148,149 | 6.0% | 1,071,240,804 | - | 235,597,234 | 1,306,838,038 | 2,687,310,111 |
| 04 | Mechanical & Electrical Goods | 1,072,263 | - | - | 1,072,263 | 10.0% | 372,629 | - | 107,226 | 479,856 | 592,407 |
| 05 | Office Equipments | 3,003,875 | 74,020 | - | 3,077,895 | 15.0% | 1,369,537 | - | 455,060 | 1,824,598 | 1,253,298 |
| 06 | Computer & Computer Equipments | 1,864,970 | 437,500 | - | 2,302,470 | 20.0% | 1,438,097 | - | 430,961 | 1,869,058 | 433,412 |
| 07 | Water Treatment Plant | 1,170,000 | - | - | 1,170,000 | 15.0% | 901,750 | - | 175,500 | 1,077,250 | 92,750 |
| 08 | Furniture & Fixture | 3,949,300 | 140,000 | - | 4,089,300 | 10.0% | 1,969,840 | - | 398,263 | 2,368,103 | 1,721,197 |
| 09 | Vehicles | 14,881,920 | 2,118,000 | 4,700,000 | 12,299,920 | 20.0% | 12,918,181 | 4,700,000 | 3,294,084 | 11,512,265 | 787,655 |
| | **June-2015** | **4,442,108,423** | **105,194,442** | **4,700,000** | **4,542,602,865** | | **1,222,592,906** | **4,700,000** | **266,698,234** | **1,484,591,140** | **3,058,011,725** |
| | **June-2014** | **3,957,268,968** | **503,652,750** | **18,813,295** | **4,442,108,423** | | **982,156,774** | **6,613,295** | **247,049,427** | **1,222,592,906** | **3,219,515,518** |

**Allocation of Current Year Depreciation:**

| | | Taka |
|---|---|---|
| **Cost of Goods Sold Portion:** | | |
| Building & Construction | | 26,239,906 |
| Plant & Machineries | | 235,597,234 |
| Mechanical & Electrical Goods | | 107,226 |
| Water Treatment Plant | | 175,500 |
| **Total** | Note: 27 | **262,119,866** |
| **General & Amin. Portion:** | | |
| Office Equipments | | 455,060 |
| Computer & Computer Equipments | | 430,961 |
| Furniture & Fixture | | 398,263 |
| Vehicles | | 3,294,084 |
| **Total** | Note: 28 | **4,578,368** |
| **Grand Total :** | | **266,698,234** |

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## Auditor's Report
## To the Shareholders of Petromax Refinery Limited

We have audited the accompanying financial statements of **Petromax Refinery Limited** which comprise the statement of financial position as at 30 June 2015, statement of Profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information for the year then ended.

### Management's Responsibility for the Financial Statements

Management of Petromax Refinery Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, but not absolute assurance whether the financial statements are free from material misstatement due to fraud and error.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements of Petromax Refinery Limited prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2015 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

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## Emphasis of Matter

Without qualifying our opinion as above, we draw attention to the following points:

1. Note # 9 to the financial statements where management explains, the circumstances and current status of receivable from BPC due to reduction in the petroleum price by Government.

2. Note # 27.1 to the financial statements where management explains, the details of Business promotion expenses.

## Report on Other Legal and Regulatory Requirements

We also report the following:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) In our opinion, proper books of accounts as required by law have been kept by Petromax Refinery Limited so far as it appeared from our examination of these books;

c) The Company's statement of financial position (balance sheet) and statement of Profit & loss and other comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account and returns; and

d) The expenditure incurred was for the purposes of the company's business.

Dhaka,
21 October 2015

ACNABIN
Chartered Accountants

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# Petromax Refinery Limited

Statement of Financial Position
As at 30 June 2015

| Assets | Notes | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| Property, Plant and Equipment | 4 | 3,342,669,875 | 3,445,608,640 |
| Biological Assets | 5 | - | 448,361 |
| Intangible Assets | 6 | 191,962 | 107,300 |
| Capital Working-In Progress | 7 | 67,919,695 | - |
| **Non-Current Assets** | | **3,410,781,532** | **3,446,164,301** |
| Inventories | 8 | 798,688,437 | 997,598,153 |
| Accounts Receivable | 9 | 783,646,442 | 635,259,482 |
| Advance, Deposits and Prepayments | 10 | 494,884,125 | 73,189,514 |
| Goods In-transit | 11 | 290,910,033 | 429,275,000 |
| Cash & Bank Balance | 12 | 504,292,221 | 739,459,112 |
| **Current Assets** | | **2,872,421,257** | **2,874,781,261** |
| **Total Assets** | | **6,283,202,789** | **6,320,945,562** |
| **Shareholders Equity** | | | |
| Share Capital | 13 | 1,000,000,000 | 100,000,000 |
| Share Money Deposits | 14 | - | 99,333,400 |
| Tax Holiday Reserves | 15 | 373,942,743 | 82,397,955 |
| Retained Earnings | 16 | 539,995,530 | 102,678,348 |
| **Total Shareholder's Equity** | | **1,913,938,274** | **384,409,703** |
| **Liabilities** | | | |
| Loan other than Bank and Financial Institutes | 17 | 159,675,475 | 1,283,637,425 |
| Long Term Loan-Net off Current Maturity | 18 | 433,292,592 | 866,970,463 |
| Non-Current Liabilities | | **592,968,067** | **2,150,607,888** |
| Accounts Payable | 19 | 37,414,334 | 110,378,455 |
| Other Payable | 20 | 37,310,414 | 221,922 |
| L/C Liabilities | 21 | 1,546,011,216 | 2,590,396,052 |
| Short Term Loan | 22 | 1,646,747,077 | 605,012,262 |
| Long Term Loan-Current Maturity | 23 | 496,348,536 | 471,055,704 |
| Liabilities for Expenses | 24 | 12,464,871 | 8,863,575 |
| **Current Liabilities** | | **3,776,296,448** | **3,785,927,970** |
| **Total Liabilities** | | **4,369,264,515** | **5,936,535,859** |
| **Total Shareholders Equity and Liabilities** | | **6,283,202,789** | **6,320,945,562** |

*The accompanying notes 1 to 36 form an integral part of these financial statements*

Managing Director | Director | Chairman

Date: October 21, 2015
Dhaka

ACNABIN
Chartered Accountants

# Petromax Refinery Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

| | Notes | 2014-2015 Taka | 2013-2014 Taka |
|---|---|---|---|
| Revenue | 25 | 7,642,649,986 | 3,623,527,635 |
| Cost of Sales | 26 | (6,576,799,653) | (3,091,080,443) |
| **Gross Profit** | | **1,065,850,333** | **532,447,192** |
| General and Admin. Expenses | 27 | (50,367,089) | (72,242,832) |
| **Profit/(Loss) from Operation** | | **1,015,483,244** | **460,204,360** |
| Non-Operating Income | 29 | 745,381 | 415,864 |
| Financial income/(Expense),net | 28 | (248,737,977) | (254,479,783) |
| Worker's Profit Participation Fund (WPPF) | 30 | (36,547,174) | - |
| **Net Profit/(Loss) Before Tax** | | **730,943,475** | **206,140,441** |
| Current Tax | 31 | (2,081,504) | (145,552) |
| **Net Profit/(Loss) After Tax** | | **728,861,971** | **205,994,889** |
| Other Comprehensive Income | | - | - |
| **Total Comprehensive Income** | | **728,861,971** | **205,994,889** |
| | | | |
| **Earning Per Share** | **32** | **7.29** | **20.60** |
| **Diluted Earning Per Share** | **32** | **7.29** | **2.06** |

*The accompanying notes 1 to 36 form an integral part of these financial statements*

Managing Director

Director

Chairman

Date: October 21, 2015
Dhaka

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# Petromax Refinery Limited

Statement of Changes in Equity
For the year ended 30 June 2015

Amounts in Taka

| Particulars | Share Capital | Share Money Deposit | Tax Holiday Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|
| Balance as at July 01, 2014 | 100,000,000 | 99,333,400 | 82,397,956 | 102,678,348 | 384,409,704 |
| Increased in Share Capital | 900,000,000 | (99,333,400) | - | - | 800,666,600 |
| Net profit for the period | - | - | - | 728,861,971 | 728,861,971 |
| Tax Holiday Reserve | | | 291,544,788 | (291,544,788) | - |
| **Balance as at June 30, 2015** | **1,000,000,000** | - | **373,942,744** | **539,995,530** | **1,913,938,274** |
| | | | | | |
| Balance as at July 01, 2013 | 100,000,000 | 99,333,400 | - | (20,918,586) | 178,414,814 |
| Net profit/(Loss) for the year | - | - | - | 205,994,889 | 205,994,889 |
| Tax Holiday Reserve | - | - | 82,397,955 | (82,397,955) | - |
| **Balance as at June 30, 2014** | **100,000,000** | **99,333,400** | **82,397,955** | **102,678,348** | **384,409,703** |

*The accompanying notes 1 to 36 form an integral part of these financial statements*

Managing Director

Director

Chairman

Date: October 21, 2015
Dhaka

ACNABIN
Chartered Accountants

# Petromax Refinery Limited

Statement of Cash Flows
For the Year Ended June 30, 2015

| | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| Cash receipt from customers | 7,494,263,026 | 2,988,268,153 |
| Cash paid to suppliers, service providers and employees | (6,208,892,709) | (1,557,795,853) |
| Cash Generated for operations | (277,090,114) | (120,317,554) |
| Cash receipt from Non-Operating Activities | 745,381 | 415,864 |
| Financial Charge | (248,737,977) | (254,479,783) |
| Tax Paid/ (Deduction) | (2,081,504) | - |
| **Net Cash Flows from Operating Activities** | **758,206,104** | **1,056,090,827** |
| **Cash Flows from Investing Activities** | | |
| Acquisition of property, plant and equipment | (138,484,638) | (363,752,784) |
| Capital Working-In Progress | (67,919,695) | |
| Intangible Assets | (84,662) | (107,300) |
| Advance to Shahjibazar Power Co. Ltd. (Parent Co.) | (190,918,559) | - |
| Biological Assets | - | (172,130) |
| Goods In-transit | 138,364,967 | 373,126,019 |
| **Net Cash Used in Investing Activities** | **(259,042,587)** | **9,093,805** |
| **Cash Flow from Financing Activities** | | |
| Loan other than Bank and Financial Institutes | (323,295,350) | 140,548,721 |
| Short term Loan | 1,041,734,815 | (268,242,464) |
| Payment of L/C Liabilities | (1,044,384,836) | |
| Project Loan | (408,385,039) | (219,554,088) |
| **Net Cash Used in Financing Activities** | **(734,330,410)** | **(347,247,831)** |
| Net cash inflow for the period | (235,166,891) | 717,936,801 |
| Opening Cash & Cash Equivalent | 739,459,112 | 21,522,311 |
| **Closing Cash & Cash Equivalent** | **504,292,221** | **739,459,112** |

*The accompanying notes 1 to 36 form an integral part of these financial statements*

Managing Director | Director | Chairman

Date: October 21, 2015
Dhaka

ACNABIN
Chartered Accountants

# Petromax Refinery Limited

Notes to the Financial statements
As at and for the year ended 30 June, 2015

## SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

### 1. Status of the Reporting Entity

#### 1.1. Legal form of the Company

Petromax Refinery Limited (hereinafter referred to as "PRL"/the company") is a Public Limited Company by shares and registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 14th May, 2009 vide registration no. C – 58744 and not listed with any Stock Exchange in Bangladesh. The Company went into commercial operation on October 25, 2013.

#### 1.2. Registered office

The registered office of the company is located at 822/2 RokeyaSarani, Dhaka – 1216 and the factory is located at 15, Mongla Port Industrial Area, Mongla, Bagerhat, Bangladesh.

#### 1.3. Nature of business activities

The principal activity of this company is production and supply of petroleum products like liquid petroleum gas, special boiling point solvent, mineral turpentine, high speed diesel, octane, kerosene, and fuel gas to Bangladesh Petroleum Corporation.

The management of the company will continue it's operational existence for the foreseeable future on the basis of improved profitability and continued support its bankers, equipment vendors and other contractors, suppliers.

### 2. Basis of Preparation and Presentation of Financial Statements

#### 2.1. Statement of Compliance

The financial statements have been prepared and the disclosures of information are made in accordance with the requirements of Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) as much as practicable. The statement of financial position and statement of comprehensive income have been prepared according to BAS 1 Presentation of Financial Statements on accrual basis of accounting and statement of cash flows is prepared according to BAS 7 Statement of Cash Flows.

#### 2.2. Other Regulatory Compliances

The company is also required to comply with the following major laws and regulation in addition to the Companies Act 1994:
The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Tax Rules 1991
The Customs Act 1969
Bangladesh Labor Law 2006
andOther applicable regulations

#### 2.3. Application of Standards

The following BASs and BFRSs are applicable for the financial statements for the year under review.

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

### 2.4. Going Concern Assumption

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the consolidated financial statements. The current resources and current credit facilities of the Company provide sufficient fund to meet the present requirements of its existing business.

### 2.5. Measurement bases used in Preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" conventionexcept for those which is measured under revaluation model including land, financial instrument, biological assets etc. which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

### 2.6. Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

### 2.7. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are reflected in measuring fair value of Land and Building, calculation of deferred tax liabilities and any other head as appropriate.

### 2.8. Comparative Information

Comparative information has been disclosed in respect of the year 2014 for all numericalinformation in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Certain figures for 2014 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.

### 2.9. Accounting Convention and Basis

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, financial assets and financial liabilities (including derivative financial instruments at fair value through profit or loss) and certain biological assets. The financial statement also followed by Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

### 2.10. Functional and presentational currency and level of precision

The financial statements are prepared and presented in Bangladeshi Currency (Taka), which is the company's functional currency. All financial information has beenshown rounded off to the nearest Taka except where indicated otherwise.

### 2.11. Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on 21 October 2015.

### 2.12. Reporting period

The financial period of the company covers one year from 1 July to 30 June and followed consistently.

### 2.13. Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

i) Statement of Financial Position
ii) Statement of Profit or Loss and Other Comprehensive Income
iii) Statement of Changes in Equity
iv) Statement of Cash Flows
v) Notes to the Financial Statements

## 3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied in preparations of these financial statements.

### 3.1. Property, Plant and Equipment

3.1.1 Recognition and Measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of BAS-16: Property, Plant and Equipment.

#### 3.1.2 Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the itemif it is probable that the future economic benefits embodied within the part will flow to the Company and its cost canbe measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in thestatement of comprehensive income as incurred.

#### 3.1.3 Disposal of Fixed Assets

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

#### 3.1.4 Depreciation on Fixed Assets

Depreciation is recognized in the statement of comprehensive Income on a reducing Balance method in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Depreciation is charged on PPE in the following quarter of the procurement because procured assets takes on an average 2 to 3 months for ready to use.

#### 3.1.5 Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized are also includedin applicable borrowing cost considering the requirement of BAS-23: Borrowing Costs.

#### 3.1.6 Impairment of Assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset) exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income.

### 3.2. Intangible Assets

Intangible assets are measured at cost less accumulated amortization and recognized when all the conditions for recognition as per BAS-38: Intangible Assets are met. Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodiedtherewith will flow to the Company and its cost can be measured reliably. Intangible assets are amortized at the rate of fifteen percent of cost per year.

### 3.3. Inventories

Inventories are valued in accordance with BAS-2: Inventories i.e. at cost or estimated net realizable value whichever is lower. The cost of inventories includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion and selling. When the inventories are used, the carrying amount of those inventories is recognized in the period in which the related revenue is recognized.

### 3.4. Trade Receivable (Book Debt)

Book debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the period-end.

### 3.5. Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account. Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

### 3.6. Foreign Exchange

Transactions in foreign currencies are translated at the average rate of the month. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Bangladeshi Taka at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement in accordance with BAS 21 "The effects of Changes in Foreign Currency Rates."

### 3.7. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction.

### 3.8. Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

### 3.9. Other Corporate Debt, Accounts Payable, Trade and Other Liabilities

Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

## 3.10. Taxation

### 3.10.1 Current Tax

No provision is required for current income tax on the company's operating profit because Petromax Refinery Limited has been enjoying tax holiday for 7 years from the date of October 25, 2013 to October 24, 2020. Tax on Non-operating income has been calculated properly and provision made accordingly.

### 3.10.2 Deferred Tax

As Petromax Refinery Limited has been enjoying Tax holiday for 7 years under income Tax Ordinance 1984 (XXXVI of 1984) section 46B, there is no effect regarding deferred taxation to increase or decrease the current tax liability.

## 3.11. Creditors and Accrued Expenses

### 3.11.1 Trade and Other Payables

Liabilities are recorded at the amount payable for settlement in respect ofgoods andservices received by the Company.

### 3.11.2 Provisions

The preparation of financial statements in conformity with BAS-37:Provisions, Contingent Liabilities and Contingent Assets, requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with the guidelines as prescribed by BAS-37, provisions were recognized in the following situations:

- When the Company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

We have shown the provisions in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision, represents the best estimate of the probable expenditure required to fulfill the current obligation on the date of statement of financial position.

Other provisions are valued in accordance with BAS 37 Provisions, Contingent Liabilities and Contingent Assets.

## 3.12. Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37, provision, contingent liabilities and contingent assets those are disclosed in the notes to the financial statements.

### 3.13. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity.

### 3.14. Cash flows statement

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of BAS-7, which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

### 3.15. Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

### 3.16. Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

### 3.17. Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning per Share, which has been shown on the face of Statement of Comprehensive Income account and computation of EPS is stated in related note.

#### 3.17.1 Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

#### 3.17.2 Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

#### 3.17.3 Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year.

#### 3.17.4 Diluted earnings per share

No diluted earnings per share are required to be calculated per year as there was no scope for dilution during the year.

### 3.18. Workers Profit Participation Fund

The company has created Worker's Profit Participation Fund (WPPF) @ of 5% on Net Profit Before Tax in accordance with Chapter XV of Labour Law 2006 as amended in 2013.

### 3.19. Related Party Transaction

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of BAS 24.

# Petromax Refinery Limited

Notes to the Financial statements

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| 4 | **Property, Plant & Equipment** | | |
| | **Cost :** | | |
| | Balance as at 01 July 2014 | 3,551,157,739 | 3,187,404,955 |
| | Addition During The Period | 145,300,356 | 363,752,784 |
| | Disposal During The Period | (7,233,443) | - |
| | Balance at 30 June 2015 | **3,689,224,653** | **3,551,157,739** |
| | **Accumulated Depreciation** | | |
| | Balance as at 01 July 2014 | 105,549,099 | - |
| | Charged during the year | 241,021,732 | 105,549,099 |
| | Adjustment for the year | (16,054) | |
| | Balance at 30 June 2015 | **346,554,778** | **105,549,099** |
| | Written Down Value as at 30 June 2015 | **3,342,669,875** | **3,445,608,640** |

All assets are freehold to the company and there is no leasehold property presented in the head "Property, Plant & Equipment".

For details please refer to Annexure A

| | | | |
|---|---|---|---|
| 5 | **Biological Assets** | | |
| | Tree Plantation | - | 448,361 |
| | | **-** | **448,361** |

An impairment test has been carried out by the management and it seems that biological assets are destroyed by cyclone "Comen". So management decided to impair full amount of biological asset.

| | | | |
|---|---|---|---|
| 6 | **Intangible Assets** | | |
| | **Cost** | | |
| | Balance as at 01 July 2014 | 116,000 | - |
| | Addition During the Period | 115,000 | 116,000 |
| | Balance at 30 June 2015 | **231,000** | **116,000** |
| | **Amortization** | | |
| | Balance as at 01 July 2014 | 8,700 | - |
| | Amortization During the Period | 30,338 | 8,700 |
| | Balance at 30 June 2015 | 39,038 | 8,700 |
| | Written Down Value as at 30 June 2015 | **191,962** | **107,300** |

Intangible assets are amortizing @ 15% on cost as per the company's policy.

| | | | |
|---|---|---|---|
| 7 | **Capital Work-In-Progress** | **67,919,695** | **-** |

Capital work-in-progress includes an under construction building to accommodate staff and officers in he plant tand a pipeline for bringing the raw materials from mother vessel. All the assets under CWIP will be transferred to "Property, Plant & Equipment" after the assets being qualified to use.

| | | | |
|---|---|---|---|
| 8 | **Inventories** | | |
| | Raw materials (Condensate) | 587,499,285 | 789,990,389 |
| | Work-in-progress | 5,137,563 | - |
| | Finished Goods | 193,203,415 | 200,994,595 |
| | General Stores & Spare Parts | 12,848,174 | 6,613,170 |
| | | **798,688,437** | **997,598,153** |

| | | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|---|
| 9 | **Accounts Receivables** | | | |
| | Bangladesh Petroleum Corporation | | 779,131,160 | 635,258,699 |
| | Jamuna Spacetec Joint Venture Ltd. | | 510,822 | - |
| | Interest Receivable on FDR | | 4,003,685 | - |
| | Bepary & Sons | | 775 | 783 |
| | | | **783,646,442** | **635,259,482** |

Out of total receivable of the Company an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.

| | | | | |
|---|---|---|---|---|
| | **Age Analysis of Accounts Receivables** | | | |
| | Less than Six Months | | 783,645,667 | 635,258,699 |
| | More than Six Months | | 775 | 783 |
| | | | 783,646,442 | 635,259,482 |
| 10 | **Advance, Deposits and Prepayments** | | | |
| | Advances | | 494,716,279 | 73,038,228 |
| | Deposits | | 167,846 | 151,286 |
| | | | **494,884,125** | **73,189,514** |
| | **Advance** | | | |
| | Advance to Different Suppliers | 10.01 | 15,525,421 | 17,559,673 |
| | Advance for Operational Activities | 10.02 | 1,247,524 | 1,130,353 |
| | TDS (Tax Deducted at Source) | | 13,529,754 | 13,529,754 |
| | VAT Current A/C | | 61,860,269 | 2,903,468 |
| | Interest Charges in Advance by IBBL for MPI Loan | | 199,888,126 | 37,914,979 |
| | Interest Charges in Advance by IBBL for MTR Loan | | 11,746,625 | - |
| | Advance to Shahjibazar Power Co. Ltd. (Parent Co.) | | 190,918,559 | - |
| | | | **494,716,279** | **73,038,228** |
| 10.01 | **Advance to Different Suppliers** | | | |
| | AR Consultant | | - | 500,000 |
| | Bata Shoe Company Bangladesh Ltd. | | 128,061 | - |
| | Berger Paints BD Ltd. | | 51,462 | 291,600 |
| | CSL Software Resources Ltd. | | 225,000 | 225,000 |
| | Drug International Ltd. | | - | 1,200,000 |
| | Energypac Power Generation Ltd. | | - | 400,000 |
| | Faman Tech Corporation | | 328,784 | - |
| | Green Power Transformer Co. | | 78,375 | |
| | Guraba Engineering Ltd. | | 28,000 | |
| | Haroon Enterprise Ltd. | | - | 40,000 |
| | Harun & Sons | | - | 1,100,000 |
| | Janata Mechineries | | 13,400 | - |
| | MA Enterprise | | - | 349,074 |
| | Masum Trade International | | - | 164,525 |
| | Milestone Instruments | | 46,000 | - |
| | Mission Scientific Company | | 10,000 | 10,000 |
| | MJL Bangladesh Ltd. | | 48,762 | |
| | Mizan Hardware & Mills Store | | - | 37,800 |
| | NEECOM | | - | 400,000 |

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| | OTS (Pvt.) Ltd. | - | 82,000 |
| | Omi Solutions Ltd. | 60,000 | - |
| | People's Mills Store | - | |
| | Petredec Elpiji Ltd. | 1,910,345 | 1,910,345 |
| | Pioneer Scientific Stores | - | 46,000 |
| | Ecomax Palstics Ltd. | 100,600 | - |
| | Petromax Coastal Refinery Ltd. | 500,000 | - |
| | TEAM Investments Ltd. | 600 | - |
| | RF Corporation | - | 52,500 |
| | S.P. Engineer's | 1,000 | - |
| | UMS Centre | - | 23,000 |
| | ICON Engineering Services | 850,000 | 850,000 |
| | Advance Premium against-Fire Insurance | 1,212,056 | - |
| | Advance Premium against-Group Insurance | 516,375 | - |
| | Clearing and forwarding agency | 9,416,601 | 9,855,028 |
| | | **15,525,421** | **17,559,673** |
| 10.02 | **Advance for Operational Activities** | | |
| | Mr. Asad Ullah (Engineer) | 40,000 | - |
| | Arafatuzzaman | 57,176 | |
| | Abdul Hamid | - | 2,000 |
| | Faridur Rahman | 49,728 | 25,013 |
| | Faruque | - | 305 |
| | Jamal Mia Iqbal | 580,500 | 579,000 |
| | Jewel -IT | 4,900 | - |
| | Humayun Kabir | 62,500 | 25,000 |
| | Kazi Mamun | 1,082 | 2,962 |
| | Faridul Alam | - | 13,659 |
| | Fazlu Driver | - | 2,925 |
| | Monirul Huda | - | 50,000 |
| | Nazrul Islam | 6,009 | 6,009 |
| | Mozammel Driver | - | (4) |
| | Masud | 990 | 240 |
| | Redwanul Bari | 161,395 | 15,015 |
| | Lutfun Nahar | 8,490 | 8,490 |
| | Shahabuddin | 18,641 | 18,641 |
| | Shahriar | 775 | - |
| | Shahidur Rahman | - | (8) |
| | Tarequel Islam | 229,797 | 359,521 |
| | Shajedur Rahman | 10,000 | 10,000 |
| | Shahjada | 2,771 | 569 |
| | Masum Billah | 10,869 | 4,965 |
| | Salek | - | 2,999 |
| | Tajul | 910 | 2,610 |
| | Zakirul | 991 | 442 |
| | | **1,247,524** | **1,130,353** |
| | **Deposits** | | |
| | House Rent | 130,446 | 130,446 |
| | Electricity Connection | 20,840 | 20,840 |
| | BTRC Demand Note | 16,560 | - |
| | | **167,846** | **151,286** |
| | **Ageing Status of Advance, Deposit and Prepayments:** | | |
| | Less than one year | 482,410,445 | 66,468,765 |
| | More than one year | 12,473,680 | 6,720,749 |
| | | **494,884,125** | **73,189,514** |
| 11 | **Goods In Transit** | 290,910,033 | 429,275,000 |
| | | **290,910,033** | **429,275,000** |

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|

The Company has opened a Letter of Credit (L/C) in Islami Bank Bangladesh Limited favouring supplier of raw materials. The supplier also sent goods but till June 30, 2015 we didn't received the good.

## 12 Cash and Cash Equivalents

| | | | |
|---|---|---|---|
| Cash in Hand | | 87,822 | 52,677 |
| Islami Bank Bangladesh Limited (A/C No:9766) | | 26,340,243 | 371,911,824 |
| Bank Asia Limited (A/C No:1000025) | | - | 185,893 |
| Bank Asia Limited (A/C No:333006320) | | 2 | 2 |
| Exim Bank Limited (A/C No:125161) | | 4,718,404 | 436,747 |
| Islami Bank Bangladesh Limited (A/C No:46-IDB Br.) | | 24,340 | - |
| Islami Bank Bangladesh Limited (L/C Margin) | | 73,537,336 | 121,552,017 |
| Islami Bank Bangladesh Limited (A/C No:560) | | 14,549,802 | 1,779,729 |
| Islami Bank Bangladesh Limited (FDR) | | 322,458,432 | 210,000,000 |
| Revolving A/C (Mongla Port Authority) | | 10,000 | 10,000 |
| Security Deposit- Pally Bidyut Samiti | | 35,616 | |
| Security Deposit against Bank Guarantee | | 62,530,224 | 33,530,224 |
| | | **504,292,221** | **739,459,112** |

## 13 Share Capital

**Authorized Capital :**

| | | | |
|---|---|---|---|
| 300,000,000 shares @ Tk.10.00 each | | 3,000,000,000 | 3,000,000,000 |
| Issued, Subscribed and Paid-up Capital | 13.1 | | |
| 10,00,00,000 shares @ Tk.10.00 each | | 1,000,000,000 | 100,000,000 |

### 13.1 Movement of Share Capital:

| | | |
|---|---|---|
| Balance as at 01 July 2014 | 100,000,000 | 100,000,000 |
| Allotment During the Period | 900,000,000 | - |
| Balance as at 30 June 2015 | **1,000,000,000** | **100,000,000** |

**SHARE HOLDING POSITION:**

| Name of the Share Holder | No. of shares held | Percentage |
|---|---|---|
| Feroz Alam | 1,800,000 | 1.80% |
| Rezakul Haider | 1,700,000 | 1.70% |
| Anis Salahuddin Ahmad | 1,000,000 | 1.00% |
| Akbor Haider | 500,000 | 0.50% |
| Asgor Haider | 500,000 | 0.50% |
| Faridul Alam | 500,000 | 0.50% |
| Faisal Alam | 500,000 | 0.50% |
| Shahida Alam | 500,000 | 0.50% |
| Israt Azim Ahmad | 500,000 | 0.50% |
| A.K.M.Badiul Alam | 1,000,000 | 1.00% |
| Shamsuzzaman | 1,500,000 | 1.50% |
| Shahjibazar Power Co. Ltd. | 90,000,000 | 90.00% |
| | **100,000,000** | **100%** |

## 14 Share Money Deposits

| | | |
|---|---|---|
| Feroz Alam | - | 17,880,000 |
| Rezakul Haider | - | 16,886,600 |
| Anis Salahuddin Ahmad | - | 9,933,300 |
| Akbor Haider | - | 4,966,700 |
| Asgor Haider | - | 4,966,700 |
| Faridul Alam | - | 4,966,700 |
| Faisal Alam | - | 4,966,700 |
| Shahida Alam | - | 4,966,700 |
| Israt Azim Ahmad | - | 4,966,700 |
| A.K.M.Badiul Alam | - | 9,933,300 |
| Shamsuzzaman | - | 14,900,000 |
| | **-** | **99,333,400** |

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| 15 | **Tax Holiday Reserve** | | |
| | Balance as at 01 July 2014 | 82,397,955 | - |
| | Addition during the Period | 291,544,788 | 82,397,955 |
| | Balance as at 30 June 2015 | **373,942,743** | **82,397,955** |
| 16 | **Retained Earnings** | | |
| | Balance as at 01 July 2014 | 102,678,348 | (20,918,586) |
| | Add: Net profit/(Loss) for the Period | 728,861,971 | 205,994,889 |
| | Less: Transferred to Tax Holiday Reserve | (291,544,788) | (82,397,955) |
| | Balance as at 30 June 2015 | **539,995,530** | **102,678,348** |
| 17 | **Loan Other Than Bank** | | |
| | Shahjibazar Power Co. Ltd. | - | 946,838,041 |
| | Garments Export Village Ltd. | 10,000,000 | 50,000,000 |
| | Comfit Composite Knit Ltd. | 99,675,475 | 233,799,384 |
| | Midland Knitwear Ltd. | 50,000,000 | 50,000,000 |
| | Fair Deal Enterprise | - | 3,000,000 |
| | | **159,675,475** | **1,283,637,425** |
| 18 | **Long Term Loan - Net of Current Maturity** | | |
| | Islami Bank Bangladesh Ltd. | 433,292,592 | 866,970,463 |
| | | **433,292,592** | **866,970,463** |

i. The Company is paying installments against term loan as per schedule.

ii. The term loan are fully secured to IBBL- Local Office Branch, against registered mortgage on the following:

a) 711.50 Decimal project land at Industrial Plot No.- 15, Mongla Port, Bagherhat

b) Project Building.

c) Machineries of the project.

iii. Personal Guarantee of all Directors of the company.

| | | | |
|---|---|---|---|
| 19 | **Accounts Payable** | | |
| | Alpana Tyre Corporation | - | 40,000 |
| | AKH Fashion Ltd. | 14,940 | - |
| | A.R Automobile | - | 7,000 |
| | Amicus Curiae | 10,000 | - |
| | Balaka Tools Traders | 32,000 | 32,000 |
| | EMI Engineering Ltd. | 896,706 | 896,706 |
| | Energypac Engineering Ltd. | - | 1,450,000 |
| | Federal Insurance Company Ltd. | - | 7,125 |
| | Feroz Alam (payable for Office Rent) | 75,000 | 300,000 |
| | G.Nabi & Co. | - | 60,000 |
| | Hydraulic Collection | 80,000 | 80,000 |
| | Integrated Design | 200,000 | - |
| | Islami Insurance Bangladesh Ltd. | 335,044 | 335,044 |
| | Khaleque Service Station | 58,410 | - |
| | Linde Bangladesh Ltd. | 2,058,647 | 2,081,259 |
| | Ma Enterprise | 133,436 | - |
| | Mamun Light House | - | 6,300 |
| | Maisha Enterprise Ltd. | 2,500,000 | - |
| | Monico Ltd. | 15,078,645 | 50,078,645 |
| | Modern Erection Ltd. | 40 | - |
| | Mosarraf Hossain (Lab Accreditation) | 100,000 | 200,000 |
| | MDM Traders | 242,500 | - |
| | Northern General Insurance Co. Ltd. | - | 39,569 |
| | Pacific Cremitrade Co. | - | 152,625 |
| | Penguin Engineering Ltd. | - | 7,781,668 |
| | Poly Cable Ind.Ltd. | - | 19,240 |

| | | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|---|
| | Rizwan Transport Agency Ltd. | | - | 60,500 |
| | Rupali Insurance Co. Ltd. | | 908,912 | 908,912 |
| | Rupsha Marine Service | | 6,250,000 | |
| | Shohel & Brothers | | - | 4,750 |
| | Sigma Construction Company | | 8,440,053 | 45,818,112 |
| | Tofazzal Book House | | - | 10,000 |
| | Watashi Security Ltd. | | - | 9,000 |
| | | | **37,414,334** | **110,378,455** |
| | **Age Analysis of Accounts Payable** | | | |
| | Less than One Year | | 11,542,974 | 33,113,536 |
| | More than One Year | | 25,871,360 | 22,075,691 |
| | | | **37,414,334** | **55,189,227** |
| **20** | **Other Payable** | | | |
| | Sahara Trading | | 54,011 | 76,370 |
| | Raaj Fuel Agency | | 143 | - |
| | Worker's Profit Participation Fund | | 36,547,174 | - |
| | Danlop Enterprise | | 17,000 | - |
| | Current Tax Payable | | 692,086 | 145,552 |
| | | | **37,310,414** | **221,922** |
| **21** | **L/C Liabilities** | | | |
| | Islami Bank Bangladesh Ltd. | | 1,546,011,216 | 2,590,396,052 |
| | | | **1,546,011,216** | **2,590,396,052** |
| **22** | **Short Term Loan** | | | |
| | MPI Loan (Mura Post Import-IBBL) | | 1,521,027,452 | 605,012,262 |
| | MTR Loan (Murabaha Term Loan-IBBL) | | 105,719,625 | - |
| | Youth Garments Limited | | 20,000,000 | - |
| | | | **1,646,747,077** | **605,012,262** |
| **23** | **Long Term Loan - Current Maturity** | | | |
| | Islami Bank Bangladesh Ltd. | | 496,348,536 | 471,055,704 |
| | | | **496,348,536** | **471,055,704** |
| **24** | **Liabilities for Expenses** | | | |
| | Remuneration | | 500,000 | 992,500 |
| | Salary & Allowance and Bonus | | 761,401 | 415,500 |
| | Salary & Wages and Bonus | | 8,168,901 | 3,983,000 |
| | Electricity Bill | | 2,659,240 | 3,406,200 |
| | Security Service Charge-H/O | | 25,329 | - |
| | Audit Fee | | 350,000 | |
| | Sales Commission | | - | 66,375 |
| | | | **12,464,871** | **8,863,575** |
| **25** | **Revenue** | | | |
| | Liquid Petroleum Gas (LPG) | | 26,903,861 | 957,856 |
| | Special Boiling Point Solvent (SBP) | | 55,197,766 | 249,334,900 |
| | Mineral Turpentine (MTT) | | 441,600 | 16,406,901 |
| | High Speed Diesel (HSD) | | 1,073,151,480 | 543,534,292 |
| | Superior Kerosene Oil (SKO) | | 163,035,663 | 124,990,305 |
| | Motor Spirit (MS) | | 3,545,203,232 | 938,547,555 |
| | High Octane Blending Component (HOBC) | | 2,778,716,383 | 1,749,755,827 |
| | | | **7,642,649,986** | **3,623,527,635** |
| **26** | **Cost of Sales** | | | |
| | Raw Materials Consumed | 26.01 | 6,108,708,324 | 2,888,368,882 |
| | Factory Overhead | 26.02 | 468,091,329 | 202,711,561 |
| | | | **6,576,799,653** | **3,091,080,443** |
| **26.01** | **Raw Materials Consumed** | | | |
| | Opening Stock of Raw Materials | | 997,598,153 | - |
| | Purchase During the Period | | 5,909,798,608 | 3,885,967,035 |
| | Less: Closing Stock of Raw Materials | | (798,688,437) | (997,598,153) |
| | | | **6,108,708,324** | **2,888,368,882** |

| | | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|---|
| **26.02** | **Factory Overhead** | | | |
| | Insurance Premium | | 4,424,886 | 6,859,003 |
| | Rent & Rates | | 36,447,045 | 25,761,743 |
| | Electricity, Gas & Water | | 44,264,659 | 25,848,920 |
| | Wages, Salary & Allowance - Factory | | 65,170,352 | 28,405,276 |
| | Repair & Maintenance - Factory | | 32,578,786 | 6,040,584 |
| | Consumable Spare Parts | | 37,496,629 | - |
| | Tiffin & Refreshment - Factory | | 3,348,939 | 3,094,861 |
| | Medical Expenses | | 40,694 | 28,869 |
| | Government Taxes & License Fee | | 150,000 | 185,000 |
| | Office Expenses-Factory | | 883,960 | 409,505 |
| | Uniform & Liveries | | 250,099 | 9,150 |
| | Lab Test Fees | | 785,748 | 510,850 |
| | Labour Bill | | 673,560 | - |
| | Safety Shoes | | 287,354 | - |
| | Crockeries | | 266,886 | - |
| | Depreciation | | 241,021,732 | 105,557,799 |
| | | | **468,091,329** | **202,711,561** |
| **27** | **General and Administrative Expenses** | | | |
| | Business Promotion Expenses | 27.01 | 12,414,660 | 38,962,004 |
| | Rent & Rates | | 1,770,687 | 4,345,979 |
| | Consultancy Fee | | 515,000 | 1,050,000 |
| | Caring Outward | | 1,544,630 | - |
| | Repair & Maintenance - H/O | | 811,710 | 5,387,885 |
| | Vehicles Running & Maintenance | | 2,347,053 | 2,867,855 |
| | Tiffin & Refreshment - H/O | | 1,187,231 | 367,743 |
| | Fees & Subscription | | 5,630,852 | - |
| | Postage, Telephone, Fax & Telex | | 1,014,783 | 1,063,430 |
| | Govt. Taxes, Stamp Duty & License Fee | | 1,699,396 | 1,290,956 |
| | Office Expenses - H/O | | 139,366 | 131,350 |
| | Impairment of Biological Asset | | 485,188 | - |
| | Advertisement Expenses | | 78,654 | 15,676 |
| | Audit Fees | | 400,000 | 80,000 |
| | Board Meeting Fees | | 100,000 | 60,000 |
| | Internet Bill | | 51,331 | 65,800 |
| | Survey Bill | | 117,000 | - |
| | Training Fees | | 2,384,828 | 98,100 |
| | Stationary | | 611,328 | - |
| | Overseas Travelling | | 809,367 | - |
| | Director Remuneration | | 8,830,000 | 7,432,500 |
| | Papers, Books & Periodicals | | 240 | 710 |
| | Salary & Allowance | | 5,323,841 | 5,153,629 |
| | Security Charge | | 222,939 | 241,760 |
| | Tax | | - | - |
| | Amortization of Intangible Assets | | 30,338 | - |
| | Tree Plantation | | 196,000 | - |
| | Travelling & Conveyance (Local) | | 1,650,667 | 3,627,455 |
| | | | **50,367,089** | **72,242,832** |

**27.01** The company has incurred this expenditures by way of gift to the different suppliers, foreign delegates, procurement providers, visitors of plant etc. and other well wishers to smooth the operations of the business.

| | | | | |
|---|---|---|---|---|
| **28** | **Financial Expenses** | | | |
| | Interest Charge | | 265,145,120 | 252,799,942 |
| | Interest Income | | (18,176,996) | - |
| | Bank Charge | | 1,769,853 | 1,679,841 |
| | | | **248,737,977** | **254,479,783** |

| | | 30 June 2015 Taka | 30 June 2014 Taka |
|---|---|---|---|
| 29 | **Non-Operating Income** | | |
| | Wastage Sales | 745,381 | 415,864 |
| | | **745,381** | **415,864** |
| 30 | **Worker's Profit Participation Fund (WPPF)** | | |
| | Net Profit Before Tax | 730,943,475 | 767,490,648 |
| | WPPF @ 5% of Net Profit Before Tax | 36,547,174 | - |
| | | **36,547,174** | **-** |
| 31 | **Income Tax Expenses:** | | |
| | Current Tax | 2,081,504 | 145,552 |
| | Deferred Tax | - | - |
| | | **2,081,504** | **145,552** |
| 32 | **Earning Per Share (EPS)** | | |
| 32.01 | **Basic Earning Per Share (EPS)** | | |
| | Net Profit after Tax | 728,861,971 | 205,994,889 |
| | Number of Share Outstanding | 100,000,000 | 10,000,000 |
| | **Earning Per Share (EPS)** | **7.29** | **20.60** |
| 32.02 | **Diluted Earning Per Share** | **7.29** | **2.06** |

The basic earning per share seems that there is significant decrease in Earning Per Share (EPS) in comparison to previous year. This is due to substantial increase in number of outstanding share.

## 33. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

### a) Credit risk

Credit risk represents the financial loss to the Company if a customer or counterparty to a financial instrument fail to meet its contractual obligations. It mainly comprises of trade receivables, advances to suppliers, trade deposits and bank balances. The Company's maximum exposure to credit risk at the reporting date is trade receivable which is also secured by agreement with Bangladesh Petroleum Corporation (BPC), the only one customer of the Company.

### b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range:

### i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on its purchases that is denominated in foreign currencies. Majority of the Company's foreign currency transactions are denominated in USD. The Company also has exposure in foreign currencies relating to some services.

### ii) Interest rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its long term foreign currency debts with the lender.

| | 30 June 2015<br>Taka | 30 June 2014<br>Taka |
|---|---|---|

Interest bearing financial instruments of the Company at reporting date are as follows:

**Financial liabilities**

| | | |
|---|---|---|
| Term loan* | 929,641,128 | 1,338,026,167 |
| Short term loan | 1,626,747,077 | 605,012,262 |
| | **2,556,388,205** | **1,943,038,429** |

* Including the current-portion of long term loan.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient resources and arrangement of credit lines with the various banks for managing its liquidity risk.

# Petromax Refinery Limited

Notes to the financial statements

## 34. Related Party Disclosure

During the year under review, the Company carried out a number of transactions with related parties in the normal course of business The name of related parties, nature of these transactions and their value have been set out below in accordance with the provision of BAS 24 "Related Party Disclosure".

| Name of the Related Party | Nature of Relationship | Nature of Transaction | Balance as at 01 July 2014 | Addition during the year | Adjustment during the year | Balance as at 30 June 2015 |
|---|---|---|---|---|---|---|
| Shahjibazar Power Co. Ltd. | Parent - Subsidiary | Advance | | 190,918,559 | | 190,918,559 |
| | | Short Term Loan | 946,838,041 | - | 946,838,041 | - |
| Youth Garments Limited | Common Directorship | Short Term Loan | - | 20,000,000 | - | 20,000,000 |
| | | | | | | |
| Garments Export Village Ltd. | Common Directorship | Short Term Loan | 50,000,000 | - | 40,000,000 | 10,000,000 |
| Comfit Composite Knit Ltd. | Common Directorship | Short Term Loan | 233,799,384 | - | 134,123,909 | 99,675,475 |
| Midland Knitwear Ltd. | Common Directorship | Short Term Loan | 50,000,000 | - | - | 50,000,000 |
| Feroz Alam | Managing Director | Office Rent | 25,000 | 300,000 | 300,000 | 25,000 |

| | 30 June 2015<br>Taka | 30 June 2014<br>Taka |
|---|---|---|
| **35 Commitments and Contingencies** | | |
| A) Capital expenditure commitments | | |
| B) Bank guarantees | | |
| In favor of: | | |
| The Commissioner of Customs, Mongla Custom House, Khulna | 528,084,260 | 528,084,260 |
| Rupantarita Prakritik Gas Company Limited | 3,000,000 | - |
| | **531,084,260** | **528,084,260** |

## 36 Other disclosures

### 36.1 Number of employees

As at 30 June 2015, number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 236 (30 June 2014: 188).

### 36.2 Comparatives

Comparative period figures have been rearranged to ensure consistency with current year's figures in order to better comparison and presentation.

### 36.3 Events after the reporting period

No material events had occurred after the reporting period to the date of issue of these financial statements, which could affect the values stated in the financial statements.

# Petromax Refinery Limited

Fixed Assets Schedule
As at 30 June 2015

Annexure A

| SL | Name of Assets | Cost | | | | Depreciation | | | | | Written down Value at 30 June 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as at 01 July 2014 | Addition during the period | Disposal/ Adjustment During the Period | Balance at 30 June 2015 | Rate % | Balance as at 01 July 2014 | Charged During the Period | Adjustment During the Year | Balance at 30 June 2015 | |
| 01 | Land & Land Development | 42,450,332 | 1,873,010 | - | 44,323,342 | - | - | - | | - | 44,323,342 |
| 02 | Building & Construction | 408,184,280 | 5,718,053 | - | 413,902,333 | 7% | 13,244,898 | 27,112,495 | | 40,357,393 | 373,544,940 |
| 03 | Electric Installation | 33,719,520 | 219,106 | - | 33,938,626 | 15% | 2,181,547 | 4,487,310 | | 6,668,857 | 27,269,769 |
| 04 | Computer | 960,520 | 231,406 | - | 1,191,926 | 15% | 53,897 | 144,092 | | 197,989 | 993,937 |
| 05 | Fork LIFT | 1,750,000 | - | - | 1,750,000 | 15% | 131,250 | 229,493 | | 360,743 | 1,389,257 |
| 06 | Jetty | 9,047,777 | - | - | 9,047,777 | 15% | 246,204 | 1,247,812 | | 1,494,016 | 7,553,761 |
| 07 | Factory Equipments | 4,302,760 | 1,253,669 | - | 5,556,429 | 15% | 233,324 | 693,284 | | 926,608 | 4,629,821 |
| 08 | Lab Equipment | 1,164,431 | 1,462,270 | | 2,626,701 | 15% | 39,389 | 261,859 | | 301,248 | 2,325,453 |
| 09 | Safety Shoes | 198,825 | - | 198,825 | - | 15% | 4,378 | - | 4,378 | - | - |
| 10 | Fire Fighting Equipments | 560,910 | - | - | 560,910 | 15% | 31,373 | 75,074 | | 106,447 | 454,463 |
| 11 | Plant & Machineries | 2,811,620,668 | 23,597,321 | 6,815,718 | 2,828,402,271 | 6% | 78,557,813 | 160,896,825 | | 239,454,638 | 2,588,947,633 |
| 12 | Crockeries | 218,900 | - | 218,900 | - | 15% | 11,676 | - | 11,676 | - | - |
| 13 | Cylindrical Vertical Steel Tank | 104,569,605 | 1,100,000 | - | 105,669,605 | 15% | 7,833,725 | 13,755,637 | | 21,589,362 | 84,080,243 |
| 14 | Generator | 19,670,278 | 630,000 | - | 20,300,278 | 15% | 1,462,791 | 2,649,552 | | 4,112,343 | 16,187,935 |
| 15 | Office Equipment | 865,418 | 130,000 | - | 995,418 | 15% | 49,344 | 115,696 | | 165,040 | 830,378 |
| 16 | Refrigerator | 28,300 | - | - | 28,300 | 15% | 2,123 | 3,712 | | 5,834 | 22,466 |
| 17 | Solar Power System | 560,000 | - | - | 560,000 | 15% | 42,000 | 73,438 | | 115,438 | 444,562 |
| 18 | Telephone Installation | 886,812 | 723,279 | - | 1,610,091 | 15% | 2,398 | 143,414 | | 145,812 | 1,464,280 |
| 19 | Ship | 90,000,000 | 97,196,247 | | 187,196,247 | 20% | - | 25,048,497 | | 25,048,497 | 162,147,750 |
| 20 | Vehicle | 10,044,797 | 5,601,500 | - | 15,646,297 | 20% | 838,580 | 2,253,842 | | 3,092,422 | 12,553,875 |
| 21 | Air Condition | 2,518,140 | 2,441,900 | - | 4,960,040 | 15% | 74,493 | 542,954 | | 617,447 | 4,342,594 |
| 22 | Water Line Installation | 326,395 | - | - | 326,395 | 15% | 24,480 | 42,803 | | 67,283 | 259,112 |
| 23 | Water Treatment Plant | 3,334,205 | 688,440 | | 4,022,645 | 15% | 244,575 | 512,603 | | 757,177 | 3,265,467 |
| 24 | Furniture & Fixture | 4,174,867 | 2,434,154 | - | 6,609,021 | 15% | 238,843 | 731,344 | | 970,187 | 5,638,834 |
| | **Balance at 30 June 2015** | **3,551,157,739** | **145,300,356** | **7,233,443** | **3,689,224,653** | | **105,549,099** | **241,021,732** | **16,054** | **346,554,778** | **3,342,669,875** |
| | **Balance at 30 June 2014** | **3,187,404,955** | **363,752,784** | | **3,551,157,739** | | - | **105,549,099** | | **105,549,099** | **3,445,608,640** |

# SHAHJIBAZAR POWER CO. LTD.

**Head Office:** 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh,Tel: 88-02-9025401
Fax: 88-02-9032436,E-mail: info@youthbd.com, Web: www.youthbd.com
**Plant:** Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

Affix
Tk. 20
Revenue
Stamp

## PROXY FORM

I/We.....of.....being a shareholder of **Shahjibazar Power Company Limited** and entitled to vote hereby appoint Mr. / Mrs. / Miss ..... as my / our proxy to attend and vote for me / us and on my / our behalf at the 8th Annual General Meeting of the Company to be held on Monday the 8th day of February, 2016, at KIB Complex Auditorium, Krishi Khamar Road, Farmgate, Dhaka-1215at 11.00 A.M. As witness my/our hand this ..... day of.....2016.

Signature Shareholder _____ Signature of Proxy _____

BO ID No. | | | | | | | | | | | | | | | | |

No. of Shares held _____ Dated _____

**Notes :**

01. This Form of Proxy duly completed must be deposited at least 48 hours before the meeting of the company's Shares office 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh
02. Proxy is invalid if not signed and stamped as indicated above.

---

# SHAHJIBAZAR POWER CO. LTD.

**Head Office:** 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh,Tel: 88-02-9025401
Fax: 88-02-9032436,E-mail: info@youthbd.com, Web: www.youthbd.com
**Plant:** Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

## ATTENDANCE SLIP

I/we hereby record my/our attendance at the 8th Annual General Meeting of the Company being held on Monday the 8th day of February, 2016, at KIB Complex Auditorium, Krishi Khamar Road, Farmgate, Dhaka-1215 at 11.00 A.M.

Name of Member / Proxy : .....

BO ID No. | | | | | | | | | | | | | | | | |

No. of Shares held .....

Signature Shareholder _____ Signature of Proxy _____

Date : .....

Note: i) Shareholders attending the meeting in person or by proxy are requested to complete Attendance slip and deposit the same at the entrance of the meeting hall.

ii) No gift or benefit in cash or kind shall be paid / offered to the Shareholders as per Circular No. SEC/CMRRCD/2009.193/154 dated 24 October 2013 of BSEC for attending the AGM.

Notes :

**SHAHJIBAZAR POWER CO. LTD.**

**Corporate Office :** Youth Tower, 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh
Tel : 88-02-9025401-2, Fax : 88-02-9032436
**Plant :** Fatepur, Shahjibazar, Madhabpur, Hobigonj, Bangladesh
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Production
Galaxy Corporation
Phone : 7192877