



SUMMIT POWER LIMITED

ANNUAL REPORT | 2018-19

POWER FOR OPPORTUNITIES

464 MW Kodda, Gazipur Power Plants

Best Private Power Generation Company 2018
in recognition of fastest implemented power plant

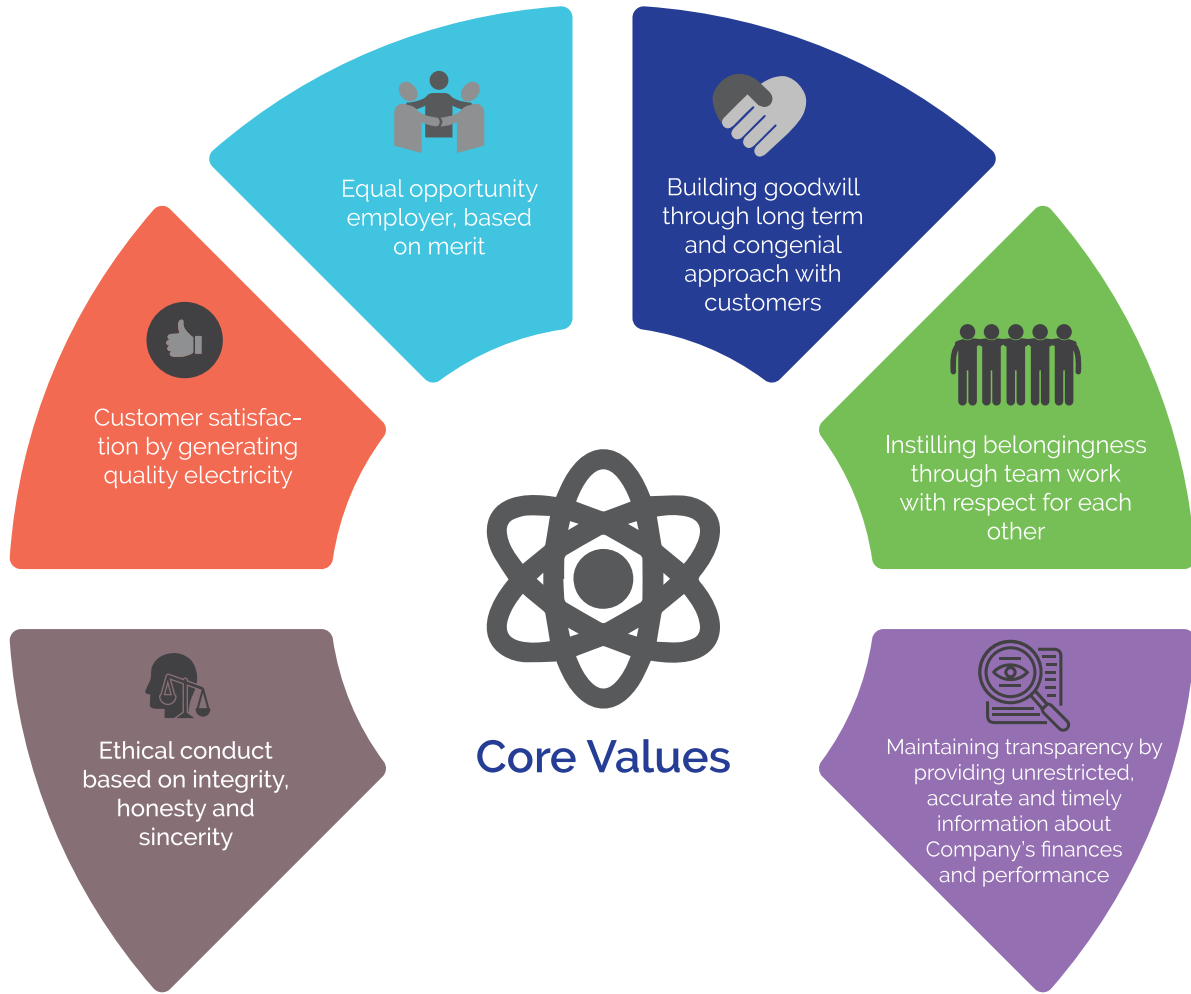


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Notice of the 22nd Annual General Meeting (AGM)



Summit Power Limited

Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215
www.summitpowerinternational.com/SPL

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the Shareholders of Summit Power Limited will be held on Sunday, the 24th day of November 2019, at Krishibid Institution Bangladesh Complex (KIB), Krishi Khamar Sarak, (Khamarbari), Farmgate, Dhaka-1215, at 11.30 AM to transact the following businesses:

AGENDA:

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended on 30 June 2019 together with the Auditors' Report thereon;
2. To approve dividend for the year ended on 30 June 2019 as recommended by the Board of Directors;
3. To elect Directors in place of those retiring under Article 23(a) of the Company's Articles of Association;
4. To appoint Statutory Auditor for the year ending on 30 June 2020 and to fix their remuneration.
5. To appoint a Professional Accountant/Secretary for certification on compliance of the Corporate Governance Code for the year ending on 30 June 2020 and to fix remuneration thereon.

By order of the Board of Directors

Swapon Kumar Pal, FCA
Company Secretary

Dhaka, 24 October 2019

NOTES:

1. Shareholders whose names appeared at the record date i.e. 17th October 2019 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 48 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.

Special Note: No benefit or gift in cash or kind shall be given to the Shareholders for attending the 22nd Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কুপন প্রদানের ব্যবস্থা থাকবে না।

21st Annual General Meeting

The 21st Annual General Meeting (AGM) of Summit Power Limited was held at the Krishibid Institution Bangladesh (KIB) Complex, Farmgate, Dhaka on 9th December, 2018. Summit Power Limited approved 30 percent cash dividend in this AGM. The company has been consistent in giving out dividend since its enlistment in 2005.



Message from the Chairman



Muhammed Aziz Khan



It has been a good year for Summit Power Limited. We are grateful that the Honourable Prime Minister Sheikh Hasina inaugurated the Summit Gazipur II Power Limited (300 MW) and later in another ceremony inaugurated the Ace Alliance Power Limited (149 MW).

Dear Shareholders,

We are pleased to welcome you to the 22nd Annual General Meeting of Summit Power Limited. Your support and ownership of this Company enables our Directors, Management, Senior Executives, Plant Managers, In-charges and all staff members to provide power infrastructure for Bangladesh as the largest Independent Power Producer (IPP).

It has been a good year for Summit Power Limited. We are grateful that the Honourable Prime Minister Sheikh Hasina inaugurated the Summit Gazipur II Power Limited (300 MW) and later in another ceremony inaugurated the Ace Alliance Power Limited (149 MW). We completed the Bangladesh's first sculpture park inside the project complex in Gazipur with nation's longest 340 feet mural titled 'শ্রম ও শক্তি' – Labour and Creation. The Professor Hamiduzzaman Sculpture Park was officially opened by Honourable Advisor to the Prime Minister of Bangladesh on Energy, Power and Mineral Resources Dr Tawfiq-e-Elahi Chowdhury, BB in February 2019.

To ensure best maintenance of the power plants, Summit awarded Wärtsilä, the Finnish technology group biggest ever signed service deal, in terms of MW generation, in the Bangladesh's power and energy sector. For project financing of Ace Alliance Power Limited (AAPL), we raised capital through issuance of Preference Shares worth BDT 805 Million and USD 68.60 Million long term loan from IDCOL, ICD and OFID. Also for securing the Company from exposure in London Inter-bank Offered Rate (LIBOR) against Company's foreign currency borrowing, we entered into Interest Rate Swap (IRS) deals. We have also implemented Enterprise Resource Planning (ERP) suite for better accountability and transparency.

After two consecutive years of offering 30% cash dividend, we are happy to announce 35% cash dividend this year. We are grateful to our customers, shareholders, regulators, lenders, suppliers, employees and technology partners for their continued support.

Thank you,



Muhammed Aziz Khan
Chairman
Summit Power Limited

COMPANY OVERVIEW

Summit in the Power Sector of Bangladesh
Power Generation and Review of Our Plants
Honorable Customers and Regulators
Corporate Directory
Profile of Our Directors
Our Directors in Other Boards
Pattern of Shareholding
Accolades and Memorable Events

Summit in the Power Sector of Bangladesh

The Summit Group is the largest infrastructure conglomerate of Bangladesh, comprising of multiple business units ranging from power to shipping to communications. Summit's power concerns including both Turbine and Reciprocating Engine Divisions currently has 1,941 MW of installed capacity. Summit Power Limited ('SPL'/'Company') is a subsidiary of Summit Corporation Limited (SCL), which is controlled by Summit Power International Limited (SPI), Singapore. SPL is the first Bangladeshi Independent Power Producer (IPP) supplying power to the national grid.

Today SPL owns and operates 15 (fifteen) power plants in different locations across the country having a total installed capacity of 976 MW. SPL plants are equipped with world class engines manufactured by renowned companies such as Wärtsilä – Finland, Caterpillar USA, and GE Jenbacher, Austria. As per private sector power generation policy of Bangladesh, Summit sells electricity to the Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB). The Company follows the best practice of Integrated Management System (IMS) for its regular business operation and has been certified by ISO 9001: 2015 - Quality Management System (QMS), ISO 14001: 2015 - Environmental Management System (EMS) and BS 18001: 2007 Occupational Health and Safety Assessment System (OHSAS).

This fast-growing Company has set a mission to expand the Company with a power generation capacity to the tune of a modest 20% of the electricity requirement in Bangladesh. Recently, the Company has installed two power plants in Kodda, Gazipur: 300 MW HFO fired Plant within nine (9) months from the date of Letter of Intent and 149 MW Dual Fuel (HFO/Gas) fired Plant within 15 (fifteen) months from the date of signing of Power Purchase Agreement (PPA).

Due to its management's dedication, integrity and leadership, the Company has been awarded locally and internationally i.e. – Best Private Power Generation Company in recognition of fastest implemented power plant in the country, Best Fast Track Power Project Award by Asian Power Awards, Silver Award at Asian Power Awards 2018 in Indonesia, International Star for Leadership in Quality Award by Business Initiative Directions (BID), Best Presented Accounts and Corporate Governance Disclosures Awards by SAFA, ICAB National Award for Best Published Accounts and Reports in Manufacturing Sector, ICMAB Best Corporate Award in Power Sector, ICSB National Award for Corporate Governance Excellence in General Manufacturing. The Company has also been assigned the longterm rating "AAA" by Credit Rating Information & Services Limited (CRISL) two times in a row.

As part of Corporate Social Responsibility, SPL supports various organizations and community capacity development institutions that focus on education, health & social services, sports and arts & culture.

SPL was incorporated in Bangladesh on March 30, 1997 as a Private Limited Company. On June 7, 2004, the Company was converted into Public Limited Company under the Companies Act 1994. During October-November 2005, the Company listed its shares with both Dhaka and Chittagong Stock Exchanges.

The Vision, Mission and Objectives, articulated for its sustainable growth are as under:



Note:

- ICAB** - Institute of Chartered Accountants of Bangladesh
ICMAB - Institute of Cost and Management Accountants of Bangladesh
ICSB - Institute of Chartered Secretaries of Bangladesh
SAFA - South Asian Federation of Accountants

Built, Own and Operate (BOO) by SPL

Name of the Company	Name of project	Installed Capacity	Ownership of SPL
Summit Power Limited (SPL)	Ashulia Power Plants (unit I & II)	46.91 MW	Fully owned
	Madhabdi Power Plants (unit I & II)	38.18 MW	
	Chandina Power Plants (unit I & II)	25.93 MW	
	Jangalia Power Plant Rupganj Power Plant	34.92 MW 34.92 MW	
Summit Narayanganj Power Unit II Limited (SNPL II)	Maona Power Plant Ullapara Power Plant	34.92 MW 11.99 MW	49% owned associate
	Narayanganj Power Plant Unit I	102.456 MW	
Summit Narayanganj Power Unit II Limited (SNPL II)	Narayanganj Power Plant Unit II	62.612 MW	49% owned associate
Summit Barisal Power Limited (SBPL)	Barisal Power Plant	119.532 MW	49% owned associate
Ace Alliance Power Limited	Ace Alliance Power Plant	156.22 MW	64 % owned subsidiary
Summit Gazipur II Power Limited	Gazipur II Power Plant	307.37 MW	20% owned associate
Total		975.96 MW	

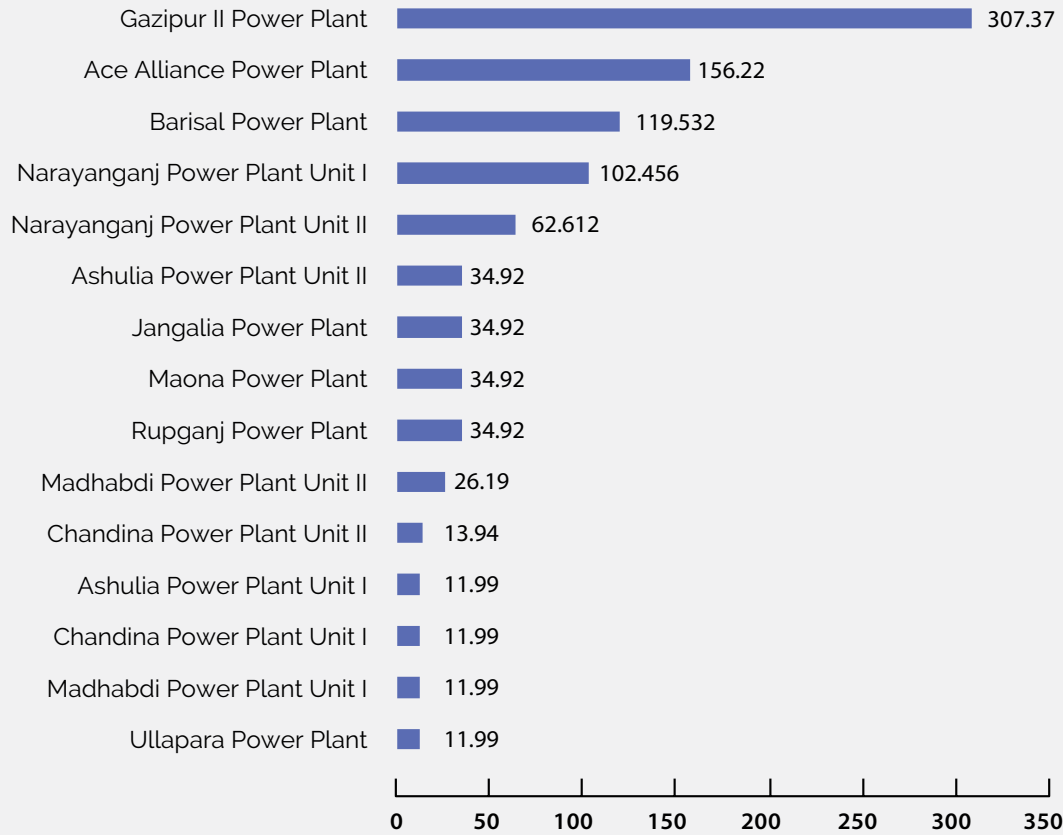
Ownership by Equity Investment

Name of the Company	Name of project	Installed Capacity	Ownership of SPL
Khulna Power Company Limited	KPCL-I, KPCI-II, KPCL-III	265 MW	17.64% own equity investment
Summit Meghnaghat Power Company Limited	Summit Meghnaghat Power Plant	337.416 MW	30% own equity investment
Total		602.416 MW	

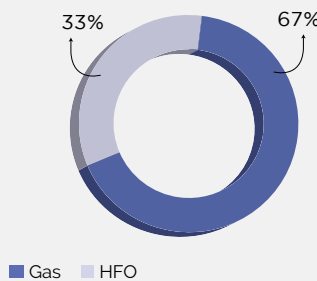
That means total generation capacity has now been **1,578.376 MW** in which Summit Power Limited has direct/indirect association and it is around 7% of the total capacity of the country with 22,051 MW.

Power Generation and Review of Our Plants

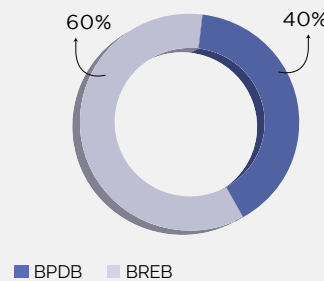
Power Plant by Installed Capacity (MW)



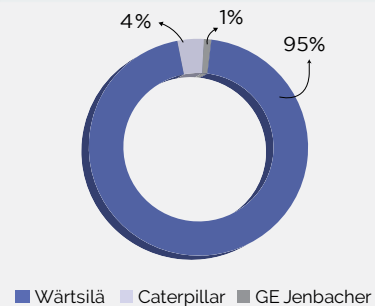
Power Plant by Fuel Type



Number of power plants by Customer



Technology-Capacity of Plants (%)



POWER PLANT DETAILS

Power Plants	Installed Capacity (MW)	Fuel	Brand	Customer
Gazipur II Power Plant	307.37	HFO	Wärtsilä	BPDB
Ace Alliance Power Plant	156.22	HFO	Wärtsilä	BPDB
Barisal Power Plant	119.532	HFO	Wärtsilä	BPDB
Narayanganj Power Plant Unit I	102.456	HFO	Wärtsilä	BPDB
Narayanganj Power Plant Unit II	62.612	HFO	Wärtsilä	BPDB
Ashulia Power Plant Unit II	34.92	Gas	Wärtsilä	BREB
Jangalia Power Plant	34.92	Gas	Wärtsilä	BPDB
Maona Power Plant	34.92	Gas	Wärtsilä	BREB
Rupganj Power Plant	34.92	Gas	Wärtsilä	BREB
Madhabdi Power Plant Unit II	26.19	Gas	Wärtsilä	BREB
Chandina Power Plant Unit II	13.94	Gas	Wärtsilä	BREB
Ashulia Power Plant Unit I	11.99	Gas	Caterpillar	BREB
Chandina Power Plant Unit I	11.99	Gas	Caterpillar	BREB
Madhabdi Power Plant Unit I	11.99	Gas	Caterpillar	BREB
Ullapara Power Plant	11.99	Gas	GE Jenbacher	BREB

ENERGY SOLD (MWH)

Plants	2014	2015	2016-17	2017-18	2018-19
Ashulia Power Plants (unit I & II)	225,020	264,959	246,245	271,261	270,876
Chandina Power Plants (unit I & II)	148,142	150,385	160,883	156,848	145,673
Madhabdi Power Plants (unit I & II)	199,515	197,199	219,169	230,473	217,342
Rupganj Power Plant	246,951	229,642	244,446	254,223	248,683
Jangalia Power Plant	241,752	234,070	194,552	210,430	184,660
Maona Power Plant	249,763	249,470	256,840	250,152	250,189
Ullapara Power Plant	69,506	77,552	69,292	66,311	70,662
Narayanganj Power Plant Unit I	573,030	573,137	463,063	315,072	204,835
Narayanganj Power Plant Unit II	-	-	254,069	298,586	195,646
Barisal Power Plant	-	-	710,876	531,945	360,597
Ace Alliance Power Plant	-	-	-	-	431,046
Gazipur II Power Plant	-	-	-	198,398	671,643
	1,953,679	1,976,414	2,819,436	2,783,699	3,251,853

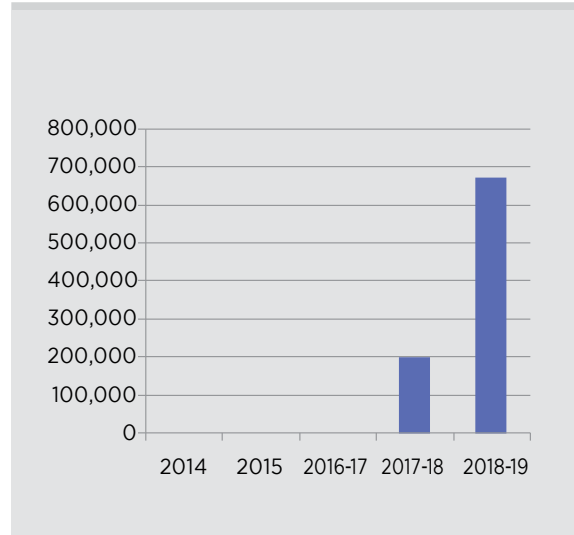
Gazipur II Power Plant

Licensed Capacity (MW)

307.37MW

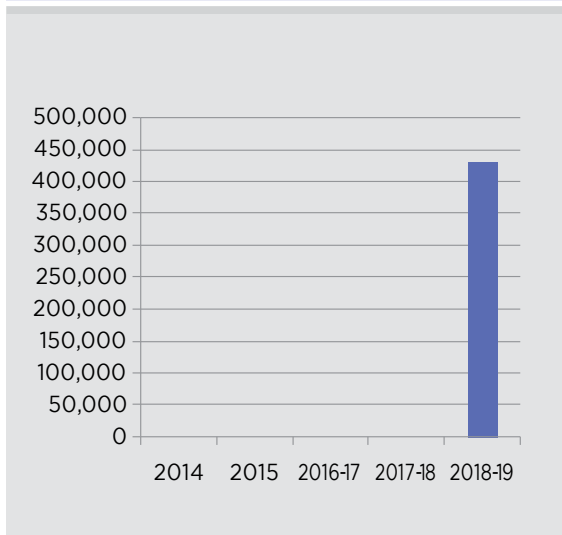


Energy Sold (MWH)



Ace Alliance Power Plant

Energy Sold (MWH)



Licensed Capacity (MW)

156.22MW



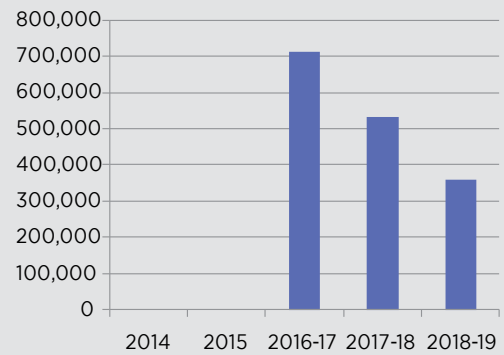
Barisal Power Plant

Licensed Capacity (MW)

119.532 MW

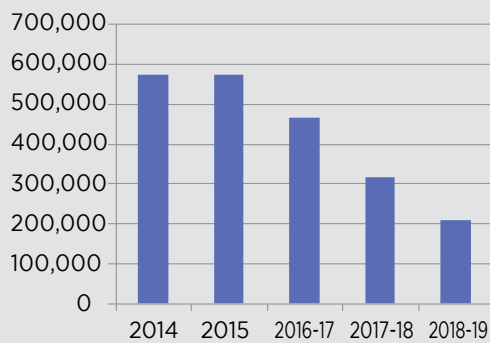


Energy Sold (MWH)



Narayanganj Power Plant Unit I

Energy Sold (MWH)



Licensed Capacity (MW)

102.456 MW



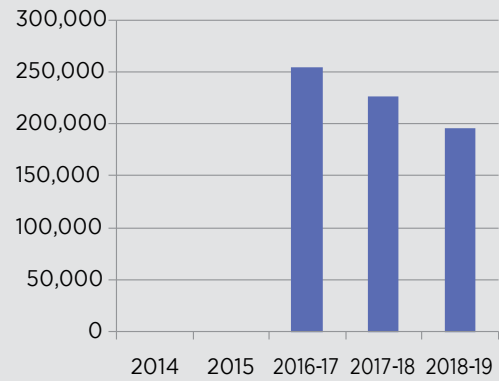
Narayanganj Power Plant Unit II

Licensed Capacity (MW)

62.612 MW

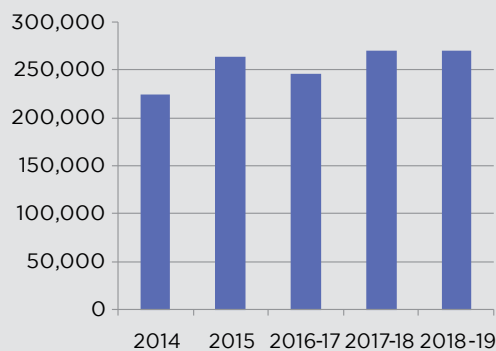


Energy Sold (MWH)



Ashulia Power Plant Unit II

Energy Sold (MWH)



Licensed Capacity (MW)

34.92 MW



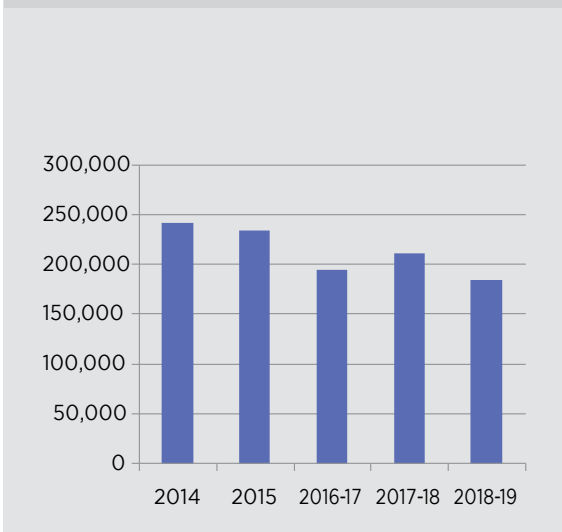
Jangalia Power Plant

Licensed Capacity (MW)

34.92 MW

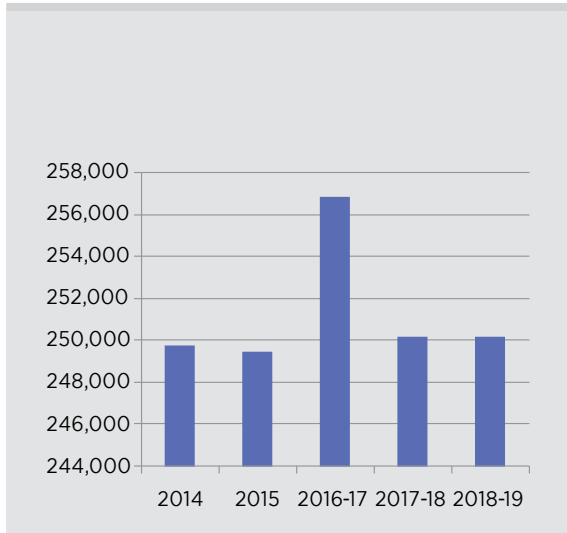


Energy Sold (MWH)



Maona Power Plant

Energy Sold (MWH)



Licensed Capacity (MW)

34.92 MW



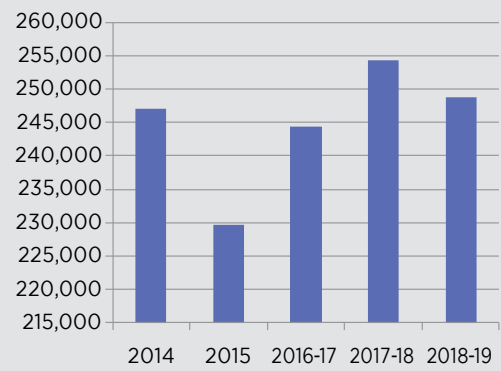
Rupganj Power Plant

Licensed Capacity (MW)

34.92 MW

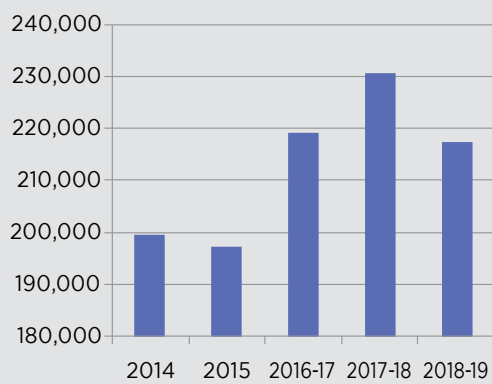


Energy Sold (MWH)



Madhabdi Power Plant Unit II

Energy Sold (MWH)



Licensed Capacity (MW)

26.19 MW



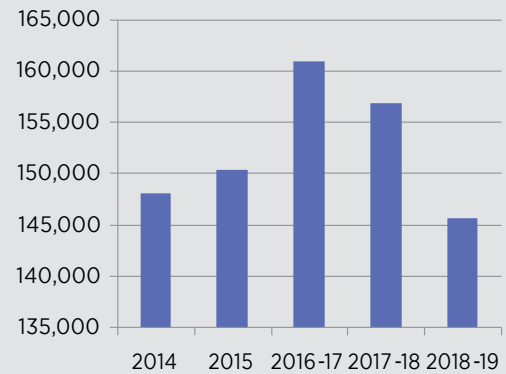
Chandina Power Plant Unit II

Licensed Capacity (MW)

13.94 MW

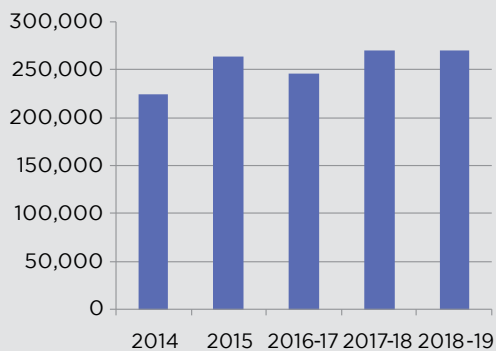


Energy Sold (MWH)



Ashulia Power Plant Unit I

Energy Sold (MWH)



Licensed Capacity (MW)

11.99 MW



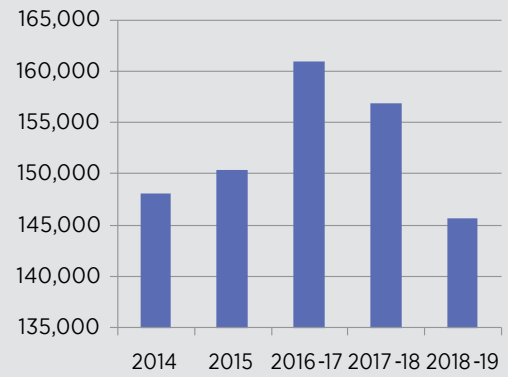
Chandina Power Plant Unit I

Licensed Capacity (MW)

11.99 MW

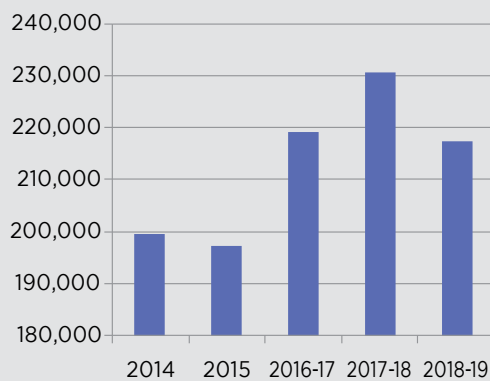


Energy Sold (MWH)



Madhabdi Power Plant Unit I

Energy Sold (MWH)



Licensed Capacity (MW)

11.99 MW



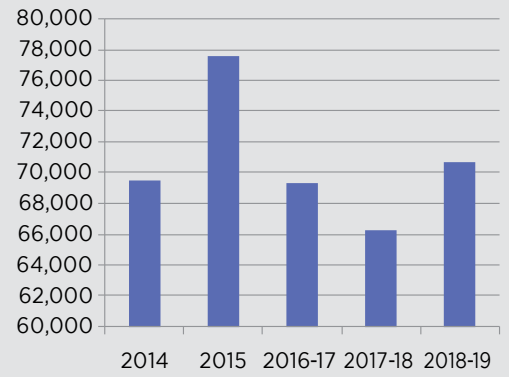
Ullapara Power Plant

Licensed Capacity (MW)

11.99 MW



Energy Sold (MWH)



Management Review Meeting



Honorable Customers and Regulators

As per the Private Sector Power Generation Policy of Bangladesh, the Power Cell as the agent of Government of Bangladesh assigns which organization would be the power purchaser from IPP at the time of issuance of Request for Proposal (REP). The Power Purchase Agreement (PPA) is signed with the bid winner to ensure transparency between the buyer and seller of the produced electricity. In case of Summit Power Limited, our buyers or off takers are either BPDB or BREB.

THE CUSTOMERS



Bangladesh Power Development Board (BPDB) is responsible for planning and developing the nation's power infrastructure and for operating much of its power generation facilities as well as distribution of electricity mainly in urban areas except Dhaka and West Zone of the country. The BPDB is under the Power Division of the Ministry of Power, Energy and Mineral Resources, Government of Bangladesh. (www.bpdb.gov.bd)



Bangladesh Rural Electrification Board (BREB) has been providing service to rural consumers of the country since its inception for improving agricultural production and enhancing socio-economic development in rural areas.

Today there are 80 numbers of operating rural electric cooperatives called Palli Bidyuit Samity (PBS), which provide service to approximately 26.459 million new connections and construct more than 0.482 million kms of line. (www.reb.gov.bd)

THE REGULATORS

The power sector of Bangladesh has been undergoing a process of significant institutional change. As part of the ongoing program of power sector reform, a regulatory body, the Bangladesh Energy Regulatory Commission (BERC) has been created.

Other regulators of Summit Power Limited include the Department of Environment (DoE), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank (BB), National Board of Revenue (NBR) and Bangladesh Investment Development Authority (BIDA).



The Bangladesh Energy Regulatory Commission (BERC) was established through a legislative Act of the Government of Bangladesh. The Commission's missions includes - enforcement of fiscal discipline of the energy sector, introduction of performance targets and incentive-based regulation, introduction of uniform operational standards and quality of supply, transparency in tariff determination and economic efficiency, increased opportunities for development of competitive markets, increased opportunities for efficiency, economic growth and public involvement into the energy sector. (www.berc.org.bd)



Bangladesh Bank (BB) is the central bank of Bangladesh and is a member of the Asian Clearing Union. The bank is active in developing green banking and financial inclusion policy and is an important member of the Alliance for Financial Inclusion. Bangladesh Bank performs all the core functions of a typical monetary and financial sector regulator, and a number of other non-core functions. (www.bb.org.bd)



Bangladesh Investment Development Authority (BIDA) is the principal private investment promotion and facilitation agency of Bangladesh. The act mandated BIDA for providing diversified promotional and facilitating services with a view to accelerating industrial development of the country. (www.bida.gov.bd)



Bangladesh Securities and Exchange Commission (BSEC) is the regulator of the country's capital market. In 2012, its name has been changed as Bangladesh Securities and Exchange Commission from previous Securities and Exchange Commission. The Commission has overall responsibility to formulate securities legislation and to administer as well. The Commission is a statutory body and attached to the Ministry of Finance. (www.sec.gov.bd)



Dhaka Stock Exchange (DSE) is one of the two stock exchanges of Bangladesh. DSE contributes to country's economic growth through creation of wealth, facilitating access to capital and penetrating untapped market and ensuring corporate governance to enhance confidence of investors, regulators, issuers and intermediaries. (www.dsebd.org)



Chittagong Stock Exchange (CSE) is the country's second stock exchange located in Chattogram. (www.cse.com.bd).



Department of Environment (DOE) mission is to help secure, clean and healthy environment for the benefit of present and future generations. Through the fair and consistent application of environmental rules and regulations, through guiding, training, and promoting awareness of environmental issues and through sustainable action on critical environmental problems that demonstrate practical solutions, and that galvanize public support and involvement. (www.doe.gov.bd)



National Board of Revenue (NBR) is the central authority for tax administration in Bangladesh. It is under the Internal Resource Division of Ministry of Finance. NBR is the authority for tax policies and tax laws in Bangladesh.

Corporate Directory

BOARD OF DIRECTORS

Mr. Muhammed Aziz Khan
Chairman

Mr. Md. Latif Khan
Vice-Chairman

Mrs. Anjuman Aziz Khan
Director

Mr. Jafer Ummeed Khan
Director

Mr. Md. Farid Khan
Director

Ms. Ayesha Aziz Khan
Director Finance

Mr. Faisal Karim Khan
Director

Ms. Azeeza Aziz Khan
Director

Lt. Gen. (Retd.) Engr. Abdul Wadud
Managing Director

Mr. Syed Fazlul Haque FCA
Director

Mr. Helal Uddin Ahmed
Director

Mr. Md. Arif Al Islam
Director

Mr. Faruq Ahmed Siddiqi
Independent Director

Mr. Mustafizur Rahman Khan
Independent Director

Mr. Junayed Ahmed Chowdhury
Independent Director

COMPANY SECRETARIAT

Mr. Swapon Kumar Pal FCA
Financial Controller &
Company Secretary

Mr. Tofayel Ahmed ACA
Deputy General Manager
(Finance & Accounts)

Mr. Rahmat-e-Rabbi
Assistant General Manager
(Finance & Accounts)

AUDIT COMMITTEE

Mr. Faruq Ahmad Siddiqi	Chair
Lt. Gen. (Retd.) Engr. Abdul Wadud	Member
Mr. Faisal Karim Khan	Member
Ms. Azeeza Aziz Khan	Member
Mr. Syed Fazlul Haque FCA	Member
Mr. Mustafizur Rahman Khan	Member

REGISTERED OFFICE

Summit Centre, 18, Kawran Bazar C/A, Dhaka-1215, Bangladesh
Phone: [+8802] 55012255-59, Fax: 55012260
Email: spl.investorrelations@summit-centre.com
Web: www.summitpowerinternational.com/SPL

GROUP HEAD OF INTERNAL AUDIT

Ms. Kashfia Nazneen Firdous
GM & Group Head of Internal Audit, Compliance & Reporting

STATUTORY AUDITORS

A. Qasem & Co., Chartered Accountants
(A Member Firm of Ernst & Young Global Limited)
Gulshan Pink City, Suites # 01-03, Level: 7, Plot # 15, Road # 103
Gulshan Avenue, Dhaka - 1212
Phone: 880-2- 8881824-6, Fax: 880-2-881822
www.ey.com/en_gl/locations/bangladesh

CORPORATE GOVERNANCE AUDITORS

Mak & Co.
BSEC Bhaban (11th Floor)
102 Kazi Nazrul Islam Avenue, Dhaka-1215
Tel: +880251051296, www.maknco.net

LEGAL ADVISOR

Mr. Mahmood Jabbar Khan
Barristers & Advocates
Dilan Tower, House # 21 (2nd Floor),
Road # 7, Block - F, Banani, Dhaka - 1213

FIFTEEN POWER PLANTS OF SPL

Ashulia Power Plant Unit I
Ashulia Power Plant Unit II
Chandina Power Plant Unit I
Chandina Power Plant Unit II
Madhabdi Power Plant Unit I
Madhabdi Power Plant Unit II
Rupganj Power Plant
Jangalia Power Plant
Maona Power Plant
Ullapara Power Plant
Narayanganj Power Plant Unit I
Narayanganj Power Plant Unit II
Barisal Power Plant
Ace Alliance Power Plant
Gazipur II Power Plant

FINANCERS AND MAIN BANKERS

Islamic Corporation for the Development of the Private Sector (ICD)
The OPEC Fund for International Development (OFID)
Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)
Nederlandse Financierings-Maatschappij Voor
Ontwikkelingslanden N.V. (FMO)
Infrastructure Development Company Limited (IDCOL)
Standard Chartered Bank
Dutch Bangla Bank Limited
Brac Bank Limited
The City Bank Limited
Bank Asia Limited
Eastern Bank Limited
IPDC Finance Limited
Bangladesh Commerce Bank Limited
NRB Bank Limited
Bangladesh Infrastructure Finance Fund Limited (BIFFL)

Profile of Our Directors



Muhammed Aziz Khan

Chairman

Mr. Muhammed Aziz Khan is the founder of Summit Group, the largest infrastructure conglomerate in Bangladesh with investments in the power and energy sector, ports, shipping, hospitality and IT. The publicly listed companies founded by Mr. Khan are Summit Power Limited (SPL), Summit Alliance Ports Limited (SAPL) and Khulna Power Company Limited (KPCL) with a combined market capitalization of about Tk. 100 billion. Mr. Khan and his family are among 50 most richest people in Singapore according to Forbes. In 2018, Mitsubishi Corporation invested in Summit LNG Terminal Co Limited by acquiring a 25% share. Recently, Summit signed a MoU with JERA Asia in presence of Honorable Prime Minister Sheikh Hasina during the state visit for developing a large energy infrastructure in Matarbari.

Mr. Khan is also Honorary Consul General of Finland in Bangladesh, member of the Singapore Institute of Directors, World Federation of Consuls (FICAC) and Bangladesh Institute of Capital Market. In addition, he is also the Chairman of Siraj Khaleda Trust, former President of the Bangladesh Association of Publicly Listed Companies (BAPLC) and founder President of Bangladesh Scouts Foundation.

Mr. Khan graduated with a Masters of Business Administration from the prestigious Institute of Business Administration (IBA), University of Dhaka, and a Bachelor of Arts from Jaganath College, Dhaka. He is married to Mrs. Anjuman Aziz Khan and has three daughters, Ayesha, Adeeba and Azeeza and four grandchildren.



Md. Latif Khan

Vice-Chairman

Mr. Md. Latif Khan was born 1958 in Dhaka. He pursued BA in Public Administration at Dhaka University, and subsequently left for higher studies to the U.S. in 1981. There, he worked for over 15 years in the financial sector. As a stockbroker and a financial analyst at Prudential Insurance of America where he received numerous sales achievement awards. He also worked as a Financial Officer at Wells Fargo Bank in California.

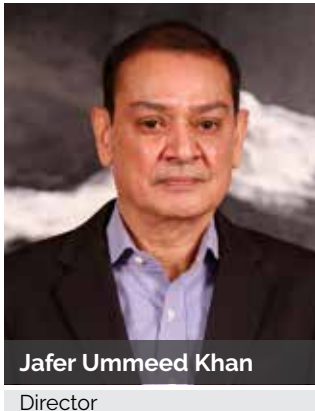
He returned to Bangladesh in 1997 and thereof joined Summit Group as the Managing Director of Summit Shipping Limited (subsequently renamed as Summit Oil & Shipping Co. Ltd.). He has been elected Vice-Chairman of Summit Power Limited (SPL) since 2009 and also elected President of Bangladesh Independent Power Producers' Association (BIPPA) since 2015.



Anjuman Aziz Khan

Director

Mrs. Anjuman Aziz Khan, wife of Mr. Muhammed Aziz Khan has over two decades of business experience in Summit. Mrs. Khan is a member of Siraj Khaleda Trust that developed 200 bed capacity medical services on charitable basis in Dhaka Cantonment. She enthusiastically takes part and contributes to social activities such as "Assistance of Blind Children" and women's entrepreneurship development.



Mr. Jafer Ummeed Khan is the Director of Summit Power Limited. After completing his studies in the United Kingdom, he joined Summit Group in 1987. He spearheaded the development and expansion of Summit Group, particularly of Summit Industrial & Mercantile Corporation (Pvt.) Limited (subsequently renamed as Summit Corporation Limited) and later of Summit Power Limited. He is also a Non-Executive Director in several of our Group's subsidiaries, including Summit Meghnaghat Power Company Limited, Summit Bibiyana Power Company Limited and Summit Barisal Power Limited, Summit Gazipur II Power Limited and Ace Alliance Power Limited. Because of his contribution in the Power Sector, Mr. Jafer Ummeed Khan was also unanimously elected as the Vice-President of Bangladesh Energy Companies Association. He is looking to add LNG trading to the portfolio of SOSCL..



Mr. Md. Farid Khan is a business graduate from Dhaka University and involved in business since 1980. He started his business career with trading in plastic compound, fertilizer and other commodities. He was an integral part of the team that pioneered export of molasses and fertilizer from Bangladesh. He was solely instrumental in setting up Liquefied Petroleum Gas (LPG) project and Tanks Terminal in Mongla.

Mr. Khan was the Vice Chairman of Summit Power Limited during 2007 to 2009 and shifted his focus into attaining hi-technology prospects that would digitalize Bangladesh and swift global connectivity. He took responsibility of Summit Communications Limited as its Vice Chairman to strengthen Summit's role as a catalyst for the introduction of new and pioneering businesses in Bangladesh. Under his guidance, Summit Communications spearheaded into that market by constructing an innovative and efficient optical fiber network architecture nationally.



Ms. Ayesha Aziz Khan is Managing Director and Chief Executive Officer (CEO) of Summit Power International Limited and Director Finance of Summit Power Limited. Ms. Khan has extensive experience in the power sector of the country, specifically in the financial management of power generation companies. In her career, she has led in the financial management of multiple power projects. Ms. Khan is currently also a Director in several companies of Summit Group.

She is also a member of SAARC Chamber of Commerce and Industry, the Federation of Bangladesh Chamber of Commerce & Industry, Singapore Institute of Directors and Singapore International Chamber of Commerce. She had been a member of Prime Minister's business delegation to India and USA from Bangladesh.

Ms. Khan graduated with a Bachelor in Economics and Business from the University College of London in 2003 and Masters in Business Administration from the Columbia University in 2007.

Profile of Our Directors



Faisal Karim Khan

Director

Faisal Khan is the Director of Summit Power International and Additional Managing Director of Summit Corporation. He is also the Director Operations of Summit Power Limited and a member of the Board of Directors of all subsidiary companies under Summit Group. He was involved in the development of twelve power generation projects totaling over 1,550 MW in the past decade.

Faisal Khan served as the Chairman of Bangladesh's National Standing Committee for National Energy Strategy for Private Sector Development and also as the Co-Convener of National Standing Committee for Energy & Power Sector at Dhaka Chamber of Commerce & Industries (DCCI). He was also elected as a Director of Bangladesh-China Chamber of Commerce.

Faisal Khan holds a Bachelor of Mechanical Engineering Degree from University College London (UCL), UK and a Master of Business Administration Degree from London Business School (LBS), UK.



Azeeza Aziz Khan

Director

Ms. Azeeza Aziz Khan completed her graduation in Bachelors in Economics and Business from University College London in the UK in 2011. Upon graduation Ms. Khan worked briefly in private equity and wealth management at Bank of America-Merrill Lynch before moving back to Bangladesh to join Summit group as a Director.

Ms. Khan spent her initial years gaining a deeper understanding about Summit's core business, with a strong focus on finance and internal audit and controls, in line with her educational background. In order to better serve as a director of Summit Group, she has taken on and completed project finance training at IDCOL and Leadership, Innovation and Strategy (LIS) program from General Electric in Kuala Lumpur Malaysia.

Since 2011, she has also been a key contributor to the establishment of Summit's CSR charter and driver of the group's CSR activities and currently sits on the distinguished board of SEID Trust, non-government voluntary development organization working for social inclusion and promoting rights of underprivileged children with disabilities including intellectual and multiple disabilities as well as autism since 2003.

Alongside her work responsibilities, Ms. Khan is simultaneously pursuing an accreditation as a Chartered Accountant and has already completed her practical working experience with Rahman Rahman Huq, KPMG Bangladesh. She currently works with the audit committee at Summit which ensures that the groups adherence to corporate governance and best practices. Her long term goal at Summit is to ensure that as an organisation it has a strategic road map for the near, medium and long term and to spearhead its business development.



Lt. Gen. (Retd.) Engr. Abdul Wadud

Managing Director

Lt. Gen. (Retd.) Engr. Abdul Wadud is the Managing Director of Summit Power Limited. He joined with the Group in 2013 and has been the Managing Director of Summit Power Limited since. Prior to joining to the Group, he was the Principal Staff Officer of the Prime Minister's Office (Armed Forces Division) from 2009 to 2012, and held several appointments within the Bangladesh Armed Forces since 1975. In addition, he is also a Director in several of our Group's subsidiaries. General Wadud holds a Ph.D. in Management from the Preston University, USA, a Master of Science in International Resource Planning and Management from the Naval Postgraduate School in USA, and a Bachelor of Science in Civil Engineering from the Bangladesh University of Engineering & Technology (BUET), Dhaka.

**Faruq Ahmed Siddiqi**

Independent Director

Mr. Faruq Ahmad Siddiqi obtained his undergraduate and graduate degrees in English Language and Literature from the Department of English, University of Dhaka, in 1966 and 1967 respectively. Mr. Siddiqi was a Chairman of Bangladesh Securities and Exchange Commission (BSEC) from 2006 to 2009. Earlier from 2001 until 2006, he served the Government of Bangladesh as its Secretary to the Ministry of Post & Telecommunications, the Ministry of Education and the Ministry of Commerce. He was also a member of National Board of Revenue (NBR). Mr. Siddiqi is currently a Member of the Rating Committee of Credit Rating Agency of Bangladesh Ltd. (CRAB).

**Syed Fazlul Haque, FCA**

Director

A Chartered Accountant by profession, Mr. Syed Fazlul Haque, started his career as partner of A. Qasem & Co, Chartered Accountants in 1971. In 1975, he moved to an executive career by joining Biman, Bangladesh Airlines, as its Controller of Accounts and since then his long, varied career included increasingly higher positions in different local and multinational organizations. Mr. Haque served in Padma Oil Co Ltd for 12 years and left the Company as its CEO in 1993 to join Glaxo Bangladesh (subsequently renamed as GlaxoSmithKline Bangladesh) as Finance Director. In Glaxo, he was promoted as Managing Director of the Company in 1997 and continued in the position until his retirement in 2002. In 2005 Mr. Haque joined Summit Alliance Port Limited. During the tenure of his long career, Mr. Syed Fazlul Haque served as a Committee member of Metropolitan Chamber of Commerce & Industries, Foreign Chamber of Commerce & Industries and Bangladesh Employers Federation. At present, Mr. Haque is also a Summit Group's Advisor.

**Helal Uddin Ahmed**

Director

Mr. Helal Uddin Ahmed completed his Masters from Dhaka University in 1978. After completion of his education, he started his career as a businessman. Mr. Ahmed formed SAN Engineers in 1982 and engaged with the business of Bangladesh Chemical Industries Corporation (BCIC) for supplying various chemicals items such as Liquid Chloride Caustic Soda, Hydrogen Peroxide Soda Ash, PVC compound etc. Mr. Ahmed is the Director of Savar Refractories Ltd. which is a public limited Company and largest producer of refractories materials in Bangladesh. He is the founder member of Jatiya Kabi Kazi Nazrul Islam University at Trishal, Mymensingh.

Profile of Our Directors



Mr. Md. Arif Al Islam is an entrepreneur and corporate leader with track record of leading diversified investments and large organizations. He is the founder and MD & CEO of Summit Communications Ltd. He has successfully developed Summit Communications Ltd. as the largest fibre optic operator of the country on which all the Telecom operators, Internet Service Providers, Cable TV Operators and Government are riding as their primary transmission infrastructure. The Company is also the leading Internet Gateway Operator and International Terrestrial cable operator having a bandwidth usage of over 110 Gbps.

Mr. Islam has started his career in public practice in UK and is a FCCA. He held the position of Senior Manager in KPMG. Later he led the largest telecommunications service provider of the country, GrameenPhone, a subsidiary of Telenor, as Deputy CEO and CFO. Over a ten year career in GrameenPhone, he played an instrumental role in building GrameenPhone from a medium sized Company to be the largest corporate house in Bangladesh. He is known as a successful corporate leader in the business community having good relationship with the banking, financial sector and also with the regulators.



Mr. Mustafizur Rahman Khan obtained his BSS (Hons) in Political Science from Dhaka University in 1993 and LLB (Hons) from University of Wolverhampton (UK) in 1996. He became a Barrister in 1997 (Lincoln's Inn), and now practices as an Advocate of the Supreme Court of Bangladesh. He has been associated with the firms, Lee, Khan & Associates, Dr. Kamal Hossain & Associates and Rokanuddin Mahmud & Associates. He is a member of both the Supreme Court and Dhaka Bar Associations. His areas of expertise include constitutional, administrative, commercial and corporate law. He routinely appears before the Supreme Court of Bangladesh in judicial review applications (writ petitions) and Company matters, and advises banks and corporations. He is also engaged in domestic and international arbitration both in Bangladesh and abroad under the auspices of the International Court of Arbitration of the International Chamber of Commerce (ICC) and the International Centre for Settlement of Investment Disputes (ICSID).



Mr. Junayed Ahmed Chowdhury is an Advocate of the Supreme Court of Bangladesh, a Barrister of the Honourable Society of Lincolns Inn, London, and holds an LL.M from the University of Chicago Law School, specialising in corporate and international tax laws. He is the Managing Partner of Vertex Chambers, which is recognised as one of the leading corporate law firms of Bangladesh. Mr. Chowdhury is recognized as a leading practitioner in the field of Corporate and Finance laws, Taxation, Litigation and ADR. He is the author of the leading practitioners textbook "Corporate Tax Law and Practice" (published by Mullick Brothers), which has been catalogued by the British Library and the University of Chicago D'Angelo Law Library. He also holds the license to practise foreign law as a Registered Foreign Lawyer under the Law Society of New South Wales, Australia.

Our Directors in Other Boards

	Summit Power International Limited	Summit Gazipur II Power Limited	Ace Alliance Power Limited	Summit Chittagong Power Limited	Summit Narayanganj Power Unit II Limited	Summit Barisal Power Limited	Summit Corporation Limited	Summit Holdings Limited	Summit Oil & Shipping Co. Limited	Khulna Power Co. Ltd.	Summit Alliance Port Ltd.	Summit Communications Limited	Cosmopolitan Finance Limited	Summit Bibiyana II Power Company Limited	Summit Meghnaghat Power Company Limited	Summit Meghnaghat II Power Company Limited	Summit LNG Terminal Co. (Pvt.) Ltd.	Summit Assets Limited	Summit Technopolis Limited
Mr. Muhammed Aziz Khan	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X
Mr. Md. Latif Khan		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Mrs. Anjuman Aziz Khan				X	X	X	X	X	X		X		X					X	X
Mr. Jafer Ummeed Khan		X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X
Mr. Md. Farid Khan		X	X	X	X	X	X	X	X	X		X	X	X	X		X	X	X
Ms. Ayesha Aziz Khan	X	X	X	X	X	X	X	X	X		X		X	X	X	X	X	X	X
Mr. Faisal Karim Khan	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Ms. Azeeza Aziz Khan		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
Lt. Gen. (Retd.) Engr. Abdul Wadud		X	X	X	X	X	X			X				X	X	X			
Mr. Faruq Ahmed Siddiqi		X				X													
Mr. Syed Fazlul Haque FCA		X	X		X	X			X		X	X			X	X			
Mr. Helal Uddin Ahmed											X								
Mr. Md. Arif Al Islam					X	X						X	X			X			
Mr. Mustafizur Rahman Khan			X		X														
Mr. Junayed Ahmed Chowdhury																			

Pattern of Shareholding

The Pattern of Shareholding as on June 30, 2019

Category/ Name of Shareholder	No of Shareholder	No of Share Held
Sponsors:		
Summit Corporation Limited	1	674,792,926
Euro Hub Investments Limited	1	38,940,126
Mr. Muhammed Aziz khan	1	57
Mr. Md. Latif Khan	1	57
Mr. Jafer Ummeed Khan	1	42
Mr. Md. Farid Khan	1	52
Ms. Ayesha Aziz Khan	1	57
Mrs. Anjuman Aziz Khan	1	21,630
Mr. Faisal Karim Khan	1	21,630
Ms. Azeeza Aziz Khan	1	-
Lt. Gen. (Retd.) Engr. Abdul Wadud	1	1,500
Advocate Imtiaz Mahmood	1	5,262
Mr. Mainul Abedin	1	10,943
Mr. A.N.M Tariqur Rashid	1	8,736
Mr. Azharul Haque	1	299,020
Mr. Helal Uddin ahmed	1	37,200
Mr. Syed Fazlul Haque FCA	1	1,732
Mr. Mustafizur Rahman Khan	1	-
Mr. Faruq Ahmed Siddiqi	1	-
Mr. Md. Arif Al Islam	1	36
Mr. Junayed Ahmed Chowdhury	1	-
Dr. Mirza Khairuzzaman	1	500
Directors, CEO, Company Secretary, CFO	Nil	Nil
Head of Internal Audit and their spouses	Nil	Nil
Executives (Top 05 persons other than CEO, CFO, CS, HIA)	Nil	Nil
Shareholders holding 10% or more voting rights:		
Summit Corporation Limited	1	674,792,926

Accolades & Memorable Events

Accolades



(Singapore) January 28, 2019: Chairman of Summit Group Muhammed Aziz Khan has been recognised as the 'Global Asian of the Year 2018' under the 'Power & Energy' category by AsiaOne magazine for his contribution to the sector and industry. The award ceremony was held at the Tenth Edition of AsiaOne Summit 'Pride of Asia - Asian Business & Social Forum 2019' at Marina Bay Sands Hotel, Singapore.

(Dhaka) December 08, 2018: Summit Power Limited secured the first position at the ICMA Best Corporate Award 2017 under the power generation category. This is the sixth time in a row that Summit Power Limited received this recognition from the ICMA for corporate governance. Summit Power has been consistently ICMA award winner since 2012.



Summit Power wins ICMA Best Corporate Award



(Dhaka) November 11, 2018: Summit Power Limited awarded the gold award at ICSB National Award for Corporate Governance Excellence in the Fuel and Power Companies Category. This is the fourth time that Summit Power Limited has received this recognition from the ICSB.

(Indonesia) September 20, 2018: At the annual event of Asian Power Awards, also known as the "Oscar of the Power Industry", Summit Gazipur II Power Limited (300 MW) was awarded the "Fast-Track Power Plant of the Year" in recognition as one of the leading fast-track power plants in the world.



Fast-Track Power Plant of the Year

(Dhaka) September 06, 2018: At the inauguration of 'Power & Energy Week 2018', Summit was awarded the prestigious Best Private Power Generation Company in recognition of fastest implemented power plant in the country. Summit had completed construction-to-power generation of 300 MW power plant in Kodda, Gazipur in only nine months.



Memorable Events

(Dhaka) April 06, 2019: Ace Alliance Power Limited (AAPL) and BRAC Bank Limited celebrated the signing of an Interest Rate Swap (IRS) deal, under which the bank provided hedging for AAPL's exposure in LIBOR against Summit's borrowing of US\$68.60 million for 10.3 years.



BRAC Bank Limited and Ace Alliance Power Limited enter into IRS agreement



Subscription closing ceremony of Ace Alliance Power Limited

(Dhaka): March 19, 2019: A subscription closing ceremony to raise capital through issuance of Preference Shares worth BDT 805 Million for Ace Alliance Power Limited was held at InterContinental Dhaka. LankaBangla Finance Limited was the Mandated Arranger and LankaBangla Investments Limited the Issue Manager while BRAC Bank Limited was the Agent, Account Bank & Custodian Bank for the transaction.

(Narayanganj) March 18, 2019: His Excellency Dr Ashraf Shikhaliyev, Ambassador, Embassy of the Republic of Azerbaijan to India, Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka along with Deputy Chief of Mission Babak Ahmadov visited the Summit Narayanganj Power Plant - Unit I & II (165 MW) in the invitation of Vice-Chairman of Summit Group Mr. Jafer Ummeed Khan.



Ambassador of Azerbaijan visits Summit's Power Plant

(Dhaka) March 08, 2019: Summit is committed to diversity and gender balance at the workplace. Like past years, the company celebrated the International Women's Day.



Microsoft Navision training session in Singapore

(Singapore) February 25, 2019: Nineteen employees of Summit attended a training session in Singapore on Microsoft Navision 2016, the Enterprise Resource Planning (ERP) software suite which has been implemented by the company. The training had special emphasis on Accounts Schedule, Cost Accounting and Cash Forecasting features along with different analysis.

(Gazipur) February 24, 2019: Honourable Advisor to the Prime Minister of Bangladesh on Energy, Power and Mineral Resources Dr. Tawfiq-e-Elahi Chowdhury, BB inaugurated the Summit Gazipur 464 MW Power Plant's Hamiduzzaman Sculpture Park at Kodda, Gazipur. The sculpture park has Bangladesh's longest 340 feet mural titled 'Srom o Sristi' and sculptures with themes 'World in a frame' and 'Life & Lifeless'.



Inauguration of Summit Gazipur 464 MW Power Plant's Hamiduzzaman Sculpture Park

(Dhaka) February 08, 2019: Summit proudly sponsored 12th DRMC-Summit National Science Carnival. This is one of the biggest science programmes in Bangladesh. There were several Olympiads including Mechanics, Mathematics, Physics, Chemistry, Biochemistry, Astronomy, Earth, Biology and others. The State Minister of Power, Energy and Mineral Resources, Nasrul Hamid, MP and Faisal Karim Khan, Director of Summit Power inaugurated the event.



12th DRMC-Summit National Science Carnival



Summit joins Forum Member Community of the World Economic Forum

February 06, 2019: Summit Corporation Limited, as the first Bangladeshi firm since 2008, joins the Forum Member community of the World Economic Forum. The Forum Member community represents outstanding group of firms that count among the world's top innovators, market shapers, disruptors, niche market leaders and regional champions. They are businesses of growing influence that continue to help growing economies thrive, contribute to societal prosperity and are transforming into global leaders in their industries and regions.

(Dhaka) January 29, 2019: As part of commitment to transparent reporting, Summit in partnership with IFC Bangladesh arranged a daylong workshop on Corporate Reporting and Annual Report. Seventeen participants attended the workshop. The workshop was conducted by Director of CS International Anne Molyneux, IFC Corporate Governance Specialist Sheela Rahman and IFC Project Manager Lopa Rahman.



Workshop on Corporate Reporting and Annual Report



Inauguration of 149MW Power Plant

(Gazipur) November 01, 2018: Honourable Prime Minister Sheikh Hasina inaugurated Summit's 149 MW power plant in Gazipur via video conference from her official residence, Gonobhaban.

(Singapore) October 10, 2018: In a negotiation meeting with lenders for a foreign loan of USD 68.6 million. The lenders include - Infrastructure Development Company Limited (IDCOL) as local lender and Islamic Corporation for the Development of the Private Sector (ICD) and The OPEC Fund For International Development (OFID) as foreign lenders.



Finance Document Negotiation Meeting for Ace Alliance Power Limited



SWAP derivative deal

(Dhaka) October 1, 2018: Summit and Eastern Bank Limited (EBL) closed an Interest Rate Swap derivative deal worth 71.25 million US dollar for two power plants of the group—Summit Barisal Power Limited (110 MW) and Summit Narayanganj Power Unit II Limited (55 MW). This transaction is first of its kind and executed by a private commercial bank in Bangladesh.



Inauguration of the 300 MW Summit Gazipur II Power Plant

(Dhaka) August 05, 2018: Honourable Prime Minister Sheikh Hasina inaugurated Summit's 300 MW power plant in Gazipur via video conference from her official residence, Gonobhaban.

(Dhaka) July 11, 2018: Summit, Mitsubishi and GE announced a US\$ 3 Billion (about BDT 24 Thousand Crore) investment – thus far the largest private foreign direct investment (FDI) in Bangladesh. Summit will be the majority owner of the project while Mitsubishi and GE will be owning the remaining. Scope of this project includes four units of 600 MW combined cycle power plants (total generating capacity of 2,400 MW) powered by GE's flagship 9HA gas turbines, two units of on-shore LNG terminal with total of 380,000 m³ capacity, oil terminals with 100,000 MT capacity and another 300 MW HFO-based power plant.



Summit, Mitsubishi and GE signed the largest private FDI in Bangladesh

ENVIRONMENT SOCIAL AND GOVERNANCE (ESG)

Governance:

- Director's Report to the Shareholders*
- Communications with Shareholders*
- Our Management System*
- Management Review and Responsibilities*
- Management Discussion and Analysis*
- Management Team*
- Introduction of the Senior Executives*
- Plant Managers and In-Charges*
- Certificate on Compliance on the Corporate Governance Code*
- Code of Conduct and Ethics*
- Various Policies and Manuals*
- Various Committees*
- Audit Committee Report 2018-19*
- Compliance Report on IFRS*
- Statement of Corporate Governance*
- Status of Compliance with the Corporate Governance Code (CGC)*

Board Meeting of Summit Power Limited



Directors' Report to the Shareholders

THE ENVIRONMENT WE OPERATE IN

Global Socio-economic Environment

The FY 2019 was generally a slightly subdued world economic year with a growth of 3.1%. The significant economic events in the year were United States-China trade issue, United Kingdom and the European Union – Brexit and free trade area encompassing Canada, Mexico & United States. This sluggish growth is likely to motivate resolution of trade policy differences, development of accommodative monetary and multidimensional fiscal policy. All these may eventually end up with a reduced geopolitical tension, contributing to relatively stabilized world economic growth, which is projected to be 3.5% for FY 2020.

Bangladesh Socio-economic Environment

Bangladesh has undergone major socio-economic development in last few years, especially in rapid expansion of information technology, construction and manufacturing sector. These transformations have boosted Bangladesh from a low-income country to a lower-middle income country. The country has achieved the fastest growth in the Asia-Pacific economics comprised of 45 countries with a growth rate of 7.9% in FY 2019. The drivers of this growth have been identified as higher public investment, stronger consumption demand, revival in export, improved power supply and higher growth in private sector credit. The prediction of the economic growth for FY 2020 is 8%, which is still higher than all other countries in the Asia-Pacific region.

THE SECTOR WE OPERATE IN

The power sector has experienced an outstanding progress in last few years. In last year, 2,849 MW capacity has been added to the national grid, raising the total generation capacity to 22,051 MW. The table below provides a breakdown of the capacity generated by public and private sectors.

Public Sector	Installed Generation			
	2018-19		2017-18	
	Capacity (MW)		Capacity (MW)	
BPDB	5,498	25%	5,266	27%
APSCCL	1,444	7%	1,444	8%
EGCB	839	4%	839	4%
NWPGCL	1,395	6%	1,070	6%
RPCL	182	1%	77	0%
BPDB-RPCL JV	149	1%	149	1%
Subtotal	9,507	43%	8,845	46%
Private Sector				
IPPs	6,404	29%	4,802	25%
SIPPs (BPDB)	99	0%	99	1%
SIPPs (REB)	251	1%	251	1%
15 Yr. Rental	169	1%	169	1%

3/5 Yr. Rental	1,371	6%	1,576	8%
Power Import	1160	5%	660	3%
Subtotal	9,454	43%	7,557	39%
Captive Power	2,800	13%	2,800	15%
Renewable	280	1%	-	-
TOTAL	22,051	100%	19,202	100%

Figure: Installed Generation Capacity (MW) as on 30 June, 2019
(Source: www.bpdb.gov.bd)

About 90 percent of the population has now access to electricity. However, per capita energy consumption of 464 kWh is quite low compared to other Asia-Pacific countries. The Government's vision is to generate 2.4 GW by 2021, 4.00 GW by 2030 and 6.00 GW by 2041.

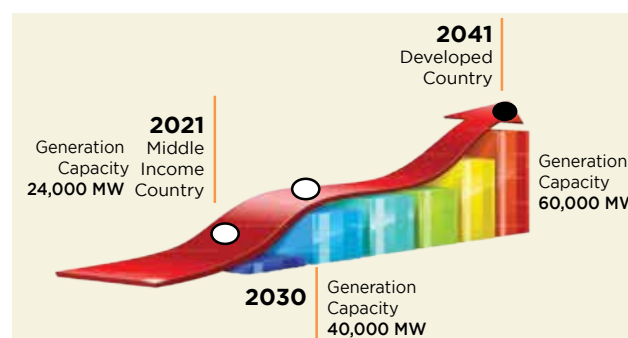
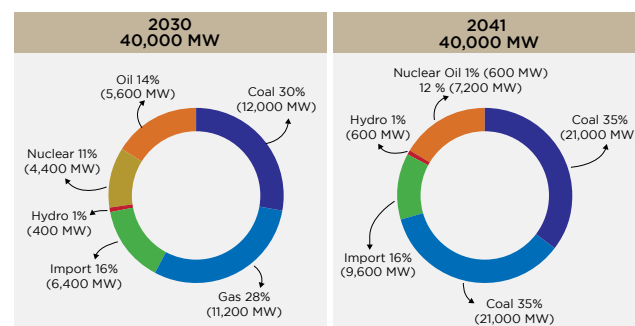


Figure: Page – 12, Energy & Power, September 1, 2019

To achieve this vision, generation from various energy sources has been planned as depicted below:

Figure: Page – 13, Energy & Power, September 1, 2019



Accordingly the Government has already undertaken nuclear project, which is likely to come into operation by 2023. A few large sized coal based power plants are also under implementation. Increase in the import of certain amount of electricity from abroad is in active consideration. For hydro based electricity, Memorandum of Understanding (MoU) has already been signed with Nepal. LNG based large scale power projects are also under implementation and is likely to increase in coming years.

The FY 2018-19 has been a good year for Summit Power Limited (SPL). We are grateful that the Honorable Prime Minister Sheikh Hasina inaugurated Summit Gazipur II Power Limited (300 MW) and later in another ceremony inaugurated Ace Alliance Power Limited (149 MW).

Due to outstanding performance, this year one of your subsidiary companies achieved Best Private Power Generation Company Award by the Government of Bangladesh. The Company also received Silver Award at Asian Power Awards 2018 for Fast-Track Power Plant of the year.

All of your power plants undergo rigorous process of continual improvement and implementation of global best practices for operation, maintenance and accountability. An Integrated Management System (IMS), consisting of three standards, i.e. - ISO 9001: 2015 - Quality Management System (QMS), ISO 14001: 2015 - Environmental Management System (EMS) and BS 18001: 2007 Occupational Health and Safety Assessment System (OHSAS) is in place to ensure the motto of continual improvement.

Now SPL operates fifteen power plants of its own and another three plants with co-ownership. SPL holds **17.64%** of ownership of Khulna Power Company Limited (KPCL) and **30%** of Summit Meghnaghat Power Company Limited.

Due to goodwill of the Company, your company along with its subsidiaries are being financed by renowned local and foreign banks and financial institutions. International Finance Corporation (IFC), The Islamic Corporation for the Development of the Private Sector (ICD), The OPEC Fund for International Development (OFID), Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) and Infrastructure Development Company Limited (IDCOL) are few Investors and Financiers of our group companies. The Company has also entered into Interest Rate Swap (IRS) deals with Brac Bank Limited and Eastern Bank Limited to protect interest rate volatility for loan of USD 145.72 million. World industry giants like GE of USA, Mitsubishi and JERA of Japan are interested for partnership with Summit Group.



Most of your power plants are operated on Build, Own and Operate (BOO) basis for an initial agreement term of 15 years. The tenure of Power Purchase Agreement (PPA) has been extended for additional 5 years on expiry of initial contract period of Summit Narayanganj Power Plant. Renewal process of 03 initial 11 MW power plants is still ongoing. Meanwhile, BREB has requested to continue operation till the renewal process is completed.

BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

Your Company, SPL along with its group Company is the largest private sector power generation company in Bangladesh. In 2000, SPL started its operation with 33 MW power plants and now after 19 years the Company contributes 976 MW to the national grid.

In the last few years, the plants which started operation before Commercial Operation Date (COD) are Summit Narayanganj

Power Plant I & II, Summit Barisal Power Plant, Ace Alliance Power Limited and Summit Gazipur II Power Plant. All the plants are consistently serving the national grid days and nights. This year SPL added 3,251 million Kwh to the national grid compared to 2,759 million Kwh in last year.

Although the overall revenue of SPL standalone is slightly lower, however due to the addition of operation of two power plants (Summit Gazipur II Power Limited and Ace Alliance Power Limited) the consolidated revenue has increased by 65% with an increase of 72% in cost of sales. Finance costs (net) has also increased by 64% due to addition of loan for implementing of the above stated two power projects. Provision for income tax has been made for renewed power plants after expiry of 15 years operation. A summary of financial performance of the Company is presented below:

Particulars (consolidated)	For the year ended 30 June 2019 (In Million Taka)	For the year ended 30 June 2018 (In Million Taka)
Revenue	30,472	18,468
Cost of sales	(22,478)	(13,063)
Gross profit	7,994	5,405
Other income, net	236	340
General and admin. expenses	(568)	(461)
Operating profit	7,662	5,284
Finance costs, net	(702)	(428)
Share of profit of equity-accounted investee	402	451
Net profit before income tax	7,362	5,307
Income tax	(79)	(33)
Net profit after income tax	7,283	5,274

Additional operating and financial data and review have been presented in the Financial Highlights and Business Review sections of the Annual Report.

PROFIT APPROPRIATION

During the year 2018-19, the Company's net profit attributable to owners amounted to Tk. 5,105 million. Company's financial situation for the year ended 30 June 2019 for appropriation is as follows:

Particulars	Amount in Million Taka
Net profit for the year	5,105
Profit brought forward	9,649
Profit available for appropriation	14,754
Appropriations:	
Proposed cash dividend of 35%	(3,738)

Total appropriation for the year	(3,738)
Transferred to retained earnings	11,016

OTHER DISCLOSURES

Extra-ordinary gain or loss: As per IAS 1: No extra-ordinary gain or loss has been recognized in the financial statements.

Related Party Transaction: The related party transactions carried out by the Company on commercial basis during the year have been disclosed in the **Notes - 43** to the financial statements.

Utilization of proceeds from public issues, rights issues and/or through any other instrument: Initial Public Offering (IPO) of SPL was made in 2005 and the fund raised thereby has already been utilized as reported to the regulators. Fund raised through issuance of Rights Shares in 2008 has also been utilized and reported accordingly to the regulators. No further issue of any instrument was made during the year.

Significant variance between Quarterly and Annual Financial Statements: No significant variations have occurred between quarterly and final financial results of the Company during the year under report except for the first quarter when operation from two new power plants started with minimum operating costs.

Dividend: The Board recommends 35% cash dividend for the year ended on 30 June 2019. The cash dividend of 35% implies Tk. 3.50/- for each share held on the record date, subject to approval by the shareholders at the 22nd Annual General Meeting.

Interim Dividend: There was no declaration of Bonus Share/ Stock Dividend/ Cash Dividend for the year as interim Dividend.

RISK LANDSCAPE AND REMEDIAL MEASURES

Financial Risk Management

The Group has exposures to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's/Group'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 Company/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.

i) Credit risk

Credit risk is the risk of financial loss to the Company/ Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company/Group's receivable from customers and investment securities. The Group's sales are made to Government entity, viz. Bangladesh

Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB) under the conditions of the fixed term Power Purchase Agreement (PPA).

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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 Group's reputation. Typically, the Group ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines facilities with banks are negotiated accordingly.

It may be noted that the Group repaid its liabilities in financial year 2019 on due dates. Rest of the financial liabilities are expected to be repaid in due time which are expected to be financed from operational cash flow.

iii) Market risk

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

a) Currency risk

The Group, except AAPL and SGIPL, is exposed to currency risk on purchases of spare parts and capital machinery that are denominated in a currency other than the functional currency, primarily the USD and EURO. For AAPL and SGIPL, foreign currency transactions are denominated mainly in Bangladesh Taka (BDT) and EURO. The Company/Group has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2019.

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local loans are not significantly affected by fluctuations in interest rates, as they are secured in fixed rates. Foreign loans and borrowings are affected by fluctuations in floating interest rates. The Group has entered into of derivative instruments in order to hedge interest rate risk as at the reporting date.

The further details of financial risk management has been covered at section 38(B) of Audited Financials.

Capital Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Business Risk Management

It has been observed, especially in FY 2018-19 that Bangladesh has sufficient supply of electricity compared to the demand and distribution capability, particularly in lean/ winter season. Hence, the Government might be less willing to extend Power Purchase Agreements (PPA) on expiry of agreement period. One of the PPAs of HFO based power plants, which will be expiring in 2021 may be under the risk of non-extension for further period. PPAs may be extended at reduced tariff under "No electricity, No payment" model, which should enable the Company to keep on operating as the plants will be less expensive for the boards and thus the risk might be mitigated.

DIRECTORS' ELECTION & RE-APPOINTMENT

As per Article 23(a) of the Articles of Association, Mrs. Anjuman Aziz Khan, Ms. Azeeza Aziz Khan, Mr. Helal Uddin Ahmed, Mr. Md. Arif Al Islam shall retire in the 22nd Annual General Meeting by rotation and being eligible, offer themselves for re-election.

Your Board in its Board Meeting held on 22 April 2019 appointed Mr. Junayed Ahmed Chowdhury as an Independent Director of the Board. His short bio-data has been presented in the "Profile of Our Directors" section. He will also retire in the 22nd Annual General Meeting and being eligible, offer himself for re-election.

DIRECTORS' MEETING & ATTENDANCE

During the Twelve months ended 30 June 2019, the Board of Directors held 4 (four) meetings. Directors who attended the Board meetings during their respective tenure are shown below:

Sl.#	Name of Directors	Attendance
1	Mr. Muhammed Aziz Khan	2
2	Mr. Md. Latif Khan	4
3	Mrs. Anjuman Aziz Khan	1
4	Mr. Md. Farid Khan	4
5	Ms. Ayesha Aziz Khan	1
6	Mr. Jafer Ummeed Khan	4
7	Mr. Faisal Karim Khan	4
8	Lt. Gen. (Retd.) Engr. Abdul Wadud	4
9	Mr. Syed Fazlul Haque FCA	4
10	Mr. Helal Uddin Ahmed	4
11	Ms. Azeeza Aziz Khan	3
12	Mr. Mustafizur Rahman Khan	4
13	Mr. Faruq Ahmad Siddiqi	4
14	Mr. Md. Arif Al Islam	3

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

DIRECTORS' RESPONSIBILITIES /REPORTING FRAMEWORK

The law requires that the financial statements of your Company would follow International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB. 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 IFRS and IAS,
- 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 BSEC's Notification dated 03rd June 2018 "Corporate Governance Code (CGC)", 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;
- g. Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;
- h. Key operating and financial data has been summarized for the preceding five years;
- 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 the sub section- **Pattern of Shareholding** of chapter 2 to disclose the aggregate number of shares.

REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of Executive Directors are reviewed annually and approved by the Chairman as disclosed in **Notes - 43 (b)** of the financial statements. Non-Executive Directors including Independent Directors are paid only attendance fee per meeting.

AUDIT COMMITTEE

The Company has an audit committee with an established charter. The audit committee has met 04 (four) times within this twelve months period and the committee members' attendance (as per their tenure) record is disclosed below:

Name	Status	Attended
Mr. Faruq Ahmad Siddiqi	Chair	4
Lt. Gen. (Retd.) Engr. Abdul Wadud	Member	4
Mr. Faisal Karim Khan	Member	2
Ms. Azeeza Aziz Khan	Member	3
Mr. Syed Fazlul Haque FCA	Member	4
Mr. Mustafizur Rahman Khan	Member	4

AUDITORS

Pursuant to SEC Order No. SEC/CMRRC/2009-193/104/Admin dated 27th July 2011 present auditor A. Qasem & Co. Chartered Accountants has completed its first year of appointment and audit and therefore, they will be eligible for re-appointment in the ensuing 22nd AGM. Your Board therefore, in its meeting held on 22 September 2019, resolved to recommend A. Qasem & Co. Chartered Accountants for appointment as Statutory Auditors of the Company for the year 2019-20 subject to approval of the Shareholders in the forthcoming Annual General Meeting.

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. The company has adopted **"Code of Conduct & Ethics"** and **"Code of Corporate Governance"** in 2011. Since corporate governance is not a static process, we shall always continue to improve our practices. The formation of an Audit Committee, Executive Committee, Technical Committee, Purchase Committee, Operation & Maintenance Committee and Remuneration Committee, which may be seen in the sub section- **Various Committees** of the Annual Report, are steps in this process.

GOING CONCERN / SUSTAINABILITY

While approving the financial statements, the Directors have made appropriate enquiries and analyzed significant operating and indicative financials which enabled them to understand the ability of the Company to continue its operations for a

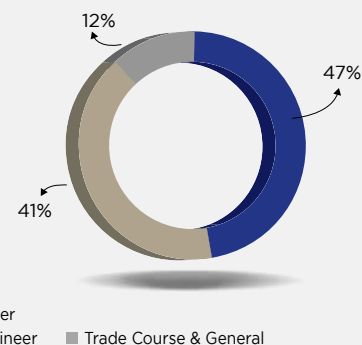
foreseeable future. The Directors are convinced and have a reasonable expectation that the company has adequate resources and legal instruments to continue its operations without interruptions. Therefore, the Company adopted the going concern basis in preparing these financial statements.

HUMAN RESOURCES MANAGEMENT

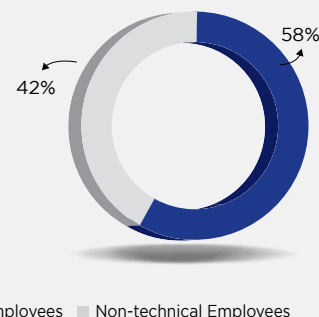
One of the most important resources and key to a successful company is its people. Summit places great emphasis on the development of its employees and therefore the Company undertakes appropriate training and workshops to develop and equip the employees with essential skills, and update their knowledge in respective functional areas. SPL has implemented Training Needs Analysis (TNA) as part of its training system. The aspects of TNA includes determining what is required, to complete the work against existing competency level of employees and mitigating the gap (if any).

We have an enriched Employment Policy/Employee Hand Book with proper job descriptions and responsibilities. A detailed succession planning is considered every year to ensure good working environment and enhancement of knowledge of the employees. A yearly performance appraisal is carried out to reward and encourage diligent employees and assess their training requirements. The Remuneration Committee also awards yearly increments and other remuneration related matters.

TECHNICAL EMPLOYEES BY CATEGORY



EMPLOYEES BY CATEGORY





Since 2017, Summit Power Limited organised the Annual Recruitment Program. This year around 1,500 B.Sc. and Diploma Engineers from the Department of Electrical and Electronics Engineering and Mechanical Engineering appeared for the written test. The test was held at the Government Science School and College at Farmgate, Dhaka.

STATUS OF COMPLIANCE

In accordance with the requirement stipulated in condition no-7.00 of the BSEC notification no-BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018 issued under section 2CC of the Ordinance 1969, the Corporate Governance Code Compliance Report is shown in the sub section-'**Certificate on Corporate Governance' of chapter 3**. A Certificate from MAK & Co. Chartered Accountants confirming compliance of conditions of Corporate Governance Code as stipulated under condition 7(i) is also annexed to this report as in the sub section-'**Status of Compliance with the Corporate Governance Code (CGC) of chapter 3**.

As the sole authority for adoption of relevant framework and standards for financial reporting in Bangladesh, The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board in its original version. While preparing its financial statements, SPL complies all the applicable standards of IFRS in the sub section-'**Compliance Report on IFRS' of chapter 3** as adopted by ICAB.

CONTRIBUTION TO THE NATIONAL EXCHEQUER & THE ECONOMY

Electricity is one of the main driving forces of the economy, which has diversified use and multiplier effect on the economy. This year your Company has added 3,251 million kWh of electricity to the national grid. This addition has contributed significantly in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder, you can be proud of your Company's contribution to Bangladesh. In addition, the Company has contributed Tk. 469,627,409 to the national exchequer. The detail is available at Contribution to the National Exchequer & Economy section.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our community involvement focuses on the following key areas are described in '**Corporate Social Responsibility (CSR) Report' of chapter 3**.

- Education – empowering people of all ages with knowledge and skills
- Social and Community Services – promoting well-being of humanity
- Sports – bringing communities together and encouraging healthy living
- Arts and Culture – supporting cultural projects for social development

ACKNOWLEDGEMENT

The Directors would like to extend special thanks to the members of the public, who have placed their confidence on the Company by purchasing shares and supporting the activities of the Company. Without the support of its shareholders, the Company could not have attained what it has achieved today.

Your Directors would like to put on record its deep appreciation of the efforts made by the employees of the Company. Their commitment and passion, both individually and collectively has helped SPL achieve the success that it has today. The Board also recognizes and appreciates the critical support provided by the families of the employees, which enables them to focus on their work in SPL.

The trust and confidence that our valued customers, BPDB, BREB and its members in Palli Bidyut Samitees (PBSs) have placed upon SPL are our main driving force. We accept this trust in all humility and shall continue to strive to live up to the expectations. The Board also expresses its heartfelt appreciation and gratitude to the Power Division, MPEMR, Government of Bangladesh as well as Bangladesh Petroleum Corporation, Jamuna Oil Company Limited, Padma Oil Company Limited, Chittagong Port Authority, National Board of Revenue, Bangladesh Investment Development Authority, Department of Environment, the Deputy Commissioners, the Superintendents of Police, the local administration and the people of the locality for extending their support towards the Company. The Board also extends its best wishes to the contractors and consultants who helped us in running power plants and achieve this growth. We gratefully recognize the lenders from home and abroad for the trust and honor vested in our Company and express our special thanks for a sustainable better future.

The Board would also like to express its humble gratitude to all the stakeholders including the investors, suppliers, banks & financial institutions, insurance companies, service providers, BSEC, Registrar of Bangladesh Joint Stock Companies & Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, the Central Depository Bangladesh Limited, various Government authorities and lastly the individuals and agencies who have helped us to accomplish what we have accomplished so far. Best regards to all the shareholders. May you all have healthy, peaceful and progressive life.

Thank you very much.
On behalf of the Board

Lt Gen (Retd) Engr. Abdul Wadud
Managing Director

Dhaka, 22 September 2019

Communications with Shareholders

Summit wants to maintain interactive flow of information with all of its stakeholders specially the shareholders. We follow Summit Communications Policy to provide clear specific and timely information and data that enables shareholders to be aware of all the important happenings. As a publicly listed company we also closely liaise with BSEC, DSE and CSE to apprise them.

Three Categories of Information Disclosures

Continuous Disclosure	Periodic Disclosure	Event-based Disclosure
These are the core disclosure and primary method of informing the shareholders and media. We diligently update the SPL website and monitor that all regulatory requirements are met.	In the form of quarterly and yearly reporting of financial results such as price sensitive information (PSI) and any other issues are publicized.	As per due diligence, regulatory obligations and corporate developments, we inform usually in the form of media releases.

Continuous Disclosure

In compliance with continuous disclosure requirements, the Company regularly communicates information concerning any development that has major impact on the operations of the business and/or to its shareholders.



SPL Website:

This year SPL website's design was upgraded, Website navigation and mobile menu has been changed for better user experience that allows easy access of all contents. As a result website bounce rate has been reduced by almost 3%. The SPL website is part of Summit Power International website and the URL is www.summitpowerinternational.com/SPL

The SPL section of the website includes all the financial results, key performance indicators, compliance report along with other important financial and non-financial data and shareholding information. This year the SPL website was visited by over one lakh unique visitors mostly from Bangladesh, USA and Singapore. The total number of page views were more than doubled this year. Many companies and news portals referred our websites i.e. backlinks again more than doubling this year.

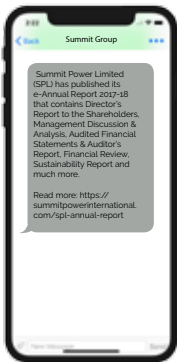
Regulators' Websites:

Notices such as the record date and notice of Annual General Meeting are reported to the DSE and CSE, so the updated information can be found on the regulator's website.

Periodic Disclosure

Direct Communications: The Company uploads the Annual, Half Yearly and Quarterly Reports to the shareholders on the SPL website so they can easily access the information to make their valuable decisions. These reports are also kept available at the head office of the Company to be offered to any stakeholder upon request.

We have created a dedicated email address spl.investorrelations@summit-centre.com from which we have emailed the Shareholding Certificates to over three hundred shareholders to their preferred email addresses. We have sent over eighteen thousand bulk SMS to the mobile number of shareholders informing them that they can request certificates over email.



Print and Online Newspapers: All the price sensitive information (PSI), notices and financial disclosures are published in English and Bangla national dailies as well as online news portals. In this financial year we have improved the design of the PSI, Financial Statements and Notices are now more reader friendly.

Social Media: Social media has brought in a sea of changes in corporate communication by expediting the time it used to take to reach to individual investors. The Facebook page of SPL is the same as Summit Power International page. The official address of the page is www.facebook.com/summitpowerintl. Since 2017 the number of followers have increased to over eight thousand from zero. The total 'reach' of the posts are **12,383,525** (one crore twenty three lakh eighty three thousand and five hundred twenty five).

Social Media Overview

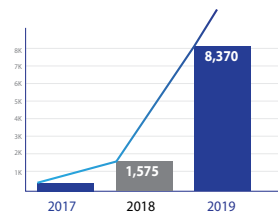
8,370 PAGE FOLLOWERS

12,383,525

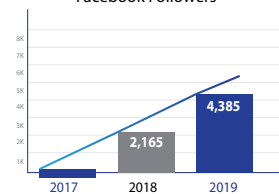
OF PEOPLE REACHED ALTOGETHER THIS YEAR



The most viewed Facebook post was on Cash Dividend on Summit Power Limited with over 1.3 million reach.



Facebook Followers



Website visitors referred from social media

Event-based Disclosure

Media Release:

The media release aims at helping journalists, academia and public to report on corporate governance and raise public awareness of the impact Summit Power Limited has on shareholders, auxiliary businesses, industry and community of stakeholders. This year more than seven hundred articles were published in national dailies as well as online portals.

Annual General Meeting (AGM): The Company recognizes the rights of the shareholders and accordingly makes sure that their right to express their opinions are guaranteed through the Annual General Meeting (AGM).

The Company requires the entire Board of Directors to attend the AGM so that they can answer the shareholders' queries regarding the financial and operating results of the Company. These general meetings are highly effective in facilitating communication between the shareholders and the Company as they clarify many investment related queries.

Internal Communications: A total of 60 e-newsletters were circulated to over five hundred employees of Summit Group. Over 28,709 bulk SMS have been sent to employees to inform about the company updates. This ensures that all the employees are aware of policies and development enabling them to respond correctly to shareholders as well as work towards common organizational goals.

Media Communications:

Electronic Media



Chairman of Summit Power Limited Muhammed Aziz Khan responding to the journalists.



In 'ATN News - Summit Power Talk', Ayesha Aziz Khan, MD & CEO of Summit Power International talks about bringing in large equity to Bangladesh with Wendy Werner, Country Manager of IFC Bangladesh and discusses IFC - International Finance Corporation as partner and investor in Summit Power International, moderated by award winning journalist Munni Saha.

Print Media



Audience Growth of E-News Letter



Our Management System

SPL is driven by its vision, mission and objective. To materialize the Company’s mission, it requires an Integrated Management System (IMS) that combines all the objectives, policies and procedures into one system. The system is guided by the Board of Directors, maintained by an experienced management team and monitored by internal and external audit teams. On the other hand, the management should maintain a standard system, which is verified by international bodies – regulators, sponsors, lenders and standards. In the case of SPL, the management has implemented an Integrated Management System (IMS), which is a well blend of ISO 9001: 2015 - Quality Management System (QMS), ISO 14001: 2015 - Environmental Management System (EMS) and BS 18001: 2007 Occupational Health and Safety Assessment System (OHSAS).

VISION

To provide quality and uninterrupted electricity to the vast majority of rural Bangladesh for their personal, social and economic development.

MISSION

“Empowering Bangladesh”

To expand the Company into a power generation capacity to tune about 20% of the electricity requirement of Bangladesh and maintain that level.

OBJECTIVES

- Generate and provide uninterrupted, reasonably priced electricity to our customers.
- Efficient utilization of capital, machines, materials and human resources.
- Continuous improvement of customer satisfaction and resource management.

SPL is directly guided by its Board of Directors and in many cases by its parent companies. SPL is the subsidiary Company of Summit Corporation Limited (SCL), which is a subsidiary of Summit Power International Limited, based in Singapore.

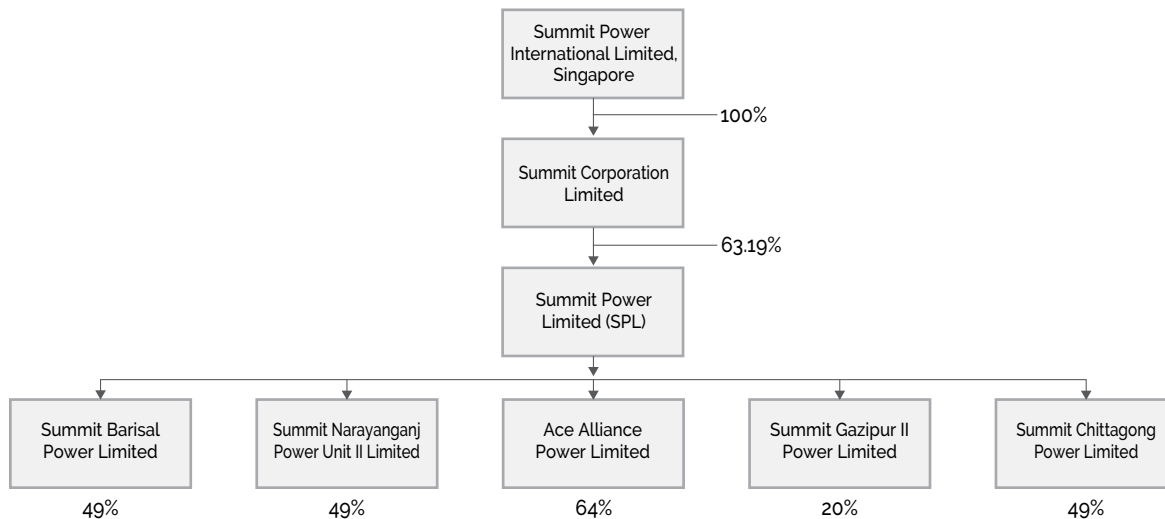


Chart: The holding structure of the Summit Power Limited is shown graphically.

Summit has a qualified management team lead by a very experienced and highly reputed Managing Director. The management has three Senior General Managers to lead Operation and Maintenance team, three General Managers to lead Standard, Compliance, Development, Human Resource and Administration team, Procurement, Inventory and Training, two Deputy General Manager to lead Electrical & Instrumentation and Project Development team and Financial Controller & Company Secretary and Deputy General Manager to lead Finance, Accounts and Secretarial team. All the teams are under one Integrated Management System (IMS). The system has very specific Standard Operating Procedure for each job. The management is very well aware about Corporate Governance and Compliance.

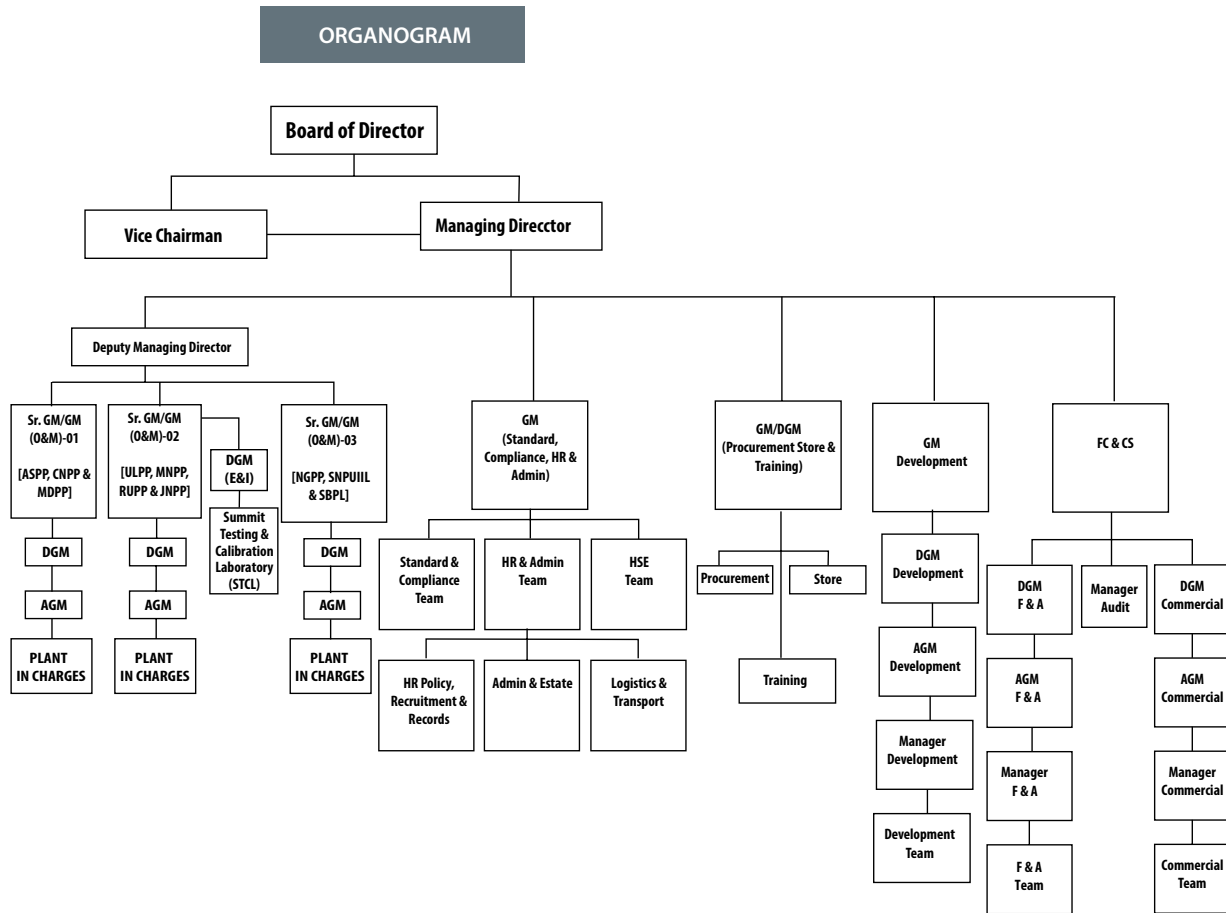


Chart: The organogram of Summit Power Limited.

The internal control system of SPL is rich in various dimensions. Summit Corporation Limited (SCL) has a common Internal Audit team, which monitors SPL along with the parent and other subsidiary companies of the group. SPL has different committees to execute the guidelines and ensure the smooth operation of the Board.

Management Review and Responsibilities

The Management of Summit Power Limited (SPL) formulates and implements operational and tactical plan to align the organization as per strategic objectives and policies provided by the Board. In Summit, the Management is in full control of the Company's affairs and is also accountable to the Board. The Management firmly believes that the success of the Company is achieved through fair practice of the corporate governance framework.

In discharging its responsibilities, which are aligned with the defined policies and objectives of the Board of Directors, the Management fulfills certain key functions including:

- Implementing and providing feedback about - the corporate strategy, major plans of action, risk policy, annual budgets and business plans and performance objectives.
- Assisting the Board to ensure the integrity of the Company's accounting and financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Assisting the Board to review the Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- Assisting the Board to monitor and implement the effectiveness of the approved strategic plans by adopting relevant tactical and operating plans.
- Establishing Company's values as set by the Board.
- Monitoring and providing feedback about the corporate governance of the Company to the Board.

The Management builds the confidence of the Board by ensuring that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders and other stakeholders while optimizing the wealth of the Company.

Management Discussion and Analysis

Management discussion are held as and when required to analyse in detail about the Company's activities focusing among others, on the flowing issues in particular.

(a) Accounting policies and estimation:

We have applied accounting policies consistently to all periods presented while preparing the financial statements. We have applied International Financial Reporting Standards (IFRS) to transactions, other events or conditions to their full extent as applicable. The applicable significant accounting policies and estimation are well elaborated in note 47 of the financial statements.

In the absence of applicable IFRSs to any particular transactions, other events or conditions, we have used our best judgement in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users and is reliable.

(b) Changes in accounting policies and estimation:

We usually change an accounting policy only when the change is required by a IFRS or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance or cash flows. A detailed break-down of such changes/restatements are given in the notes to the financial statements.

(c) Comparative analysis of financial performance and financial position as well as cash flows for current year with immediate preceding five years explaining the reasons thereof:

We have presented a comprehensive financial highlights for all the relevant periods containing financial performance, financial position, cash flows and important financial ratio in the Chapter 4 of this annual report.

As the financial highlights presented, the detailed comparative analysis thereon are as following:

- Revenue has increased over the years since 2014 by 208% and on average by 41.70% each year and stood at Tk. 30,472 million for the year ended 30 June 2019;
- Net profit attributable to owners of the Company has also increased over the years since 2014 by 130% and on average by 26% each year and stood at Tk. 5,105 million for the year ended 30 June 2019;
- Total assets of the Company has also increased over the years since 2014 by 159% and on average by 31.87% each year and stood at Tk. 70,136 million as on 30 June 2019;
- Shareholders' equity has also increased over the years since 2014 by 70.54% and on average by 14.11% each year and stood at Tk. 34,596 million as on 30 June 2019;
- After maintaining last year 30% cash dividend, the cash and cash equivalent stood at Tk. 2,146 million

(separate accounts) which helped management declare dividend @ 35% this year as well after taking into consideration of dividend income from subsidiaries and associates;

- Earnings per share (EPS) has also increased over the years since 2014 by 46.63% and on average by 9.33% each year and stood at Tk. 4.78 per share for the year ended 30 June 2019;
- Net asset value (NAV) per share has also increased over the years since 2014 by 25.70% and on average by 5.14% each year and stood at Tk. 32.40 per share as on 30 June 2019.

In summary, the recent years of performance has established SPL as a leading Company in the industry and boosted its reputation. Thus resulted in a row of awards for best performer declared in the Power and Energy Week, Asian Power 2018 and Finance Asia 2017.

(d) Comparative analysis of financial performance and financial position as well as cash flows with peer industry scenario:

Again as presented in the financial highlights, the comparative analysis of financial performance, financial position and cash flows with other relevant financial ratio and other industry performance parameter are described as following:

- The assets base is above the industry average;
- The revenue of the Company is also above the industry average of Tk. 11,407 million;
- The net profit of the Company is also above the industry average of Tk. 1,952 million;
- Over the years the Company has taken foreign currency loan about USD 335 million for developing its five power projects of 748 MW on its own;
- As listed company, the current P/E ratio is far below of industry average of 15 which indicates the likelihood of further share price hike;
- Large capitalization of the Company help attract competitive rated short term and long term loan compared to the other players in the industry;
- The Group has become pioneer by producing 1,941 MW out of total private sector power generation capacity of 12,544 MW (out of 22,051 MW in total national capacity).

(e) Financial and economic scenario of the country and the world:

As stated in the Directors' Report, The FY 2019 was generally a slightly subdued world economic year with a growth of 3.1%. The significant economic events in the year were United States-China trade issue, United

Kingdom and the European Union – Brexit and free trade area encompassing Canada, Mexico & United States. This sluggish growth is likely to motivate resolution of trade policy differences, development of accommodative monetary and multidimensional fiscal policy. All these may eventually end up with a reduced geopolitical tension, contributing to relatively stabilized world economic growth, which is projected to be 3.5% for FY 2020.

Bangladesh has undergone major socio-economic development in last few years, especially in rapid expansion of information technology, construction and manufacturing sector. These transformations have boosted Bangladesh from a low-income country to a lower-middle income country. The country has achieved the fastest growth in the Asia-Pacific economics comprised of 45 countries with a growth rate of 7.9% in FY 2019. The drivers of this growth have been identified as higher public investment, stronger consumption demand, revival in export, improved power supply and higher growth in private sector credit. The prediction of the economic growth for FY 2020 is 8%, which is still higher than all other countries in the Asia-Pacific region.

(f) Risks and concerns related to the financial statements:

Within the context of changes in global economy and financial market including the expansion of emerging markets, the financial and economic practices have shifted in a radical pace. Changes in contractual concept in work business, expansion of more and more cross-border business urge world accounting bodies and forums to set new accounting standards and practices for address business requirement by providing more reliable and relevant information to the economic decision makers. Hence, in summary, the risks and concerns related to Company's financial statements are as following:

- To understand, identify and recognize cross-border transactions, other events or conditions properly;
- To understand, identify and recognize foreign currency based transactions, other events or conditions including its timely currency valuation effects properly;
- Recent development in world financial market has boosted the interest rate volatility; thus Company has contracted for Interest Rate Swap (IRS) to reduce interest rate risk. The accounting for IRS is much challenging because of reliable measurement of IRS fair value and accounting for the same;
- Recognition and presentation of property, plant & equipment including classification of spare parts are now a days very challenging job to reflect the effect reliably; and
- Identification and recognition of deferred tax

issues on property, plant & equipment is now a days challenging due to its effect in the financial statements correctness and reliability;

- Recognition of revenue and trade receivables in line with contractual provisions including the receivable management have become concern in preparation and presentation of reliable financial statements.

To mitigate the above risk concerns and challenges, the Company has a well set of internal control system including the Internal Audit team under the guidance of Audit Committee and under the direct consultation with competent external auditors. Talented pool of employees are well aware of the risk concerns and they are nominated for training and workshop program for skill development in the challenging areas so that they can identify, measure, recognize and condition relevantly and reliably. Moreover, corporate financial reporting team continuously guides local reporting team in critical areas of financial reporting and disclosures.

(g) Future plan for Company's operation, performance and financial position:

The Company has recently installed Enterprise Resource Planning (ERP) system - Microsoft Dynamics NAV to integrate and manage its financial data processing & reporting, operation data procession & reporting and integrating the manufacturing system including power plant maintenance system into ERP.

Last couple of years, the Company has increased its power generation capacity into double. To keep pace with 24,000 MW of additional capacity by 2021, 40,000 MW by 2030 and 60,000 MW by 2041 from national present capacity of 22,051 MW, private sector, specially, Summit Power Limited is trying to add more and more power plants.



Lt. Gen. (Retd.) Engr. Abdul Wadud
Managing Director

Executive Team



Management Team



Management Team

Mr. Muhammed Aziz Khan
 Mr. Md. Latif Khan
 Ms. Anjuman Aziz Khan
 Mr. Jafer Ummeed Khan
 Mr. Md. Farid Khan
 Ms. Ayesha Aziz Khan
 Mr. Faisal Karim Khan
 Ms. Azeeza Aziz Khan
 Lt. Gen. (Retd.) Engr. Abdul Wadud
 Mr. Faruq Ahmed Siddiqi
 Mr. Syed Fazlul Haque FCA
 Mr. Helal Uddin Ahmed
 Mr. Md. Arif Al Islam

Mr. Mustafizur Rahman Khan
 Engr. Md. Mozammel Hossain
 Engr. Md. Solaiman Patwary
 Engr. Md. Abdus Sobhan
 Engr. A. K. M. Asadul Alam Siddique
 Mr. Swapon Kumar Pal FCA
 Engr. Md. Anisur Rahman
 Engr. Md. Nazmul Hasan
 Engr. Md. Nazrul Islam Khan
 Mr. Tofayel Ahmed ACA



Introduction of the Senior Executives



Engr. Md. Mozammel Hossain

Managing Director
Summit Gazipur II Power Limited
Ace Alliance Power Limited and
Summit Chittagong Power Limited

Mr. Md. Mozammel Hossain is the Managing Director of Summit Gazipur II Power Limited and Ace Alliance Power Limited since inception of these two companies. He has joined Summit Power Limited in 2011 as Deputy Managing Director and continuing the position. Mr. Hossain started his professional career in Bangladesh Power Development Board (BPDB) in 1976 and worked mostly in power generation and transmission projects in different positions. In 2001, he had switched over to Power Grid Company of Bangladesh Ltd. (PGCB) as Deputy General Manager and elevated up to the position of Director, Technical. In 2011 he took voluntary retirement from PGCB and joined Summit Group. He had obtained various training in foreign countries as well as in local institutes and has visited a number of countries. Mr. Hossain obtained Power Development Board Merit Award for the Year in 1982 and Annual Performance Recognition Award of Asian Development Bank in 2008. Under his leadership the 300 MW of Summit Gazipur II Power Limited was implemented in a record period of 9 months and received awards for the fastest implemented project from Asian Power. Also this project got the prize from Honorable Prime Minister of Bangladesh for fastest implementation. The Summit Gazipur 149 MW Ace Alliance Power Limited was also implemented at the same time under his leadership.



Engr. Md. Solaiman Patwary

Senior General Manager
(Operation & Maintenance)

Mr. Patwary started his career as Junior Engineer in ocean-going ship in 1979 after completing Marine Academy Cadetship and workshop training at Chittagong. He has 21 years of experience in foreign flag vessels as Junior Engineer, 5th engineer, 4th engineer, 3rd engineer, 2nd engineer and Chief Engineer (12 years as Chief Engineer) in many types of ships. He obtained certificate of competency Class 2 Engineer (Motor) from Singapore and Class I Marine Engineering degree from England. He joined Summit Power Limited in 2000 at the initial stage of the Company. He has great contribution in the success of the Company in terms of operation and maintenance. He visited all parts of the world and attended various training, workshop and seminars at both home and abroad.



Engr. Md. Abdus Sobhan

Senior General Manager
(Operation & Maintenance)

Mr. Sobhan is an Electrical Engineer, graduated from BUET in 1977 and secured 1st Class. He completed his MBA in Finance & Banking. He is a fellow of the Institution of Engineers, Bangladesh. Before joining to Summit in 2000, Mr. Sobhan had 22 years of experience in different Government, Semi-Government and Private organizations at home and abroad. In 1977, he started his career from Khulna Engineering College as a Lecturer in Electrical Engineering department.

He had 18 years of experience in 450 MW steam, gas turbine power plants and seawater desalination plants in the Secretariat of Electricity under the Government of Libya. During last 19 years of service at SPL, Mr. Sobhan has actively participated in different areas of power sector such as planning, installation, testing, commissioning, operation and maintenance of power plants.



Engr. A. K. M. Asadul Alam Siddique

Senior General Manager
(Operation & Maintenance)

Mr. A. K. M Asadul Alam Siddique completed his graduation from Naval Architecture & Marine Engineering from BUET in 1987. He is a life fellow of the Institution of Engineers, Bangladesh. He completed his class II and class I Marine Engineering from U.K. in 1993 and 1996 respectively.

Prior joining to Summit in 2003, Mr. Asad has accumulated 16 years of experience in different organizations at home and abroad. He started his career as Naval Architect with the 'Ship Designer & Consultant' in 1987. After that he joined in Bangladesh Shipping Corporation as Cadet Engineer and continued to serve in ocean-going vessel of BSC and foreign Companies up to Chief Engineer. He also received an MBA degree in Finance and Banking.



Engr. Md. Anisur Rahman

General Manager (Standard Compliance
& Development, HR & Admin)

Mr. Md. Anisur Rahman obtained his B.Sc. Engineering degree in 1981 and he is the fellow of the Institution of Engineers, Bangladesh. After completing his graduation, he joined in Bangladesh Rural Electrification Board (BREB). He served as Assistant General Manager, Deputy General Manager and General Manager in various electric utilities under BREB with the duties and responsibilities of maintenance and operation of distribution system, construction of distribution lines, supply of power to the consumers, all kinds of financial and administrative activities and keeping liaison with the Government, Semi-government, Local Government authorities, autonomous bodies and developing agencies. After emergence of power generation in private sector, he switched over his career and joined in Energies Power Corporation Limited, a private power generation company as General Manager (O&M) in 55 MW heavy fuel oil based power plant at Sikabaha, Chittagong. He joined in Summit Narayanganj Power Limited in 2011 as General Manager (O&M). After then he has been serving as General Manager (SC & Dev., HR & Admin). He attended various on the job trainings, workshops and seminars at home and abroad e.g. USA, UK and India.



Swapon Kumar Pal FCA

Financial Controller &
Company Secretary

As Summits' Financial Controller & Company Secretary, Mr. Pal is responsible for financial reporting, treasury management, budgeting, project financing and compliance with statutory and regulatory bodies. He has over 15 years of professional experience in finance, accounts, audit and secretarial field. Mr. Pal is a qualified Chartered Accountant under the Institute of Chartered Accountants of Bangladesh (ICAB) and completed his article-ship on Chartered Accountancy from Rahman Rahman Huq (the member firm of KPMG International in Bangladesh). He received his MBA and BBA degrees in Accounting & Information Systems (AIS) from University of Dhaka.

He joined at Summit in September 2009. Before promoting to the current position, Mr. Pal initially worked as Manager - Internal Audit, Assistant General Manager - Internal Audit and then Deputy Financial Controller in Summit Power Limited and its subsidiaries. During his rich career, he had attended different trainings, seminars and visited many countries e.g. Singapore, Indonesia, England, Italy and Finland.



Engr. Md. Nazmul Hasan

General Manager (Procurement,
Inventory & Training)

A marine engineer Mr. Md. Nazmul Hasan obtained his Marine Engineering Certificate of Competency (Class 1) from Singapore. He also received an MBA degree in Operations Management. He started his career in Bangladesh Shipping Corporation (BSC) in 1992 and got 15 years of professional experience as 5th Engineer to Chief Engineer in ocean-going ships of BSC and other foreign Companies. He also worked as Deputy General Manager of Ship Repair Department of BSC. He joined in Summit Power in 2008 as Plant Manager of Rupgonj Power Plant. From 2011, he is responsible for procurement, inventory and training.



Kashfia Nazneen Firdous

General Manager &
Group Head of Internal Audit,
Compliance & Reporting

Ms. Kashfia Nazneen Firdous is an audit and finance professional with more than 12 years of experience, specializing in internal audit and compliance. She began her career in 2007 as an external auditor with Ernst & Young, LLP in USA, one of the global big four audit firms, with mostly real estate clientele. After returning to Bangladesh in 2008, she has developed and headed the internal audit and risk management functions of GlaxoSmithKline Bangladesh Limited, one of the largest pharmaceuticals in the world and later developed the Internal Audit function at icddr, an international leader in public health research. Before joining Summit, she was in a Senior Compliance Analyst role in Chevron Bangladesh, a leader in global oil and gas industry, as a Sarbanes-Oxley (SOX) assessor & business process analyst.

Kashfia completed her Bachelor's in both Accounting and Philosophy from Ohio Wesleyan University in USA. She holds international training in Fraud Identification Assessment, Fraud & Forensic Accounting, Quality Audit and External Audit & Assurance.

She has long-standing membership in international organizations such as The Institute of Internal Auditors (IIA) and Ernst & Young Alumni Association. She has also trained many employees extensively on Business Ethics, Internal Audit and Risk Management throughout her career.



Engr. Md. Nazrul Islam Khan

General Manager (Electrical &
Instrumentation)

Mr. Khan is an Electrical Engineer, graduated from BUET in 1975. He is a life fellow of Institute of Engineers, Bangladesh. Prior to joining Summit in 2007, Mr. Khan accumulated 37 years of professional experience in different Government, semi Government and private organizations in home and abroad. He also participated in various trainings and seminars in Bangladesh and in foreign countries.

**Engr. Md. Abdul Hakim**

Deputy General Manager,
Development
Summit Power Limited and
Plant In-Charge
Summit Gazipur II Power Limited and
Ace Alliance Power Limited

Mr. Md. Abdul Hakim is the Deputy General Manager, Development of Summit Power Limited and Plant In-Charge of Summit Gazipur Power Plants (450 MW) with about 10 years' experience in Government power distribution system. He obtained degree in Electrical & Electronics Engineering from Rajshahi University of Engineering & Technology (RUET). He also completed Masters of Business Administration (MBA) from a reputed university in Dhaka. Mr. Abdul Hakim started his professional career in Bangladesh Rural Electrification Board (BREB) in 1998 and worked mostly in critical power distribution area.

In 2008 he joined in Summit Power Limited as Deputy Plant Manager and Plant In-Charge. He has contributed in successful completion of Ullapara 11 MW, Barisal 120 MW and Narayanganj II 55 MW power plants. He has worked as Project Manager and Head of Project, and successfully implemented the 300 MW Summit Gazipur II Power Limited in record period of nine months and 149 MW Summit Ace Alliance Power Limited as well at the same period.

**Tofayel Ahmed ACA**

Deputy General Manager
Finance & Accounts

Mr. Tofayel Ahmed is a finance & accounts professional with vast experience in cross functional, multicultural and fast paced environment. He also served as Assistant General Manager, Finance & Accounts since he joined Summit in 2017. Mr. Ahmed is responsible for reporting, budgeting, guiding the improvement of Enterprise Resource Planning (ERP) system. He played a key role in implementation of ERP system in Summit. Prior to join Summit, Mr. Ahmed worked in Marico Bangladesh Limited in different capacities within finance & accounts function.

Mr. Ahmed is an Associate Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He completed his article-ship on Chartered Accountancy from Rahman Rahman Huq, member firm of KPMG International in Bangladesh and obtained BBA and MBA degree in Accounting & Information Systems (AIS) from University of Dhaka.

Plant Managers and In-Charges



FROM LEFT: (SITTING)

Mr. Hafiz Al Atick, Assistant General Manager, Narayanganj Power Plant (Unit I & II)
 Mr. Bishwajit Shaha, Plant Manager, Madhabdi Power Plant
 Mr. Mohammed Shameem, Plant Manager, Chandina Power Plant
 Mr. S. M. Ali Ahsan, Assistant General Manager, Barisal Power Plant
 Mr. Md. Anisur Rahman, Plant Manager, Jangalia Power Plant
 Mr. Asif Ahammad, Plant Manager, Narayanganj Power Plant (Unit II, Not in photo)

FROM LEFT: (STANDING)

Mr. Md. Abu Hanif, Plant Manager, Maona Power Plant
 Mr. Md. Anisur Rahman, Deputy Plant Manager Madhabdi Power Plant
 Mr. Santosh Barai, Plant Manager, Ashulia Power Plant
 Mr. Md. Anwarul Iqbal Sheikh, Plant Manager, Ruppaganj Power Plant
 Mr. Md. Faridul Islam, Plant Manager, Narayanganj Power Plant
 Mr. Md. Arifur Rahman Chowdhury, Plant Manager, Ullapara Power Plant (Not in photo)



FROM LEFT: (STANDING)

Engr. Md. Abubakar Siddique
 Plant Manager
 Summit Gazipur II Power Limited

 Engr. Mohammad Omar Sharif
 Plant Manager
 Summit Gazipur II Power Limited

 Engr. Md. Abdul Hakim
 Deputy General
 Manager (Development) &
 Plant In Charge
 Summit Ace Alliance Power
 Limited & Summit Gazipur II
 Power Limited

 Engr. Md. Shamsul Arefin
 Plant Manager
 Summit Ace Alliance Power
 Limited

Certificate on Compliance on the Corporate Governance Code

Mak & Co. Chartered Accountants

Certificate on Compliance on the Corporate Governance Code
[Issued under condition # 1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018]

We have examined the compliance status to the Corporate Governance Code by “Summit Power Limited” for the year ended on 30 June, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission.

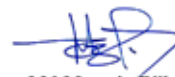
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.


We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as specify in compliance status checklist;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Place: Dhaka
2019, October 27



Md. Mostain Billah, FCA
Partner,
Mak & Co.
Chartered Accountants

 BSEC Bhaban (Level - 11)
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 **SFAI**
Member Firm of SFAC USA

Code of Conduct and Ethics

Code of Conduct and Ethics

The Code of Conduct and Ethics applies to the Directors, Management and all employees of Summit Power Limited (SPL) and each subsidiary and associate of SPL. Aligning with the Company mission, vision, strategy and corporate governance this code of conduct and ethics are practiced. These codes have a great influence in the sustainable development, implementation and practice of Integrated Management System (IMS).

A. OBJECTIVE

Summit Corporation Limited is the major sponsor of SPL and therefore all the standards of Code of Conduct and Ethics are being followed in SPL in the course of carrying its business stem from its sponsor. Summit holds the values with which it conducts business in high esteem. It has and will continue to uphold the highest level of business ethics and personal integrity. Following suit, SPL's Code of Business Conduct and Ethics serves to: (1) Emphasize the Group's commitment to ethics and compliance with the laws; (2) Set forth basic standards of ethical and legal behavior; (3) Provide reporting mechanisms for known or suspected ethical or legal violations; and (4) Help prevent and detect wrong doings. Given the variety and complexity of ethical questions that may arise in the course of SPL's business, this Code of Business Conduct and Ethics serves only as a guide. Confronted with ethically ambiguous situations, all should remember the SPL's commitment to the highest ethical standards and seek advice from supervisors, managers or other appropriate personnel to ensure that all actions they take on behalf of SPL honor this commitment.

B. ETHICAL STANDARDS

Conflicts of Interest

A conflict of interest exists when a person's private interest interferes in any way with the interests of SPL. A conflict can arise when one takes actions or has interests that may make it difficult to perform his or her work for SPL objectively and effectively. Conflicts of interest may also arise when an affiliate, or members of his or her family, receives improper personal benefits as a result of his or her position in the Group. It is always a conflict of interest for an officer to work simultaneously for a competitor, customer and supplier or for that matter any other establishment against precursory benefit.

Conflicts of interest may not always be clear-cut, so if anyone has a dilemma, he/she should consult with his/ her supervisor or manager or, the Chief Financial Officer or chief legal counsel of SPL. Any officer who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section E of this Code.

All Directors and Executive officers of the Group, and the Chief Executive Officers and Chief Financial Officers shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Group.

Corporate Opportunities

All officers are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors of SPL. No officer may use corporate property, information or position for improper personal gain and no employee may compete with the Group directly or indirectly. Officers owe a duty to the Group to advance its legitimate interests whenever possible.

Fair Dealing

Officers shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically competitors, suppliers, customers, and colleagues. No officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice. The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered or accepted unless it is consistent with customary business practices, cannot be construed as a bribe or payoff and does not violate any laws or regulations. Officers should discuss with their supervisors, managers or other appropriate personnel regarding any gifts or proposed gifts which they think may be inappropriate.

Insider Trading

Officers who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except for the conduct of SPL's business. All non-public information about the SPL should be considered confidential information.

Confidentiality

Officers must maintain the confidentiality of confidential information entrusted to them. Confidential information includes all non-public information whose disclosure might be of use to competitors or harmful to the SPL or its customers. It also includes information that suppliers and customers have entrusted to the SPL. The obligation to preserve confidential information continues even after employment ends.

Discrimination & Harassment

Discrimination means any distinction, exclusion or preference limiting equality or opportunity which may be based on color, sex, religion, political opinion, age, national, social or ethnic origins, or any other considerations in this matter. All officers are instructed and expected to avoid engaging in any sort of discriminatory practice.

Protection and Proper Use of SPL Assets

All should endeavor to protect SPL's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on SPL's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The SPL's equipment should

not be used for non-SPL business, though incidental personal use is permitted.

The obligation of officers to protect SPL's assets, also include protecting its proprietary information. Proprietary information includes trade secrets, trademarks, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate SPL policy. It could also be illegal and result in civil or criminal penalties.

Health and Safety of Officers

Each officer is responsible for maintaining a safe and healthy work environment and is obligated to report any kind of accidents, injuries, unsafe conditions, procedures, or behaviors etc. Any sort of violence or threatening behavior on the part of an officer will not be tolerated. Officers are prohibited to report to work under the influence of illegal drugs or alcohol.

Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which SPL's ethical standards are built. In conducting the business of SPL, the officers shall comply with applicable governmental laws, rules and regulations set by the Government of Bangladesh.

Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to the Securities and Exchange Commission, stock exchanges and other regulators by SPL, and in other public communications made by SPL, the officer involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable.

Significant Accounting Deficiencies

The CEO and each senior Financial Officer shall promptly bring to the attention of the Board any information he or she may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect SPL's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in SPL's financial reporting, disclosures or internal control over financial reporting.

C. WAIVERS

Any waiver of this Code for executive officers or directors may be made only by the SPL's Board of Directors.

D. VIOLATIONS OF ETHICAL STANDARDS

Reporting Known or Suspected Violations

The SPL's Directors, CEO, Senior Financial Officers and Chief Legal officer shall promptly report any known or suspected violations of this Code to the Chairman. All other officers should talk to supervisors, managers or other appropriate personnel about known or suspected illegal or unethical behavior.

Accountability for Violations

If the SPL's Audit Committees or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending officers may be disciplined for non-compliance with penalties up to and including removal from office or dismissal. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending officers and SPL. All Covered Parties are expected to cooperate in internal investigations of misconduct.

E. COMPLIANCE PROCEDURES

All must work together to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. Steps to keep in mind are as follows –

Make sure you have all the facts. In order to reach the right solutions, we must be as informed as possible.

Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

Discuss the problem with your manager. This is the basic guidance for all situations. In many cases, your superior will be more knowledgeable about the questions, and he or she will appreciate being consulted as part of the decision making process.

You may report ethical violations in confidence without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with SPL's legal obligations. The SPL in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.

Ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

Various Policies and Manuals

In implementing the Integrated Management System (IMS), Summit Power Limited (SPL) has adopted the following policies:

QUALITY POLICIES:

- Establishing a Quality Management System (QMS) as per ISO 9001:2015 and maintain it with commitment for continual improvement of the QMS.
- Consider quality as an integral part of any activity, not being dissociated or delegated.
- Apply quality management as a dynamic, evolutionary practice, with permanent feedback and improve the performance in the areas of Energy Export, Fuel Consumption per MWH of Energy Export, Engine Running Time (Generation Period), Availability Factor, Heat Rate per Day, Shut Down (Mechanical), Shut Down (Electrical), Shut Down (Sub-Station), Shut Down (Less Energy Demand), No. of Voltage Fluctuation (Beyond Range), No. of Frequency Fluctuation (Beyond Range).
- Commit the entire Company, suppliers and business partners to the highest quality standards of services provided to the customer, while complying fully with the legal requirement of the generation and supply of electricity.
- Provide education and training programs for the employees in issues related to quality, extensible to suppliers and business partners.
- Evaluate and recognize the quality of the work performed by the employees, individually or collectively, as well as by suppliers or business partners.
- This policy is communicated to all the employees within all relevant levels of the organization, and communicate to them.
- Reviewed from time to time for its continuing sustainability.

ENVIRONMENTAL POLICIES:

Summit Power Limited (SPL), is very much aware of its social responsibility and sensitive to the global environment protection efforts, and considers its mission to contribute to the sustainable development of the country. Continuous improvement, waste minimization, pollution prevention, as well as the commitment of the employees will be the basis for the implementation of this policy. Therefore, SPL commits to:

- Practice environmental management as a dynamic, evolutionary process, and with continuous feedback process.
- Seek full compliance with legislation, applicable standards, and other requirements, resulting from

agreements signed by the organization, and wherever possible, overcome them.

- Minimize any significant adverse environmental impacts of new developments using integrated environmental management procedures and planning.
- Provide the sites with adequate facilities, aiming at environmental protection and associated employee-workplace environment.
- Implement generation techniques and use of resources that judiciously minimize the generation of waste that is hazardous to the environment.
- Encourage the adoption of these principles by suppliers, partners and service providers.
- Disseminate this policy by educating and training employees, and encourage them to conduct their activities in an environmentally responsible manner.

OCCUPATIONAL HEALTH AND SAFETY POLICIES:

Summit Power Limited (SPL) strongly believes that the achievement of organizational success must be accompanied by a resolute commitment towards the health and safety of all its employees. SPL commits itself to the following BS 18001: 2007 Occupational Health and Safety Assessment System (OHSAS), Policy:

- Ensure a healthy and safe work environment to employees and provide resources for awareness, preliminary risk evaluation, training and monitoring of health and accident risks.
- Ensure consistency of SPL's health and safety procedures with the relevant legislative requirements, other requirements to which SPL subscribes and introduce necessary additional requirements to make certain of a safe and healthy workplace.
- Incorporate occupational health and safety considerations in the planning stage of product and process design.
- Continually strive to eliminate any foreseeable hazards, which may result in property damage, accidents, or personal injury/illness.
- Continually improve in OHS management and OHS performance.
- Be prepared for emergencies and act promptly to eliminate their resulting incidents/accidents.

SOCIAL POLICIES:

Summit Power Limited (SPL), aware of their social responsibility, sensitive to the socio-economic wellbeing of the society, and according to the SPL, considers their mission to contribute to the sustainable development of the country.

Continuous improvement, Grievance mechanism, stake-

holder engagement as well as the commitment of the employees will be the basis for the implementation of this policy.

Therefore, SPL commits to:

- Practice social management as a dynamic, evolutionary process, and with permanent feedback at all phases of SPL project.
- Seek full compliance with legislation, applicable standards, (Including IFC Performance Standard) and other requirements, resulting from agreements signed by the organization and wherever possible, overcome them.
- Avoids or minimize any significant adverse social impacts of new developments, routine and non-routine activities using integrated social management procedures and planning.
- Implement grievance mechanism to resolve grievance arises from the interested parties (community e.g.).
- Implement emergency response plan integrated with community of all sites.
- Implement generation techniques and use of resources that judiciously minimize the negative impact of the society.
- Encourage the adoption of these principles by suppliers, partners and service providers.
- Disseminate this policy by educating and training employees, and encourage them to conduct their activities in a socially responsible manner.
- Communicate to all interested parties.

Aiming at ensuring the implementation of the actions related to meet the system requirements, organizational issues are dealt with by Management Representative supported by the Deputy Management Representatives of Environmental Management and Occupational Health Protection and Safety Management & Social.

A periodic review ensures the suitability of this policy, relevancy and appropriateness to the SPL objectives, as well as to their activities and services.

ANTI BRIBERY & CORRUPTION POLICY

THE POLICY

This document sets out the long-standing policy of Summit Power Limited (SPL) and its subsidiaries on combating bribery and corruption. It was endorsed by the Board of Directors of the Company on May 10, 2014 and applies to all subsidiaries in the Group.

The policy consists of two Principles and a series of Practical Procedures to give effect to those Principles. The objective of the Policy is to clearly set out the Company's Zero Tolerance approach to bribery and corruption.

The Principles

Summit Power Limited (SPL) and its subsidiaries will not pay and will not accept bribes, either directly or via third parties, in any circumstances. Breaches or attempted breaches of the Principle by an employee will be regarded as an act of gross misconduct.

Summit Corporation Limited (SCL) and its subsidiaries will seek to encourage an equivalent policy in other business entities with which it has a significant business relationship.

PRACTICAL PROCEDURES

Responsible Director

Summit Power Limited (SPL) and its subsidiaries will at all times nominate a Director to be responsible for overseeing the application this anti-bribery and corruption policy and the Principles and Practical Procedures and for keeping a written risk assessment up to date.

The Director will be sufficiently senior to be fairly regarded as independently minded.

The first Director responsible for this role is Ms. Ayesha Aziz Khan. In discharging this role she will report to the Board of Directors of the Company.

Training

Compulsory training will be provided to staff so that they are aware of this policy, relevant legislation and their obligations under the policy and their contract of employment.

Senior Management Information

Senior management will be kept informed of the steps to implement the Principles and the Practical Procedures, of the conclusions of any reviews and of any material findings arising out of the work of Ms. Ayesha Aziz Khan.

Review

Summit Power Limited (SPL) and its subsidiaries will monitor, review and at least annually report on the effectiveness of and adherence to its Principles, the Practical Procedures and the steps to implement them. The report will be submitted for approval by the Board of Directors.

Internal Record Keeping

Summit Power Limited (SPL) and its subsidiaries will ensure that records are maintained of such reviews and the consequent reports to its senior management.

Communication

Summit Power Limited (SPL) and its subsidiaries will communicate its Principles and Practical Procedures and its approach to their implementation to its employees and

will publish this policy on its website and in its HR Policy. It will communicate its approach to their implementation to those that supply material goods and services to it both directly by correspondence but also by a clear statement on its website.

Employee Conduct

Employees are required to report any knowledge or suspicions of the offering, request for, receipt or payment of a bribe. A failure to do so may amount to gross misconduct.

No employee will suffer demotion, penalty or other adverse consequence for refusing to pay or accept a bribe even if such a refusal may result in Summit Power Limited (SPL) and its subsidiaries losing business or failing to win a deal.

Whistle blowing

Summit Power Limited (SPL) and its subsidiaries regards the reporting of any instance of bribery or attempted bribery as a legitimate example of 'whistle blowing' and affirms that no employee will suffer demotion, penalty, or other adverse consequences for reporting examples of or suspicions of the offer or request for or the receipt or payment of bribes.

Gifts Register

Summit Power Limited (SPL) and its subsidiaries will continue to keep records of the gifts and corporate hospitality given and received by its staff. These records will be reviewed regularly.

Contractors and Associates

Summit Power Limited (SPL) and its subsidiaries requires screening procedures to be carried out on those of its agents, advisers, contractors, intermediaries, and other representatives who supply material goods and services to it ("Associates") to protect Summit Power Limited (SPL) and its subsidiaries from the risk of it being associated with illegal or corrupt payments (or of payments purportedly being made on its behalf) and to ensure that the highest ethical standards are maintained.

Summit Power Limited (SPL) and its subsidiaries requires that Associates are made aware of its Anti-Bribery Principles and Practical Procedures; to confirm that they will not make or receive any payment that put it in breach of those Principles and that such Associates have adequate procedures for preventing their own staff engaging in the receipt or payment of bribes, kickbacks etc.

Reporting

The report and audited financial statements of Summit Power Limited and its subsidiaries and the Agenda for the Annual General Meeting will include a report on the workings and effectiveness of this policy including the number of reports of bribery and corruption received and a short summary of any investigations into them.

Aiming at ensuring the implementation of the actions related to meet the system requirements, organizational issues are dealt with by Management Representative supported by the Deputy Management Representatives of Quality Management, Environmental Management and Occupational Health and Safety Management.

ACCOUNTING AND FINANCE MANUAL:

Summit Power International ("SPI") group's power business including Summit Power Limited depends on its ability to safeguard and manage effectively and efficiently all funds entrusted to it. Central to this goal is a sound structure of financial management and control to maintain both integrity and confidence. The Accounting and Finance Manual describes the financial procedures for ensuring accountability on effective and efficient use of funds. The procedures are aimed to give Management (including the Board of Directors) accurate, complete and timely financial information. The implementation of this Manual is essential for the successful delivery of Summit Power Limited's services as we conduct our activities morally, ethically, and in the spirit of public accountability and transparency, and in conformity with applicable laws and regulations and practices common with responsible organizations. This Manual has been designed to suit specifically the accounting and financial management practices at Summit Power International, including Summit Power Limited and the general principles and essential features are applicable to all resources no matter their source. As circumstances and requirements change, this Manual shall be updated as necessary. It provides a working document to guide all finance and accounting staff on the procedures to be followed so that there is consistency throughout the group.

HUMAN RESOURCES MANUAL:

Human Resources Manual Policy document is designed to acquaint a member of the employees with Summit Corporation Limited including Summit Power Limited and provide with information about working conditions, employee benefits, and some of the policies affecting one's employment. It describes the responsibilities of an employee and outlines the programs developed by Summit Corporation Limited including Summit Power Limited to benefit employees. One of the of the Policy objectives is to provide a work environment that is conducive to both personal and professional growth.

Various Committees

Audit Committee

Mr. Faruq Ahmad Siddiqi - Chairman
 Lt. Gen. (Retd.) Engr. Abdul Wadud - Member
 Mr. Faisal Karim Khan - Member
 Ms. Azeeza Aziz Khan - Member
 Mr. Syed Fazlul Haque FCA - Member
 Mr. Mustafizur Rahman Khan - Member

Executive Committee

Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director - Chairman
 Mr. Md. Latif Khan, Vice Chairman - Member
 Ms. Ayesha Aziz Khan, Director Finance - Member
 Mr. Faisal Karim Khan, Director Operation - Member
 Engr. Md. Mozammel Hossain, Deputy Managing Director - Member
 Mr. Swapon Kumar Pal FCA, Financial Controller & Company Secretary - Secretary

Purchase Committee

Mr. Md. Latif Khan, Vice Chairman - Chairman
 Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director - Member
 Mr. Faisal Karim Khan, Director Operation - Member
 Engr. Md. Mozammel Hossain, Deputy Managing Director - Member
 Mr. Swapon Kumar Pal FCA, Financial Controller & Company Secretary - Secretary
 Engr. Md. Nazmul Hasan, General Manager (Procurement, Inventory & Training) - Member

Technical Committee

Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director - Chairman
 Engr. Md. Mozammel Hossain, Deputy Managing Director - Member
 Engr. Solaiman Patwary, Senior General Manager (O&M) - Member
 Engr. Abdus Sobhan, Senior General Manager (O&M) - Member
 Engr. A. K. M. Asadul Alam Siddique, Senior General Manager (O&M) - Member
 Engr. Md. Nazmul Hasan, General Manager (Procurement, Inventory & Training) - Member

Operation & Maintenance Committee

Mr. Faisal Karim Khan, Director Operation - Chairman
 Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director - Member
 Engr. Md. Mozammel Hossain, Deputy Managing Director - Member
 Engr. Solaiman Patwary, Senior General Manager (O&M) - Member
 Engr. Abdus Sobhan, Senior General Manager (O&M) - Member
 Engr. A. K. M. Asadul Alam Siddique, Senior General Manager (O&M) - Member
 Engr. Md. Nazmul Hasan, General Manager (Procurement, Inventory & Training) - Member
 Plant In-Charges - Members

Remuneration Committee

Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director - Chairman
 Engr. Md. Mozammel Hossain, Deputy Managing Director - Member
 Engr. Solaiman Patwary, Senior General Manager (O&M) - Member
 Engr. Abdus Sobhan, Senior General Manager (O&M) - Member
 Engr. A. K. M. Asadul Alam Siddique, Senior General Manager (O&M) - Member
 Mr. Md. Anisur Rahman, General Manager (SC&D, HR & Admin) - Member
 Mr. Swapon Kumar Pal FCA, Financial Controller & Company Secretary - Secretary
 Engr. Md. Nazmul Hasan, General Manager (Procurement, Inventory & Training) - Member

Note:

1. O&M – Operation and Maintenance
2. SC&D– Standard Compliance & Development

Audit Committee Report 2018-19

The Audit Committee, appointed by and responsible to the Board of Directors of Summit Power Limited (SPL), is constituted as per the internal control framework of the company Policy and conditions imposed by the Bangladesh Securities and Exchange Commission (BSEC). The present committee comprises of 6 (Six) members of whom two are Independent Directors and two non-executive Directors. The Company secretary functions as the secretary of the committee as well. Meetings of the committee are attended by Managing Director, Head of Internal Audit, engagement partner of External Audit, as necessary, by invitation. All members of the committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control process.

The present committee members, nominated by the Board, are:

Mr. Faruq Ahmed Siddiqi	Independent Director	Chairman
Mr. Mustafizur Rahman Khan	Independent Director	Member
Mr. Syed Fazlul Haque	Director	Member
Lt. Gen (Retd.) Abdul Wadud	Managing Director	Member
Mr. Faisal Karim Khan	Director	Member
Ms. Azeeza Aziz Khan	Director	Member

A total of 4 (four) meetings were held within this twelve months period.

Role of the Committee

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:

- Review of the quarterly, half-yearly and annual financial statements as well as other financial results of the company and, upon its satisfaction of the review, recommend them to the board for approval.
- Monitoring and reviewing the adequacy and effectiveness of the company's financial reporting process, internal control and risk management system.
- 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.
- Recommending to the Board for appointment, re-appointment or removal of external auditors.
- Reviewing and monitoring of the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

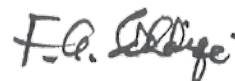
Activities of the Committee on Company's affairs for the year under report

In accordance with Audit Committee Charter, governed by the BSEC notifications on Corporate Governance Code, the committee carried out its duties to work on the areas that were raised for consideration and discussed to evaluate issues related to key events of financial reporting cycles. During the current financial period under report activities of the committee include, among others:

- Reviewed 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 and Exchange Commission (BSEC).
- Assessed the report of the external auditors on critical accounting policies, significant judgments and practices used by the company in preparation of financial statements.
- Committee recommended the retiring auditor, A. Qasem & Co, being eligible, to the Board for appointment as the statutory Auditors of the Company for the next financial year ending on 30th June 2020.
- Committee reviewed the effectiveness of internal financial control system and the internal audit procedures.
- Reviewed the recurrent related party transactions during the year under report.
- Reviewed the external auditors' findings arising from audit, particularly comments and responses of the management.
- Reviewed the matters of compliance as per requirements of the Bangladesh Securities and Exchange Commission (BSEC) and ensured corrections, as appropriate, to remain compliant.

The committee is of the opinion that adequate 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



Faruq Ahmed Siddiqi
Chairman

Compliance Report on IFRS

In January 2018 the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as IFRSs effective for annual periods beginning on or after 1 January 2018. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards (BFRSs) without any modification, this adoption does not have any impact on the financial statements of the Group going forward.

Sl. No.	Title	Effective Date	Remarks
IAS-01	Presentation of Financial Statements	Adopted, on or after 1st January 2007	Applied
IAS-02	Inventories	Adopted, on or after 1st January 2007	Applied
IAS-07	Statement of Cash Flows	Adopted, on or after 1st January 1999	Applied
IAS-08	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted, on or after 1st January 2007	Applied
IAS-10	Events after the Reporting Period	Adopted, on or after 1st January 2007	Applied
IAS-12	Income Taxes	Adopted, on or after 1st January 1999	Applied
IAS-16	Property, Plant & Equipment	Adopted, on or after 1st January 2007	Applied
IAS-17	Leases	Adopted, on or after 1st January 2007	Applied
IAS-19	Employee Benefits	Adopted, on or after 1st January 2004	Applied
IAS-20	Accounting of Government Grants and Disclosure of Government Assistance	Adopted, on or after 1st January 1999	N/A
IAS-21	The Effects of Changes in Foreign Exchange Rates	Adopted, on or after 1st January 2007	Applied
IAS-23	Borrowing Costs	Adopted, on or after 1st January 2010	Applied
IAS-24	Related Party Disclosures	Adopted, on or after 1st January 2007	Applied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Adopted, on or after 1st January 2007	N/A
IAS-27	Separate Financial Statements	Adopted, on or after 1st January 2010	Applied
IAS-28	Investments in Associates	Adopted, on or after 1st January 2007	Applied
IAS-29	Financial Reporting in Hyperinflationary Economics	Adopted on or after 1 st January 2013	N/A
IAS-32	Financial Instruments: Presentation	Adopted, on or after 1st January 2010	Applied
IAS-33	Earnings per Share	Adopted, on or after 1st January 2007	Applied
IAS-34	Interim Financial Reporting	Adopted, on or after 1st January 1999	Applied
IAS-36	Impairment of Assets	Adopted, on or after 1st January 2005	Applied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Adopted, on or after 1st January 2007	Applied
IAS-38	Intangible Assets	Adopted, on or after 1st January 2005	Applied
IAS-40	Investment Property	Adopted, on or after 1st January 2007	N/A
IAS-41	Agriculture	Adopted, on or after 1st January 2007	N/A
IFRS 1	First-time adoption of International financial Reporting Standards	Effective on or after 1 January 2009	Applied
IFRS 2	Share-based Payment	Effective on or after 1 January 2007	N/A
IFRS 3	Business Combinations	Effective on or after 1 January 2010	Applied
IFRS 4	Insurance Contracts	Effective on or after 1 January 2010	N/A

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Effective on or after 1 January 2007	N/A
IFRS 6	Exploration for and Evaluation of Mineral Resources	Effective on or after 1 January 2007	N/A
IFRS 7	Financial Instruments: Disclosures	Effective on or after 1 January 2010	Applied
IFRS 8	Operating Segments	Effective on or after 1 January 2010	N/A
IFRS 9	Financial Instruments	Effective on or after 1 January 2013	Applied
IFRS 10	Consolidated Financial Statements	Effective on or after 1 January 2013	Applied
IFRS 11	Joint Arrangements	Effective on or after 1 January 2013	N/A
IFRS 12	Disclosure of Interests in other Entities	Effective on or after 1 January 2013	Applied
IFRS 13	Fair Value Measurement	Effective on or after 1 January 2013	Applied
IFRS 14	Regulatory Deferral Accounts	Effective on or after 1 January 2016	N/A
IFRS 15	Revenue from Contracts with Customers	Effective on or after 1 January 2018	Applied
IFRS 16	Leases	Effective on or after 1 January 2019	Applying from 1 July 2019

Statement of Corporate Governance

Summit perceives corporate governance as a system, which involves the alignment of interests among all the stakeholders. Governance is a mechanism of distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) for monitoring the actions, policies and decisions of corporations under the lime light of social, environmental, regulatory and commercial environment.

The philosophy of corporate governance of the Company is aimed at conduct of Company/ top management to ensure that no decision is being taken at the cost of the interest of the community, country as a whole to any stakeholder. It refers to the meeting obligations to all the stakeholders and is guided by strong emphasis on transparency, accountability and integrity. It provides the Company with strategic guidance about - how the policies, objectives and manual are set, practiced and achieved, how risk is monitored and assessed, and how the performance is maximized not at the cost of the future/ long term sustainability. It also question about the consistency with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and implementation authorities.

Keeping in view the size, complexity and operations, the governance framework of our Company is based on the following principles:

- That the Board is appropriate in size and members are committed to their respective duties and responsibilities.
- That the Company is operated by a well-defined management structure.
- That timely flow of information to the Board and its Committees are ensured to enable them discharge their functions effectively.
- That a sound system of risk management and internal control is in place.
- That the Company has a sound asset management policy, which assures that proper records are maintained in case of capital expenditures of the Company and that no unauthorized use or disposal of any asset occurs.
- That timely and balanced disclosure of all material information concerning the Company is made to all stakeholders.
- That all transactions of the Company are transparent and accountability for the transactions is well established.
- That all regulatory and statutory rules and regulations are complied with.
- Meeting the needs of the current generation without compromising the ability of future generation to meet their needs.
- Always considering a holistic (social, economic and environmental) approach for decision making, venture exploring and problem-solving.

THE RESPONSIBILITIES OF THE BOARD

To ensure effective maintenance of corporate governance, the Board of Summit Power Limited (SPL) formulates strategic objectives and policies for the Company, provides leadership and supervises management actions in implementing those objectives of the Company. In Summit, the Board of Directors fully control the Company's affairs and is also accountable to the shareholders. The Board firmly believes that the success of the Company depends largely on the prevalence of a credible corporate governance practice.

In discharging its responsibilities, the Board fulfills certain key functions, including:

- Board members should be informed and act ethically and in good faith, with due diligence and care, in the best interest of the Company and the shareholders.
- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring and implementing corporate performance.
- Ensuring the integrity of the Company's accounting & financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Reviewing Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirements. In doing so the Company:
 - Applies suitable accounting policies;
 - Makes prudent judgments and estimates where needed;
 - Ensure all applicable accounting standards have been followed, all material departures have been disclosed and explained in the notes to the financial statements;
 - Make sure the accounting records present the financial position of the Company accurately;
 - Prepares the financial statements on a going concern basis.
- Ensure the integrity of the corporations accounting and financial reporting systems, including their independent audit.
- Monitoring implementation and effectiveness of the approved strategic and operating plans.
- Oversee major acquisitions and divestitures and establish Company's value.
- Oversee the corporate governance of the Company
- Select, compensate, monitor and replace key executives and oversee succession planning.
- Ensure a formal and transparent board member nomination and election process.
- Ensure appropriate systems of internal control are established.
- Where committees of the board are established, their mandate, composition and working procedures should be well-defined and disclosed.
- Align key executive and board remuneration (pay) with the longer-term interests of the Company and its shareholders.

The Company's policy is to maintain optimum combination of Directors. The Managing Director of the Company is a non-shareholder ex-officio Director and the Board has appointed two independent Directors as per the BSEC's requirement. The short introduction of the Directors has been described in earlier pages. The Board ensures that the activities of the Company are always conducted with adherence to high ethical standards and in the best interest of the shareholders.

BOARD MEETINGS AND PROCEDURES

The number of meetings held during the financial year ended 30 June 2019 was 04. The procedures of the board meeting are mentioned below:

- (a) **Selection of Agenda:** The Chairman of the Board, in consultation with Managing Director sets the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Any member of the Board may request that an item be included on the agenda.
- (b) **Board Materials:** Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.
- (c) **Senior Management in the Board meeting:** At the invitation of the Board, members of senior management attended Board meetings or portions thereof for the purpose of participating in discussions.

THE RESPONSIBILITIES OF THE MANAGEMENT

To ensure effective maintenance of corporate governance, the Management of Summit Power Limited (SPL) formulates and implements tactical plan to align the organization as per strategic objectives and policies provided by the Board. In Summit, the Management is in full control of the Company's affairs and is also accountable to the Board. The Management firmly believes that the success of the Company is achieved through fair practice of the corporate governance framework.

In discharging its responsibilities aligned with the defined policies and objectives of the board of directors, the Management fulfills certain key functions including –

- Implementing and providing feedback about - the corporate strategy, major plans of action, risk policy, annual budgets and business plans and performance objectives.
- Assisting the Board to ensure the integrity of the Company's accounting & financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Assisting the Board to review the Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- Assisting the Board to monitor and implement the effectiveness of the approved strategic plans by adopting relevant tactical and operating plans.

- Establish Company's values as defined by the Board.
- Monitor and provide feedback about the corporate governance of the Company to the Board.

The Management builds the confidence of the Board by ensuring that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders and other stakeholders while optimizing the wealth of the Company.

INTERNAL CONTROL FRAMEWORK

Our understanding about Internal Control aligns with the COSO Internal Control Integrated Framework, a widely used framework of internal control, which is broadly defined as a process, carried out by an entity's board of directors, management, and other personnel. It is designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The Company has adequate system of internal control in place. The well-defined organization structure, predefined authority levels, documented policy guidelines and an extensive system of internal controls ensure optimal utilization and protection of resources, reporting of financial transactions and compliance with applicable laws and regulations. The system also ensures that assets are safeguarded against loss from unauthorized use or disposition.

Everyone in an organization has responsibility for internal control to some extent and all personnel should be responsible to ensure a healthy internal control system. The roles and responsibilities of the major entities are as follows –

BOARD OF DIRECTORS

The Board of directors provides governance, guidance and oversight to the management. Our board members are objective, capable and inquisitive. They also have knowledge of the entity's activities and environment, and commit the time necessary to fulfill their board responsibilities. Management may be in a position to override controls and ignore or stifle communications from subordinates, enabling a dishonest management which intentionally misrepresents results to cover its tracks.

MANAGEMENT

The top manager of the organization has overall responsibility for designing and implementing effective internal control to ensure the requirement of the board. The top management is also liable for the issues those affects integrity and ethics and other factors of a positive control environment. In our Company, the top management fulfills this duty by providing leadership and direction to senior managers and reviewing the way they're controlling the business. Senior managers, assign responsibility for establishment of more specific internal control policies and procedures to personnel responsible for the unit's functions.

AUDITORS

The internal auditors and external auditors of the organization also measure the effectiveness of internal control and report them accordingly. They assess whether the controls are

properly designed, implemented and working effectively, and make recommendations on how to improve internal control. They may also review Information technology controls, which relate to the IT systems of the organization. There are laws and regulations on internal control related to financial reporting in a number of jurisdictions. To provide reasonable assurance that internal controls involved in the financial reporting process are effective, they are tested by the external auditor (the organization's public accountants), who are required to opine on the internal controls of the Company and the reliability of its financial reporting.

AUDIT COMMITTEE

Summit Power Limited has a very well defined audit committee, similar like other committees. The roles and the responsibilities of the audit committee are as follows -

- a) Discuss about the quality and adequacy of the organization's internal controls system and risk management process, and their effectiveness and outcomes with management, internal and external auditors and major stakeholders.

REMUNERATION COMMITTEE

The roles and the responsibilities of the remuneration committee of our Company are as follow -

- a) Approve and oversee administration of the Company's Compensation Policy.
- b) Review and approve specific compensation matters for the key executives.
- c) Review, as appropriate, any changes to compensation matters for the officers listed above with the Board.
- d) Review and monitor all human-resource related performance and compliance activities and reports, including the performance management system.
- e) They also ensure that benefit-related performance measures are properly used by the management of the organization.
- f) Review and discuss with management and the external auditors and approve the audited financial statements of the organization and make a recommendation regarding inclusion of those financial statements in any public filing. Also review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet issues in the organization's financial statements.
- g) Review and discuss with management the types of information to be disclosed and the types of presentations to be made financial and investment related issues.
- h) Confirm the scope of audits to be performed by the external and internal auditors, monitor progress and review results and review fees and expenses. Review significant findings or unsatisfactory internal audit reports, or audit problems or difficulties encountered by the external independent auditor. Monitor management's response to all audit findings.
- i) Manage complaints concerning accounting, internal

accounting controls or auditing matters.

- j) Receive regular reports from the Top Management and the Company's other Control Committees regarding deficiencies in the design or operation of internal controls and any fraud that involves management or other employees with a significant role in internal controls.
- k) Support management in resolving conflicts of interest. Monitor the adequacy of the organization's internal controls and ensure that all fraud cases are acted upon.

OPERATING STAFF

The Company perceives that all staff members are responsible for reporting problems of operations, monitoring and improving their performance, and monitoring non-compliance with the corporate policies and various professional codes, or violations of policies, standards, practices and procedures. Their particular responsibilities are documented in their individual personnel files. In performance management activities they take part in all compliance and performance data collection and processing activities as they are part of various organizational units and may also be responsible for various compliance and operational-related activities of the organization. Staff and junior managers are also involved in evaluating the controls within the organizational unit using a control self-assessment.

SUBSIDIARY COMPANIES

Summit Power Limited has three subsidiary Companies and in accordance with the corporate governance guidelines set by BSEC, the Company ensured that -

- The conditions stating how the Board of Directors should be composed including the requirement to appoint independent directors is fulfilled.
- The independent directors of the Company are also appointed as such in the subsidiary Companies.
- Activities and transactions of the subsidiary Companies are also reviewed at the Board meetings of the Company.
- Minutes of the Board meetings of the subsidiaries are reviewed by the Board of the Company as well.
- Audit Committee of the Company assessed the financial statements of the subsidiary Companies as well.
- Any conflicts of interest that may have arisen during intercompany transactions were mitigated effect.

Status of Compliance with the Corporate Governance Code (CGC)

Status of compliance with conditions imposed by the Commission's Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
1.	Board of Directors			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√	-	The SPL Board is comprised of 15 Directors including Managing Director.
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the Company's board of director shall be independent directors.	√	-	There are three (03) Independent Directors in the SPL Board.
1(2)(b)	'Independent director' means a director			
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	√	-	-
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or share holder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company;	√	-	-
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	√	-	-
1(2)(b)(iv)	Who does not have any other relation ship, whether pecuniary or other wise, with the Company or its subsidiary or associated companies;	√	-	-
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√	-	-
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√	-	-
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√	-	-
1(2)(b)(viii)	Who is not Independent Director in more than 5 (five) listed companies.	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBF);	√	-	-
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude	√	-	-
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√	-	-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√	-	-
1(2)(e)	The 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			
1(3)(a)	Independent director shall be a Knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√	-	-
1(3)(b)	Independent Director shall have following Qualification.			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	√	-	-
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;	√	-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law;	√	-	-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law or not;	√	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
1(3)(c)	The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√	-	-
1(3)(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.	√	-	-
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√	-	-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√	-	-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√	-	-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√	-	-
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√	-	-
1(5)	Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	√	-	-
1(5)(ii)	The segment-wise or product-wise performance;	√	-	-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√	-	-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√	-	-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√	-	-
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√	-	-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	-	-	N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	-	-	N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
1(5)(x)	A statement of remuneration paid to the directors including Independent Directors;	√	-	-
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√	-	-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√	-	-
1(5)(xiii)	A statement that 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;	√	-	-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√	-	-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√	-	-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√	-	-
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√	-	-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√	-	-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√	-	-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√	-	-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by			
1(5)(xxiii)(a)	Parent or subsidiary or associated companies and other related parties (name wise details);	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√	-	-
1(5)(xxiii)(c)	Executives; and	√	-	-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√	-	-
1(5)(xxiv)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders			
1(5)(xxiv)(a)	A brief resume of the Director;	√	-	-
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√	-	-
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√	-	-
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√	-	-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√	-	-
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√	-	-
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√	-	-
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√	-	-
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√	-	-
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification there of, i.e., actual position shall be explained to the shareholders in the next AGM;	√	-	-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	√	-	-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	√	-	-
1(6)	Meetings of the Board of Directors			

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√	-	-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-	√	In Process
1.7.(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	-	√	In Process
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√	-	-
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√	-	-
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√	-	-
2(d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	√	-	-
2(e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	√	-	-
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√	-	Ms. Ayesha Aziz Khan is Director Finance (CFO)

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√	-	-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√	-	-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√	-	-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√	-	-
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	√	-	-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√	-	-
3(3)(a)(ii)	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;	√	-	-
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√	-	-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√	-	-
4	Board of Directors' Committee			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee	√	-	-
4(ii)	Nomination and Remuneration Committee.	√	-	-
5	Audit Committee			
5(i)	Responsibility to the Board of Directors.			
5(i)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√	-	-
5(i)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
5(i)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√	-	-
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√	-	-
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√	-	-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√	-	-
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√	-	-
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√	-	-
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√	-	-
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√	-	-
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√	-	-
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√	-	-
5(5)	Role of Audit Committee			
	The audit committee shall			
5(5)(a)	Oversee the financial reporting process;	√	-	-
5(5)(b)	Monitor choice of accounting policies and principles.	√	-	-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√	-	-
5(5)(d)	Oversee hiring and performance of external auditors.	√	-	-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√	-	-
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√	-	-
5(5)(g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	√	-	-
5(5)(h)	Review the adequacy of internal audit function.	√	-	-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√	-	-
5(5)(j)	Review statement of all related party transactions submitted by the management;	√	-	-
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√	-	-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√	-	-
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	√	-	N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests.			
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	No such incidence arose
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such incidence arose
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such incidence arose
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, which ever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors:- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√	-	-
6.	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-	√	In Process
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	√	In Process
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the are as stated at the condition No. 6(5)(b).	-	√	In Process
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-	√	In Process
6(2)(b)	All members of the Committee shall be non-executive directors;	-	√	In Process

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-	√	In Process
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-	√	In Process
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	√	In Process
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	√	In Process
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-	√	In Process
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	√	In Process
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-	√	In Process
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	√	In Process
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	-	√	In Process
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-	√	In Process
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	√	In Process
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	√	In Process
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	√	In Process

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	√	In Process
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	√	In Process
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	√	In Process
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-	√	In Process
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	√	In Process
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	√	In Process
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	√	In Process
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	√	In Process
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	√	In Process
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	√	In Process
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	-	√	In Process
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	√	In Process
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	√	In Process
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√	-	-
7(1)(ii)	Financial information systems design and implementation;	√	-	-

Condition No.	Title	STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (CGC)		Remarks (if any)
		Complied	Not complied	
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√	-	-
7(1)(iv)	Broker-dealer services;	√	-	-
7(1)(v)	Actuarial services;	√	-	-
7(1)(vi)	Internal audit services or special audit services;	√	-	-
7(1)(vii)	Any service that the Audit Committee determines;	√	-	-
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√	-	-
7(1)(ix)	Any other service that creates conflict of interest.	√	-	-
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.	√	-	-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√	-	-
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√	-	www.summitpowerinternational.com/spl
8(2)	The Company shall keep the website functional from the date of listing.	√	-	SPL microwebsite has 34 pages
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√	-	www.summitpowerinternational.com/spl-financial-statement
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√	-	-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√	-	-
9(3)	The directors of the company shall state in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√	-	-

ENVIRONMENT SOCIAL AND GOVERNANCE (ESG)

Social and Environment:

| *Environment and Sustainability Report 2018-19*

| *Corporate Social Responsibility (CSR) Report*

Environment and Sustainability Report 2018-19

Governance and sustainability management

Summit Power Limited being the first Bangladeshi private sector power generation company, always urges to contribute to the development of the nation by providing more quality and uninterrupted electricity to the vast majority of rural Bangladesh for their personal, social, environmental and economic development.

Sustainability is a high priority for our company and our value chain. It's therefore integrated into all aspects of our business. In 2018-19 we further developed our business strategy and aligned it consistently with the requirements of the future energy world. Our focus is on the future of our business and individual growth areas.

We're committed to deploying our products and services in a socially and environmentally responsible manner and where they're needed most. We operate in a transparent way for our stakeholders (eg employees, vendors, lender, investors and the communities we impact, directly and indirectly). Our environmental, social, and governance (ESG) management approach helps us to live up to this commitment. To ensure long-term business resilience, we seek to minimize negative environmental and social impacts, by actively managing our operations and engaging with our stakeholders.

Overall responsibilities

The Summit Power Limited Management bears overall responsibility for SPL's sustainability management. They oversee how we meet our sustainability expectations and integrate them into our strategy, our governance, and especially our operations. In short: into our corporate culture.

The Environmental Health Safety and Social (EHSS) and Sustainability function is responsible for developing and coordinating our sustainability activities. It also involves all levels of the organization in this effort, including employees, whose active involvement is essential for us to achieve a robust sustainability culture. Under the guidance of EHSS & Sustainability, our business units have a responsibility to implement annual EHSS & Sustainability Improvement Plans to help us meet our overall objectives for these areas.

Our material topics

At SPL we define specific topics, based on our 2018-19 materiality assessment. The materiality assessment analyzes the significance of our economic, environmental, and social impacts and of their influence on our stakeholders' assessments of, and decisions regarding, our company. We consider a combination of internal and external factors to assess whether a topic is material from the perspective of employees, senior managers, third parties, government and non-governmental organizations, industry partners, as well as current and potential institutional investors.

EHSS Identity and Policy Statement

Our amended EHSS & Sustainability Policy Statement, which defines our ambitions and priorities for EHSS and Sustainability, was signed by all members of the Management in November 2018-19. This statement provides the framework for developing Group-wide Sustainability Strategic Plans (SSPs) and defines our specific EHSS and Sustainability commitments.

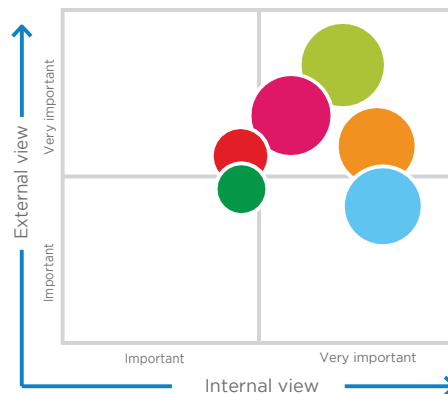
EHSS is a core part of our SPL identity – we care about people and the environment.

The Policy Statement articulates our new EHSS identity, which is encapsulated in four declarations:

- "We only work safely"
- "We look after people's health"
- "We act with responsibility to reduce our environmental impact"
- "We protect our people and our assets"

**Summit Power Limited
Materiality Matrix
2018-19**

- | | |
|-------------------------------------|-----------------------|
| ● Secure and reliable energy supply | ● Business integrity |
| ● Climate change | ● Resource efficiency |
| ● Our people | ● Local acceptance |



Summit Power Limited Sustainability Strategic Plans










Our Sustainability Strategic Plans (SSPs) describe how sustainability supports our business strategy and put in place commitments for our ESG topics and the selected UN Sustainable Development Goals (SDGs). Our SSP is built around a set of long-term commitments that reflect core elements of our corporate culture and business strategy. The SSP provides the framework for medium-term target-setting, annual progress reviews, and specific action plans.

UN Sustainable Development Goals

SPL supports the SDGs. To guide our actions, we aligned our material topics with relevant SDGs and used this as the basis for developing strategic commitments. The 17 SDGs were endorsed by the United Nations in September 2015. They encompass fundamental improvements in the living conditions of all people today and in future generations as well as the protection of the environment. We prioritized seven SDGs during our 2018-19 materiality assessment based on the nature of our business and its strategic development.



Environment and Sustainability commitments

Material topics	Subtopics	Relevant SDGs	Summit Power Limited commitments
Secure and reliable energy supply	<ul style="list-style-type: none"> Power supply Business adaption and resilience 	  	<ul style="list-style-type: none"> Foster established and flexible generation solutions to enable a secure transition toward sustainable energy. Enter new markets in side the country responsibly in order to support rapid industrialization.
Climate change	<ul style="list-style-type: none"> Policy and regulatory environment Greenhouse-gas emissions from our operations Physical impacts of climate change 	  	<ul style="list-style-type: none"> Promote lower-carbon fuels like gas and LNG as operating fuel. Develop business models for carbon utilization. Promote less carbon-intensive power generation technology. Monitor and optimize CO2 intensity of Bangladesh Generation portfolio.
Our people	<ul style="list-style-type: none"> Health and safety Diversity Workforce restructuring New employees 	 	<ul style="list-style-type: none"> Protect labor rights and ensure a safe, healthy, and secure work environment for all employees and contractors; promote the same standards in our joint ventures and partnerships. To have zero tolerance of discrimination on the basis of gender, ethnic background, or any other diversity factor. Ensure equal opportunities and foster diversity in leadership positions.
Business integrity	<ul style="list-style-type: none"> Compliance and governance Human rights along the value chain Transparent trading Transparency in advocacy groups 	 	<ul style="list-style-type: none"> Have zero tolerance of forced labor, child labor, modern slavery, and human trafficking. Continue to strengthen our compliance culture and protect the business from corruption risks. Foster the development of effective, accountable, and transparent institutions at all levels
Resource efficiency	<ul style="list-style-type: none"> Flexible and efficient power plants Energy savings Resource consumption By-products Waste management Water management 	 	<ul style="list-style-type: none"> Promote waste reduction, land, water pollution prevention, and environmentally responsible disposal. Work with our contractors, suppliers, and industrial customers to adopt a life-cycle approach to protect the environment, use resources efficiently.
Local acceptance	<ul style="list-style-type: none"> Stakeholder engagement Air emissions Biodiversity Employee engagement 	 	<ul style="list-style-type: none"> Actively engage with our stakeholders to ensure transparency and ongoing dialogue regarding our activities. Minimize the impact on communities affected by our operations

Key figures

		2018-19
Summit Power Limited employees	Number	571
Proportion of female employees	%	1.40%
Summit Power Limited generation capacity	MW	976 MW
Total Energy Sold	MWhr	3,251,853
Liquid fuel consumption	metric tons	389,733
Natural Gas consumption	cubic meter	376,254,305
Quantity of waste generated	metric tons	11.85
Quantity of hazardous waste generated	metric tons	2,570
Carbon intensity of Bangladesh portfolio	g/KWh	7,780
Water consumption	metric tons	79,978
Quantity of waste water treated	metric tons	11,401.5
Facilities certified to ISO 14001	%	100%
Facilities certified to OHSAS18001	%	100%
Severe environmental incidents		-
Fatalities		-
Total lost time accidents (including Vehicular)		-
Total amount spent on community development	BDT	4,973,093



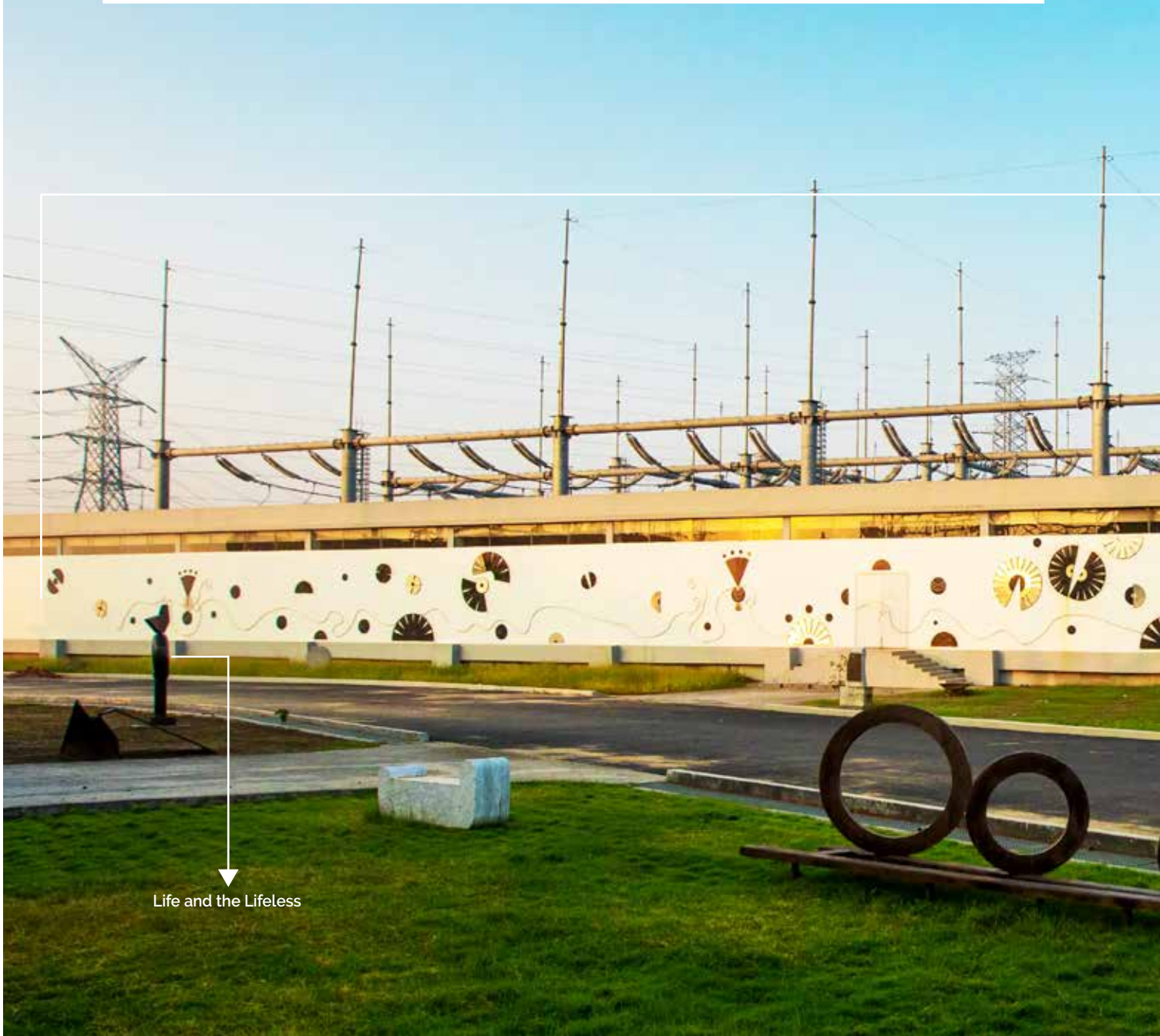
Summit Power Limited received the Integrated Management System (IMS) certifications for its Barisal and Narayanganj Unit II power plants. The IMS certification includes Environment Management System (EMS) – ISO 14001:2015, Quality Management System (QMS) – ISO 9001:2015 and Occupational Health and Safety Assessment (OHSAS) – OHSAS 18001:2007.

Corporate Social Responsibility (CSR) Report

At Summit Power Limited, we believe in making a positive impact on the communities. Our businesses support the economic development of emerging nations and enhance the quality of life for local communities. We have invested over Tk 3 crore that directly helps estimated twenty four thousand beneficiaries on the following key areas:

- Arts and Culture – supporting cultural project to raise awareness
- Sports – bringing communities together and encouraging healthy living
- Social and Community Services – promoting well-being
- Education – empowering people of all ages with knowledge and skills

Below: **Prof Hamiduzzaman Sculpture Park** is the first sculpture park of Bangladesh and it is located inside Summit's 464 MW power plants premises in Kodda, Gazipur.



Life and the Lifeless



Prof Hamiduzzaman is explaining his sculpture to the Power & Energy Adviser Dr. Tawfiq-e-Elahi Chowdhury, BB



A cultural show was organized at the inauguration ceremony.

← This 340 feet mural titled, 'শ্রম ও শক্তি' is the largest mural in Bangladesh. →



Shurer Dhara

Summit has been supporting Shurer Dhara Music for Development, an organisation that was founded by Rezwana Chowdhury Bannya, a distinguished alumna of Viswa-Bharati (the renowned university of Nobel Laureate Rabindranath Tagore), a Professor of Music at the University of Dhaka and an accomplished exponent of Rabindra Sangeet. Summit supports financially disadvantaged children to learn music and other performing arts.



In celebration of the silver jubilee of the music school Shurer Dhara, Chairman of the Summit Group Muhammed Aziz Khan was acknowledged for his support by the the-then Honourable Finance Minister Abul Maal Abdul Muhith and prominent Tagore singer Rezwana Chowdhury Bannya.

URBANA

URBANA is an architectural firm established in 1995 founded by Kashef Chowdhury who received the prestigious Aga Khan Award for Architecture in 2016. URBANA's works are not only spatially and architecturally extraordinary in their immediacy, they also bear witness to the high social relevance. They thoughtfully address grave issues such as population density, climate change, migration etc. Bangladesh's river delta landscape is an area prone to flooding, cyclones, and rising sea levels.



The exhibition titled “Faraway so close” a journey to the famous Bangladeshi architect Kashef Chowdhury of URBANA was organised by AEDES Architecture Forum at Berlin on 26 January – 6 March, 2019

South Regional Clay Artisan Conference and Honoring programme

Bangladesh has a rich heritage of terracotta art of over thousands of years. To encourage the clay artisans, Summit sponsors the fair along with art competition and award ceremony. Eight artisans were awarded for their excellence in terracotta and earthenware crafts. Summit has a 120 MW power plant in Barisal.



The “10th Gathering and Felicitation of the Clay Artists” held at Ashwini Kumar Hall in Barisal city on 15 to 16th October 2018

Sports – bringing communities together and encouraging healthy living

Summit Open and Summit Cup Golf Tournament

Since 1996 Summit has been sponsoring and organizing Summit Open Golf Tournament at Kurmitola Golf Club, Dhaka. Golf is an emerging sport in Bangladesh and the tournament is used to promote the game, providing an opportunity for people to get involved in new hobbies and garner new talents.



Chief of the Air Staff of Bangladesh Air Force Air Chief Marshal Masihuzzaman Serniabat, BBP, OSP, ndu, psc inaugurated 9th Summit Open and 23rd Summit Cup Golf Tournament 2018. Vice-Chairman of Summit Group Md Farid Khan, AMD of Summit Corporation Faisal Karim Khan were present among the dignitaries.

Wheelchair Cricket Welfare Association Bangladesh (WCWAB)

Summit supports Wheelchair Cricket Welfare Association Bangladesh (WCWAB). WCWAB emerged as a national level voluntary association for the physically challenged cricketers of Bangladesh with the aim of strengthening their position in the society. It started with 26 players and number of memberships has risen around 200.



Summit congratulates Bangladesh National Wheelchair Cricket team on becoming the runner-up at the International Wheelchair Cricket Series, India 2019 and glad to be able to support.

Social and Community Services – promoting well-being

Power and Energy Week 2018

Summit proudly sponsored Power & Energy Week 2018. A side event was organised for encouraging the youths, strategic professionals, and industry owners, researchers to elaborate their innovative ideas, new technologies through discussions, demonstration, education, research and events. This three daylong event had Ministerial sessions for policy dialogues exchange and deep industrial insights, 36 hours of Hackathon to ensure youth engagement, innovation expo to demonstrate the industrial innovations and career summit for the students to experience live interview, walk-in recruitment and workshop



For the first time Ministry of Power, Energy and Mineral Resources arranged a career summit for the prospective candidates of the power and energy sector of Bangladesh at Energy & Power Week 2018. As the largest IPP in Bangladesh, Summit Power hired 10 interns from EEE & ME for different power plants.

Kirtonkhola River Bank Protection

Summit Barisal Power Limited (SBPL) has constructed 307 meter long bank protection by CC blocks and sand filled geo bags to one of the major braided channel along Kirtonkhola river. It's performance in neutralizing the water surge as much as possible is satisfactory. It has also elevated the aesthetic value of SBPL and made Kirtonkhola river's surrounding a centre of entertainment



This 307 meter long river bank protection offers a good opportunity to reduce nearby in-stream erosion against the high flow

Distribution of Blankets

Summit Power Limited carried out a blanket distribution drive to help the underprivileged to fight the harsh winter across the country. This year more than 2,000 selected helpless and poor people got blankets across the country.



Every year like Zarina and her baby many street-dwellers receive blankets to stay warm in winter.

Capital Market Journalist Forum (CMJF)

Summit actively facilitates Capital Market Journalist Forum (CMJF). CMJF is a platform of Dhaka based working reporters who report on Bangladesh capital market on a daily basis.



Workshop on 'Alternative Investment in Bangladesh: A New Avenue of Destination' organised by Capital Market Journalist Forum (CMJF).

Mosques and Orphanage

Summit also recognises the importance of creating sustainability directly around the plants that we operate. To help the poor, this year we have supported mosques and orphanages like Kaderia Chistia Taheria Madrasa, Kotbari Bishaw Jame Masjid, Al Amin Ebtadia Madrasa and Raidani Azizia Modina Madrasa

At Power Plant Level

We want to be a part of local communities wherever we operate. Summit works at local level including improvement of local schools, roads, drainage systems and other activities for the welfare of the communities where it operates.

Education – empowering people of all ages with knowledge and skills

SEID Trust

Since 2009, Summit has been sharing the same objectives for promoting the rights of underprivileged children with disabilities with SEID Trust and sponsors SEID Community Therapy School- Kamrangirchar, Dhaka. The support of Summit for the development of underprivileged children with disabilities of SEID has been proven to be encouraging disable children of families living in slum.



The disabled children of SEID Trust presented a surprise gift of handmade paper-cut flower bouquet to Muhammed Aziz Khan, Chairman, Summit Group on his birthday.

Prothom Alo Trust

Alo'r Pathshala of Prothom Alo Trust has a mandate to establish and manage schools in remote areas of Bangladesh where there is no government funded education. Summit has been operating five schools through Prothom Alo Trust since 2009. Muhammed Aziz Khan was the former Chairman of the Prothom Alo Trust Board for two consecutive terms (2012-2016) and now serves on the Board of Trustees.



Summit sponsors schools of Alo'r Pathshala where more than 1,000 underprivileged students attend.

Bangladesh Development Initiative (BDI)

This year BDI organised International Conference at Yale University. The theme of this conference is "Bangladesh in the Next 30 years: Challenges and Prospects." This conference featured critical thinkers, change makers, thought leaders, young scholars, experienced educators, eminent journalists, lawyers and human rights activists, development specialists, NGO representatives, practitioners, and students. The goal of the conference was to create an inviting space for discussions on diverse issues that are relevant to the future development of Bangladesh.



Bangladesh Development Initiative (BDI) organised the international conference themed, 'Bangladesh in the next 30 years' the in March 2019

Centre for Research and Information (CRI)

For the fifth consecutive year Centre for Research and Information (CRI) organized the 'Joy Bangla Concert 2019'. Apart from the music, at the event there telecast of the historic speech and the ambience of 7th March, 1971 through the performance by different groups of artists. CRI also set up different stalls to showcase and merchandize their publications and other material.



Summit was the title sponsor of the annual Joy Bangla Concert in remembrance of the historic 7th March.

Bangla Olympiad

Summit sponsored 'Bangla Olympiad' of international Hope School, in tribute to all martyrs of language movement. This is an annual inter-school Bangla language and culture event that was attended by students of 70 different schools. In this event students participates in six different categories - essay writing, poem recitation, extempore speech, group dance, singing and drawing in sixteen groups.



Students are performing group dance at the 8th Bangla Olympiad Gala Event organised by International Hope School.

FINANCIAL ANALYSIS

- Declaration by MD and Director Finance
- Financial Highlights 2018-19
- Financial Review
- Business Review 2018-19
- Value Added Statement 2018-19
- Economic Value Added Statement
- Contribution to the National Exchequer and Economy

Declaration by MD and Director Finance

22 September 2019

The Board of Directors
Summit Power Limited
18 Kawran Bazar C/A
Dhaka 1215

Subject: **Declaration on Financial Statements for the year ended on 30 June 2019**

Dear Sir(s) and Madam(s),

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 date 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Summit Power Limited for the year ended on 30 June 2019 have been prepared in compliance with International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 30 June 2019 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 collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Ayesha Aziz Khan
Director Finance



Lt. Gen. (Retd.) Engr. Abdul Wadud
Managing Director

Financial Highlights 2018-19

Particulars	FY 2019	FY 2018	FY 2017	YR 2015	YR 2014
Operating Data (Taka in million)					
Turnover	30,472	18,468	16,214	10,013	6,109
Cost of Sales	22,478	13,063	11,849	6,760	2,553
Gross Profit	7,994	5,405	4,365	3,252	3,556
General & Admin Expenses	568	461	419	387	567
Operating Profit	7,662	5,284	4,178	3,132	3,156
Interest & Financial Charges	1,525	537	529	216	416
Net Profit of the Company	7,283	5,274	4,596	3,610	2,219
Net Profit Attributable to Owners	5,105	4,696	4,268	2,943	-
Balance Sheet Data (Taka in million)					
Paid up Capital	10,679	10,679	10,679	8,264	7,871
Shareholders' Equity	34,596	33,378	31,322	22,968	20,286
Total Debt (NCL)	12,372	6,430	6,895	142	642
Current Assets	19,851	15,181	12,376	5,801	6,235
Current Liabilities	15,917	21,016	2,838	7,540	2,642
Total Assets	70,136	64,346	42,810	34,697	27,044
Total Liabilities	28,289	27,446	9,734	7,682	3,283
Financial Ratios					
Gross Profit Ratio (%)	26.23%	29.27%	27.47%	32.48%	58.22%
Net Profit Ratio (%)	23.90%	28.56%	26.75%	36.05%	36.34%
Return on Total Assets (%)	10.83%	8.20%	10.21%	11.78%	11.45%
Total Debt Equity Ratio	67.60%	74.38%	29.43%	22.14%	13.52%
Return on Equity (%)	15.02%	14.07%	12.94%	14.39%	13.72%
Price Earnings Ratio (Times)	8.72	9.70	10.90	10.56	11.12
Current Ratio (Times)	1.25	0.72	4.36	0.77	2.36
Other data					
Earnings Per Share (Taka)	4.78	4.40	4.00	3.36	3.26
Dividend (%)	C-35	C-30	C-30	C-12, B-6	C-10, B-5
Total No of Shares Outstanding	1,067,877,239	1,067,877,239	1,067,877,239	876,000,721	787,062,643
Weighted Average no of Shares Outstanding	1,067,877,239	1,067,877,239	1,067,877,239	876,000,721	680,563,861
Total no of Sponsors Shares Under Lock in	723,754,740	723,754,740	723,754,740	578,041,122	456,222,301
Total no of Free Float Shares	344,122,499	344,122,499	344,122,499	297,959,599	330,840,342
ROCE	15.51	13.25	12.02	12.21	11.39
EBITDA (Taka in millions)	9,537	6,457	5,182	3,942	3,891
Capacity utilisation (%)	40%	59%	67%	71%	70%
Licensed capacity (MW)	976	782	482	317	317
Electricity sold (MWH)	3,251,410	2,712,015	2,819,436	1,976,414	1,953,679
No. of permanent employee	571	443	313	289	288
No. of power plant	15	14	13	11	11

Financial Review 2018-19

Summit Power Limited together its subsidiaries, Summit Barisal Power Limited (SBPL), Summit Narayanganj Power Unit II Limited (SNPL II), Summit Gazipur II Power Limited and Ace Alliance Power Limited have managed to maintain its operational efficiency this year as well. As can be seen from the review below, the Company managed to increase its overall profitability and earnings growth keeping the cash dividend declaration stable over years.

Revenue

- Consolidated revenue has increased by 65% (Tk. 12,004 million) in 2018-19 relative to the revenue in previous year;
- The increase in revenue has been due to newly starting operation of Summit Gazipur II Power Limited (300 MW) and Ace Alliance Power Limited (149 MW).

Cost of Sales

- Consolidated cost of sales in 2018-19 went up by 72% over last year;
- The increase in cost of sales has been mainly due to newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Net Profit

- Net profit increased by 38% (by Tk. 2,008 million) over last year on account of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Total Assets

- Total assets base of the Company increased by 9% over last year;
- The increase in total assets base by Tk. 5,791 million was attributed mainly by trade receivables, plant & equipment and cash & advances on account of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Total Liabilities

- Total Liabilities increased by 3% during the year due to issuance of redeemable preference shares for Ace Alliance Power Limited and deferred financial liabilities due to hedge on LIBOR rate fluctuation.

Shareholders' Equity

- Shareholders' Equity increased by 4% during the year by an amount of Tk. 1,218 million;
- The increase occurred because of increase in the retained earnings on account of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Operating Profit

- The operating profit increased by 45% this year mainly on account of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Earnings Per Share (EPS)

- The EPS figure has increased by 8.7% (Tk. 0.38) per share over last year;
- The increase was mainly on account of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Property, Plant and Equipment

- The property, plant and equipment, net of depreciation, increased by 2.82% over last year because of few more addition in plant civil & mechanical works in Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Current Assets

- The current assets went up by 31% this year compared to previous year due to trade receivables, cash and advances on account of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Long Term Liabilities

- The long term liabilities has increased by Tk. 92% because of addition of long term foreign currency loan for Ace Alliance Power Limited.

Return on Total Assets

- The return on total assets is 10.83% against 9.84% of last year;
- The ratio has increased because of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Return on Equity

- The return on equity is 15% against 14.52% of last year;
- The ratio has increased because of newly starting operation of Summit Gazipur II Power Limited and Ace Alliance Power Limited.

Business Review 2018-19

Summit Power Limited (SPL) and its subsidiaries at present operate 15 power plants having total Installed Generation Capacity is 976 MW. It has also 17.64% equity participation in Khulna Power Company Limited (KPCL), (265 MW) and 30% in Summit Meghnaghat Power Company Limited (SMPCL), (337 MW). All these power plants were made available to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of the Company. As a result Summit Power Limited of its own has delivered approximately 3,251 million Kwh to the National Grid.

SPL has always used brand new highly efficient engines/turbines and other auxiliaries of best international standard. The aim is to spend bare minimum fuel for generation of electricity and save costly fuel of the country. The new and quality machine allows SPL to maintain its guaranteed contractual availability and Heat Rate (fuel consumption for generation of each unit of electricity) ensuring efficient use of fuel and gas. A typical review of the performance is given below –

- Profit attributed to shareholders has increased by 09% over last year due to better operational efficiency of the Company;
- All the power plants of Summit Power Limited (separate), except for Madhabdi Unit II, Jangalia Power Plant, and Narayanganj Unit I, performed better in terms of Energy Export in 2018-2019;
- All the plants achieved the targeted availability factor;
- Operational performance of new power plants, Summit Gazipur II Power Limited and Ace Alliance Power Limited for the year ended on 30 June 2019 have contributed to better profitability this year;
- Summit Narayanganj Power Unit II Limited and Summit Barisal Power Limited performed lower than the last year due to less demand from National Load Dispatch Center (NLDC) of Bangladesh Power Development Board (BPDB);
- The Company managed to maintain its profitability and achieved remarkable increase in its net profit figure by adding operation of two new power plants coupled with comparatively lower net finance costs than last year;
- The overall gas consumption was reasonably within targeted specification.
- Consolidated net finance costs have reduced because of higher interest income on FDRs and stable interest costs incurred on foreign loan taken for subsidiaries coupled with favorable effect of foreign exchange gain on Euro based L/C liabilities;
- Profit sharing from SMPCL, dividend income from KPCL, overall better performance have contributed to good profitability of Tk. 7,283 million in 2018-19 against Tk. 5,274 in last year;
- The earnings per share (EPS) stood this year at Tk.4.78 against Tk. 4.40 of last year;
- Consolidated equity, assets and liabilities of the Company have significantly increased over last year because of operation of two new power plants under the common management of Summit Power Limited – Summit Gazipur II Power Limited (Commercial Operation Date on 10 May 2018) and Ace Alliance Power Limited (Commercial Operation Date on 12 July 2018);
- The operational capacity of power plants in-total stood at 976 MW this year from 782 MW last year;
- Availability of better cash and cash equivalents after mitigating all the operational and development cash requirements has assisted management to declare 35% cash dividend this year.

Value Added Statement 2018-19

A Value added statement (VAS) is regarded as part of social responsibility accounting. A value added statement shows the wealth or value created and is attributed to all stakeholders rather than just the shareholders. The value added statement (VAS) reports on the income earned by a large group of stakeholders, all the providers of capital plus employees and the government.

Value added:	2018-19	2017-18
	Taka	Taka
Revenue	30,471,632,393	18,467,638,287
Other income including interest income	1,059,083,573	449,833,110
Cost of sales, excluding depreciation	(20,666,122,015)	(11,951,051,465)
Share of profit from associate company	401,661,173	450,755,528
Other operating expenses, excluding depreciation & amortization	(504,978,642)	(400,132,861)
Total value added	10,761,276,482	7,017,042,600
Distribution of added value:		
To employees as salaries and allowances	509,006,704	370,886,701
To directors as salaries and allowances	79,954,466	76,714,511
To banks and other lenders	1,524,938,929	537,453,74
To shareholders	3,737,570,337	3,203,631,717
	5,851,470,436	4,188,686,674
Retained for reinvestment & future growth:		
Depreciation and amortization	1,874,596,841	1,172,683,108
Retained profit	3,035,209,205	1,655,672,818
	4,909,806,046	2,828,355,926
	10,761,276,482	7,017,042,600

Economic Value Added Statement

For the year ended 30 June 2019

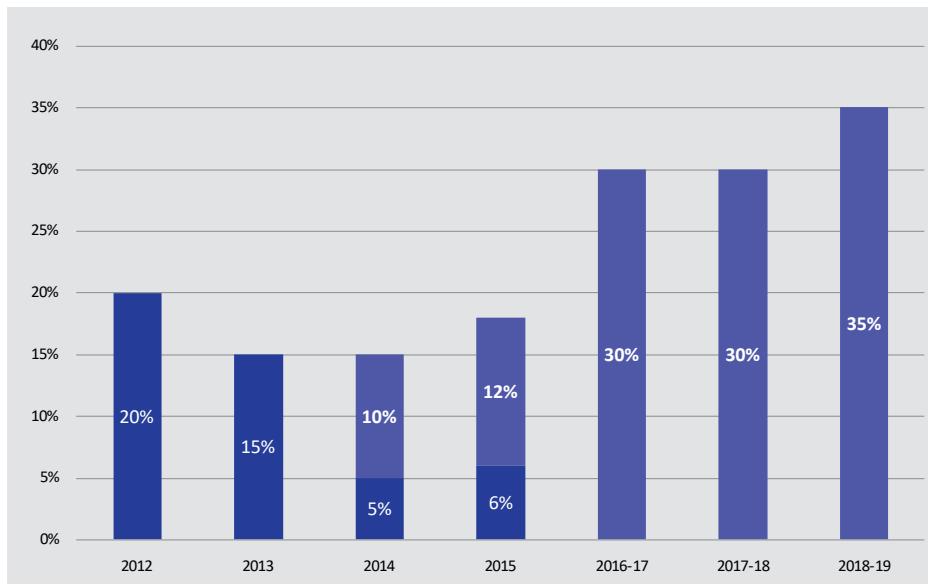
Economic Value Added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit (adjusted for taxes on a cash basis). The formula for calculating EVA is as follows:

$$\text{EVA} = \text{Net Operating Profit after Taxes (NOPAT)} - (\text{Capital} \times \text{Cost of Capital})$$

Particulars	30 June 2019 Taka	30 June 2018 Taka
Net operating profit after tax	7,282,615,403	5,274,372,465
Average shareholders' equity	39,373,481,933	34,988,143,467
Cost of capital*	8.56%	8.45%
Cost of average shareholders' equity	3,370,370,053	2,956,498,123
Economic Value Added (EVA)	3,912,245,350	2,317,874,342

*Cost of capital is based on interest of 5 years Government Treasure Bond plus a standard risk premium.

Yearly Dividend Growth 2012-19



Contribution to the National Exchequer and Economy

Electricity is one of the main driving forces of the economy and it has a diversified use and multiplier effect on the economy. Significantly in the development of industrialization, electricity as fuel has no alternative. This year your company added 3,251 million units (Kwh) of electricity to the national grid. This addition has contributed notably in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

Your Company/group has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation. However, after expiry of initial 15 years of operation, three power plants (33 MW capacity in-total) is under the purview of corporate income tax bracket. The Company has contributed a significant amount to the national exchequer in the form of different duties, taxes and VAT while importing spare parts for the power plants' maintenance work and at different operation level activities coupled with corporate income tax for taxable units. The details of such contribution to the Nation Exchequer and the Economy is as follows -

Forms of Contribution	Amount in Taka	
	30 June 2019	30 June 2018
Salary taxes	33,871,438	31,247,045
Port charges, duties & taxes on spare parts	159,089,448	146,412,098
AIT of suppliers	58,195,589	30,414,377
VAT of suppliers	96,439,535	23,776,250
AIT on dividend on preference shares	16,500,000	16,500,000
AIT on gas bills	36,341,131	38,209,429
VAT on lubricant oil	69,190,267	43,401,258
Total	469,627,409	329,960,457

Auditor's Report and Audited Financial Statements

SPL's Independent Auditor's Report and Audited Financial Statements Brief Disclosures of Subsidiaries

- Summit Barisal Power Limited (SBPL)*
- Summit Narayanganj Power Unit II Limited (SNPUILL)*
- Summit Gazipur II Power Limited (SGIPL)*
- Ace Alliance Power Limited (AAPL)*
- Summit Chittagong Power Limited (SCPL)*

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Summit Power Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated financial statements of Summit Power Limited and its subsidiaries (the "Group") as well as the separate financial statements of Summit Power Limited (the "Company"), which comprise the consolidated and separate statement of financial position as at 30 June 2019, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated and separate statement of financial position, consolidated and separate financial performance, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note # 2 and comply with the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered

Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

We draw users' attention to the following notes to the financial statements:

Note 12.1 wherein Management has explained that the receivables from Bangladesh Rural Electrification Board

(BREB) is recoverable based on the outcome of writ petition filed in the High Court Division of the Honorable Supreme Court.

Note 1.3 wherein the Management has explained that it is currently in negotiations with BREB for amendment of Power Purchase Agreement (PPA), which is yet to be signed and effective from 01 September 2018 for Ashulia, Chandina and Madhabdi - 11 MW power plants each.

Our opinion is not qualified in respect of the above matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

SUMMIT POWER LIMITED

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How the matters were addressed in our audit
<p>01. Audit of opening balances- consolidated and separate financial statements</p> <p>The consolidated financial statements of the Group and separate financial statements of the Company for the financial year ended on 30 June 2019 was the first one being subject to our audit.</p> <p>In accordance with International Standards on Auditing 510: Initial Engagements - Opening Balances, the first-year audit of financial statements requires performing of a few additional audit procedures that are limited in the case of the audit performed for a consecutive year.</p> <p>The purpose of these additional audit procedures is to collect sufficient and relevant audit evidence about whether:</p> <ul style="list-style-type: none"> - opening balances contain misstatements that materially affect the financial statements for the current period; and - appropriate accounting policy applied to the opening balances was used continuously in the preparation of financial statements for the current period, or whether the changes made were correctly accounted for and properly presented in accordance with the applicable financial reporting framework. <p>Accordingly, this issue was identified as key audit matter for the audit of the consolidated and separate financial statements of the Group.</p>	<p>Our procedures, in relation to the key audit matter described, included, among others:</p> <ul style="list-style-type: none"> - meeting with key personnel responsible for financial reporting of the Group as well as meetings with members of the audit team, including specialists planned to be involved in the audit procedures; - understanding of the Group's operations, its business environment and key risk areas related to its operations; - understanding of the Group's internal control environment, including also tests of identified controls; - understanding of the Group's IT environment; - understanding of the accounting policy of the Group and assessing the continuity of its application; - understanding of key areas of estimation and professional judgement of the Group's management; - communication with the previous auditor on matters including; - a discussion of key audit issues and reading of audit documentation from the previous reporting period; - assessment of the key audit issues from the previous reporting period and their impact on the consolidated and separate financial statements for the current financial year; and

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How the matters were addressed in our audit
<p>02. Revenue recognition and provision for customer receivables- see note # 28 & 12 to the financial statements</p> <p>Revenue recognition and provision for customer receivables are key areas of judgement, particularly in relation to:</p> <ul style="list-style-type: none"> - energy revenue is made based on the survey of the meter reading. The customer (or government authority) verify the electrical energy output through physical inspection of meter and/or review of relevant reports generated from the meter. Upon agreement by both parties, the electrical energy delivered for the month is evidenced by the approvals of the professional engineers representing the Group and the customer. The meter is calibrated and certified by independent professional engineers on a regular basis; - capacity payments are recognized according to the terms set out in the Power Purchase Agreement (PPA) which is mainly the availability factor; - identifying conflicting issues relating to billing and assessing whether there is little prospect cash will be received for revenue that has been billed; and - assessing the recoverability of receivables who do not or are unable to pay their bills. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - assessing whether revenue recognition policies are applied through comparison with relevant accounting standards and industry practice, including the policy of not recognizing revenue where it is not probable that cash will be received; - testing the Group's controls over revenue recognition and provision for customer receivables including reconciliations between sales and cash receipts systems and the general ledger; - assessing the assumptions used to calculate the metered accrued income by ensuring that inputs used to the calculation have been derived appropriately; - assessing the customer receivables provisioning policy based on historical cash collections, credits, re-bills and write off information; - assessing the Group's disclosures of its revenue recognition and customer receivables provisioning policies, including the estimation and uncertainty involved in recording revenue and the receivables provisioning; and - discussed with the management regarding the treatment for revenue recognition and customer receivables provisioning policy of the Group.
<p>03. Application of cash flow hedge accounting - see note # 23.3 to the financial statements</p> <p>The three subsidiaries (SBPL, SNPUIIL & AAPL) of the Group are exposed to financial risks for availing loans denominated in foreign currency. Cash flow hedge accounting is applied on interest to manage these financial risks.</p> <p>We regard this as an area of most significance in the current year audit of the consolidated financial statements due to the complexities associated with monitoring and application of hedge accounting.</p> <p>The valuation of underlying hedged items and hedging instruments, along with the calculation of hedge effectiveness and hedge reserve balances can involve complex quantitative models and significant judgement associated with assumptions and hedge accounting methodologies that increase the risk of potential error. Furthermore, the accounting treatment results in significant balances for the Group that arise because of the election to apply hedge accounting.</p>	<p>We considered the application of the accounting policies and assessed the hedge accounting methodologies applied; and compared these to the requirements of IFRS 9 Financial Instruments.</p> <p>We obtained an understanding of management's hedge accounting process and tested the relevant key controls in place over the process and the hedge accounting effectiveness models.</p> <p>We assessed the inputs and assumptions used in the hedging models by comparing these to external information and market data.</p> <p>We assessed the presentation for derivative financial instruments and hedge accounting applied in the financial statements.</p>

SUMMIT POWER LIMITED**INDEPENDENT AUDITOR'S REPORT****Other information**

Management is responsible for the other information. The other information comprises the director's reports, management discussion and analysis, statement of corporate governance, financial highlights, economic value added statement, value added statement and certification on corporate governance but doesn't include the financial statements and our auditor's report. The director's reports, management discussion and analysis, statement of corporate governance, financial highlights, economic value added (EVA) statement, value added statement and certification on corporate governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 and the BSEC guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction,

INDEPENDENT AUDITOR'S REPORT

supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Place: Dhaka

Date: 22 September 2019

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable rules and regulations issued by BSEC, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;
- c) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- d) the expenditures incurred, and payments made were for the purpose of the Group's and the Company's business for the year.



A. Qasem & Co.
Chartered Accountants

SUMMIT POWER LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Assets					
Property, plant and equipment	5	40,153,454,293	39,052,567,510	11,541,127,388	11,966,100,432
Intangible assets	6	47,863,446	47,959,653	20,893,446	17,179,236
Investment in subsidiaries	7	-	-	2,550,702,270	2,126,981,380
Investment in associates	8	6,084,406,955	5,708,245,782	3,801,772,452	3,801,772,452
Deferred tax asset	9	43,923,588	34,821,425	31,960,363	30,092,575
Available-for-sale financial assets	10	3,955,793,693	4,320,803,275	3,955,793,693	4,320,803,275
Non-current assets		50,285,441,975	49,164,397,645	21,902,249,612	22,262,929,350
Inventories	11	684,430,782	616,243,162	396,733,863	468,718,263
Trade receivables	12	11,856,589,210	9,177,390,005	6,335,784,314	5,369,750,911
Other receivables	13	118,564,559	60,253,599	69,205,617	54,442,524
Intercompany receivables	14	-	-	491,831,506	249,516,371
Advances, deposits and prepayments	15	1,348,074,663	445,348,212	675,108,914	146,757,622
Cash and cash equivalents	16	5,843,296,539	4,881,992,406	2,146,617,197	3,070,864,147
Current assets		19,850,955,753	15,181,227,384	10,115,281,411	9,360,049,838
Total assets		70,136,397,728	64,345,625,029	32,017,531,023	31,622,979,188
Equity					
Share capital	17	10,678,772,390	10,678,772,390	10,678,772,390	10,678,772,390
Share premium	18	6,479,097,639	6,479,097,639	6,479,097,639	6,479,097,639
Revaluation reserve	19	963,843,005	982,964,725	963,843,005	982,964,725
Fair value reserve		323,509,578	686,641,624	323,509,578	686,641,624
Capital reserve		1,668,093,205	1,668,093,205	1,668,093,205	1,668,093,205
Hedging reserve		(333,801,733)	-	-	-
Currency translation reserve		62,494,928	33,270,616	-	-
Retained earnings		14,754,154,182	12,849,427,782	10,590,121,870	10,094,055,565
Equity attributable to owners of the Company		34,596,163,194	33,378,267,981	30,703,437,687	30,589,625,148
Non-controlling interests	20	7,251,258,808	3,521,273,883	-	-
Total equity		41,847,422,002	36,899,541,864	30,703,437,687	30,589,625,148
Liabilities					
Redeemable preference shares	21	1,469,771,322	826,398,267	-	-
Loans and borrowings	22	10,088,328,323	5,401,218,269	-	-
Deferred liabilities	23	813,937,731	202,256,860	233,973,700	188,745,860
Non-current liabilities		12,372,037,376	6,429,873,396	233,973,700	188,745,860
Unclaimed dividends	24	75,475,039	58,429,846	75,475,039	58,429,846
Redeemable preference shares	21	157,509,885	157,279,653	-	-
Loans and borrowings	22	10,968,298,719	15,948,932,217	-	-
Trade payables	25	3,896,255,273	3,610,508,096	398,245,011	658,031,052
Other payables and accruals	26	618,470,229	363,059,957	69,801,685	128,147,282
Intercompany payables	27	200,929,205	878,000,000	536,597,901	-
Current liabilities		15,916,938,350	21,016,209,769	1,080,119,636	844,608,180
Total liabilities		28,288,975,726	27,446,083,165	1,314,093,336	1,033,354,040
Total equity and liabilities		70,136,397,728	64,345,625,029	32,017,531,023	31,622,979,188

The annexed notes 1 to 49 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019



A. Qasem & Co.
Chartered Accountants

SUMMIT POWER LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Revenue	28	30,471,632,393	18,467,638,287	8,449,571,723	8,800,057,604
Cost of sales	29	(22,477,882,735)	(13,062,978,853)	(4,825,169,800)	(5,018,544,136)
Gross profit		7,993,749,658	5,404,659,434	3,624,401,923	3,781,513,468
Other income, net	30	236,552,632	340,618,918	229,235,365	340,155,775
General and administrative expenses	31	(567,814,762)	(460,888,582)	(300,930,160)	(404,519,418)
Operating profit		7,662,487,528	5,284,389,770	3,552,707,128	3,717,149,825
Finance income/(expenses), net	32	(702,407,988)	(428,239,553)	177,069,441	191,544,076
Share of profit of equity-accounted investees	8	401,661,173	450,755,528	-	-
Profit before tax		7,361,740,713	5,306,905,745	3,729,776,569	3,908,693,901
Income tax expenses	33	(79,125,310)	(32,533,280)	(34,990,767)	3,054,825
Profit after income tax		7,282,615,403	5,274,372,465	3,694,785,802	3,911,748,726
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gain/(loss) on gratuity valuation	33.2	(23,189,000)	(28,331,000)	(18,946,000)	(21,477,000)
Related tax on gain/(loss) on gratuity valuation		6,221,550	7,768,150	4,736,500	5,369,250
		(16,967,450)	(20,562,850)	(14,209,500)	(16,107,750)
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets - net change in fair value	10	(363,132,046)	534,069,589	(363,132,046)	534,069,589
Foreign currency translation impact		106,491,977	65,058,078	-	-
Change in fair value of financial derivative instruments	23.3	(579,964,031)	-	-	-
		(836,604,100)	599,127,667	(363,132,046)	534,069,589
Other comprehensive income		(853,571,550)	578,564,817	(377,341,546)	517,961,839
Total comprehensive income		6,429,043,853	5,852,937,282	3,317,444,256	4,429,710,565
Profit attributable to:					
Owners of the Company		5,104,797,292	4,696,084,430	-	-
Non-controlling interests		2,177,818,111	578,288,035	-	-
		7,282,615,403	5,274,372,465	-	-
Other comprehensive income attributable to:					
Owners of the Company		(683,316,366)	549,049,456	-	-
Non-controlling interests		(170,255,184)	29,515,361	-	-
		(853,571,550)	578,564,817	-	-
Total comprehensive income attributable to:					
Owners of the Company		4,421,480,926	5,245,133,886	-	-
Non-controlling interests		2,007,562,927	607,803,396	-	-
		6,429,043,853	5,852,937,282	-	-
Earnings per share					
Basic earnings per share (face value BDT 10)	34.1	4.78	4.40	3.46	3.66

The annexed notes 1 to 49 form an integral part of these financial statements.



Managing Director


Director


Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019


A.Qasem & Co.
Chartered Accountants

SUMMIT POWER LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

Figures in BDT

Particulars	Attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Revaluation reserve	Fair value reserve	Capital reserve	Hedging reserve	Currency translation reserve	Retained earnings	Total		
Balance at 1 July 2017	10,678,772,390	6,479,097,639	1,002,086,449	152,572,035	1,668,093,205	-	-	11,341,109,707	31,321,731,425	1,755,013,645	33,076,745,070
Total comprehensive income											
Profit	-	-	-	-	-	-	-	4,696,084,430	4,696,084,430	578,288,035	5,274,372,465
Other comprehensive income	-	-	-	534,069,589	-	-	33,270,616	(18,290,749)	549,049,456	29,515,361	578,564,817
Total comprehensive income	-	-	-	534,069,589	-	-	33,270,616	4,677,793,681	5,245,133,886	607,803,396	5,852,937,282
Transaction with owners of the Company											
Cash dividend	-	-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)	-	(3,203,631,717)
Equity capital of non-controlling interest	-	-	-	-	-	-	-	-	-	1,150,000,000	1,150,000,000
Total transactions with owners of the Company	-	-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)	1,150,000,000	(2,053,631,717)
Transactions recognised directly in equity											
Adjustment due to change in the functional currency	-	-	-	-	-	-	-	15,034,387	15,034,387	8,456,842	23,491,229
Transfer from revaluation reserve to retained earnings	-	-	(19,121,724)	-	-	-	-	19,121,724	-	-	-
Total transactions recognised directly in equity	-	-	(19,121,724)	-	-	-	-	34,156,111	15,034,387	8,456,842	23,491,229
Balance at 30 June 2018	10,678,772,390	6,479,097,639	982,964,725	686,641,624	1,668,093,205	-	33,270,616	12,849,427,782	3,378,267,981	3,521,273,883	36,899,541,864
Balance at 1 July 2018	10,678,772,390	6,479,097,639	982,964,725	686,641,624	1,668,093,205	-	33,270,616	12,849,427,782	3,378,267,981	3,521,273,883	36,899,541,864
Total comprehensive income											
Profit	-	-	-	-	-	-	-	1,104,797,292	5,104,797,292	2,177,818,111	7,282,615,403
Other comprehensive income	-	-	-	(363,132,046)	-	(333,801,733)	29,224,312	(15,560,895)	(683,270,362)	(170,301,186)	(853,571,548)
Total comprehensive income	-	-	-	(363,132,046)	-	(333,801,733)	29,224,312	5,089,236,397	4,421,526,930	2,007,516,925	6,429,043,855
Transaction with owners of the Company											
Cash dividend	-	-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)	-	(3,203,631,717)
Equity capital of non-controlling interest	-	-	-	-	-	-	-	-	-	1,722,468,000	1,722,468,000
Total transactions with owners of the Company	-	-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)	1,722,468,000	(1,481,163,717)
Transactions recognised directly in equity											
Transfer from revaluation reserve to retained earnings	-	-	(19,121,720)	-	-	-	-	19,121,720	-	-	-
Total transactions recognised directly in equity	-	-	(19,121,720)	-	-	-	-	19,121,720	-	-	-
Balance at 30 June 2019	10,678,772,390	6,479,097,639	963,843,005	323,509,578	1,668,093,205	(333,801,733)	62,494,928	14,754,154,182	34,596,163,194	7,251,258,808	41,847,422,002



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019



A. Qasem & Co.
Chartered Accountants

SUMMIT POWER LIMITED

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

Figures in BDT

Particulars	Share capital	Share premium	Revaluation reserve	Fair value reserve	Capital reserve	Retained earnings	Total equity
Balance at 1 July 2017	10,678,772,390	6,479,097,639	1,002,086,449	152,572,035	1,668,093,205	9,382,924,582	29,363,546,300
Total comprehensive income							
Profit	-	-	-	-	-	3,911,748,726	3,911,748,726
Other comprehensive income	-	-	-	534,069,589	-	(16,107,750)	517,961,839
Total comprehensive income	-	-	-	534,069,589	-	3,895,640,976	4,429,710,565
Transaction with owners of the company							
Cash dividend	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
Total transactions with owners of the company	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
Transactions recognised directly in equity							
Transfer from revaluation reserve to retained earnings	-	-	(19,121,724)	-	-	19,121,724	-
Total transactions recognised directly in equity	-	-	(19,121,724)	-	-	19,121,724	-
Balance at 30 June 2018	10,678,772,390	6,479,097,639	982,964,725	686,641,624	1,668,093,205	10,094,055,565	30,589,625,148
Balance at 1 July 2018	10,678,772,390	6,479,097,639	982,964,725	686,641,624	1,668,093,205	10,094,055,565	30,589,625,148
Total comprehensive income							
Profit	-	-	-	-	-	3,694,785,802	3,694,785,802
Other comprehensive income	-	-	-	(363,132,046)	-	(14,209,500)	(377,341,546)
Total comprehensive income	-	-	-	(363,132,046)	-	3,680,576,302	3,317,444,256
Transaction with owners of the company							
Cash dividend	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
Total transactions with owners of the company	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
Transactions recognised directly in equity							
Transfer from revaluation reserve to retained earnings	-	-	(19,121,720)	-	-	19,121,720	-
Total transactions recognised directly in equity	-	-	(19,121,720)	-	-	19,121,720	-
Balance at 30 June 2019	10,678,772,390	6,479,097,639	963,843,005	323,509,578	1,668,093,205	10,590,121,870	30,703,437,687


Managing Director


Director


Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019


A. Qasem & Co.
Chartered Accountants

SUMMIT POWER LIMITED

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Cash flows from operating activities				
Receipts from customers	27,808,398,801	16,160,982,645	7,487,596,900	8,383,118,861
Payment to employees, suppliers and service-providers	(21,722,259,858)	(11,349,844,760)	(5,044,616,927)	(4,766,069,555)
Receipts from other sources	43,926,173	59,252,272	8,164,105	51,686,158
Income tax paid	(76,135,963)	(19,630,517)	(11,318,497)	-
Net cash from operating activities	6,053,929,153	4,850,759,640	2,439,825,581	3,668,735,464
Cash flows from investing activities				
Interest received	296,185,805	278,853,755	201,643,459	186,079,369
Acquisition of property, plant and equipment	(2,876,129,813)	(18,586,769,932)	(466,924,438)	(432,684,596)
Acquisition of intangible asset	(4,407,474)	(10,345,895)	(4,407,474)	(10,345,895)
Proceeds for disposal of property, plant and equipment	6,043,695	3,706,650	6,031,000	3,706,650
Acquisition of subsidiary	-	-	(251,200,000)	(970,000,000)
Intercompany financing - payment on behalf	200,397,901	-	121,761,876	(67,432,438)
Dividends received from AFS financial assets	191,437,348	-	191,437,348	350,917,048
Dividends received from equity accounted investees	25,500,000	350,917,048	25,500,000	-
Net cash used in investing activities	(2,160,972,538)	(17,963,638,374)	(176,158,229)	(939,759,862)
Cash flows from financing activities				
Interest paid	(946,714,504)	(498,733,846)	(1,327,778)	-
Proceeds from issue of share capital (NCI)	25,964,000	1,100,000,000	-	-
Proceeds from issue of redeemable preference shares	800,431,534	-	-	-
Repayment of redeemable preference shares	(160,000,000)	-	-	-
Proceeds from loans and borrowings	5,491,526,662	15,114,148,698	200,000,000	-
Repayment of loans and borrowings	(5,674,776,949)	(384,608,890)	(200,000,000)	-
Transaction cost	(104,728,205)	(2,012,067)	-	-
Proceeds from/(repayment of) intercompany financing	820,311,158	903,798,030	-	-
Dividends paid	(3,186,586,524)	(3,188,582,753)	(3,186,586,524)	(3,188,582,753)
Net cash generated from/(used in) financing activities	(2,934,572,828)	13,044,009,172	(3,187,914,302)	(3,188,582,753)
Net changes in cash and cash equivalents	958,383,787	(68,869,562)	(924,246,950)	(459,607,151)
Effects of currency translation	2,920,346	37,788,651	-	-
Opening cash and cash equivalents	4,881,992,406	4,913,073,317	3,070,864,147	3,530,471,298
Closing cash and cash equivalents	5,843,296,539	4,881,992,406	2,146,617,197	3,070,864,147



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019



A. Qasem & Co.
Chartered Accountants

1 Reporting entity

1.1 Company profile

Summit Power Limited (hereinafter referred to as "the Company"/"SPL") was incorporated in Bangladesh on 30 March 1997 as a private limited company under the Companies Act 1994 under registration no. C 32630(1751)/97 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215. The Company was subsequently converted into a public limited company on 7 June 2004. During October-November 2005, the Company listed its shares with both Dhaka and Chittagong Stock Exchanges. The Company took majority interest of Summit Purbanchol Power Company Limited ("SPPCL") in 2007, of Summit Uttaranchol Power Company Limited ("SUPCL") in 2007 and of Summit Narayanganj Power Limited ("SNPL") in 2010. SPPCL, SUPCL and SNPL have been amalgamated with their parent company Summit Power Limited with effect from 31 December 2015. The operation of the following companies are directly controlled by the management of Summit Power Limited.

Summit Narayanganj Power Unit II Limited ("SNPL II") was incorporated in Bangladesh on 10 February 2011 as a private limited company under the Companies Act 1994 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Shantahar Power Limited. On 18 November 2013 the name of Summit Shantahar Power Limited was changed as Summit Narayanganj Power Unit II Limited.

Summit Barisal Power Limited ("SBPL") was incorporated in Bangladesh on 10 February 2011 as a private limited company under the Companies Act 1994 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Saidpur Power Limited. On 18 November 2013 the name of Summit Saidpur Power Limited was changed as Summit Barisal Power Limited.

Summit Chittagong Power Limited ("SCPL") was incorporated on 27 October 2015 as a private limited company under the Companies Act 1994 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka-1215, Bangladesh.

Ace Alliance Power Limited ("AAPL") was incorporated on 5 September 2011 as a private limited company under the Companies Act 1994 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka-1215, Bangladesh. Initially, 64% of its shares were owned by Aitken Spence Plc, Sri Lanka and 36% by Alliance Holdings Limited, Bangladesh. In June 2016, Summit Power Limited took 64% of shares from Aitken Spence Plc, Sri Lanka and Summit Corporation Limited took 36% of shares from Alliance Holdings Limited, Bangladesh.

Summit Gazipur II Power Limited ("SGIIPL") was incorporated on 3 July 2017 as a private limited company under the Companies Act 1994 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka-1215, Bangladesh. 80% of its shares are owned by Summit Corporation Limited ("SCL") and 20% by Summit Power Limited ("SPL").

1.2 Nature of business

The principal activity of the Company/Group is to generate and supply of electricity. Operational details of the Company/ Group are as under:

Name of Company	Name of plant	Location	Plant capacity (MW)	Operation starting date	Period of PPA (Year)
Summit Power Limited	Ashulia Power Plant (Unit-1)	Savar, Dhaka	11	1 Sep 2003	15
	Ashulia Power Plant (Unit-2)	Savar, Dhaka	33.75	4 Dec 2007	15
	Madhabdi Power Plant (Unit-1)	Narsingdi	11	1 Sep 2003	15
	Madhabdi Power Plant (Unit-2)	Narsingdi	24.3	16 Dec 2006	15
	Chandina Power Plant (Unit-1)	Comilla	11	1 Sep 2003	15
	Chandina Power Plant (Unit-2)	Comilla	13.5	15 Nov 2006	15
	Rupganj Power Plant	Narayanganj	33	9 Jun 2009	15
	Jangalia Power Plant	Comilla	33	25 Jun 2009	15
	Maona Power Plant	Gazipur	33	12 May 2009	15
	Ullapara Power Plant	Sirajganj	11	3 Mar 2009	15
	Madanganj Power Plant	Narayanganj	102	1 Apr 2011	10
Summit Narayanganj Power Unit II Limited	Madanganj Power Plant (Unit-2)	Narayanganj	55	29 Feb 2016	15
Summit Barisal Power Limited	Rupatoli Power Plant	Barisal	110	5 Apr 2016	15
Ace Alliance Power Limited	Kodda Power Plant (Unit-1)	Gazipur	149	12 July 2018	15
Summit Gazipur II Power Limited	Kodda Power Plant (Unit-2)	Gazipur	300	10 May 2018	15
Summit Chittagong Power Limited*	-	-	-	-	-

All the above power plants are natural gas based, except Madanganj Power Plant, Rupatoli Power Plant, Madanganj Power Plant (Unit-2), Kodda Power Plant (Unit-1) and Kodda Power Plant (Unit-2), which are based on heavy furnace oil (HFO).

* Development of this power plant is yet to initiate.

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Ashulia Power Plant (Unit-1), Madhabdi Power Plant (Unit-1) and Chandina Power Plant (Unit-1) - extension of Power Purchase Agreement

The Group contracted with Bangladesh Rural Electrification Board ("BREB") for Power Purchase Agreement ("PPA") on 10 February 2000 to supply electricity from Ashulia power plant, Madhabdi power plant and Chandina power plant ("the plants") for 15 years to 31 August 2018 subject to extension the term of contract on the basis of mutual agreement. Under these provisions, on 17 August 2015 Management had applied to BREB for extension of the PPA for 15 years. Subsequently, BREB has recommended to Power Division of Ministry of Power, Energy and Mineral Resources of Bangladesh for an extension of only 5 years.

On the basis of the recommended 5-year extension, Management is currently in negotiations with BREB over the tariff to be incorporated into the PPA from 1 September 2018. BREB has also consented to the Group to continue supplying power to it until the negotiation is completed.

2 Basis of preparation**2.1 Statement of compliance**

The financial statements (consolidated and separate financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by The International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017.

2.2 Authorisation for issue

The financial statements were authorised by the Board of Directors on 22 September 2019 for publication.

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets/liabilities as explained in the accompanying notes.

2.4 Functional and presentational currency and level of precision

These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is both functional currency and presentation currency of the Company/Group, except for Ace Alliance Power Limited and Summit Gazipur II Power Limited. For these two companies, United States Dollar (USD) is the functional currency and BDT is the presentation currency. All amounts have been rounded to the nearest integer, unless otherwise indicated.

2.5 Reporting period

The financial period of the Company/Group covers one year from 1 July to 30 June.

Details of the Company's accounting policies are included in Note 47.

3 Use of estimates and judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 30 June 2019 is included in the following notes:

Note 5 and 47B(v)	Depreciation
Note 5 and 47C(iii)	Amortisation
Note 23	Deferred liabilities
Note 26	Other payables and accruals
Note 42	Contingent liabilities

4 Changes in significant accounting policies

The Group has applied IFRS 15: *Revenue from Contracts with Customers* and IFRS 9: *Financial Instruments* from 1 July 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. It replaces IAS 18: *Revenue*, IAS 11: *Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgement. However, adoption of IFRS 15 does not have any significant impact in recognition of revenue for the Group.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*. However, adoption of IFRS 9 does not have any significant impact on the financial statements of the Group.

Other new standards that are also effective from 1 January 2018 do not have a material impact on these financial statements either.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Property, plant and equipment

Consolidated

For the year ended 30 June 2019

Figures in BDT

Particulars	Cost/Revaluation					Rate %	Depreciation					Written down value at 30 June 2019
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Movement of exchange rate	Balance at 30 June 2019		Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Movement of exchange rate	Balance at 30 June 2019	
a) Own assets : i) Cost												
Land and land development	953,405,952	217,336,968	-	2,912,852	1,173,655,772	-	-	-	-	-	-	1,173,655,772
Furniture and fixtures	31,506,708	4,119,063	(61,315)	30,032	35,594,488	10	13,369,598	3,321,974	(41,763)	2,945	16,652,754	18,941,734
Office and electrical equipment	73,359,209	15,247,126	(771,855)	123,467	87,957,947	20	40,622,553	9,898,429	(683,081)	19,680	49,857,581	38,100,366
Office decoration	29,704,028	601,000	-	-	30,305,028	20	27,251,039	2,150,116	-	-	29,401,155	903,873
Motor vehicles	164,003,784	29,949,535	(15,201,663)	202,697	178,954,353	20	88,226,912	19,966,184	(15,201,663)	38,914	93,030,348	85,924,006
Maintenance equipment	32,885,578	786,896	-	2,487	33,674,961	20	21,240,754	4,363,507	-	207	25,604,468	8,070,493
Civil works and others	224,889,004	897,566	-	-	225,786,570	20	177,549,839	21,512,646	-	-	199,062,486	26,724,084
Plant and machineries:												
Ashulia Power Plant (Unit-1)	457,956,738	6,109,084	-	-	464,065,823	3.33 - 10	255,045,875	27,477,925	-	-	282,523,800	181,542,022
Ashulia Power Plant (Unit-2)	1,480,456,849	93,987,482	-	-	1,574,444,331	3.33 - 16.67	532,101,053	82,298,408	-	-	614,399,462	960,044,869
Madhabdi Power Plant (Unit-1)	421,741,065	4,531,388	-	-	426,272,453	3.33 - 10	293,481,030	25,399,003	-	-	318,880,033	107,392,420
Madhabdi Power Plant (Unit-2)	1,005,495,201	53,479,300	-	-	1,058,974,501	3.33 - 16.67	425,994,874	55,477,636	-	-	481,472,510	577,501,991
Chandina Power Plant (Unit-1)	468,388,956	5,656,913	-	-	474,045,869	3.33 - 10	283,207,909	26,368,162	-	-	309,576,071	164,469,797
Chandina Power Plant (Unit-2)	624,809,281	29,263,317	-	-	654,072,598	3.33 - 16.67	260,824,491	34,926,557	-	-	295,751,048	358,321,550
Jangalia Power Plant	1,519,190,175	58,462,124	-	-	1,577,652,299	3.33 - 16.67	465,775,390	74,993,989	-	-	540,769,379	1,036,882,920
Rupganj Power Plant	1,512,653,345	64,160,812	-	-	1,576,814,156	3.33 - 16.67	474,028,243	76,368,503	-	-	550,396,746	1,026,417,410
Maona Power Plant	1,434,339,147	78,894,818	-	-	1,513,233,965	3.33 - 16.67	490,235,218	70,912,559	-	-	561,147,777	952,086,189
Ullapara Power Plant	542,984,339	98,191,870	-	-	641,176,209	3.33 - 16.67	197,227,856	33,929,705	-	-	231,157,561	410,018,648
Madanganj Power Plant	5,309,071,512	184,150,617	-	-	5,493,222,130	3.33 - 16.67	1,390,982,708	284,689,189	-	-	1,675,671,897	3,817,550,233
Rupatoli Power Plant	5,250,372,185	222,568,159	-	-	5,472,940,344	3.33 - 5	407,000,090	217,845,356	-	-	624,845,446	4,848,094,898
Madanganj Power Plant (Unit-2)	2,767,035,373	133,229,226	-	-	2,900,264,600	3.33 - 5	215,608,244	109,832,179	-	-	325,440,423	2,574,824,177
Kodda Power Plant (Unit-1)	-	6,431,616,186	-	36,319,949	6,467,936,135	3.33 - 5	-	216,685,871	-	1,267,210	217,953,081	6,249,983,054
Kodda Power Plant (Unit-2)	12,780,322,851	68,320,409	-	118,579,710	12,967,222,970	3.33 - 5	72,659,663	441,507,745	-	3,144,154	517,311,562	12,449,911,408
Total (i)	37,084,571,281	7,801,559,859	(16,034,833)	158,171,194	45,028,267,501		6,132,433,339	1,839,925,645	(15,926,507)	4,473,110	7,960,905,587	37,067,361,914
a) Own assets : ii) Revaluation												
Land and land development	569,663,952	-	-	-	569,663,952	-	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	-	13,002,138	20	13,002,138	-	-	-	13,002,138	-
Plant and machineries:												
Ashulia Power Plant (Unit-1)	166,227,903	-	-	-	166,227,903	3.33 - 10	46,404,838	5,540,876	-	-	51,945,714	114,282,189
Ashulia Power Plant (Unit-2)	3,310,422	-	-	-	3,310,422	3.33 - 16.67	924,165	110,352	-	-	1,034,517	2,275,905
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	-	161,663,341	3.33 - 10	45,130,564	5,388,720	-	-	50,519,284	111,144,057
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	-	79,752,991	3.33 - 16.67	22,264,158	2,658,420	-	-	24,922,578	54,830,413
Chandina Power Plant (Unit-1)	146,384,742	-	-	-	146,384,742	3.33 - 10	40,865,340	4,879,440	-	-	45,744,780	100,639,962
Chandina Power Plant (Unit-2)	16,317,466	-	-	-	16,317,466	3.33 - 16.67	4,555,252	543,912	-	-	5,099,164	11,218,302
Total (ii)	1,156,322,955	-	-	-	1,156,322,955		173,146,454	19,121,720	-	-	192,268,174	964,054,780
Total assets (a)	38,240,894,236	7,801,559,859	(16,034,833)	158,171,194	46,184,590,456		6,305,579,793	1,859,047,365	(15,926,507)	4,473,110	8,153,173,761	38,031,416,694
b) Spare parts												
Stock in hand	973,575,986	747,314,944	(827,755,062)	985,576	894,121,445	3.33 - 50	131,745,753	65,401,395	(51,475,183)	12,094	145,684,059	748,437,386
Stock in transit	192,764,020	1,107,004,962	(1,136,992,575)	14,300	162,790,707	-	-	-	-	-	-	162,790,707
Total spare parts (b)	1,166,340,006	1,854,319,906	(1,964,747,637)	999,876	1,056,912,152		131,745,753	65,401,395	(51,475,183)	12,094	145,684,059	911,228,093
c) Capital work-in progress												
Capital work in progress	6,082,658,814	1,575,368,407	(6,475,773,387)	28,555,672	1,210,809,506	-	-	-	-	-	-	1,210,809,506
Total capital work-in progress (c)	6,082,658,814	1,575,368,407	(6,475,773,387)	28,555,672	1,210,809,506		-	-	-	-	-	1,210,809,506
Total (a+b+c)	45,489,893,057	11,231,248,173	(8,456,555,857)	187,726,742	48,452,312,114		6,437,325,546	1,924,448,760	(67,401,690)	4,485,204	8,298,857,820	40,153,454,293

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Consolidated

For the year ended 30 June 2018

Figures in BDT

Particulars	Cost/Revaluation					Rate %	Depreciation					Written down value at 30 June 2018
	Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Movement of exchange rate	Balance at 30 June 2018		Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Movement of exchange rate	Balance at 30 June 2018	
a) Own assets : i) Cost												
Land and land development	924,771,550	186,175,304	(161,061,325)	3,520,423	953,405,952	-	-	-	-	-	-	953,405,952
Furniture and fixtures	26,071,146	5,392,548	-	43,014	31,506,708	10	10,769,370	2,598,652	-	1,576	13,369,598	18,137,110
Office and electrical equipment	51,430,101	21,764,546	(47,000)	211,562	73,359,209	20	33,167,429	7,485,485	(38,832)	8,471	40,622,553	32,736,656
Office decoration	28,050,339	1,653,689	-	-	29,704,028	20	26,601,001	650,038	-	-	27,251,039	2,452,989
Motor vehicles	136,126,544	43,091,516	(15,596,500)	382,224	164,003,784	20	89,052,896	14,730,440	(15,596,500)	40,076	88,226,912	75,776,872
Maintenance equipment	27,180,353	5,705,225	-	-	32,885,578	20	17,908,940	3,331,814	-	-	21,240,754	11,644,824
Civil works and others	208,801,320	16,087,684	-	-	224,889,004	20	145,923,882	31,625,957	-	-	177,549,839	47,339,165
Plant and machineries:												
Ashulia Power Plant (Unit-1)	454,204,669	3,752,069	-	-	457,956,738	3.33 - 10	228,291,221	26,754,654	-	-	255,045,875	202,910,863
Ashulia Power Plant (Unit-2)	1,465,580,547	14,876,302	-	-	1,480,456,849	3.33 - 16.67	454,870,733	77,230,321	-	-	532,101,053	948,355,795
Madhabdi Power Plant (Unit-1)	413,433,901	8,307,164	-	-	421,741,065	3.33 - 10	267,923,365	25,557,664	-	-	293,481,030	128,260,035
Madhabdi Power Plant (Unit-2)	988,239,163	17,256,038	-	-	1,005,495,201	3.33 - 16.67	383,064,623	42,930,250	-	-	425,994,874	579,500,327
Chandina Power Plant (Unit-1)	462,336,094	6,052,862	-	-	468,388,956	3.33 - 10	257,836,089	25,371,820	-	-	283,207,909	185,181,047
Chandina Power Plant (Unit-2)	608,371,334	16,437,947	-	-	624,809,281	3.33 - 16.67	233,045,515	27,778,976	-	-	260,824,491	363,984,790
Jangalia Power Plant	1,512,454,446	6,735,729	-	-	1,519,190,175	3.33 - 16.67	396,316,930	69,458,460	-	-	465,775,390	1,053,414,785
Rupganj Power Plant	1,457,317,703	55,335,642	-	-	1,512,653,345	3.33 - 16.67	400,112,795	73,915,448	-	-	474,028,243	1,038,625,102
Maona Power Plant	1,397,125,057	37,214,090	-	-	1,434,339,147	3.33 - 16.67	426,860,120	63,375,098	-	-	490,235,218	944,103,929
Ullapara Power Plant	511,740,411	31,243,928	-	-	542,984,339	3.33 - 16.67	176,639,690	20,588,166	-	-	197,227,856	345,756,483
Madanganj Power Plant	5,134,835,936	174,235,576	-	-	5,309,071,512	3.33 - 16.67	1,131,215,579	259,767,129	-	-	1,390,982,708	3,918,088,804
Rupatoli Power Plant	5,161,369,182	89,003,003	-	-	5,250,372,185	3.33 - 5	217,156,412	189,843,678	-	-	407,000,090	4,843,372,095
Madanganj Power Plant (Unit-2)	2,674,057,876	92,977,497	-	-	2,767,035,373	3.33 - 5	119,023,643	96,584,600	-	-	215,608,244	2,551,427,130
Kodda Power Plant (Unit-2)	-	12,535,447,438	-	244,875,413	12,780,322,851	3.33 - 5	-	71,267,479	-	1,392,184	72,659,663	12,707,663,188
Total (i)	23,643,497,672	13,368,745,798	(176,704,825)	249,032,636	37,084,571,281		5,015,780,233	1,130,846,131	(15,635,332)	1,442,307	6,132,433,339	30,952,137,942
a) Own assets : ii) Revaluation												
Land and land development	569,663,952	-	-	-	569,663,952	-	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	-	13,002,138	20	13,002,138	-	-	-	13,002,138	-
Plant and machineries:												
Ashulia Power Plant (Unit-1)	166,227,903	-	-	-	166,227,903	3.33 - 10	40,863,958	5,540,880	-	-	46,404,838	119,823,065
Ashulia Power Plant (Unit-2)	3,310,422	-	-	-	3,310,422	3.33 - 16.67	813,813	110,352	-	-	924,165	2,386,257
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	-	161,663,341	3.33 - 10	39,741,844	5,388,720	-	-	45,130,564	116,532,777
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	-	79,752,991	3.33 - 16.67	19,605,738	2,658,420	-	-	22,264,158	57,488,833
Chandina Power Plant (Unit-1)	146,384,742	-	-	-	146,384,742	3.33 - 10	35,985,900	4,879,440	-	-	40,865,340	105,519,402
Chandina Power Plant (Unit-2)	16,317,466	-	-	-	16,317,466	3.33 - 16.67	4,011,340	543,912	-	-	4,555,252	11,762,214
Total (ii)	1,156,322,955	-	-	-	1,156,322,955		154,024,730	19,121,724	-	-	173,146,454	983,176,501
Total assets (a)	24,799,820,627	13,368,745,798	(176,704,825)	249,032,636	38,240,894,236		5,169,804,964	1,149,967,855	(15,635,332)	1,442,307	6,305,579,793	31,935,314,443
b) Spare parts												
Stock in hand	749,005,147	678,726,057	(454,155,218)	-	973,575,986	3.33 - 50	109,363,833	54,275,917	(31,893,998)	-	131,745,753	841,830,233
Stock in transit	113,220,869	984,219,064	(904,675,913)	-	192,764,020	-	-	-	-	-	-	192,764,020
Total spare parts (b)	862,226,016	1,662,945,121	(1,358,831,131)	-	1,166,340,006		109,363,833	54,275,917	(31,893,998)	-	131,745,753	1,034,594,253
c) Capital work-in progress												
Capital work in progress	946,236,882	4,979,104,646	-	157,317,286	6,082,658,814	-	-	-	-	-	-	6,082,658,814
Total capital work-in progress (c)	946,236,882	4,979,104,646	-	157,317,286	6,082,658,814		-	-	-	-	-	6,082,658,814
Total (a+b+c)	26,608,283,526	20,010,795,565	(1,535,535,956)	406,349,922	45,489,893,057		5,279,168,797	1,204,243,772	(47,529,330)	1,442,307	6,437,325,546	39,052,567,510

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For the year ended 30 June 2019

Separate

For the year ended 30 June 2019

Figures in BDT

Particulars	Cost/Revaluation				Rate %	Depreciation				Written down value at 30 June 2019
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2019		Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2019	
a) Own assets : i) Cost										
Land and land development	350,868,786	1,709,456	-	352,578,242	-	-	-	-	-	352,578,242
Furniture and fixtures	21,313,903	1,948,432	(61,315)	23,201,020	10	11,893,027	2,091,538	(41,763)	13,942,802	9,258,218
Office and electrical equipment	49,369,683	10,565,277	(645,250)	59,289,710	20	35,341,187	6,135,874	(645,250)	40,831,811	18,457,899
Office decoration	29,424,708	601,000	-	30,025,708	20	27,143,970	777,508	-	27,921,478	2,104,230
Motor vehicles	141,177,004	20,222,636	(15,201,663)	146,197,977	20	84,095,344	16,012,465	(15,201,663)	84,906,147	61,291,830
Maintenance equipment	31,492,590	346,500	-	31,839,090	20	20,784,448	2,310,316	-	23,094,763	8,744,327
Civil works and others	224,803,919	897,566	-	225,701,485	20	177,546,914	21,505,626	-	199,052,541	26,648,944
Plant and machineries:										
Ashulia Power Plant (Unit-1)	457,956,738	6,109,084	-	464,065,823	3.33 - 10	255,045,874	27,477,925	-	282,523,799	181,542,024
Ashulia Power Plant (Unit-2)	1,480,456,849	93,987,482	-	1,574,444,331	3.33 - 16.67	532,101,052	82,298,408	-	614,399,460	960,044,870
Madhabdi Power Plant (Unit-1)	421,741,065	4,531,388	-	426,272,453	3.33 - 10	293,481,029	25,399,003	-	318,880,032	107,392,421
Madhabdi Power Plant (Unit-2)	1,005,495,201	53,479,300	-	1,058,974,501	3.33 - 16.67	425,994,873	55,477,636	-	481,472,509	577,501,992
Chandina Power Plant (Unit-1)	468,388,956	5,656,913	-	474,045,869	3.33 - 10	283,207,909	26,368,162	-	309,576,071	164,469,798
Chandina Power Plant (Unit-2)	624,809,281	29,263,317	-	654,072,598	3.33 - 16.67	260,824,490	34,926,557	-	295,751,047	358,321,550
Jangalia Power Plant	1,519,190,175	58,462,124	-	1,577,652,299	3.33 - 16.67	465,775,390	74,993,989	-	540,769,379	1,036,882,920
Rugganj Power Plant	1,512,653,345	64,160,812	-	1,576,814,156	3.33 - 16.67	474,028,243	76,368,503	-	550,396,746	1,026,417,410
Maona Power Plant	1,434,339,147	78,894,818	-	1,513,233,965	3.33 - 16.67	490,235,217	70,912,559	-	561,147,776	952,086,189
Ullapara Power Plant	542,984,339	98,191,870	-	641,176,209	3.33 - 16.67	197,227,855	33,929,705	-	231,157,560	410,018,649
Madanganj Power Plant	5,309,071,512	184,150,617	-	5,493,222,130	3.33 - 16.67	1,390,982,707	284,689,189	-	1,675,671,896	3,817,550,233
Total (i)	15,625,537,201	713,178,592	(15,908,228)	16,322,807,565		5,425,709,528	841,674,965	(15,888,676)	6,251,495,817	10,071,311,746
a) Own assets : ii) Revaluation										
Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machineries:										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	46,404,837	5,540,876	-	51,945,713	114,282,190
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	924,163	110,352	-	1,034,515	2,275,907
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	45,130,563	5,388,720	-	50,519,283	111,144,058
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	22,264,158	2,658,420	-	24,922,578	54,830,413
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	40,865,339	4,879,440	-	45,744,779	100,639,963
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	4,555,253	543,912	-	5,099,165	11,218,301
Total (ii)	1,156,322,955	-	-	1,156,322,955		173,146,450	19,121,720	-	192,268,170	964,054,784
Total assets (i+ii)	16,781,860,156	713,178,592	(15,908,228)	17,479,130,520		5,598,855,978	860,796,685	(15,888,676)	6,443,763,987	11,035,366,530
b) Spare parts										
Stock in hand	714,673,701	469,205,449	(673,316,951)	510,562,199	3.33 - 50	115,623,599	44,981,984	(41,906,574)	118,699,009	391,863,190
Stock in transit	184,046,153	598,431,583	(668,580,068)	113,897,668	-	-	-	-	-	113,897,668
	898,719,854	1,067,637,033	(1,341,897,019)	624,459,868		115,623,599	44,981,984	(41,906,574)	118,699,009	505,760,858
Total (a+b)	17,680,580,010	1,780,815,625	(1,357,805,247)	18,103,590,387		5,714,479,577	905,778,669	(57,795,250)	6,562,462,996	11,541,127,388

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Separate

For the year ended 30 June 2018

Figures in BDT

Particulars	Cost/Revaluation				Rate %	Depreciation				Written down value at 30 June 2018
	Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2018		Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2018	
a) Own assets : i) Cost										
Land and land development	511,930,111	-	(161,061,325)	350,868,786	-	-	-	-	-	350,868,786
Furniture and fixtures	19,811,280	1,502,623	-	21,313,903	10	10,073,678	1,819,349	-	11,893,027	9,420,876
Office and electrical equipment	40,835,379	8,581,304	(47,000)	49,369,683	20	30,646,008	4,734,011	(38,832)	35,341,187	14,028,496
Office decoration	27,771,019	1,653,689	-	29,424,708	20	26,549,792	594,178	-	27,143,970	2,280,738
Motor vehicles	129,950,544	26,822,960	(15,596,500)	141,177,004	20	87,536,362	12,155,482	(15,596,500)	84,095,344	57,081,660
Maintenance equipment	26,133,840	5,358,750	-	31,492,590	20	17,741,147	3,043,301	-	20,784,448	10,708,142
Civil works and others	208,751,320	16,052,599	-	224,803,919	20	145,923,882	31,623,032	-	177,546,914	47,257,005
Plant and machineries:	-	-	-	-	-	-	-	-	-	-
Ashulia Power Plant (Unit-1)	454,204,669	3,752,069	-	457,956,738	3.33 - 10	228,291,221	26,754,653	-	255,045,874	202,910,865
Ashulia Power Plant (Unit-2)	1,465,580,547	14,876,302	-	1,480,456,849	3.33 - 16.67	454,870,732	77,230,320	-	532,101,052	948,355,797
Madhabdi Power Plant (Unit-1)	413,433,901	8,307,164	-	421,741,065	3.33 - 10	267,923,365	25,557,664	-	293,481,029	128,260,036
Madhabdi Power Plant (Unit-2)	988,239,163	17,256,038	-	1,005,495,201	3.33 - 16.67	383,064,623	42,930,250	-	425,994,873	579,500,328
Chandina Power Plant (Unit-1)	462,336,094	6,052,862	-	468,388,956	3.33 - 10	257,836,089	25,371,820	-	283,207,909	185,181,047
Chandina Power Plant (Unit-2)	608,371,334	16,437,947	-	624,809,281	3.33 - 16.67	233,045,515	27,778,975	-	260,824,490	363,984,791
Jangalia Power Plant	1,512,454,446	6,735,729	-	1,519,190,175	3.33 - 16.67	396,316,930	69,458,460	-	465,775,390	1,053,414,785
Rupganj Power Plant	1,457,317,703	55,335,642	-	1,512,653,345	3.33 - 16.67	400,112,794	73,915,448	-	474,028,243	1,038,625,102
Maona Power Plant	1,397,125,057	37,214,090	-	1,434,339,147	3.33 - 16.67	426,860,119	63,375,098	-	490,235,217	944,103,930
Ullapara Power Plant	511,740,411	31,243,928	-	542,984,339	3.33 - 16.67	176,639,689	20,588,166	-	197,227,855	345,756,483
Madanganj Power Plant	5,134,835,936	174,235,576	-	5,309,071,512	3.33 - 16.67	1,131,215,578	259,767,129	-	1,390,982,707	3,918,088,805
Total (i)	15,370,822,754	431,419,272	(176,704,825)	15,625,537,201		4,674,647,523	766,697,338	(15,635,332)	5,425,709,528	10,199,827,673
a) Own assets : ii) Revaluation										
Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machineries:	-	-	-	-	-	-	-	-	-	-
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	40,863,957	5,540,880	-	46,404,837	119,823,066
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	813,811	110,352	-	924,163	2,386,259
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	39,741,843	5,388,720	-	45,130,563	116,532,778
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	19,605,738	2,658,420	-	22,264,158	57,488,833
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	35,985,899	4,879,440	-	40,865,339	105,519,403
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	4,011,341	543,912	-	4,555,253	11,762,213
Total (ii)	1,156,322,955	-	-	1,156,322,955		154,024,726	19,121,724	-	173,146,450	983,176,505
Total assets (i+ii)	16,527,145,709	431,419,272	(176,704,825)	16,781,860,156		4,828,672,249	785,819,062	(15,635,332)	5,598,855,978	11,183,004,178
b) Spare parts										
Stock in hand	632,260,098	437,115,333	(354,701,730)	714,673,701	3.33 - 50	103,726,559	42,122,245	(30,225,205)	115,623,599	599,050,101
Stock in transit	104,133,106	648,007,630	(568,094,583)	184,046,153	-	-	-	-	-	184,046,153
	736,393,204	1,085,122,963	(922,796,313)	898,719,854		103,726,559	42,122,245	(30,225,205)	115,623,599	783,096,254
Total (a+b)	17,263,538,912	1,516,542,235	(1,099,501,138)	17,680,580,010		4,932,398,808	827,941,307	(45,860,537)	5,714,479,577	11,966,100,432

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5.1 Allocation of depreciation

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Cost of sales	1,811,760,720	1,111,927,388	815,038,767	743,746,748
General and administrative expenses	61,212,857	60,422,386	48,833,328	53,969,353
	1,872,973,577	1,172,349,774	863,872,095	797,716,101

6 Intangible assets

Consolidated

For the year ended 30 June 2019

Particulars	Cost				Rate %	Amortisation				Written down value at 30 June 2019
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2019		Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2019	
Software	3,803,851	-	-	3,803,851	20	2,004,238	359,928	-	2,364,166	1,439,685
Brand	10,000,000	-	-	10,000,000	3.3333	3,166,658	333,336	-	3,499,994	6,500,006
Software in development	8,546,281	4,407,474	-	12,953,755	-	-	-	-	-	12,953,755
License*	30,780,417	-	(2,880,417)	27,900,000	-	-	930,000	-	930,000	26,970,000
Total	53,130,549	4,407,474	(2,880,417)	54,657,606		5,170,896	1,623,264	-	6,794,160	47,863,446

For the year ended 30 June 2018

Particulars	Cost				Rate %	Amortisation				Written down value at 30 June 2018
	Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2018		Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2018	
Software	2,004,238	1,799,613	-	3,803,851	20	2,004,238	-	-	2,004,238	1,799,613
Brand	10,000,000	-	-	10,000,000	3.3333	2,833,323	333,335	-	3,166,658	6,833,342
Software in development	-	8,546,281	-	8,546,281	-	-	-	-	-	8,546,281
License*	30,780,417	-	-	30,780,417	-	-	-	-	-	30,780,417
Total	42,784,655	10,345,894	-	53,130,549		4,837,561	333,335	-	5,170,896	47,959,653

*This license has been acquired due to purchase of 64% shares in Ace Alliance Power Limited. This is being amortised over 30-year period beginning from commercial operation date of AAPL.

Separate

For the year ended 30 June 2019

Particulars	Cost				Rate %	Depreciation				Written down value at 30 June 2019
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2019		Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2019	
Software	3,803,851	-	-	3,803,851	20	2,004,238	359,928	-	2,364,166	1,439,685
Brand	10,000,000	-	-	10,000,000	3.3333	3,166,658	333,336	-	3,499,994	6,500,006
Software in development	8,546,281	4,407,474	-	12,953,755	-	-	-	-	-	12,953,755
Total	22,350,132	4,407,474	-	26,757,606		5,170,896	693,264	-	5,864,160	20,893,446

For the year ended 30 June 2018

Particulars	Cost				Rate %	Amortisation				Written down value at 30 June 2018
	Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2018		Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2018	
Software	2,004,238	1,799,613	-	3,803,851	20	2,004,238	-	-	2,004,238	1,799,613
Brand	10,000,000	-	-	10,000,000	3.3333	2,833,323	333,335	-	3,166,658	6,833,342
Software in development	-	8,546,281	-	8,546,281	-	-	-	-	-	8,546,281
Total	12,004,238	10,345,894	-	22,350,132		4,837,561	333,335	-	5,170,896	17,179,236

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

7 Investment in subsidiaries

Figures in BDT

Particulars	Note	No. of shares	% of holding	Value in BDT
30 June 2019				
Summit Barisal Power Limited	7.1	50,699,516	49.00%	506,995,160
Summit Narayananj Unit II Power Limited	7.1	27,712,222	49.00%	277,122,220
Summit Chittagong Power Limited	7.1	490,000	49.00%	4,900,000
Ace Alliance Power Limited	7.1	106,258,489	64.00%	1,090,484,890
Summit Gazipur II Power Limited	7.1	67,120,000	20.00%	671,200,000
		252,280,227		2,550,702,270
30 June 2018				
Summit Barisal Power Limited	6.1	50,699,516	49.00%	506,995,160
Summit Narayananj Unit II Power Limited	6.1	27,712,222	49.00%	277,122,220
Summit Chittagong Power Limited	6.1	490,000	49.00%	4,900,000
Ace Alliance Power Limited	6.1	86,400,000	64.00%	917,964,000
Summit Gazipur II Power Limited	6.1	2,000,000	20.00%	420,000,000
		167,301,738		2,126,981,380

- 7.1 Summit Power Limited (SPL) hold 49% shares in Summit Barisal Power Limited (SBPL), Summit Narayananj Power Unit II Limited (SNPUILL), Summit Chittagong Power Limited (SCPL) and 20% shares in Summit Gazipur II Power Limited (SGIPL). IFRS 10: *Consolidated Financial Statements* requires presentation and preparation of consolidated financial statements when an entity controls one or more other entities unless falls within the scope of exceptions. According to control procedures as detailed in paragraph 7 of the said IFRS under reference, SBPL, SNPL-II, SCPL and SGIPL are under the control of SPL because SPL directly manages the activities/ operations of those entities since their commercial operation date (COD) through common corporate management and thus it has the power over these four entities and has established both exposure and rights to significantly affect returns of the investee companies. Therefore SPL is in compliance with IFRS 10 to prepare and present its financial statements in consolidation with that of SBPL, SNPL-II, SCPL and SGIPL.
- 7.2 In accordance with paragraph 10 of IAS 27: *Separate Financial Statements*, investments in subsidiaries have been accounted for at cost. Details of holding structure in subsidiaries are described in Note 47.A.i.

8 Investment in associates

Particulars	Note	% of holding	30 June 2019	30 June 2018
Consolidated				
Summit Meghnaghat Power Company Limited				
Value of investment under equity method	8.1	30%	5,708,245,782	5,257,490,254
Share of profit			401,661,173	450,755,528
Dividend received			(25,500,000)	-
			6,084,406,955	5,708,245,782
Separate				
Summit Meghnaghat Power Company Limited				
Cost of investment	8.1	30%	3,801,772,452	3,801,772,452
			3,801,772,452	3,801,772,452

- 8.1 Summit Power Limited has acquired 203,971,500 shares @ BDT 18.64 (at fair value), including share premium of BDT 8.64, of Summit Meghnaghat Power Company Limited from Summit Corporation Limited by issuing 106,791,361 shares each @ BDT 35.60 (at fair value), including share premium of BDT 25.60, of its own in 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

9 Deferred tax asset

Consolidated

Figures in BDT

Particulars	Note	Carrying amount	Tax base	Taxable/(deductible) temporary difference
30 June 2019				
Provision for gratuity	23.1	162,022,097	-	(162,022,097)
Total temporary difference		162,022,097	-	(162,022,097)
Applicable tax rate				25% to 35%
Deferred tax (asset)/ liability				(43,923,588)
30 June 2018				
Provision for gratuity	23.1	133,881,298	-	(133,881,298)
Total temporary difference		133,881,298	-	(133,881,298)
Applicable tax rate				25% to 35%
Deferred tax (asset)/ liability				(34,821,425)

Separate

Particulars	Note	Carrying amount	Tax base	Taxable/(deductible) temporary difference
30 June 2019				
Provision for gratuity	23.1	127,841,450	-	(127,841,450)
Total temporary difference		127,841,450	-	(127,841,450)
Applicable tax rate				25%
Deferred tax (asset)/ liability				(31,960,363)
30 June 2018				
Provision for gratuity	23.1	120,370,298	-	(120,370,298)
Total temporary difference		120,370,298	-	(120,370,298)
Applicable tax rate				25%
Deferred tax (asset)/ liability				(30,092,575)

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

10 Available-for-sale financial assets

Figures in BDT

Particulars	No. of shares	Rate per share	Market value at			Change in fair value at		Cost price
			30 June 2019	30 June 2018	30 June 2017	30 June 2019	30 June 2018	
Khulna Power Company Limited	70,108,200	56.30	3,947,091,660	4,308,467,612	3,773,095,898	(361,375,952)	535,371,714	3,625,296,384
People's Leasing and Financial Services Limited	408,160	4.10	1,673,456	4,040,784	4,244,864	(2,367,328)	(204,080)	20,500,000
Popular Life First Mutual Fund	1,495,442	4.70	7,028,577	8,294,879	9,392,924	(1,266,302)	(1,098,045)	10,000,000
	72,011,802		3,955,793,693	4,320,803,275	3,786,733,686	(365,009,582)	534,069,589	3,655,796,384

Particulars	For the year ended	
	30 June 2019	30 June 2018
Allocation -		
Included in profit or loss	(1,877,536)	-
Included in other comprehensive income	(363,132,046)	534,069,589
	(365,009,582)	534,069,589

On 28 December 2011, Summit Power Limited (SPL) had acquired 53,955,326 shares of Khulna Power Company Limited (KPCL) at BDT 67 each from Summit Corporation Limited (SCL) amounting to BDT 3,625,296,384 including other transaction costs. Now SPL's ownership in KPCL is 17.64%. Since the percentage of ownership in KPCL is below the threshold limit of 20% to recognise KPCL as an associate, management classified such investment as Available-for-Sale (AFS) financial asset.

11 Inventories

Particulars	Notes	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Consumable - others	11.1	573,222,558	531,213,931	364,905,647	433,464,556
Lubricant oil, chemicals and others	11.2	111,208,225	85,029,231	31,828,216	35,253,707
Closing balance		684,430,782	616,243,162	396,733,863	468,718,263

11.1 Consumable - others

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening Balance	531,213,931	475,210,008	433,464,556	414,353,758
Purchase/transfer	350,007,421	253,831,172	182,519,060	183,652,605
Consumption/transfer	(308,518,341)	(197,827,249)	(251,077,969)	(164,541,807)
Effect of exchange rate movement	519,546	-	-	-
Closing balance	573,222,558	531,213,931	364,905,647	433,464,556

11.2 Lubricant oil, chemicals and others

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening Balance	85,029,231	52,147,511	35,253,707	36,926,038
Purchase/transfer	497,737,878	328,321,841	146,496,180	144,821,497
Consumption/transfer	(472,079,280)	(296,049,015)	(149,921,671)	(146,493,828)
Effect of exchange rate movement	520,395	608,894	-	-
Closing balance	111,208,225	85,029,231	31,828,216	35,253,707

12 Trade receivables

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Bangladesh Rural Electrification Board ("BREB")	12.1				
Ashulia Power Plant		104,089,773	15,074,305	104,089,773	15,074,305
Ashulia Power Plant (expansion)		2,267,338,157	1,921,347,885	2,267,338,157	1,921,347,885
Madhabdi Power Plant		106,869,747	16,391,475	106,869,747	16,391,475
Madhabdi Power Plant (expansion)		1,684,217,915	1,443,998,643	1,684,217,915	1,443,998,643
Chandina Power Plant		105,577,734	15,638,986	105,577,734	15,638,986
Chandina Power Plant (expansion)		926,846,735	791,032,373	926,846,735	791,032,373
Rupganj Power Plant		155,543,002	63,449,005	155,543,002	63,449,005
Maona Power Plant		156,602,151	156,053,075	156,602,151	156,053,075
Ullapara Power Plant		47,347,785	20,563,827	47,347,785	20,563,827
Bangladesh Power Development Board ("BPDB")					
Jangalia Power Plant		170,637,526	233,391,125	170,637,526	233,391,125
Madanganj Power Plant	12.2	779,472,192	861,568,615	779,472,192	861,568,615
Barisal Power Plant		1,262,278,627	834,840,899	-	-
Narayanganj Unit II Power Plant		426,953,219	749,929,788	-	-
Kodda Power Plant (Unit I)		1,756,743,202	-	-	-
Kodda Power Plant (Unit II)		2,074,829,848	2,222,868,407	-	-
		12,025,347,613	9,346,148,408	6,504,542,717	5,538,509,314
Less: Provision for doubtful debt		(168,758,403)	(168,758,403)	(168,758,403)	(168,758,403)
		11,856,589,210	9,177,390,005	6,335,784,314	5,369,750,911

12.1 Out of total receivables from BREB, invoices amounting to 4,779,279,665, raised by the Company, pertaining to the three Expansion Power Plants, have yet not been accepted by BREB due to using different unit rate in calculating revenue. As per contracts for supply of electricity and Government's gazette notification, the Company has been raising invoices at the rate of Taka 3.1141 per kWh from December 2011 to January 2012, for February 2012 at the rate of Taka 3.3741, from March to August 2012 at the rate of Taka 3.6216 per kWh, from September 2012 to August 2015 at the rate of Taka 4.2316 per kWh and September 2015 onward at the rate of Taka 4.4791 per kWh due to rise in BST (Bulk Supply Tariff). BREB has been paying at the rate 2.8333 per kWh. In order to resolve the above matter, the Company went for arbitration in Bangladesh Energy Regulatory Commission (BERC) and a verdict was given in favour of the Company. Later on, due to application by BREB, the verdict was reviewed by BERC and the reviewed verdict was also in favour of the Company. After this, BREB submitted a writ petition in the High Court Division of Supreme Court of Bangladesh on 8 September 2016. On 17 August 2017 the Honourable High Court Division of Supreme Court of Bangladesh was pleased to pass a judgement discharging the rule issued in the writ petitions.

BREB then submitted civil petitions to the Appellate Division of Supreme Court of Bangladesh against the judgement of the High Court Division. The Appellate Division has granted leave to appeal to BREB on 31 October 2018. The formal judgement of granting leave to appeal in favour of BREB was received on 31 January 2019. BREB was directed to submit concise statements within 8 weeks from the date of receipt of the order, and SPL shall then file its concise within 6 weeks thereafter to make all the appeals ready for expeditions hearing. After submission of concise statements by both parties, the case was heard in the Court of Chamber Judge on 25 July 2019. The Learned Judge has fixed the date of appearance in the full bench list of Appellate Division on 16 November 2019. Meanwhile, the Company has submitted execution case to the District Court which is under process. The management believes that the amount is recoverable and hence no provision has been made in this regard.

12.2 In accordance with the clause 26.1 of the previous Power Purchase Agreement (PPA), "Bangladesh Petroleum Corporation (BPC) will be the liquid fuel supplier (HFO) and BPDB will make payment for the fuel". But since the start of the operation of the plant, the quality and quantity of the supplied fuel were not as per given specifications in the PPA. For this reason, the actual fuel consumption was higher per unit of electricity generation. On account of the actual fuel consumption, BPDB started deduction from some of the Company's monthly invoices which amounted to BDT 164.30 million up to March 2013. The Company made a writ petition to the High Court Division for further non deduction on account of excess fuel consumption amounting to USD 1.96 million (approx.). The High Court granted an order of injunction from deducting any money from monthly invoices. On 6 July 2014, the High Court Division of Supreme Court of Bangladesh has extended the order of injunction granted earlier till disposal of the Rule.

Subsequently, an application was made on 23 February 2016 to Bangladesh Energy Regulatory Commission (BERC) to take up the matter and commence an arbitration proceedings for full and final settlement of the dispute between the parties as per law after vacating the order of injunction. A few hearings have already taken place in BERC. BERC requested for additional information from Bangladesh Petroleum Corporation (BPC) which has also been submitted by BPC. A hearing on all submissions have taken place recently. Meanwhile, BERC has instructed BPDB, not to deduct the pending amount from the invoices of the power plant for additional three months up to September 2019. The arbitration process is still ongoing. The date of next hearing has been fixed on 17 September 2019. However, the Company has made a provision for doubtful debt on said amount of BDT 164.30 million.

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

13 Other receivables

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Insurance claims	47,372,496	19,366,661	47,372,496	19,366,661
Interest on FDRs	61,663,831	40,886,938	21,833,121	35,075,863
Summit Oil & Shipping Company Limited	6,944,311	-	-	-
SSS Soil Engineers	2,583,921	-	-	-
	118,564,559	60,253,599	69,205,617	54,442,524

14 Intercompany receivables

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Summit Barisal Power Limited	-	-	228,390,780	63,229,669
Summit Narayananj Power Unit II Limited	-	-	156,585,774	46,287,415
Ace Alliance Power Limited	-	-	36,012,953	117,498,947
Summit Gazipur II Power Limited	-	-	70,841,999	22,500,340
	-	-	491,831,506	249,516,371

15 Advances, deposits and prepayments

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Advances				
Managham Agencies Ltd.	3,011,949	23,146,000	2,688,799	17,146,000
Projukti Annasha	1,205,000	1,206,980	1,025,000	200,000
Desh Bangla Enterprise	1,762,195	1,124,515	1,180,000	-
Energypac Engineering Limited	1,645,540	1,817,540	1,645,540	1,817,540
M/s. R.M. Trade International	10,025,000	10,025,000	7,775,000	7,775,000
Tyser Risk Management (Bangladesh) Limited	-	400,000	-	400,000
Jakir Construction Limited	1,588,571	1,985,661	-	-
UDECO Limited	-	25,970,904	-	-
SBS International Business Limited	47,800,931	5,764,660	-	-
Hyundai Motors Bangladesh Limited	-	500,000	-	500,000
Ranks Petroleum Limited	-	26,785,913	-	-
Padma Oil Company Limited	1,152,205	28,298,720	-	-
Navana Petroleum Limited	101,224	43,628,211	-	-
Bangladesh Centre for Advanced Studies (BCAS)	751,791	300,000	-	-
ABG Engineering Services (Pvt.) Ltd.	-	625,000	-	-
AEG Engineering Ltd.	1,700,000	180,600	1,700,000	-
ABB Pte Limited	7,057,464	-	7,057,464	-
Scienetech Engineering and Services	-	2,795,732	-	-
Center for Management Development	350,000	200,000	350,000	200,000
Bangladesh Economic Zones Authority (BEZA)	1,320,907	1,089,507	-	-
Jamuna Oil Company Limited	1,125,180	-	1,125,180	-
Ansar & VDP	633,060	-	-	-
Otobi Limited	535,057	530,150	-	-
Resources & Solutions Limited	213,000	-	213,000	-
Land lord	319,999	220,000	319,999	286,667
Environmental consultancy	1,717,637	1,277,072	-	-
Tax advisor	455,000	405,000	250,000	200,000
Issue of redeemable preference shares	3,046,621	3,965,443	-	-
Issue of long term loan	15,451,332	-	-	-
Car purchase	1,653,347	1,385,851	1,653,347	1,385,851
Employees	27,070,944	63,668,070	2,744,358	3,369,597
A & Company	44,288,268	-	-	-
Trazz Bd	12,584,648	-	-	-
Turbomech-Snipro JV	5,441,486	-	-	-
Weber Power Solutions Ltd.	416,246	-	-	-
Energysield Engineering Ltd.	1,438,495	-	-	-
Mitra S.K. Bangladesh (Pvt.) Limited	145,320	-	-	-
Corona International	353,134	-	-	-
Hermitage of Management & Standards Ltd	511,111	-	-	-
Linde Bangladesh Limited	61,136	-	-	-
Advance income tax	79,699,025	74,818,387	21,007,328	52,164,447
Others	4,076,471	10,615,845	2,675,267	2,428,809
	280,709,292	332,730,761	53,410,282	87,873,911
Less: Provision for doubtful advance	(445,000)	(445,000)	(445,000)	(445,000)
	280,264,292	332,285,761	52,965,282	87,428,911

SUMMIT POWER LIMITED

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Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Deposits				
Security deposit (non-interest bearing)	3,083,615	3,072,307	1,389,045	1,389,045
Bank guarantee margin:				
Controller of Import and Export (SJIBL)	1,545,053	1,545,053	1,545,053	1,545,053
Pashchimanchal Gas Company Limited	823,441	823,441	823,441	823,441
Bakhrabad Gas Distribution Company Limited	2,990,889	2,470,323	2,990,889	2,470,323
Bangladesh Power Development Board (BPDB)	1,968,412	1,968,412	1,968,412	1,968,412
Commissioner of Customs, Custom House	7,239,787	7,239,787	7,239,787	7,239,787
Bangladesh Rural Electrification Board (BREB)	4,630,179	4,630,179	4,630,179	4,630,179
Titas Gas Transmission and Distribution Co. Ltd.	5,262,451	4,940,646	5,262,451	4,940,646
	24,460,212	23,617,841	24,460,212	23,617,841
	27,543,827	26,690,148	25,849,257	25,006,886
Prepayments				
Annual license fees	2,458,731	393,905	185,181	393,905
Standby letter of credit commission	4,152,906	1,213,088	3,219,834	1,213,088
Bank guarantee/operation bond commission	10,820,123	4,548,896	5,469,846	968,155
Agency fee	8,386,374	5,257,812	-	-
Insurance premium	80,827,064	69,414,561	34,769,683	26,213,025
Land lease rental	860,633	859,141	860,633	859,141
Others	10,485	10,389	-	-
	107,516,316	81,697,792	44,505,177	29,647,314
Related party transactions				
Summit Corporation Limited	-	2,419,783	-	2,419,783
Summit Holdings Limited	1,789,198	2,254,728	1,789,198	2,254,728
Summit Oil & Shipping Company Limited	930,961,030	-	550,000,000	-
	932,750,228	4,674,511	551,789,198	4,674,511
	1,348,074,663	445,348,212	675,108,914	146,757,622

Bank guarantee margin had been deposited with various scheduled banks in Bangladesh as security for compliance with the Company's/Group's operational obligation.

16 Cash and cash equivalents

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Cash in hand	2,768,655	2,733,063	1,568,655	1,657,281
Cash at bank				
Bank Asia Limited	160,817,155	131,431,472	119,648,609	70,108,439
BRAC Bank Limited	930,344,066	138,379,918	6,851,366	138,379,918
Commercial Bank of Ceylon Limited	2,027,289	2,031,939	2,027,289	2,031,939
Dhaka Bank Limited	4,694,601	9,642,689	4,694,600	9,642,689
Dutch-Bangla Bank Limited	32,631,324	231,213,526	24,496,576	223,157,298
Exim Bank Limited	197,683	865,252	197,683	865,252
One Bank Limited	369,419	641,880	291,637	292,937
Premier Bank Limited	21,779,178	17,510,325	21,779,178	17,510,325
Rupali Bank Limited	20,002	754,557	20,002	754,557
Shahjalal Islami Bank Limited	884,830	1,166,231	884,830	1,166,231
Sonal Bank Limited	999,753	43,021	999,753	43,021
Southeast Bank Limited	246,604	246,952	246,604	246,952
Standard Chartered Bank	3,715,541	27,770,068	3,601,118	27,770,068
Jamuna Bank Limited	3,897	-	3,897	-
The City Bank Limited	383,856,894	205,533,827	16,446	15,874
Eastern Bank Limited	3,985,382	1,318,347	-	-
Mutual Trust Bank Limited	6,131,609	557,522	1,951,681	-
Prime Bank Limited	10,681,666	9,344,859	-	-
Trust Bank Limited	2,809	3,911	-	-
	1,563,389,702	778,456,296	187,711,269	491,985,500

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Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Fixed deposit receipts (FDR)				
Al Arafah Islami Bank Limited	51,225,000	102,291,440	51,225,000	102,291,440
Bank Asia Limited	419,032,637	71,968,402	165,217,695	766,000
BRAC Bank Limited	200,000,000	-	-	-
Exim Bank Limited	152,250,000	410,101,251	152,250,000	308,053,751
First Security Islami Bank Limited	-	50,000,000	-	50,000,000
Meghna Bank Limited	101,187,500	184,780,339	101,187,500	184,780,339
Mercantile Bank Limited	102,602,740	104,581,562	102,602,740	104,581,562
Modhumoti Bank Limited	182,035,000	373,869,236	182,035,000	373,869,236
IFIC Bank Limited	70,000,000	-	70,000,000	-
Mutual Trust Bank Limited	60,140,000	154,969,717	10,140,000	154,969,717
Dhaka Bank Limited	154,200,694	-	154,200,694	-
Eastern Bank Limited	136,300,000	-	136,300,000	-
NRB Global Bank Limited	-	53,352,773	-	53,352,773
Bangladesh Commerce Bank Limited	101,975,000	-	101,975,000	-
One Bank Limited	101,250,000	408,275,828	101,250,000	408,275,828
Premier Bank Limited	284,534,720	531,851,617	234,534,721	531,851,617
South Bangla Agricultural & Commerce Bank Limited	-	52,166,809	-	52,166,809
Southeast Bank Limited	191,900,000	52,262,294	191,900,000	52,262,294
Standard Bank Limited	100,000,000	50,000,000	100,000,000	50,000,000
United Commercial Bank Limited	100,000,000	-	-	-
NCC Bank Limited	50,000,000	-	-	-
Trust Bank Limited	50,000,000	-	50,000,000	-
IPDC Finance Limited	152,518,921	50,000,000	52,518,923	50,000,000
LankaBangla Finance Limited	-	100,000,000	-	100,000,000
The City Bank Limited	1,515,985,970	1,350,331,779	-	-
	4,277,138,182	4,100,803,047	1,957,337,273	2,577,221,366
	5,843,296,539	4,881,992,406	2,146,617,197	3,070,864,147

17 Share capital

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Authorised				
300,000,000 Ordinary shares of Tk 10 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
400,000,000 Ordinary shares of Tk 10 each	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
500,000,000 Ordinary shares of Tk 10 each	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
30,000,000 Preference shares of Tk 100 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
	15,000,000,000	15,000,000,000	15,000,000,000	15,000,000,000
Issued, subscribed and paid-up				
65,000,000 Ordinary shares of Tk 10 each	650,000,000	650,000,000	650,000,000	650,000,000
6,500,000 Bonus shares of Tk 10 each in 2006	65,000,000	65,000,000	65,000,000	65,000,000
14,300,000 Bonus shares of Tk 10 each in 2007	143,000,000	143,000,000	143,000,000	143,000,000
68,640,000 Right shares of Tk 10 each in 2008	686,400,000	686,400,000	686,400,000	686,400,000
30,888,000 Bonus shares of Tk 10 each in 2008	308,880,000	308,880,000	308,880,000	308,880,000
37,065,600 Bonus shares of Tk. 10 each in 2009	370,656,000	370,656,000	370,656,000	370,656,000
55,598,400 Bonus shares of Tk. 10 each in 2010	555,984,000	555,984,000	555,984,000	555,984,000
25,361,973 Ordinary shares of Tk 10 each in 2010	253,619,730	253,619,730	253,619,730	253,619,730
91,006,191 Bonus shares of Tk. 10 each in 2011	910,061,910	910,061,910	910,061,910	910,061,910
98,590,041 Bonus shares of Tk. 10 each in 2012	985,900,410	985,900,410	985,900,410	985,900,410
98,590,041 Bonus shares of Tk. 10 each in 2013	985,900,410	985,900,410	985,900,410	985,900,410
88,731,037 Bonus shares of Tk. 10 each in 2014	887,310,360	887,310,360	887,310,360	887,310,360
106,791,361 Ordinary shares of Tk. 10 each in 2014*	1,067,913,610	1,067,913,610	1,067,913,610	1,067,913,610
39,353,132 Bonus shares of Tk. 10 each in 2015	393,531,320	393,531,320	393,531,320	393,531,320
49,584,946 Bonus shares of Tk. 10 each in 2016	495,849,460	495,849,460	495,849,460	495,849,460
191,876,518 ordinary shares of Tk. 10 each in 2016**	1,918,765,180	1,918,765,180	1,918,765,180	1,918,765,180
	10,678,772,390	10,678,772,390	10,678,772,390	10,678,772,390

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- * Details are given in the Note 8.1.
- ** This represents the amount of ordinary share capital issued to non-controlling shareholders of Summit Purbanchol Power Company Limited, Summit Uttaranchol Power Company Limited and Summit Narayananj Power Limited as compensation for amalgamation with Summit Power Limited. On the basis of the approval of Bangladesh Securities and Exchange Commission for issue of 191,876,518 ordinary shares at BDT 10 each, these shares were issued on 4 October 2016.

17.1 Shareholding position

Figures in BDT

Name of shareholders	Percentage of shareholdings		Number of shares	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Summit Corporation Limited	63.19%	63.19%	674,792,926	674,792,929
Euro Hub Investments Limited	3.65%	3.65%	38,940,126	38,940,126
Institutional investors	21.04%	18.38%	224,699,708	196,294,116
General public	12.12%	14.78%	129,444,479	157,850,068
	100.00%	100.00%	1,067,877,239	1,067,877,239

Classification of shareholders by holding

Particulars	30 June 2019		30 June 2018	
	No. of holders	% of ownership	No. of holders	% of ownership
Less than 500 shares	22,132	0.35%	24,754	0.40%
500 to 5,000 shares	10,413	1.74%	12,844	2.18%
5,001 to 10,000 shares	1,767	1.16%	2,206	1.45%
10,001 to 20,000 shares	681	0.92%	918	1.23%
20,001 to 30,000 shares	228	0.54%	328	0.76%
30,001 to 40,000 shares	116	0.38%	137	0.45%
40,001 to 50,000 shares	79	0.35%	111	0.49%
50,001 to 100,000 shares	153	1.07%	212	1.48%
100,001 to 1,000,000 shares	219	6.62%	239	7.16%
Over 1,000,000 shares	59	86.86%	61	84.41%
	35,847	100%	41,810	100%

18 Share premium

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Share premium from issue of 2,000,000 shares in 2005	80,000,000	80,000,000	80,000,000	80,000,000
Share premium from issue of 6,864,000 shares in 2008	308,880,000	308,880,000	308,880,000	308,880,000
Share premium from issue of 25,361,973 shares in 2010	2,745,940,817	2,745,940,817	2,745,940,817	2,745,940,817
	3,134,820,817	3,134,820,817	3,134,820,817	3,134,820,817
Issue costs	(234,123,160)	(234,123,160)	(234,123,160)	(234,123,160)
	2,900,697,657	2,900,697,657	2,900,697,657	2,900,697,657
Share premium on dilution of ownership in SPPCL	600,385,917	600,385,917	600,385,917	600,385,917
Share premium on issue of shares to SCL*	2,733,858,842	2,733,858,842	2,733,858,842	2,733,858,842
Transaction costs	(315,777)	(315,777)	(315,777)	(315,777)
	6,234,626,639	6,234,626,639	6,234,626,639	6,234,626,639
Share premium on amalgamation	244,471,000	244,471,000	244,471,000	244,471,000
	6,479,097,639	6,479,097,639	6,479,097,639	6,479,097,639

- * Details are given in the Note 8.1.

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For the year ended 30 June 2019

19 Revaluation reserve

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening balance	982,964,725	1,002,086,449	982,964,725	1,002,086,449
Gain on revaluation during the year	-	-	-	-
Transfer to retained earnings for depreciation	(19,121,720)	(19,121,724)	(19,121,720)	(19,121,724)
Closing balance	963,843,005	982,964,725	963,843,005	982,964,725

The Company carried out revaluation as on 30 June 2016 against which there is an upward revaluation of Tk. 269,113,798. The Company also performed such revaluation of land in 2008 and 2013 and the amount of Tk. 269,113,798 has been added after making necessary adjustment with the surplus and loss balances of last revaluation of 2013.

20 Non-controlling interests

Particulars	30 June 2019					
	SBPL	SNPL-II	SCPL	AAPL	SGIPL	Total
NCI percentage	51%	51%	51%	36%	80%	
Non-current assets	5,194,286,912	2,938,109,899	154,395	6,993,269,319	13,498,469,609	28,624,290,134
Current assets	2,455,705,396	1,144,629,159	9,660,655	3,103,600,430	3,885,110,208	10,598,705,848
Non-current liabilities	(3,681,981,739)	(2,096,566,292)	-	(6,359,515,645)	-	(12,138,063,676)
Current liabilities	(1,668,801,346)	(764,042,908)	(55,800)	(1,844,653,333)	(11,422,296,841)	(15,699,850,228)
Net assets	2,299,209,223	1,222,129,858	9,759,250	1,892,700,771	5,961,282,976	11,385,082,078
Net assets attributable to NCI	1,172,596,703	623,286,228	4,977,218	681,372,278	4,769,026,381	7,251,258,808
Less: Intra-group elimination	-	-	-	-	-	-
	1,172,596,703	623,286,228	4,977,218	681,372,278	4,769,026,381	7,251,258,808
Revenue	4,667,225,560	2,491,471,118	-	5,194,303,289	9,669,060,703	22,022,060,670
Profit	408,910,632	193,717,456	(74,500)	499,600,942	2,113,324,302	3,215,478,832
Other comprehensive income	(159,320,453)	(92,605,807)	-	(312,782,275)	88,536,035	(476,172,500)
Total Comprehensive Income	249,590,179	101,111,649	(74,500)	186,818,667	2,201,860,337	24,761,367,002
Profit allocated to NCI	208,544,422	98,795,903	(37,995)	179,856,339	1,690,659,442	2,177,818,111
Other comprehensive income allocated to NCI	(81,253,431)	(47,228,962)	-	(112,601,619)	70,828,828	(170,255,184)
Less: Intra-group elimination	-	-	-	-	-	-
	127,290,991	51,566,941	(37,995)	67,254,720	1,761,488,270	2,007,562,927
Net cash flow from/(used in) operating activities	830,082,262	475,784,469	(58,000)	685,127,103	1,604,989,863	3,595,925,697
Net cash flow from/(used in) investing activities	(164,479,179)	(135,828,338)	136,520	(1,025,111,026)	(989,368,312)	(2,314,650,336)
Net cash flow from/(used in) financing activities	(686,296,468)	(289,658,497)	-	1,396,866,988	178,841,586	599,753,609
Net increase/(decrease) in cash and cash equivalents	(20,693,385)	50,297,634	78,520	1,056,883,065	794,463,136	1,881,028,970

SUMMIT POWER LIMITED

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Figures in BDT

Particulars	30 June 2018					
	SBPL	SNPL-II	SCPL	AAPL	SGIPL	Total
NCI percentage	51%	51%	51%	36%	80%	
Non-current assets	5,204,904,240	2,885,508,284	290,915	6,122,880,135	12,877,612,368	27,091,195,942
Current assets	2,039,990,009	1,412,467,237	9,582,135	250,750,637	2,481,658,057	6,194,448,075
Non-current liabilities	(3,990,419,374)	(2,252,602,187)	-	-	-	(6,243,021,561)
Current liabilities	(1,204,855,831)	(924,355,125)	(39,300)	(4,977,937,558)	(13,435,790,282)	(20,542,978,096)
Net assets	2,049,619,044	1,121,018,209	9,833,750	1,395,693,214	1,923,480,143	6,499,644,360
Net assets attributable to NCI	1,045,305,712	571,719,287	5,015,213	502,449,557	1,538,784,114	3,663,273,883
Less: Intra-group elimination	-	-	-	(26,000,000)	(116,000,000)	(142,000,000)
	1,045,305,712	571,719,287	5,015,213	476,449,557	1,422,784,114	3,521,273,883
Revenue	4,959,271,925	2,792,645,980	-	-	1,915,662,778	9,667,580,683
Profit	366,303,813	172,750,594	(49,250)	(11,602,194)	384,465,244	911,868,207
Other comprehensive income	(3,092,050)	(1,363,050)	-	46,043,179	19,014,899	60,602,978
Total Comprehensive Income	363,211,763	171,387,544	(49,250)	34,440,985	403,480,143	10,640,051,868
Profit allocated to NCI	186,814,945	88,102,803	(25,118)	(4,176,790)	307,572,195	578,288,035
Other comprehensive income allocated to NCI	(1,576,946)	(695,156)	-	16,575,544	15,211,919	29,515,361
Less: Intra-group elimination	-	-	-	-	-	-
	185,237,999	87,407,647	(25,118)	12,398,754	322,784,114	607,803,396
Net cash flow from/(used in) operating activities	912,117,208	441,049,423	(50,250)	(132,175,751)	(38,916,454)	1,182,024,176
Net cash flow from/(used in) investing activities	(148,906,691)	(121,640,115)	(1,272,137)	(5,167,594,983)	(12,746,936,223)	(18,186,350,149)
Net cash flow from/(used in) financing activities	(492,556,888)	(225,125,938)	-	5,251,565,092	12,874,413,697	17,408,295,963
Net increase/(decrease) in cash and cash equivalents	270,653,629	94,283,370	(1,322,387)	(48,205,642)	88,561,020	403,969,990

21 Redeemable preference shares

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening balance	983,677,920	983,677,920	-	-
Addition	800,479,615	-	-	-
Exchange rate movement	4,520,385	-	-	-
	1,788,677,920	983,677,920	-	-
Transaction cost	(5,772,608)	-	-	-
Amortisation of transaction cost	4,405,479	-	-	-
Exchange rate movement	(29,584)	-	-	-
	1,787,281,207	983,677,920	-	-
Repayment/settlement of installment	(160,000,000)	-	-	-
	1,627,281,207	983,677,920	-	-
Non-current	1,469,771,322	826,398,267	-	-
Current	157,509,885	157,279,653	-	-
	1,627,281,207	983,677,920	-	-

In FY 2017, the redeemable preference shares were fully issued by Summit Barisal Power Limited and Summit Narayananj Power Unit II Limited, face value of which were BDT 640,000,000 and BDT 360,000,000 respectively. These shares were subscribed and paid up by different institutional investors on 29 June 2017 bearing dividend @ 8.25% per annum payable yearly commencing from June 2018. Preference shares will be redeemed over 7 years or by 6 installments payable at the end of each year commencing from June 2019.

In FY 2019, the preference shares were issued by Ace Alliance Power Limited, face value of which is BDT 805,000,000, as fully subscribed and paid up on 11 December 2018 bearing dividend @ 9.5% to 10% per annum payable yearly commencing from December 2019. Preference shares are to be redeemed over 6-7 years or by 5-6 installments payable at the end of each year commencing from December 2020.

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22 Loans and borrowings

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Non-current					
Project loan	22.1	10,088,328,323	5,401,218,269	-	-
		10,088,328,323	5,401,218,269	-	-
Current					
Project loan	22.1	967,867,805	594,496,003	-	-
Short term loan	22.2	-	350,000,000	-	-
Deferred letter of credit	22.3	10,000,430,914	15,004,436,214	-	-
		10,968,298,719	15,948,932,217	-	-

22.1 Project loan

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening balance	5,995,714,273	6,119,632,959	-	-
Drawdown				
Infrastructure Development Company Limited ("IDCOL")	2,041,819,650	-	-	-
Islamic Corporation for the Development of the Private Sector ("ICD")	2,041,819,650	-	-	-
OPEC Fund for International Development ("OFID")	1,680,510,000	-	-	-
	11,759,863,573	6,119,632,959	-	-
Repayment				
Transaction cost	(696,523,778)	(384,608,890)	-	-
Amortisation of transaction cost	(118,676,841)	(2,012,067)	-	-
Effect of exchange rate movement	20,789,989	19,696,086	-	-
	90,743,184	243,006,185	-	-
	11,056,196,128	5,995,714,273	-	-
Non-current	10,088,328,323	5,401,218,269	-	-
Current	967,867,805	594,496,003	-	-
	11,056,196,128	5,995,714,272	-	-

IDCOL provided USD 30,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018, and ICD also provided USD 20,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 10.5 years including 6 months grace period, repayable quarterly starting on 15 September 2017 for *Summit Barisal Power Limited ("SBPL")*. The Group/Company has incurred an amount of BDT 85,409,504 as transaction costs till 30 June 2019, which has been capitalised and is being amortised over the years of loan repayment. Fixed and floating charges have been created on all assets of the borrowing company. The sponsor company, Summit Power Limited, has also given sponsor and corporate guarantee on such borrowings to the lenders to pay all money time to time, if there is any due. SBPL is exposed to changes in the USD LIBOR interest rate. To reduce the exposure, SBPL has entered into a 5-year interest rate swap agreement on 12 September 2018, to hedge interest rate exposure on its USD 45,475,000 floating rate borrowing with fixed rate of 3.08%.

IDCOL provided USD 15,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018, and OFID also provided USD 12,640,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018 for *Summit Narayananj Power Unit II Limited ("SNPUILL")*. The Group/Company has incurred an amount of BDT 61,878,752 as transaction costs till 30 June 2019, which has been capitalised and is being amortised over the years of loan repayment. Fixed and floating charges have been created on all assets of the borrowing company. The sponsor company, Summit Power Limited, has also given sponsor and corporate guarantee on such borrowings to the lenders to pay all money time to time if there is any due. SNPUILL is exposed to changes in the USD LIBOR interest rate. To reduce the exposure, SNPUILL has entered into a 5-year interest rate swap agreement on 12 September 2018, to hedge interest rate exposure on its USD 25,774,300 floating rate borrowing with fixed rate of 3.08%.

IDCOL, ICD and OFID provided USD 24,300,000, USD 24,300,000 and USD 20,000,000 respectively as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 11 years 9 months (including 3 months grace period), repayable quarterly starting on 15 June 2019, for *Ace Alliance Power Limited ("AAPL")*. On receipt of the loans, the Group/Company had incurred an amount of Taka 117,340,630 as transaction costs. The Group/Company had decided to capitalise such costs and to amortise the same over the years of loan repayment. Fixed and floating charges have been created on all assets of the borrowing company. The sponsor company, Summit Power Limited, has also given sponsor and corporate guarantee on such borrowings to the lenders to pay all money time to time if there is any due. AAPL is exposed to changes in the USD LIBOR interest rate. To reduce the exposure, AAPL has entered into a 11-year 6 months interest rate swap agreement on 15 March 2019, to hedge interest rate exposure on its USD 68,600,000 floating rate borrowing with fixed rate of 2.87%.

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22.2 Short term loan

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
The City Bank Limited	-	250,000,000	-	-
Eastern Bank Limited	-	100,000,000	-	-
	-	350,000,000	-	-

22.3 Deferred letter of credit

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Bank Asia Limited	2,948,549,217	3,238,779,676	-	-
The City Bank Limited	2,809,418,453	2,926,415,334	-	-
Mutual Trust Bank Limited	1,923,253,516	1,918,517,062	-	-
Prime Bank Limited	2,319,209,728	6,468,208,437	-	-
Eastern Bank Limited	-	299,500,130	-	-
One Bank Limited	-	153,015,575	-	-
	10,000,430,914	15,004,436,214	-	-

23 Deferred liabilities

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Gratuity fund	23.1	162,022,097	133,881,298	162,022,097	120,370,298
Liability for assets retirement obligation	23.2	71,951,603	68,375,562	71,951,603	68,375,562
Other financial liability	23.3	579,964,031	-	-	-
		813,937,731	202,256,860	233,973,700	188,745,860

23.1 Gratuity fund

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening balance		133,881,298	91,189,000	120,370,298	86,674,000
Service cost					
Included in profit or loss	23.1.1	41,988,000	18,149,000	21,385,000	16,007,000
Included in other comprehensive income	23.1.1	23,189,000	28,331,000	18,946,000	21,477,000
Benefits paid		(37,036,201)	(3,787,702)	(32,859,848)	(3,787,702)
		162,022,097	133,881,298	127,841,450	120,370,298
Transfer from subsidiaries		-	-	34,180,647	-
		162,022,097	133,881,298	162,022,097	120,370,298

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23.1.1 Defined benefit obligation charged to profit or loss and other comprehensive income

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Included in profit or loss					
Current service cost		30,608,000	11,766,000	11,154,000	9,940,000
Past service cost		-	-	-	-
Interest accrued on defined benefit obligation		11,380,000	6,383,000	10,231,000	6,067,000
		41,988,000	18,149,000	21,385,000	16,007,000
Included in other comprehensive income					
Actuarial (gain)/loss arising from:					
- Demographic assumptions		-	(477,000)	-	(411,000)
- Financial assumptions		23,797,000	-	19,965,000	-
- Experience adjustment		(608,000)	28,808,000	(1,019,000)	21,888,000
		23,189,000	28,331,000	18,946,000	21,477,000
		65,177,000	46,480,000	40,331,000	37,484,000

23.1.2 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	30 June 2019	30 June 2018
Discount rate	8.5%	7%
Future salary growth	8.5%	6%
Withdrawal Rate	10%	10%

23.1.3 Sensitivity analysis

Reasonably possible changes in reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	30 June 2019		30 June 2018	
	Increase	Decrease	Increase	Decrease
Consolidated				
Discount rate (1% movement)	(26,471,000)	33,990,000	(19,328,000)	24,506,000
Future salary growth (1% movement)	33,637,000	(26,688,000)	24,506,000	(19,654,000)
Separate				
Discount rate (1% movement)	(19,557,000)	24,775,000	(16,767,000)	21,135,000
Future salary growth (1% movement)	24,520,000	(19,719,000)	21,135,000	(17,051,000)

23.2 Liability for assets retirement obligation

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening balance	68,375,562	65,275,000	68,375,562	65,275,000
Addition	3,576,041	3,100,562	3,576,041	3,100,562
Adjustment/payment	-	-	-	-
Closing balance	71,951,603	68,375,562	71,951,603	68,375,562

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23.3 Other financial liability

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Interest rate swap				
Summit Barisal Power Limited	157,534,903	-	-	-
Summit Narayananj Power Unit II Limited	91,633,407	-	-	-
Ace Alliance Power Limited	330,795,721	-	-	-
	579,964,031	-	-	-

To reduce the variable interest rate exposure, the Group has entered into multiple interest rate swap agreements with different commercial banks (i.e. Eastern Bank Limited for SBPL and SNPUIL with notional amount of USD 71,249,300 and BRAC Bank Limited for AAPL with notional amount of USD 68,600,000). These financial instruments are valued quarterly.

24 Unclaimed dividends

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening balance	58,429,846	43,380,882	58,429,846	43,380,882
Cash dividend declared	3,203,631,717	3,203,631,717	3,203,631,717	3,203,631,717
Cash dividend paid	(3,186,586,524)	(3,188,582,753)	(3,186,586,524)	(3,188,582,753)
Closing balance	75,475,039	58,429,846	75,475,039	58,429,846

This represents dividends being unclaimed by the shareholders as at 30 June 2019. This is deposited in a bank account and are payable on demand.

25 Trade payables

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Gas:				
<i>Titas Gas Transmission & Distribution Company Limited</i>				
Ashulia Power Plant	3,004,888	4,319,436	3,004,888	4,319,436
Ashulia Power Plant (Expansion)	15,831,900	15,055,308	15,831,900	15,055,308
Madhabdi Power Plant	4,466,297	5,498,975	4,466,297	5,498,975
Madhabdi Power Plant (Expansion)	8,698,090	8,808,554	8,698,090	8,808,554
Rupganj Power Plant	16,423,651	36,808,531	16,423,651	36,808,531
Maona Power Plant	17,552,966	39,748,164	17,552,966	39,748,164
<i>Bakhrabad Gas Distribution Company Limited</i>				
Chandina Power Plant	4,472,181	5,440,250	4,472,181	5,440,250
Chandina Power Plant (Expansion)	5,980,983	4,968,213	5,980,983	4,968,213
Jangalia Power Plant	13,712,977	31,951,395	13,712,977	31,951,395
<i>Pashchimanchal Gas Company Limited</i>				
Ullapara Power Plant	4,818,604	9,538,122	4,818,604	9,538,122

SUMMIT POWER LIMITED

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For the year ended 30 June 2019

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Heavy furnace oil (HFO):				
Summit Oil & Shipping Company Limited				
Madanganj Power Plant	276,613,410	466,466,497	276,613,410	466,466,497
Barisal Power Plant	882,478,867	578,553,248	-	-
Madanganj Power Plant (Unit II)	253,481,231	573,552,211	-	-
Kodda Power Plant (Unit I)	1,345,939,586	-	-	-
Kodda Power Plant (Unit II)	1,006,753,079	1,753,805,733	-	-
Mobile Jamuna Lubricants Bangladesh Limited				
	10,613,865	18,440,680	10,613,865	18,440,680
ABB Limited				
	2,249,269	-	2,249,269	-
Navana Petroleum Limited				
	7,848,720	5,479,680	2,568,720	-
Jamuna Oil Company Limited				
	1,125,180	-	1,125,180	-
Ranks Petroleum Limited				
	25,562	34,072,922	-	-
Wartsila Bangladesh Limited				
	11,897,739	14,990,377	8,920,463	10,344,127
Energypac Engineering Limited				
	288,506	642,800	288,506	642,800
Waterchem Technology				
	725,118	2,367,000	-	-
Others				
	1,252,604	-	903,062	-
	3,896,255,273	3,610,508,096	398,245,011	658,031,052

SUMMIT POWER LIMITED

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26 Other payables and accruals

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Provision for income tax		130,378,343	90,808,800	44,108,889	54,462,450
Liability for withholding tax and VAT		17,683,355	17,692,311	5,559	203,310
Summit Oil & Shipping Company Limited		35,357,433	25,893,660	2,398,676	2,425,065
Cosmopolitan Communications Limited		142,800	167,900	111,300	121,900
Provision for C & F agents		3,521,247	2,170,000	-	-
Resources & Solutions Limited		559,603	858,612	559,603	858,612
Audit and certification fees		2,334,500	2,617,134	862,500	1,409,634
Security services		2,181,148	2,603,737	1,499,699	1,198,688
Liability for earned leave encashment	26.1	26,279,102	69,938,376	19,289,949	63,316,737
Technology Simple		-	1,162,288	-	1,162,288
Bangla Trac Ltd.		-	-	-	-
M/s UDECO Limited		571,880	56,436,396	-	-
Navana Petroleum Limited		-	10,810,000	-	-
Lanka-Bangla Investments Limited		-	500,000	-	-
Bangladesh Securities and Exchange Commission		1,684,955	-	-	-
Credit Rating Information & Services Ltd.		-	230,000	-	-
Baltic Control (BD) Limited		-	-	-	-
Green Delta Insurance Company Limited		868,262	2,388,091	-	-
Pioneer Insurance Co. Ltd.		1,411,285	1,532,280	-	-
Mandate signing fee - The City Bank Limited		-	3,847,949	-	-
Aitken Spence Plc., Sri Lanka		-	16,979,306	-	-
Interest on project loan		37,078,150	17,914,190	-	-
Short term interest payables		303,048,207	-	-	-
Dividend on redeemable preference shares		40,226,027	226,027	-	-
Provision for bonus to employees		4,077,608	20,000,000	-	-
Asset purchase		6,985,430	1,729,871	94,281	1,204,566
Legal and professional fees payable		1,328,250	4,367,600	822,250	-
Security deposit retained from vendors		2,464,376	9,854,612	31,000	-
Others		288,267	2,330,817	17,978	1,784,032
		618,470,229	363,059,957	69,801,685	128,147,282

26.1 Liability for earned leave

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Opening balance	69,938,376	61,158,850	63,316,737	55,651,044
Addition	19,469,711	11,415,725	13,743,475	10,240,746
Payment	(63,128,985)	(2,636,199)	(57,770,263)	(2,575,053)
Closing balance	26,279,102	69,938,376	19,289,949	63,316,737

27 Intercompany payables

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Summit Corporation Limited	200,929,205	878,000,000	200,397,901	-
Ace Alliance Power Limited	-	-	36,200,000	-
Summit Gazipur II Power Ltd.	-	-	300,000,000	-
	200,929,205	878,000,000	536,597,901	-

28 Revenue

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Sales revenue - Electricity				
Ashulia Power Plant	178,058,335	189,025,800	178,058,335	189,025,800
Ashulia Power Plant (expansion)	944,921,137	950,817,719	944,921,137	950,817,719
Madhabdi Power Plant	190,913,415	196,794,659	190,913,415	196,794,659
Madhabdi Power Plant (expansion)	655,659,057	701,961,293	655,659,057	701,961,293
Chandina Power Plant	179,874,125	191,346,895	179,874,125	191,346,895
Chandina Power Plant (expansion)	373,785,395	393,009,299	373,785,395	393,009,299
Jangalia Power Plant	680,426,473	718,091,261	680,426,473	718,091,261
Rupganj Power Plant	816,028,850	806,346,817	816,028,850	806,346,817
Maona Power Plant	824,310,430	801,890,214	824,310,430	801,890,214
Ullapara Power Plant	254,821,956	239,374,160	254,821,956	239,374,160
Madanganj Power Plant	1,364,123,066	1,351,511,710	1,364,123,066	1,351,511,710
Barisal Power Plant	1,257,387,505	1,275,738,676	-	-
Madanganj Power Plant (Unit II)	668,910,711	678,677,020	-	-
Kodda Power Plant (Unit I)	1,128,315,781	-	-	-
Kodda Power Plant (Unit II)	3,221,088,190	461,751,748	-	-
	12,738,624,426	8,956,337,271	6,462,922,239	6,540,169,827
Sales revenue - HFO				
Madanganj Power Plant	1,986,649,484	2,259,887,777	1,986,649,484	2,259,887,777
Barisal Power Plant	3,409,838,055	3,683,533,249	-	-
Madanganj Power Plant (Unit II)	1,822,560,407	2,113,968,960	-	-
Kodda Power Plant (Unit I)	4,065,987,508	-	-	-
Kodda Power Plant (Unit II)	6,447,972,513	1,453,911,030	-	-
	17,733,007,967	9,511,301,016	1,986,649,484	2,259,887,777
	30,471,632,393	18,467,638,287	8,449,571,723	8,800,057,604

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29 Cost of sales

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Gas consumption:					
Ashulia Power Plant		54,921,192	59,014,827	54,921,192	59,014,827
Ashulia Power Plant (expansion)		175,495,329	176,541,266	175,495,329	176,541,266
Madhabdi Power Plant		65,781,219	64,281,437	65,781,219	64,281,437
Madhabdi Power Plant (expansion)		127,222,179	139,164,454	127,222,179	139,164,454
Chandina Power Plant		55,607,071	61,493,207	55,607,071	61,493,207
Chandina Power Plant (expansion)		68,115,552	75,492,669	68,115,552	75,492,669
Jangalia Power Plant		160,992,154	184,714,408	160,992,154	184,714,408
Rupganj Power Plant		217,341,380	225,378,528	217,341,380	225,378,528
Maona Power Plant		221,485,118	225,859,348	221,485,118	225,859,348
Ullapara Power Plant		64,409,831	61,707,502	64,409,831	61,707,502
HFO consumption:					
Madanganj Power Plant		1,986,649,484	2,259,887,777	1,986,649,484	2,259,887,777
Barisal Power Plant		3,409,838,055	3,683,533,249	-	-
Madanganj Power Plant (Unit II)		1,822,560,407	2,113,968,960	-	-
Kodda Power Plant (Unit I)		4,065,987,508	-	-	-
Kodda Power Plant (Unit II)		6,447,972,513	1,453,911,030	-	-
Tankage handling charge		163,743,938	80,203,664	28,945,619	29,089,193
Depreciation on plant and machineries	5.1	1,811,760,720	1,111,927,388	815,038,767	743,746,748
General consumables		343,361,606	235,342,043	231,921,883	175,560,350
Lube and other oil expenses		461,268,450	289,341,722	151,252,546	144,906,806
Salaries and allowances		365,673,146	270,100,992	213,017,309	201,108,121
Insurance premium		142,930,854	73,897,746	36,502,074	34,423,816
Daily labor charges		32,145,676	23,578,813	18,486,218	17,018,537
Lease land rental		5,143,242	4,722,200	5,143,242	4,722,200
Security service		26,426,937	22,055,426	12,071,123	11,772,268
BERC license fees		4,916,449	1,402,701	678,907	689,001
Environmental compliance		3,128,290	2,164,874	1,009,482	1,498,814
ISO certification		159,403	819,150	112,500	769,150
Plant maintenance		172,300,273	162,185,374	112,628,039	119,435,935
Employee welfare		544,759	288,098	341,582	267,774
		22,477,882,735	13,062,978,853	4,825,169,800	5,018,544,136

30 Other income, net

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Sale of empty lube oil drums and HFO sludge	22,176,144	9,158,704	8,116,105	3,282,368
Dividend income	191,437,348	350,917,048	216,937,348	350,917,048
Other receivable written-off	-	(23,155,316)	-	(17,742,123)
Impairment loss	(1,877,536)	-	(1,877,536)	-
Gain/(loss) from disposal of assets	5,935,369	3,698,482	6,011,448	3,698,482
Miscellaneous, net of expenses	18,881,307	-	48,000	-
	236,552,632	340,618,918	229,235,365	340,155,775

31 General and administrative expenses

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Salaries and allowances		101,441,211	82,507,269	47,741,823	79,095,994
Gratuity		41,892,347	18,278,440	21,385,000	16,007,000
Directors and CEO's remuneration		64,857,220	59,582,166	42,852,134	59,266,877
Tax on directors remuneration		15,097,246	17,132,345	15,097,246	17,132,345
Security service and temporary contract worker		37,720,842	27,628,910	19,262,242	25,428,223
Education and training		3,159,339	2,653,328	1,069,100	2,465,883
Employee welfare		132,212	176,239	116,499	124,950
Board meeting attendance fees		3,690,123	1,543,980	1,692,300	982,945
Board meeting - others		60,082	664,000	20,000	580,000
Audit committee attendance fees		1,581,984	500,000	683,325	360,000
Communication		9,008,998	10,823,812	5,213,938	8,311,577
Travelling and conveyance		11,925,218	7,462,154	5,211,951	4,849,878
Vehicle fuel and maintenance		18,329,823	14,932,725	6,140,959	13,693,640
Entertainment		21,193,852	20,889,165	9,523,688	11,683,563
Food and lodging		3,055,527	1,620,815	655,913	830,966
Printing and stationery		3,569,710	6,153,094	1,039,413	4,730,155
Office expenses		2,414,334	1,720,711	1,560,594	1,522,706
General repair and building maintenance		33,173,344	18,151,909	16,468,275	14,796,912
Land lease rental		-	514,102	-	514,102
Rent, rates and taxes		7,253,280	5,855,892	3,341,357	5,008,779
Utility expenses		4,208,831	1,236,517	1,725,307	809,359
Insurance premium		4,244,732	3,451,908	1,451,403	3,397,556
Advertisement and publicity		8,183,008	8,800,102	2,611,462	7,475,650
Gift and compliments		2,175,656	944,517	667,729	854,517
Donation and subscription		32,021,900	29,663,336	8,689,828	27,878,978
Legal and professional consultancy fees		19,524,659	21,380,115	10,881,233	15,818,688
Uniform and liveries		7,869,036	6,571,292	1,888,035	4,512,220
Audit fee		2,157,997	2,070,000	862,500	862,500
Credit rating fees		696,242	460,000	-	230,000
Annual General Meeting expenses		4,544,481	7,403,970	4,544,481	7,403,970
Extra ordinary General Meeting expenses		-	869,068	-	869,068
Depreciation	5.1	61,212,857	60,422,386	48,833,328	53,969,353
Amortisation	6	1,623,264	333,335	693,264	333,334
Annual fees		8,962,753	4,862,957	4,869,693	2,928,156
Business development expenses		25,199,194	13,614,030	14,136,141	9,789,574
Inauguration ceremony		5,597,151	-	-	-
Miscellaneous		36,308	13,993	-	-
		567,814,762	460,888,582	300,930,160	404,519,418

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32 Finance income/(expenses), net

Figures in BDT

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Finance Income				
Interest on FDRs	284,988,665	246,157,339	171,238,405	183,446,064
Interest on STDs	31,781,690	43,555,589	17,162,312	8,309,679
Foreign exchange gain/(loss)	505,760,586	(180,498,736)	4,058,580	19,602,776
	822,530,941	109,214,192	192,459,297	211,358,519
Finance expenses				
Interest on loan				
Bank loan and overdraft	17,853,384	20,370,854	1,327,778	-
Foreign project loan	1,266,535,967	378,159,895	-	-
Dividend on redeemable preference shares	122,369,985	82,726,027	-	-
	1,406,759,336	481,256,776	1,327,778	-
Others				
Bank charges and others	12,819,083	7,532,121	6,782,405	5,218,142
Bank guarantee commission	10,020,056	12,371,975	2,829,344	8,880,857
Amortisation on ARO	3,576,041	3,100,563	3,576,041	3,100,563
Amortisation of transaction cost	76,939,789	19,696,086	-	-
Operation and insurance bond commission	874,288	2,614,881	874,288	2,614,881
Agency fee	13,950,336	10,046,343	-	-
Other non operating expenses	-	835,000	-	-
	118,179,593	56,196,969	14,062,078	19,814,443
Finance expenses	1,524,938,929	537,453,745	15,389,856	19,814,443
Finance income/(expenses), net	(702,407,988)	(428,239,553)	177,069,441	191,544,076

33 Income tax expense

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Current tax expenses		81,972,443	36,337,805	32,122,055	-
Deferred tax expense/(income) recognised directly in profit	33.1	(2,847,133)	(3,804,525)	2,868,712	(3,054,825)
		79,125,310	32,533,280	34,990,767	(3,054,825)

33.1 Deferred tax expense/(income)

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Deferred tax assets/(liabilities)				
Opening balance	34,821,425	23,248,750	30,092,575	21,668,500
Closing balance	43,923,588	34,821,425	31,960,363	30,092,575
	(9,102,163)	(11,572,675)	(1,867,788)	(8,424,075)
Deferred tax attributable to actuarial (gain)/loss recognised directly in equity	6,221,550	7,768,150	4,736,500	5,369,250
Exchange rate movement	33,480	-	-	-
	(2,847,133)	(3,804,525)	2,868,712	(3,054,825)

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33.2 Other comprehensive income - net of tax

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Actuarial (gain)/loss on defined benefit plans	23.1	23,189,000	28,331,000	18,946,000	21,477,000
Deferred tax expense/(income) for actuarial loss on defined benefit plans		(6,221,550)	(7,768,150)	(4,736,500)	(5,369,250)
		16,967,450	20,562,850	14,209,500	16,107,750

34 Earnings per share (EPS)

34.1 Basic earnings

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Basic earnings				
Profit attributable to the ordinary shareholders (basic)	5,104,797,292	4,696,084,430	3,694,785,802	3,911,748,726

34.2 Weighted average number of shares outstanding (basic)

Particulars	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Weighted average number of shares outstanding (basic)	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239
Earnings per share (EPS)	4.78	4.40	3.46	3.66

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated in case of bonus share by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

35 Net asset value per share (NAVPS)

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Net asset value		34,596,163,194	33,378,267,981	30,703,437,687	30,589,625,148
Weighted average number of shares outstanding (basic)	34.2	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239
Net asset value per share (NAVPS)		32.40	31.26	28.75	28.65

36 Net operating cash flows per share (NOCFPS)

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Net cash from operating activities		6,053,929,153	4,850,759,640	2,439,825,581	3,668,735,464
Weighted average number of shares outstanding (basic)	34.2	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239
Net operating cash flows per share (NOCFPS)		5.67	4.54	2.28	3.44

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37 Reconciliation of profit after income tax with net cash from operating activities

Figures in BDT

Particulars	Note	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Cash flows from operating activities					
Profit after income tax		7,282,615,403	5,274,372,465	3,694,785,802	3,911,748,726
Adjustments for non-cash transactions:					
Depreciation	5	1,872,973,577	1,172,349,774	863,872,095	797,716,101
Amortisation	31	1,623,264	333,335	693,264	333,334
Impairment loss on AFS financial assets	30	1,877,536	-	1,877,536	-
Finance expenses					
Unrealised foreign exchange (gain)/loss		(531,399,729)	182,067,979	-	-
Amortisation of transaction cost		76,939,789	19,696,086	-	-
Income tax expenses	33.1	79,125,310	(3,804,525)	34,990,767	(3,054,825)
Actuarial gain/(loss) on gratuity valuation	33.2	(23,189,000)	(28,331,000)	(18,946,000)	(21,477,000)
Share of profit of equity-accounted investees	8	(401,661,173)	(450,755,528)	-	-
		1,076,289,574	891,556,121	882,487,662	773,517,610
Adjustments for items that are reclassified to investing and financing activities:					
Other income					
Dividend income	30	(191,437,348)	(350,917,048)	(216,937,348)	(350,917,048)
Gain/(loss) from disposal of assets	30	(5,935,369)	(3,698,482)	(6,011,448)	(3,698,482)
Finance income - Interest on FDRs and STDs	32	(316,770,355)	(289,712,928)	(188,400,717)	(191,755,743)
Finance expenses - Interest on loan	32	1,406,759,336	481,256,776	1,327,778	-
		892,616,264	(163,071,682)	(410,021,735)	(546,371,273)
Changes in:					
Inventories	11	(68,187,620)	(88,885,643)	71,984,400	(17,438,467)
Trade receivables	12	(2,679,199,205)	(2,613,861,271)	(966,033,403)	(416,938,743)
Other receivables (except interest on FDR and insurance receivables)	13	(9,528,232)	51,994,509	-	46,543,138
Advances, deposits and prepayments	15	(897,845,814)	(174,233,849)	(559,508,411)	31,966,299
Deferred liabilities (except other financial liability)	23	31,716,840	45,792,860	45,227,840	36,796,860
Trade payables	25	285,747,177	1,537,239,529	(259,786,041)	(152,310,440)
Other payables and accruals	26	215,840,729	109,487,118	(47,992,036)	1,221,754
		(3,121,456,125)	(1,132,466,747)	(1,716,107,651)	(470,159,599)
Cash generated from operating activities		6,130,065,116	4,870,390,157	2,451,144,078	3,668,735,464
Income tax paid		(76,135,963)	(19,630,517)	(11,318,497)	-
Net cash from operating activities		6,053,929,153	4,850,759,640	2,439,825,581	3,668,735,464

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For the year ended 30 June 2019

38 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Figures in BDT

Particulars	Note	Carrying amount							Fair value			
		Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI - debt instruments	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2019												
Financial assets measured at fair value												
Available-for-sale financial assets	10	-	-	-	3,955,794	-	-	3,955,794	-	-	-	-
		-	-	-	3,955,794	-	-	3,955,794	3,955,794	-	-	3,955,794
Financial assets not measured at fair value												
Trade receivables	12	-	-	-	-	11,856,589	-	11,856,589	-	-	-	-
Other receivables	13	-	-	-	-	118,565	-	118,565	-	-	-	-
Deposits	15	-	-	-	-	27,544	-	27,544	-	-	-	-
Cash and cash equivalents (except cash in hand)	16	-	-	-	-	5,840,528	-	5,840,528	-	-	-	-
		-	-	-	-	17,843,225	-	17,843,225	-	-	-	-
Financial liabilities not measured at fair value												
Redeemable preference shares	21	-	-	-	-	-	1,627,281	1,627,281	-	-	-	-
Loans and borrowings	22	-	-	-	-	-	21,056,627	21,056,627	-	-	-	-
Deferred liabilities	23	-	-	-	-	-	813,938	813,938	-	-	-	-
Unclaimed dividends	24	-	-	-	-	-	75,475	75,475	-	-	-	-
Trade payables	25	-	-	-	-	-	3,896,255	3,896,255	-	-	-	-
Other payables and accruals	26	-	-	-	-	-	618,470	618,470	-	-	-	-
Intercompany payables	27	-	-	-	-	-	200,929	200,929	-	-	-	-
		-	-	-	-	-	28,288,976	28,288,976	-	-	-	-

Figures in BDT

Particulars	Note	Carrying amount							Fair value			
		Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI - debt instruments	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2018												
Financial assets measured at fair value												
Available-for-sale financial assets	10	-	-	-	4,320,803	-	-	4,320,803	4,320,803	-	-	4,320,803
		-	-	-	4,320,803	-	-	4,320,803	4,320,803	-	-	4,320,803
Financial assets not measured at fair value												
Trade receivables	12	-	-	-	-	9,177,390	-	9,177,390	-	-	-	-
Other receivables	13	-	-	-	-	60,254	-	60,254	-	-	-	-
Deposits	15	-	-	-	-	26,690	-	26,690	-	-	-	-
Cash and cash equivalents (except cash in hand)	16	-	-	-	-	4,879,259	-	4,879,259	-	-	-	-
		-	-	-	-	14,143,593	-	14,143,593	-	-	-	-
Financial liabilities not measured at fair value												
Redeemable preference shares	21	-	-	-	-	-	983,678	983,678	-	-	-	-
Loans and borrowings	22	-	-	-	-	-	21,350,150	21,350,150	-	-	-	-
Deferred liabilities	23	-	-	-	-	-	202,257	202,257	-	-	-	-
Unclaimed dividends	24	-	-	-	-	-	58,430	58,430	-	-	-	-
Trade payables	25	-	-	-	-	-	3,610,508	3,610,508	-	-	-	-
Other payables and accruals	26	-	-	-	-	-	363,060	363,060	-	-	-	-
Intercompany payables	27	-	-	-	-	-	878,000	878,000	-	-	-	-
		-	-	-	-	-	27,446,083	27,446,083	-	-	-	-

The Company/Group has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair values.

SUMMIT POWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2019

B. Financial risk management

The Group has exposures to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's/Group'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 Company/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.

i) Credit risk

Credit risk is the risk of financial loss to the Company/Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company/Group's receivable from customers and investment securities. The Group's sales are made to Government entity, viz, Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB) under the conditions of the fixed term Power Purchase Agreement (PPA).

a) Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

Figures in BDT

Particulars	Note	30 June 2019	30 June 2018
Trade receivables	12	11,856,589,210	9,177,390,005
Other receivables	13	118,564,559	60,253,599
Deposits	15	27,543,827	26,690,148
Cash and cash equivalents (except cash in hand)	16	5,840,527,884	4,879,259,343
		17,843,225,480	14,143,593,095

b) Ageing of receivables (excluding interest on FDR and net of bad debt provision)

Particulars	30 June 2019	30 June 2018
Not past due	4,664,410,385	5,109,970,989
Past due 0 - 30 days	1,860,728,771	164,236,822
Past due 31 - 90 days	694,471,490	159,540,636
Past due 91 - 180 days	256,607,954	191,967,343
Past due over 180 days	4,437,271,338	3,571,040,876
	11,913,489,938	9,196,756,666

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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 Group's reputation. Typically, the Group ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

It may be noted that the Group repaid its liabilities in financial year 2019 on due dates. Rest of the financial liabilities are expected to be repaid in due time which are expected to be financed from operational cash flow.

The following are the contractual maturities of financial liabilities of the Group:

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Figures in BDT

Particulars	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
30 June 2019							
<i>Non-derivative financial liabilities</i>							
Redeemable preference shares	1,627,281,207	1,645,000,000	-	160,000,000	710,000,000	775,000,000	-
Loans and borrowings	21,056,627,042	21,275,232,114	502,527,242	10,482,041,372	1,071,088,200	3,317,605,200	5,901,970,100
Gratuity fund	162,022,097	162,022,097	-	-	-	162,022,097	-
Liability for assets retirement obligation	71,951,603	71,951,603	-	-	-	-	71,951,603
Unclaimed dividends	75,475,039	75,475,039	75,475,039	-	-	-	-
Trade payables	3,896,255,273	3,896,255,273	3,896,255,273	-	-	-	-
Other payables and accruals	618,470,229	568,551,255	-	568,551,255	-	-	-
Intercompany payables	200,929,205	200,929,205	929,205	200,000,000	-	-	-
	27,709,011,695	27,895,416,586	4,475,186,759	11,410,592,627	1,781,088,200	4,254,627,297	5,973,921,703
<i>Derivative financial liabilities</i>							
Interest rate swaps	579,964,031	579,964,031	-	-	-	579,964,031	-
	579,964,031	579,964,031	-	-	-	579,964,031	-
	28,288,975,726	28,475,380,617	4,475,186,759	11,410,592,627	1,781,088,200	4,834,591,328	5,973,921,703

Particulars	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
30 June 2018							
<i>Non-derivative financial liabilities</i>							
Redeemable preference shares	983,677,920	1,000,000,000	-	160,000,000	160,000,000	480,000,000	200,000,000
Loans and borrowings	21,350,150,486	21,470,229,309	5,010,474,141	10,945,743,883	601,781,810	1,805,345,430	3,106,884,045
Gratuity fund	133,881,298	133,881,298	-	-	-	133,881,298	-
Liability for assets retirement obligation	68,375,562	68,375,562	-	-	-	68,375,562	-
Unclaimed dividends	58,429,846	58,429,846	58,429,846	-	-	-	-
Trade payables	3,610,508,096	3,610,508,096	3,610,508,096	-	-	-	-
Other payables and accruals	363,059,957	363,059,957	363,059,957	-	-	-	-
Intercompany payables	878,000,000	878,000,000	-	878,000,000	-	-	-
	27,446,083,165	27,582,484,068	9,042,472,040	11,983,743,883	761,781,810	2,487,602,290	3,306,884,045
<i>Derivative financial liabilities</i>							
Interest rate swaps	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	27,446,083,165	27,582,484,068	9,042,472,040	11,983,743,883	761,781,810	2,487,602,290	3,306,884,045

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding 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

The Group, except AAPL and SGIPL, is exposed to currency risk on purchases of spare parts and capital machinery that are denominated mainly in a currency other than the functional currency, primarily the United State Dollar (USD). For AAPL and SGIPL, foreign currency transactions are denominated in Bangladesh Taka (BDT) and EURO. The Company/Group has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2019.

i) Exposure to currency risk

The Group's exposure, except AAPL and SGIPL, to foreign currency risk arising from foreign currency denominated assets/(liabilities) was as follows:

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Figures in BDT

Particulars	Currency	30 June 2019	30 June 2018
Foreign currency denominated assets			
Trade receivables	USD	502,858,781	395,102,117
Cash at bank	USD	107,335,965	65,349,956
		610,194,746	460,452,073
Foreign currency denominated liabilities			
Loans and borrowings	USD	5,460,312,105	5,995,714,273
Interest rate swap	USD	249,168,310	-
		5,709,480,415	5,995,714,273
Net exposure - assets/(liabilities)		(5,099,285,669)	(5,535,262,200)

For AAPL and SGIPL, the exposure to foreign currency risk arising from foreign currency denominated assets/(liabilities) was as follows:

Particulars	Currency	30 June 2019	30 June 2018
Foreign currency denominated assets			
Trade receivables	BDT	3,831,573,050	2,222,868,407
Other receivables	BDT	18,126,807	1,509,147
Intercompany receivables	BDT	371,200,000	100,054,157
Deposit	BDT	1,232,980	1,221,672
Cash and cash equivalents (except cash in hand)	BDT	1,998,555,030	143,186,716
		6,220,687,867	2,468,840,099
Foreign currency denominated liabilities			
Loans and borrowings	EURO	8,359,515,653	12,477,291,046
Loans and borrowings	BDT	-	436,920,818
Redeemable preference shares	BDT	799,731,782	-
Trade payables	BDT	2,359,047,326	1,785,322,173
Other payables	BDT	421,347,991	155,916,009
Intercompany payables	BDT	107,013,675	878,000,000
		12,046,656,427	15,733,450,046
Net exposure - assets/(liabilities)		(5,825,968,561)	(13,264,609,947)

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A reasonably possible change of 3% in foreign currencies at 30 June 2019 and 30 June 2018 would have increased/ (decreased) equity and profit or loss of the Group (except AAPL and SGIPL) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2019				
USD (3% movement)	(152,978,570)	152,978,570	(152,978,570)	152,978,570
Exchange rate sensitivity	(152,978,570)	152,978,570	(152,978,570)	152,978,570
30 June 2018				
USD (3% movement)	(166,057,866)	166,057,866	(166,057,866)	166,057,866
Exchange rate sensitivity	(166,057,866)	166,057,866	(166,057,866)	166,057,866

For AAPL and SGIPL, the impact of 3% change in foreign currencies at 30 June 2019 and 30 June 2018 has been analysed below. This analysis assumes that all other variables, in particular interest rates, remain constant.

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Figures in BDT

Particulars	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2019				
BDT (3% movement)	76,006,413	(76,006,413)	76,006,413	(76,006,413)
EURO (3% movement)	(250,785,470)	250,785,470	(250,785,470)	250,785,470
Exchange rate sensitivity	(174,779,057)	174,779,057	(174,779,057)	174,779,057
30 June 2018				
BDT (3% movement)	(23,619,567)	23,619,567	(23,619,567)	23,619,567
EURO (3% movement)	(374,318,731)	374,318,731	(374,318,731)	374,318,731
Exchange rate sensitivity	(23,619,567)	23,619,567	(23,619,567)	23,619,567

The following significant exchange rates are applicable:

	30 June 2019	30 June 2018
USD	84.5000	83.7250
EURO	96.0723	97.7867

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local loans are not significantly affected by fluctuations in interest rates, as they are secured in fixed rates. Foreign loans and borrowings are affected by fluctuations in floating interest rates. However, such exposures to floating interest rates are adequately mitigated by way of entering interest rate swaps. See note 23.3

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Particulars	30 June 2019	30 June 2018
Fixed rate instruments		
<i>Financial assets</i>		
Fixed deposit receipts	4,277,138,182	4,100,803,047
<i>Financial liabilities</i>		
Redeemable preference shares	(1,627,281,207)	(983,677,920)
Loans and borrowings	-	(488,177,654)
	2,649,856,975	2,628,947,473
Variable rate instruments		
<i>Financial assets</i>		
	-	-
<i>Financial liabilities</i>		
Loans and borrowings	(21,056,627,042)	(20,861,972,832)
Effect of interest rate swaps	11,056,196,128	-
	(10,000,430,914)	(20,861,972,832)

39 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

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40 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

Figures in BDT

Particulars	30 June 2019	30 June 2018
Within six months	1,300,000	1,505,302
Between six and twelve months	1,300,000	1,505,302
Between one and two years	2,600,000	2,600,000
Between two and five years	6,666,667	7,800,000
More than five years	-	2,135,890
	11,866,667	15,546,494

The Group leases land under operating leases. The leases typically run for a period of 15 years, with an option to renew the lease after that date. The Group expect their operating lease arrangements to be recognised as Right-of-Use (ROU) assets with corresponding lease liabilities under IFRS 16. As at 1 July 2019, the Group expects an increase in ROU assets of BDT 10,439,311 and a corresponding increase in lease liabilities of BDT 10,439,311.

41 Commitments

41.1 Commitment of capital expenditure

The Group had the following commitments of capital expenditure at 30 June 2019:

Particulars	30 June 2019	30 June 2018
River bank protection	20,835,521	127,878,264
Workshop and store	54,132,047	10,000,000
Civil works	73,907,605	-
6-storied dormitory building	60,550,724	-
Boundary wall (west)	64,655,830	-
Fire safety works	-	118,298,494
Water & effluent treatment plant, pump house	2,761,841	-
Gas suppression system of MV room	4,811,415	-
Village mosque	7,500,000	-
	289,154,982	256,176,758

41.2 Other commitments

The Group had the following letters of credit (LC) in hand at 30 June 2019:

Name of power plants	LC number	Currency type	Invoice value	Commitment value
Rupganj, Jangalia, Maona	222819010763	EURO	122,440	11,763,058
Ullapara	222819011439	EURO	22,842	2,194,483

42 Contingent liability

Contingent liability represents amounts in relation to issue of construction bond, operation bond, insurance bond and bank guarantee by third parties as listed below:

Figures in BDT

Particulars	Expiry date/ Income year	Assessment year	Currency	30 June 2019	30 June 2018
Operation Security Deposits					
Ashulia-1 plant	31.08.2018	-	USD	-	33,490,000
Madhabdi-1 plant	31.08.2018	-	USD	-	33,490,000
Chandina-1 plant	31.08.2018	-	USD	-	33,490,000
Ashulia-2 plant	05.02.2020	-	USD	65,910,000	65,305,500
Madhabdi-2 plant	05.02.2020	-	USD	47,320,000	46,886,000
Chandina-2 plant	05.02.2020	-	USD	27,040,000	26,792,000
BPDB AG. Jangalia Project	05.08.2020	-	BDT	39,368,234	39,368,234
BREB AG. Rupganj Project	05.08.2020	-	BDT	39,368,234	39,368,234
BREB AG. Maona Project	05.08.2020	-	BDT	39,368,234	39,368,234
BREB AG. Ullapara Project	05.08.2020	-	BDT	13,867,126	13,867,126
BPDB - SGIPL project	09.06.2020	-	BDT	520,000,000	520,000,000
BPDB - AAPL project	23.09.2019	-	BDT	160,000,000	-
Bank Guarantee					
BPDB - Madanganj	19.06.2020	-	BDT	212,160,000	252,259,587
Titas gas T&D- Rupganj	05.01.2024	-	BDT	26,690,849	26,690,849
Titas gas T&D- Rupganj	24.01.2024	-	BDT	3,218,046	-
Bakhrabad- Jangalia	24.01.2024	-	BDT	29,908,895	24,703,233
Titas gas T&D- Maona	24.01.2024	-	BDT	26,690,849	24,703,233
Pashchimanchal Gas - Ullapara	05.01.2024	-	BDT	8,234,409	8,234,409
BPDB - SBPL (operation security deposit)	30.03.2020	-	BDT	200,000,000	200,000,000
BPDB - SNPUILL (operation security deposit)	30.03.2020	-	BDT	115,000,000	115,000,000
BPDB - AAPL (performance security deposit)	30.09.2018	-	USD	-	449,100,900
Stand-by Letter of Credit					
SPL - in favour of SBPL	11.12.2019	-	USD	325,517,153	311,875,625
SPL - in favour of SNPUILL	13.12.2019	-	USD	177,112,000	167,715,827
SPL - in favour of AAPL	18.12.2019	-	USD	452,920,000	-
Income tax					
Summit Power Limited	2011-2012	2012-2013	BDT	-	470,964,565
Summit Power Limited	2010-2011	2011-2012	BDT	-	40,657,742
Summit Power Limited	2009-2010	2010-2011	BDT	-	3,065,712
Summit Power Limited	2008-2009	2009-2010	BDT	-	6,531,703
Summit Power Limited	2007-2008	2008-2009	BDT	-	3,238,950
Summit Power Limited	2006-2007	2007-2008	BDT	-	6,408,393
Summit Power Limited	2005-2006	2006-2007	BDT	-	15,829,233
Summit Purbanchol Power Company Limited	2012-2013	2013-2014	BDT	-	5,067,645
Summit Purbanchol Power Company Limited	2011-2012	2012-2013	BDT	-	4,818,941
Summit Purbanchol Power Company Limited	2008-2009	2009-2010	BDT	-	345,677
Summit Uttaranchol Power Company Limited	2012-2013	2013-2014	BDT	3,894,537	3,894,537
Summit Uttaranchol Power Company Limited	2011-2012	2012-2013	BDT	-	3,028,756
Summit Uttaranchol Power Company Limited	2010-2011	2011-2012	BDT	-	2,387,330
Summit Uttaranchol Power Company Limited	2009-2010	2010-2011	BDT	-	375,000

Since the negotiation for renewal of power purchase agreements of Ashulia-1, Madhabdi-1 and Chandina-1 plants are in progress, operation security deposits have not been renewed after these expired. Once the PPAs for these plants are renewed, operation security deposits will also be renewed in due course of action.

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

43 Related party transactions

The Group/Company carried out a number of transactions with related parties in the normal course of business on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24: *Related party disclosures*.

a) Transactions with ultimate parent

Figures in BDT

Particulars	Company/ Group			
	Transaction value		Balance outstanding	
	FY 2019	FY 2018	30 June 2019	30 June 2018
Payment on behalf	-	-	-	-

b) Transactions with key management personnel

Key management personnel compensation:

In accordance with IAS 24 : *Related Party Disclosures*, key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The key management personnel compensation included as part of staff costs are as follows:

Particulars	Transaction value			
	Group		Company	
	FY 2019	FY 2018	FY 2019	FY 2018
Short-term employee benefits				
Directors' remuneration	86,736,932	47,405,505	55,953,602	40,737,482
Tax on directors remuneration	15,097,246	8,314,348	15,097,246	8,314,348
Board meeting attendance fees and expenses	3,690,123	1,181,359	1,692,300	305,887
Post-employment benefits (including CPF)	1,238,472	1,047,129	741,588	662,436

Key management personnel and director transactions:

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control, joint control or significant influence over the financial or operating policies of these entities. A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available.

Particulars	Company / Group			
	Transaction value		Balance outstanding at	
	FY 2019	FY 2018	30 June 2019	30 June 2018
Loan from director	-	-	-	-
Share sale of non-power companies	-	-	-	-
Dividend to shareholders	-	-	-	-

c) Other related party transactions

Particulars	Nature of transaction	Group			
		Transaction value		Balance outstanding at	
		FY 2019	FY 2018	30 June 2019	30 June 2018
Parent					
Summit Corporation Limited (SCL)	Building maintenance	(13,510,258)	(4,892,106)	(929,205)	2,419,783
	Financial support	(200,000,000)	-	(200,000,000)	-
Related parties					
Summit Oil & Shipping Co. Ltd. (SOSCL)	HFO purchase	(17,733,007,967)	(9,511,301,016)	(3,765,266,173)	(3,372,377,689)
	Tankage handling fee	(163,743,938)	(80,203,664)	(35,357,433)	(25,893,660)
	Financial support	937,905,341	-	937,905,341	-
Summit Holdings Limited (SHL)	Lease rental	(465,530)	(232,765)	1,789,198	2,254,728
Cosmopolitan Communications Limited (CCL)	Internet service provider	(1,752,000)	(1,007,400)	(142,800)	(167,900)
Others					
Khulna Power Company Limited (KPCL)	Dividend	191,204,184	350,541,004	-	-

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Particulars	Nature of transaction	Company			
		Transaction value		Balance outstanding at	
		FY 2019	FY 2018	30 June 2019	30 June 2018
Parent					
Summit Corporation Limited (SCL)	Building maintenance	(5,786,975)	(4,892,106)	(397,901)	2,419,783
	Financial support	(200,000,000)	-	(200,000,000)	-
Subsidiary					
Summit Barisal Power Limited (SBPL)	Financial support	165,161,111	161,169,064	228,390,780	63,229,669
Summit Narayanganj Power Unit II Limited (SNPUILL)	Financial support	110,298,359	88,748,970	156,585,774	46,287,415
Ace Alliance Power Limited (AAPL)	Financial support	36,012,953	249,113,023	36,012,953	117,498,947
Summit Gazipur II Power Limited (SGIPL)	Financial support	48,341,659	263,719,258	70,841,999	22,500,340
Related parties					
Summit Oil & Shipping Co. Ltd. (SOSCL)	HFO purchase	(1,986,649,484)	(2,259,887,777)	(276,613,410)	(466,466,497)
Summit Oil & Shipping Co. Ltd. (SOSCL)	Tankage handling fee	(28,945,619)	(29,089,193)	(2,398,676)	(2,425,065)
Summit Holdings Limited (SHL)	Lease rental	(465,530)	(232,765)	1,789,198	2,254,728
Cosmopolitan Communications Limited (CCL)	Internet service provider	(1,335,600)	(731,400)	(111,300)	(121,900)
Others					
Khulna Power Company Limited (KPCL)	Dividend	191,204,184	350,541,004	-	-

44 Events after reporting date

The Board of Directors of the Group recommended 35% (BDT 3.50 per share) cash dividend amounting to BDT 3,737,570,337 for the year ended 30 June 2019 at the board meeting held on 22 September 2019. The dividend is subject to approval of the shareholders in the annual general meeting scheduled to be held on 24 November 2019.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

45 Other disclosures

45.1 Number of employees

During the year ended 30 June 2019 there were 571 permanent employees in the Group (FY 2018: 443 permanent employees).

45.2 Significant non-cash transactions

The Group had no significant non-cash transaction in FY 2019.

45.3 Going concern

The Company and the Group has adequate resources to continue in operation for the foreseeable future. For this reason the management continues to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient funds to meet the present requirements of its existing business.

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

46 Capacity

Name of plants	Licensed capacity MW	Plant factor (% on licensed)		Energy sold (MWH)	
		FY 2019	FY 2018	FY 2019	FY 2018
Ashulia - Savar	11	Average: 62 Maximum: 71	Average: 66 Maximum: 73	59,799	63,239
Ashulia - Savar (Exp)	33.75	Average: 71 Maximum: 81	Average: 70 Maximum: 76	211,078	208,022
Madhabdi - Narsingdi	11	Average: 76 Maximum: 82	Average: 75 Maximum: 84	73,027	72,031
Madhabdi - Narsingdi (Exp)	24.30	Average: 68 Maximum: 79	Average: 74 Maximum: 85	144,315	158,442
Chandina - Comilla	11	Average: 64 Maximum: 72	Average: 69 Maximum: 79	61,953	66,525
Chandina - Comilla (Exp)	13.50	Average: 71 Maximum: 83	Average: 76 Maximum: 86	83,720	90,322
Rupganj -Narayanganj	33	Average: 86 Maximum: 98	Average: 88 Maximum: 96	248,683	254,223
Jangalia - Comilla	33	Average: 64 Maximum: 92	Average: 73 Maximum: 88	184,660	210,430
Maona - Gazipur	33	Average: 87 Maximum: 96	Average: 87 Maximum: 96	250,189	250,152
Ullapara- Sirajganj	11	Average: 73 Maximum: 87	Average: 69 Maximum: 87	70,662	66,311
Madanganj - Narayanganj	102	Average: 23 Maximum: 60	Average: 36 Maximum: 51	204,834	315,072
Rupatoli - Barisal	110	Average: 37 Maximum: 82	Average: 55 Maximum: 95	360,597	531,945
Madanganj Unit II - Narayanganj	55	Average: 41 Maximum: 79	Average: 47 Maximum: 85	195,646	298,586
Kodda Unit I - Gazipur	149	Average: 33 Maximum: 60	- -	431,046	-
Kodda Unit II - Gazipur	300	Average: 26 Maximum: 70	Average: 45 Maximum: 48	671,643	198,398

47 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

A	Basis of consolidated and separate financial statements
B	Property, plant and equipment
C	Intangible assets
D	Leased assets
E	Inventories
F	Provisions
G	Contingencies
H	Employee benefits
I	Taxation
J	Revenue
K	Foreign currency translation
L	Finance income and expenses
M	Financial instruments
N	Impairment
O	Earnings per share (EPS)
P	Share capital
Q	Dividend
R	Statement of cash flows
S	Materiality and aggregation
T	Events after the reporting period

A Basis of consolidated and separate financial statements

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Name of Subsidiaries	% of controlling interest	% of non-controlling interest
Summit Barisal Power Limited	49	51
Summit Narayanganj Power Unit II Limited	49	51
Summit Chittagong Power Limited	49	51
Ace Alliance Power Limited	64	36
Summit Gazipur II Power Limited	20	80

Summit Power Limited ("SPL") holds 49% shares in each of Summit Barisal Power Limited ("SBPL"), Summit Narayanganj Power Unit II Limited ("SNPL II") and Summit Chittagong Power Limited ("SCPL") and 20% shares in Summit Gazipur II Power Limited ("SGIPL"). However, according to control procedures outlined in IFRS 10: *Consolidated Financial Statements*, SBPL, SNPL-II, SCPL and SGIPL are under the control of SPL because SPL directly manages the activities/operations of those entities since their commercial operation date (COD) through common corporate management and thus it has the power over these four entities and has established both exposure and rights to significantly affect returns of the investee companies. Therefore, on this ground SPL treats these entities as its subsidiaries and consolidates these entities financial statements to its financial statements. SPL also holds 64% shares in Ace Alliance Power Limited.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

ii) Transactions eliminated on consolidation

The financial statements of the subsidiaries have been consolidated with those of Summit Power Limited in accordance with IFRS 10: *Consolidated Financial Statements*. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees (that means in any company wherein Summit Power Limited has made investments, if any) are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. However, on 30 June 2019, the Company has no such investments.

iii) Basis of preparation of separate financial statements

The Group has presented separate financial statements in addition to consolidated financial statements.

iv) Disclosure of interests in other entities

As a result of IFRS 12: *Disclosure of Interests in Other Entities*, the Group has extended its disclosures about its interests in subsidiaries and equity-accounted investees.

SUMMIT POWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2019

v) Business combination of subsidiaries with the Group entity

When any of the subsidiaries of Summit Power Limited is amalgamated with the Group entity, this implies that the amalgamating company is ultimately controlled by the same party (i.e. SPL) both before and after the amalgamation. According to IFRS 3: *Business Combinations*, this is a common control transaction where control is not transitory. IFRS is silent in case of common control transaction. Therefore, in such cases, all assets and liabilities from the amalgamating company are transferred to the books of the Group entity applying book value (carry-over basis) accounting instead of fair value under acquisition accounting approach as described in IFRS 3. Any difference between the consideration paid and interest acquired is recognised directly in equity.

B Property, plant and equipment**i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

Applying the requirement of International Financial Reporting Interpretation Committee (IFRIC) 4: *Determining whether an Arrangement contains a Lease*, the Power Purchase Agreement (PPA) between the Company/Group units and BPDB/BREB can be said to contain a lease arrangement. This could be interpreted as resulting in the transfer of substantially all of the risks and rewards incidental to the ownership to the underlying assets (power plant) to the off taker (BPDB/BREB) who would effectively be the lessee. However, management concluded that the PPA does not transfer substantially all risks incidental to ownership as per the requirement of paragraph 17 of IAS 17. As such, all these lease arrangements are considered as an operating lease.

ii) Capitalisation of borrowing cost

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with IAS 23: *Borrowing Costs*. Capitalisation of borrowing costs ceases upon receipt of independent engineers' report which, in accordance with Power Purchase Agreement, confirms the availability of plants for use.

iii) Subsequent costs

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

iv) Revaluation of land and plant and machinery

The Company and the Group units have revalued the plant and machinery, civil works and land of their own units on various dates. The Company/Group transfers the excess depreciation on revalued assets to retained earnings.

v) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment including leased assets except land and land developments. Land and land developments are not depreciated.

Plant and machinery are depreciated from the month in which the asset comes into use or is capitalised other than revalued plant and machinery which are depreciated from the calendar year following the year of revaluation. According to the Power Purchase Agreement independent engineers' report confirms the availability of plants for use. Other items of property, plant and equipment continue to be depreciated from the month immediately following the month on which the asset comes into use or is capitalised. In case of disposals, depreciation is charged for full month in the month of disposal.

Depreciation of power plant has been charged considering 20 to 30 years useful life and residual value of 2% of original cost, on straight line basis on the ground that management intends to continue with operation after completion of 5 to 15 years as stated in the Power Purchase Agreement (PPA). According to PPA the management can apply for extension of the agreement two years before the expiry of the agreement and management has decided to exercise this option unless it would clearly be not in the interest of the Company/Group at that stage except Madanganj power plant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

The estimated useful lives of property, plant and equipment as determined have been shown below:

In Years	2019	2018
Furniture and fixtures	10	10
Office and electrical equipment	5	5
Office decoration	5	5
Motor vehicles	5	5
Maintenance equipment	5	5
Civil works and others	5	5
Plant and machinery:		
Main transformer	20	20
Genset	30	30
Electrical substation	20	20
Mechanical parts	30	30
Balance of plant (BOP)	30	30
Critical and capital spare parts	2 to 30	2 to 30

vi) Retirements and disposals

An asset is derecognised upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income in statement of profit or loss and other comprehensive income.

vii) Asset retirement obligations

Asset retirement obligations are recognised when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The periodic unwinding of the discount is recognised in statement of profit or loss and other comprehensive income as a finance cost as it occurs.

viii) Capital work in progress

Capital work in progress consists of acquisition costs of plant and machinery, capital components and related installation cost until the date placed in service. In case of import of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company/Group, i.e. at the time shipment is confirmed by the supplier.

ix) Spare parts

Spare parts consist of critical and capital spare parts. Critical and capital spare parts are those which are used particularly for scheduled and unscheduled maintenance and overhauling. These are depreciated over their estimated useful lives.

C Intangible assets**i) Recognition and measurement**

Intangible assets that are acquired by the Company/Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38: *Intangible assets* are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

ii) Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in statement of profit or loss and other comprehensive income as incurred.

iii) Amortisation

IT software and brand are amortised over 5 and 30 years respectively from the month immediately following the month in which the asset comes into use or is capitalised. In case of disposals, amortisation is charged for full month in the month of disposal. The brand represents a payment made by the Summit Power Limited in 2008 to Summit Corporation Limited to use name and other intellectual properties of Summit Corporation Limited.

SUMMIT POWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2019

D Leased assets**Finance lease**

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Each lease payment is allocated to the principal amount and to the finance charges in a such a way to achieve a constant rate on the finance balance outstanding.

i) Recognition and measurement

Finance leases have been recognised as assets and liabilities in the statement of financial position at amounts equal at the inception of lease to the lower of fair value of leased property and present value of minimum lease payments. The interest implicit in the lease has been spread equally over the lease term.

ii) Depreciation

Finance leases give rise to depreciation expense for a depreciable asset as well as a finance expense for each accounting year. The depreciation policy for depreciable assets is consistent with that for depreciable assets which are owned.

Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognised in the statement of financial position. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income.

E Inventories

Inventories include consumable-others, lubricant oil, chemicals and general consumables. These are for use in the operation and maintenance of power plants. Inventories are measured at lower of cost and net realisable value less allowance for obsolescence. Cost is calculated on First In First Out (FIFO) basis.

F Provisions

A provision is recognised on the date of statement of financial position if, as a result of past events, the Company/Group has a present 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 except the amount payable for letter of credit.

G Contingencies**i) Contingent liability**

Contingent liability is a possible obligation that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company/Group.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

ii) Contingent asset

Contingent asset is a possible asset that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company/Group.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

H Employee benefits

The Company/Group maintains both defined benefit plans (gratuity and leave encashment) and defined contribution plan (Contributory Provident Fund) plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective employee benefit policies.

i) Defined benefit plan (gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company/ Group's net obligation in respect of defined benefit gratuity plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets are deducted. The Company/Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

The discount rate is the yield at the reporting date on that have maturity dates approximating the terms of the Company/Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company/Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company/Group. An economic benefit is available to the Company/Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Remeasurements of the net defined benefit liability comprise actuarial gains and losses. The Company/Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Company/Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Company/Group in connection with the settlement.

Gratuity scheme is operated by Summit Power Limited centrally on behalf of all the subsidiaries under the Group is not recognised by the National Board of Revenue.

ii) Defined benefit plan (leave encashment)

The Company/Group accrues annual leave for each permanent employee, if one does not avail the leave, at 1.5 times of basic salary. The upper limit is 20 days accrual per year per employee.

iii) Defined contribution plan (provident fund)

The Company/Group operates Contributory Provident Fund (CPF) for all its permanent employees, which is a defined contribution plan. The provident fund is administered by the Board of Trustee and is funded by contributions from employees and from the Company/Group at 10% of the basic pay. These contributions are invested separately from the Company's/Group's business. This fund is recognised by National Board of Revenue.

iv) Workers' Profit Participation Fund (WPPF)

According to the Labour Act 2006 (amended in 2013) ("the Act"), any company that fulfills the prescribed criterion of this Act is required to set up a workers' profit participation and welfare fund. With effect from 1 January 2014 the management of the Company/Group underwent an internal human resource restructuring exercise. The Company/Group employs only managers and all of their employees are part of the management authority entrusted with managerial responsibilities and all other services are outsourced. As such, the Company/Group does not have any "beneficiary" for the purpose of the Act and therefore no such fund is required to be created. This is supported by opinion obtained by the Company/Group from external legal counsel.

I Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

Qualifying power generation companies in the Group are given tax exemptions as per SRO for certain years beginning with the month of Commercial Date of Operation ("COD"). The summary of tax exemptions for the power plants operated in the Group are as below:

Entity	Name of the plant/facility	Location	Tax provision status	Period	Expiry
Summit Power Limited	Ashulia Power Plant (Unit-1)	Savar, Dhaka	Tax applicable	15 years since commercial operation date*	31-Aug-2018
	Madhabdi Power Plant (Unit-1)	Narsingdi	Tax applicable	15 years since commercial operation date*	31-Aug-2018
	Chandina Power Plant (Unit-1)	Comilla	Tax applicable	15 years since commercial operation date*	31-Aug-2018
	Ashulia Power Plant (Unit-2)	Savar, Dhaka	Tax exemption	15 years since commercial operation date	3-Dec-2022
	Madhabdi Power Plant (Unit-2)	Narsingdi	Tax exemption	15 years since commercial operation date	15-Dec-2021
	Chandina Power Plant (Unit-2)	Comilla	Tax exemption	15 years since commercial operation date	14-Nov-2021
	Maona Power Plant	Gazipur	Tax exemption	15 years since commercial operation date	11-May-2024
	Ullapara Power Plant	Sirajganj	Tax exemption	15 years since commercial operation date	2-Mar-2024
	Jangalia Power Plant	Comilla	Tax exemption	15 years since commercial operation date	8-Jun-2024
	Rupganj Power Plant	Narayanganj	Tax exemption	15 years since commercial operation date	24-Jun-2024
Madanganj Power Plant (Unit-1)	Narayanganj	Tax exemption	10 years since commercial operation date	31-Mar-2021	
Summit Narayanganj Power Unit II Limited	Madanganj Power Plant (Unit-2)	Narayanganj	Tax exemption	15 years since commercial operation date	28-Feb-2031
Summit Barisal Power Company Limited	Barisal Power Plant	Barisal	Tax exemption	15 years since commercial operation date	4-Apr-2031
Ace Alliance Power Limited	Kodda Power Plant (Unit-1)	Gazipur	Tax exemption	15 years since commercial operation date	11-Jul-2033
Summit Gazipur II Power Limited	Gazipur Power Plant (Unit-2)	Gazipur	Tax exemption	15 years since commercial operation date	9-May-2033

* As mentioned in Note 1.3, tax exemption period of 15 years has been expired for Ashulia Power Plant (Unit-1), Madhabdi Power Plant (Unit-1) and Chandina Power Plant (Unit-1) on 31 August 2018. Therefore, from the financial year 2018-19, current tax provision has been recognised for these plants.

SUMMIT POWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2019

i) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates at the reporting date, and any adjustment to tax payable in respect of previous periods as per Income Tax Ordinance 1984.

ii) Deferred tax

Deferred tax is recognised in compliance with IAS 12: *Income Taxes*, providing temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Until 30 June 2019, all of the Company's power plants operated under tax exemption regime. The Company has examined precedents of tax assessments completed for a power company post its tax exemption period, which consistently show accounting depreciation charge to be equal to the tax depreciation charge, implying that there were no temporary differences between accounting net book value and tax written down value of property, plant and equipment. On that basis, the Company has not considered any deferred tax relating to its property, plant and equipment in the preparation of these financial statements.

J Revenue

Revenue is recognised in the profit or loss upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprises capacity payments and energy payments. Capacity component of revenue is recognised according to the terms set out in the PPA. Energy component of revenue is calculated based on electricity delivered.

K Foreign currency translation

Foreign currency transactions are translated into functional currency at the rates ruling on the transaction date. All monetary assets and liabilities at the statement of financial position date are retranslated using rates prevailing on that day. Foreign currency differences arising on retranslation are recognised in the statement of profit or loss and other comprehensive income.

L Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised on accrual basis.

Finance expenses comprise interest expense on loans, overdraft and finance lease, dividend on redeemable preference shares, forex gain/(loss) and all types of bank charges. All borrowing costs are recognised in profit or loss using effective interest method except to the extent that they are capitalised during construction period of the plants in accordance with IAS 23: *Borrowing costs*.

M Financial instruments

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

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement**Financial assets – Policy applicable from 1 July 2018**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment: Policy applicable from 1 July 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- "the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 July 2018

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets include cash and cash equivalents except cash in hand, trade receivables, other receivables, intercompany receivables, available-for-sale financial assets and deposits.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks and fixed deposits receipt which are held and available for use by the Company/ Group without any restriction. For the purposes of statement of cash flow, cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's/Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade receivables

Trade receivables consists of unpaid bills receivable from Bangladesh Rural Electrification Board ("BREB") and Bangladesh Power Development Board ("BPDB"). Trade receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowances for doubtful receivables at the year-end.

Other receivables

Other receivables are stated at amounts which are considered realisable.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale by management. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

SUMMIT POWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2019

Deposits

Deposits are measured at payment value.

iii Financial liabilities

Financial liabilities are recognised initially on the transaction date at which the Company/Group becomes a party to the contractual provisions of the liability except the amount payable for letter of credit. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include project loan, redeemable preference shares, trade payables, intercompany payables and other current liabilities.

Project loan

Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

Redeemable preference shares

Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited had issued redeemable preference shares in FY 2017. Later, Ace Alliance Power Limited has also issued the same in FY 2019. As per IAS 32: *Financial Instruments: Presentation*, the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in these financial statements. Periodic dividend paid to the holders of such shares are charged to profit or loss as finance expense.

Derivative financial instruments and hedge accounting

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company holds derivative financial instruments to hedge its interest rate risk exposures and designates its derivatives as hedging instruments to hedge the variability in interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Trade and other payables

Trade payables consist of unpaid bills payable to different parties for heavy fuel oil, lubricant consumption and plant maintenance services. Other payables consist of payable for general & administrative transactions. The Company/Group recognises a payable when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

The Company has not withheld any tax on its dividend paid to immediate parent company as it has been paid out from tax exempted power generation business. Any distribution received from tax exempted profit will be treated as tax free income in the hands of shareholders. This has been substantiated in the judgment of the Appellate Division of Honourable Supreme Court of Bangladesh in the reported case of Commissioner of Income Tax vs. Masuda Khatun (1982) 34 DLR (AD) 85 and legal opinions from prominent legal counsels."

iv Offsetting financial asset and financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company/Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

N Impairment**i) Financial assets**

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

(ii) Non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The Company/Group assesses at each reporting date whether there is any indication that an asset or a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company/Group estimates the recoverable amount of the asset or CGU. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in profit or loss and other comprehensive income,

unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease. As at 30 June 2019, the assessment of indicators of impairment reveals that impairment testing is not required for the Company/Group.

(iii) Inventories

Inventories are measured at the lower of cost and net realisable value. These are for use in the operation and maintenance of power plants. As inventories are for internal use, the value is unlikely to diminish.

O Earnings per share (EPS)

The Company/Group represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company/Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by the adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the affects of all dilutive potential ordinary shares.

P Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

Q Dividend

Final dividend distribution to the Company's/Group's shareholders are recognised as a liability in the financial statements in the period in which the dividend is approved by the Company's/Group's shareholders at the Annual General Meeting, while interim dividend distribution is recognised in the year in which the dividend is declared and paid.

R Statement of cash flows

Cash flows from operating activities have been presented under direct method as per IAS 7: *Statement of Cash Flows*.

S 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.

T Events after the reporting period

Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

48 Standards issued but not yet effective

IFRS 16: Leases, effective from annual periods beginning on or after 1 January 2019 and earlier application is permitted. However, the Company/ Group has not early applied this standards in preparing these financial statements.

(i) IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. The Company/ Group is assessing the potential impact of IFRS 16 on its financial statements.

SUMMIT POWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2019

49 Name of auditors of the Group companies

Name of the company	Status	Name of auditors
Summit Power Limited	Parent	A. Qasem & Co.
Summit Barisal Power Limited	Subsidiary	A. Qasem & Co.
Summit Narayanganj Power Unit II Limited	Subsidiary	A. Qasem & Co.
Summit Chittagong Power Limited	Subsidiary	Mak & Co.
Ace Alliance Power Limited	Subsidiary	Rahman Rahman Huq
Summit Gazipur II Power Limited	Subsidiary	Rahman Rahman Huq
Summit Meghnaghat Power Company Limited	Associate	Rahman Rahman Huq

SUMMIT BARISAL POWER LIMITED

Directors' & Auditor's report and Audited financial statements
as at and for the year ended 30 June 2019



Directors' Report on Subsidiary – SBPL

Dear Shareholders,

Assalamu Alaikum,

The Board of Directors of Summit Barisal Power Limited (SBPL) is pleased to submit before you the operational activities and audited financial statements of the Company for the year ended on 30 June 2019.

Business Activities including its Operating Performance

Summit Barisal Power Limited (SBPL) was incorporated as a Private Limited Company on 10 February 2011 as a private company limited by shares under the Companies Act, 1994 with its registered office located at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Saidpur Power Limited. On 18 November 2013 the name of Summit Saidpur Power Limited was changed as Summit Barisal Power Limited. Since this Company is operating under the common management of parent Company, Summit Power Limited, it is destined to achieve the same level of accomplishments and recognition. The Company started its commercial operation from 05 April 2016 in Rupertoli, Barisal of its 110 MW HFO Fired power plant and is supplying entire generated electricity to the Bangladesh Power Development Board (BPDB) through National Power Grid.

Operating Result of the Company:

Particulars	FY 2019	FY 2018
Revenue (Tk. in M)	4,667	4,959
Gross profit (Tk. in M)	808	818
Profit after income tax (Tk. in M)	409	366
Total assets (Tk. in M)	7,650	7,244
Shareholders' equity (Tk. in M)	2,299	2,049
Total liabilities (Tk. in M)	5,351	5,195
Net profit in %	8.76	7.38
Return on assets in %	5.49	5.06
Return on equity in %	18.81	17.87
Capacity utilization in %	37	55.2
Electricity sold (MWH) in %	360,597	531,945

Revenue over last year has decreased by 6% due to less demand. The gross profit stood almost at par of last year due to better cost efficiency. Net profit has increased by 12% over last year due to better net of finance costs in term of interest expenses and favourable foreign exchange effect.

The Company has received certification from Bureau Veritas after the organization's Management system successfully implemented Integrated Management Systems (IMS), which includes – ISO 9001: 2015 - Quality Management System (QMS), ISO 14001: 2015 - Environmental Management System (EMS) and BS 18001: 2007 Occupational Health and Safety Assessment System (OHSAS).

In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies.

The Company has received "Best Power Generation Project Award 2016" in Private Sector Generation by the Government which was the 4th time in a row for Summit Group to receive this prestigious award.

Auditor

A. Qasem & Co., Chartered Accountants, as statutory auditor of the Company has carried out the audit for the year ended on 30 June 2019.

Proposed Dividend

Your Board has recommended 70% cash dividend on 103,468,400 ordinary shares of Tk. 10 each for the financial year ended on 30 June 2019 for your consideration and approval, subject to clearance of lenders.

Acknowledgement

The Board of Directors would like to take this opportunity to thank the Government regulatory bodies, customers, suppliers, auditors, its shareholders, investors, bankers, and employees for their continuous dedication, commitment, cooperation and support towards success.

On behalf of the Board



Lt. Gen. (Retd.) Engr. Abdul Wadud
Managing Director
Dhaka, 22 September 2019

Independent Auditor's Report

To the shareholders of Summit Barisal Power Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Summit Barisal Power Limited (the "Company"), which comprise statement of financial position as at 30 June 2019, and the statement profit and loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994 we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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;
- the financial statements of the company with the annexed notes dealt with by the report are in agreement with the books of account and returns.



A. Qasem & Co.
Chartered Accountants

Place: Dhaka
Date: 22 September 2019

SUMMIT BARISAL POWER LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

Figures in BDT

Particulars	30 June 2019	30 June 2018
Assets		
Property, plant and equipment	5,190,315,936	5,201,272,990
Deferred tax asset	3,970,976	3,631,250
Non-current assets	5,194,286,912	5,204,904,240
Inventories	70,009,315	75,309,326
Trade receivables	1,262,278,627	834,840,899
Other receivables	18,219,054	4,005,264
Advances, deposits and prepayments	42,195,780	42,138,515
Cash and cash equivalents	1,063,002,620	1,083,696,005
Current assets	2,455,705,396	2,039,990,009
Total assets	7,649,992,308	7,244,894,249
Equity		
Share capital	1,034,684,000	1,034,684,000
Hedging reserve	(157,534,903)	-
Retained earnings	1,422,060,126	1,014,935,044
Total equity	2,299,209,223	2,049,619,044
Liabilities		
Redeemable preference share - non-current	433,632,985	531,345,704
Loans and borrowings - non-current	3,090,813,851	3,447,615,286
Deferred liabilities	157,534,903	10,375,000
Non-current liabilities	3,681,981,739	3,989,335,990
Redeemable preference share - current	98,408,246	98,269,141
Loans and borrowings - current	392,910,000	388,853,584
Trade payables	884,452,179	587,151,730
Other payables and accruals	64,453,850	44,735,091
Intercompany payables	228,577,071	86,929,669
Current liabilities	1,668,801,346	1,205,939,215
Total liabilities	5,350,783,085	5,195,275,205
Total equity and liabilities	7,649,992,308	7,244,894,249



Managing Director

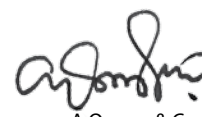


Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019

A. Qasem & Co.
Chartered Accountants

SUMMIT BARISAL POWER LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

Figures in BDT

Particulars	30 June 2019	30 June 2018
Revenue	4,667,225,560	4,959,271,925
Cost of sales	(3,859,126,070)	(4,140,410,316)
Gross profit	808,099,490	818,861,609
Other income	2,407,269	5,692,266
General and administrative expenses	(51,075,191)	(24,280,366)
Operating profit	759,431,568	800,273,509
Finance income/(cost), net	(327,418,235)	(410,897,667)
Profit before tax	432,013,333	389,375,842
Income tax expenses	(23,102,701)	(23,072,029)
Profit after income tax	408,910,632	366,303,813
Other comprehensive income		
Actuarial gain/(loss) on gratuity valuation	(2,747,000)	(4,757,000)
Related tax on gain/(loss) on gratuity valuation	961,450	1,664,950
	(1,785,550)	(3,092,050)
Change in fair value of derivative financial instruments	(157,534,903)	-
Other comprehensive income	(159,320,453)	(3,092,050)
Total comprehensive income	249,590,179	363,211,763



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019



A.Qasem & Co.
Chartered Accountants

SUMMIT BARISAL POWER LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

Figures in BDT

Particulars	Share capital	Hedging reserve	Retained earnings	Total Equity
Balance at 1 July 2017	1,034,684,000	-	651,723,281	1,686,407,281
Total comprehensive income				
Profit	-	-	366,303,813	366,303,813
Other comprehensive income	-	-	(3,092,050)	(3,092,050)
Total comprehensive income	-	-	363,211,763	363,211,763
Balance at 30 June 2018	1,034,684,000	-	1,014,935,044	2,049,619,044
Balance at 1 July 2018	1,034,684,000	-	1,014,935,044	2,049,619,044
Total comprehensive income				
Profit	-	-	408,910,632	408,910,632
Other comprehensive income	-	(157,534,903)	(1,785,550)	(159,320,453)
Total comprehensive income	-	(157,534,903)	407,125,082	249,590,179
Balance at 30 June 2019	1,034,684,000	(157,534,903)	1,422,060,126	2,299,209,223



Managing Director



Director



Company Secretary

Signed as per our report of same date.


A. Qasem & Co.
Chartered AccountantsPlace: Dhaka
Date: 22 September 2019

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

Figures in BDT

Particulars	30 June 2019	30 June 2018
Cash flows from operating activities		
Receipts from customers	4,239,787,832	5,249,201,893
Payment to employees, suppliers and service-providers	(3,407,105,653)	(4,331,527,468)
Receipts from other sources	2,407,269	6,789,426
Income tax paid	(5,007,186)	(12,346,643)
Net cash from operating activities	830,082,262	912,117,208
Cash flows from investing activities		
Interest received	47,610,304	57,733,552
Acquisition of property, plant and equipment	(212,089,483)	(206,640,243)
Net cash used in investing activities	(164,479,179)	(148,906,691)
Cash flows from financing activities		
Interest paid	(328,211,280)	(295,319,426)
Repayment of loan and borrowings	(398,396,379)	(280,067,500)
Repayment of redeemable preference share	(100,000,000)	-
Transaction cost	(1,336,211)	(1,094,783)
Proceeds from related company as financing support	141,647,402	83,924,821
Net cash used in financing activities	(686,296,468)	(492,556,888)
Net changes in cash and cash equivalents	(20,693,385)	270,653,629
Opening cash and cash equivalents	1,083,696,005	813,042,376
Closing cash and cash equivalents	1,063,002,620	1,083,696,005



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019



A.Qasem & Co.
Chartered Accountants

SUMMIT NARAYANGANJ POWER UNIT II LIMITED

Directors' & Auditor's report and Audited financial statements
as at and for the year ended 30 June 2019



Directors' Report on Subsidiary – SNPUIIL

Dear Shareholders,

Assalamu Alaikum,

The Board of Directors of Summit Narayanganj Power Unit II Limited (SNPUIIL) is pleased to submit before you the operational activities and audited financial statements of the Company for the year ended on 30 June 2019.

Business Activities including its Operating Performance

Summit Narayanganj Power Unit II Limited (SNPUIIL) was incorporated as a Private Limited Company on 10 February 2011 as a Private Company limited by shares under Companies Act 1994 with its registered office located at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Shantahar Power Limited. On 18 November 2013, the name of Summit Shantahar Power Limited was changed as Summit Narayanganj Power Unit II Limited. Since this Company is operating under the common management of parent Company, Summit Power Limited, it is destined to achieve the same level of accomplishments and recognition. The Company started its commercial operation from 29 February 2016 in Madanganj, Narayanganj of its 55 MW HFO Fired power plant and is supplying entire generated electricity to the Bangladesh Power Development Board (BPDB) through National Power Grid.

Operating Result of the Company:

Particulars	FY 2019	FY 2018
Revenue (Tk. in M)	2,491	2,792
Gross profit (Tk. in M)	422	429
Profit after income tax (Tk. in M)	194	172
Total assets (Tk. in M)	4,083	4,297
Shareholders' equity (Tk. in M)	1,222	1,121
Total liabilities (Tk. in M)	2,861	3,176
Net profit in %	7.77	6.19
Return on assets in %	4.62	4.02
Return on equity in %	16.53	15.41
Capacity utilization in %	41	61.97
Electricity sold (MWH) in %	195,646	298,586

Revenue over last year has decreased by 11% due to less demand. However, net profit has increased by 12% due to decrease in net finance costs coupled with stable gross profit.

The Company has received certification from Bureau Veritas after the organization's Management system successfully implemented Integrated Management Systems (IMS), which includes – ISO 9001: 2015 - Quality Management System (QMS), ISO 14001: 2015 - Environmental Management System (EMS) and BS 18001: 2007 Occupational Health and Safety Assessment System (OHSAS).

In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies.

Auditor

A. Qasem & Co., Chartered Accountants, as statutory auditor of the Company has carried out the audit for the year ended on 30 June 2019.

Proposed Dividend

Your Board has recommended 70% cash dividend on 56,555,555 ordinary shares of Tk. 10 each for the financial year ended on 30 June 2019 for your consideration and approval, subject to clearance of lenders.

Acknowledgement

The Board of Directors would like to take this opportunity to thank the Government regulatory bodies, customers, suppliers, auditors, its shareholders, investors, bankers, and employees for their continuous dedication, commitment, cooperation and support towards success.

On behalf of the Board



Lt. Gen. (Retd.) Engr. Abdul Wadud
Managing Director
Dhaka, 22 September 2019

Gulshan Pink City
Suites # 01-03, Level : 7, Plot # 15, Road # 103
Gulshan Avenue, Dhaka - 1212, Bangladesh

Phone : +880 (2) 8881824-6
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Email : a.qasem@bd.ey.com

Independent Auditor's Report

To the shareholders of Summit Narayanganj Power Unit II Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Summit Narayanganj Power Unit II Limited (the "Company"), which comprise statement of financial position as at 30 June 2019, and the statement profit and loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994 we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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;
- the financial statements of the company with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Place: Dhaka
Date: 22 September 2019


A. Qasem & Co.
Chartered Accountants

SUMMIT NARAYANGANJ POWER UNIT II LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

Figures in BDT

Particulars	30 June 2019	30 June 2018
Assets		
Property, plant and equipment	2,936,079,549	2,884,410,684
Deferred tax asset	2,030,350	1,097,600
Non-current assets	2,938,109,899	2,885,508,284
Inventories	52,804,497	40,436,719
Trade receivables	426,953,219	749,929,788
Other receivables	13,013,081	296,664
Intercompany receivables	-	23,700,000
Advances, deposits and prepayments	25,371,418	21,914,756
Cash and cash equivalents	626,486,944	576,189,310
Current assets	1,144,629,159	1,412,467,237
Total assets	4,082,739,058	4,297,975,521
Equity		
Share capital	565,555,550	565,555,550
Hedging reserve	(91,633,407)	-
Retained earnings	748,207,715	555,462,659
Total equity	1,222,129,858	1,121,018,209
Liabilities		
Redeemable preference share - non-current	236,406,555	295,052,563
Loans and borrowings - non-current	1,768,526,330	1,953,602,983
Deferred liabilities	91,633,407	3,136,000
Non-current liabilities	2,096,566,292	2,251,791,546
Redeemable preference share - current	59,101,639	59,010,512
Loans and borrowings - current	208,061,924	205,642,420
Trade payables	254,510,758	580,003,141
Other payables and accruals	50,596,521	34,222,278
Intercompany payables	191,772,066	46,287,415
Current liabilities	764,042,908	925,165,766
Total liabilities	2,860,609,200	3,176,957,312
Total equity and liabilities	4,082,739,058	4,297,975,521



Managing Director




Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019



A. Qasem & Co.
Chartered Accountants

SUMMIT NARAYANGANJ POWER UNIT II LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

Figures in BDT

Particulars	30 June 2019	30 June 2018
Revenue	2,491,471,118	2,792,645,980
Cost of sales	(2,069,317,849)	(2,363,627,985)
Gross profit	422,153,269	429,017,995
Other income	234,579	184,070
General and administrative expenses	(30,490,509)	(13,385,023)
Operating profit	391,897,339	415,817,042
Finance income/(cost), net	(183,365,421)	(230,987,788)
Profit before tax	208,531,918	184,829,254
Income tax expenses	(14,814,462)	(12,078,660)
Profit after income tax	193,717,456	172,750,594
Other comprehensive income		
Actuarial gain/(loss) on gratuity valuation	(1,496,000)	(2,097,000)
Related tax on gain/(loss) on gratuity valuation	523,600	733,950
	(972,400)	(1,363,050)
Change in fair value of derivative financial instruments	(91,633,407)	-
Other comprehensive income	(92,605,807)	(1,363,050)
Total comprehensive income	101,111,649	171,387,544



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka

Date: 22 September 2019


A. Qasem & Co.
Chartered Accountants

SUMMIT NARAYANGANJ POWER UNIT II LIMITED
STATEMENT OF CHANGES IN EQUITY
 For the year ended 30 June 2019

Figures in BDT

Particulars	Share capital	Hedging reserve	Retained earnings	Total Equity
Balance at 1 July 2017	565,555,550	-	384,075,115	949,630,665
Total comprehensive income				
Profit	-	-	172,750,594	172,750,594
Other comprehensive income	-	-	(1,363,050)	(1,363,050)
Total comprehensive income	-	-	171,387,544	171,387,544
Balance at 30 June 2018	565,555,550	-	555,462,659	1,121,018,209
Balance at 1 July 2018	565,555,550	-	555,462,659	1,121,018,209
Total comprehensive income				
Profit	-	-	193,717,456	193,717,456
Other comprehensive income	-	(91,633,407)	(972,400)	(92,605,807)
Total comprehensive income	-	(91,633,407)	192,745,056	101,111,649
Balance at 30 June 2019	565,555,550	(91,633,407)	748,207,715	1,222,129,858



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka
 Date: 22 September 2019



A.Qasem & Co.
 Chartered Accountants

SUMMIT NARAYANGANJ POWER UNIT II LIMITED

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

Figures in BDT

Particulars	30 June 2019	30 June 2018
Cash flows from operating activities		
Receipts from customers	2,814,447,687	2,528,661,891
Payment to employees, suppliers and service-providers	(2,333,715,678)	(2,081,380,966)
Receipts from other sources	234,579	776,688
Income tax paid	(5,182,119)	(7,008,190)
Net cash from operating activities	475,784,469	441,049,423
Cash flows from investing activities		
Interest received	30,545,038	34,660,723
Acquisition of property, plant and equipment	(166,373,376)	(132,600,838)
Net cash used in investing activities	(135,828,338)	(97,940,115)
Cash flows from financing activities		
Interest paid	(186,628,563)	(165,566,496)
Repayment of redeemable preference shares	(60,000,000)	-
Repayment of loan and borrowings	(212,214,585)	(104,541,390)
Transaction cost	-	(917,284)
Proceeds from related company loan	169,184,651	22,199,232
Net cash used in financing activities	(289,658,497)	(248,825,938)
Net changes in cash and cash equivalents	50,297,634	94,283,370
Opening cash and cash equivalents	576,189,310	481,905,940
Closing cash and cash equivalents	626,486,944	576,189,310



Managing Director



Director



Company Secretary

Signed as per our report of same date.

Place: Dhaka

Date: 22 September 2019


A. Qasem & Co.
Chartered Accountants

SUMMIT GAZIPUR II POWER LIMITED

Directors' & Auditor's report and Audited financial statements
as at and for the year ended 30 June 2019



Directors' Report on Subsidiary – SGIPL

Dear Shareholders,

Assalamu Alaikum,

The Board of Directors of Summit Gazipur II Power Limited (SGIPL) is pleased to submit before you the operational activities and audited financial statements of the Company for the year ended on 30 June 2019.

Business Activities including its Operating Performance

Summit Gazipur II Power Limited (SGIPL) was incorporated as a Private Limited Company on 3 July 2017 under the Companies Act, 1994. The address of the Company's registered office is at Summit Centre, 18 Kawran Bazar, Dhaka 1215. Since this Company is operating under the common management of parent Company, Summit Power Limited, it is destined to achieve the same level of accomplishments and recognition. The Company started its commercial operation from 10 May 2018 in Kodda, Gazipur of its 300 MW HFO Fired power plant and is supplying entire generated electricity to the Bangladesh Power Development Board (BPDB) through National Power Grid.

Operating Result of the Company:

Particulars	FY 2019	FY 2018
Revenue (Tk. in M)	9,669	1,916
Gross profit (Tk. in M)	2,422	375
Profit after income tax (Tk. in M)	2,113	385
Total assets (Tk. in M)	17,383	15,359
Shareholders' equity (Tk. in M)	5,961	1,923
Total liabilities (Tk. in M)	11,422	13,436
Net profit in %	21.86	20.07
Return on assets in %	13	15
Capacity utilization in %	27	45
Electricity sold (MWH) in %	671,643	198,398

The Company has installed and commissioned its 300 MW HFO fired power plant within 9 months from the date of Letter of Intent (LoI). The Company has earned net profit Tk. 2,113 million for its first full year of operation, as shown above.

Auditor

Rahman Rahman Huq, Chartered Accountants, as statutory auditors of the Company has carried out the audit for the period ended on 30 June 2019.

Proposed Dividend

Your Board has recommended 70% cash dividend on 335,600,000 ordinary shares of Tk. 10 each for the financial year ended on 30 June 2019 for your consideration and approval.

Acknowledgement

The Board of Directors would like to take this opportunity to thank the Government regulatory bodies, customers, suppliers, auditors, its shareholders, investors, bankers, and employees for their continuous dedication, commitment, cooperation and support towards success.

On behalf of the Board



Engr. Md. Mozammel Hossain
Managing Director
Dhaka, 22 September 2019

Independent Auditor's Report

To the shareholders of Summit Gazipur II Power Limited

Report on the audit of the financial statements

Opinion

"We have audited the financial statements of Summit Gazipur II Power Limited ("the Company"), which comprise the statement of financial position as at 30 June 2019, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)."

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.



Dhaka, 22 September 2019

SUMMIT GAZIPUR II POWER LIMITED
STATEMENT OF FINANCIAL POSITION

Figures in BDT

Particulars	30 June 2019	30 June 2018
Assets		
Property, plant and equipment	13,494,679,807	12,877,612,368
Deferred tax asset	3,789,800	-
Non current assets	13,498,469,607	12,877,612,368
Inventories	97,000,478	31,778,854
Trade receivables	2,074,829,848	2,222,868,407
Other receivables	7,904,963	889,312
Intercompany receivables	335,000,000	100,054,157
Advances, deposits and prepayments	518,973,214	68,537,990
Cash and cash equivalents	851,401,705	57,529,337
Current assets	3,885,110,208	2,481,658,057
Total assets	17,383,579,815	15,359,270,425
Equity		
Share capital	3,356,000,000	100,000,000
Share money deposit	-	1,420,000,000
Currency translation reserve	107,493,431	19,014,899
Retained earnings	2,497,789,544	384,465,244
Total equity	5,961,282,975	1,923,480,143
Liabilities		
Loans and borrowings	9,989,972,522	10,644,852,978
Trade payables	1,007,102,621	1,785,322,173
Other payables and accruals	354,300,337	105,114,791
Intercompany payables	70,921,360	900,500,340
Current liabilities	11,422,296,840	13,435,790,282
Total liabilities	11,422,296,840	13,435,790,282
Total equity and liabilities	17,383,579,815	15,359,270,425



Managing Director

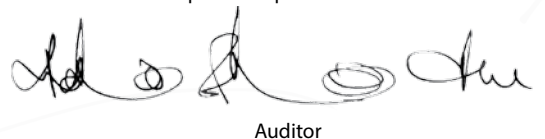


Director



Company Secretary

As per our report of same date.



Auditor

Dhaka, 22 September 2019


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in BDT

Particulars	For the year ended 30 June 2019	For the period from 3 July 2017 to 30 June 2018
Revenue	9,669,060,703	1,915,662,778
Cost of sales	(7,246,763,128)	(1,540,396,416)
Gross profit	2,422,297,575	375,266,362
Other income	10,099,016	-
General and administrative expenses	(115,644,587)	(8,949,029)
Operating profit	2,316,752,004	366,317,333
Finance income/(expense), net	(197,013,347)	18,585,327
Profit before tax	2,119,738,657	384,902,660
Income tax expense	(6,414,357)	(437,416)
Profit after income tax	2,113,324,300	384,465,244
Other comprehensive income		
Currency translation reserve	88,478,532	19,014,899
Total other comprehensive income	88,478,532	19,014,899
Total comprehensive income	2,201,802,832	403,480,143



Managing Director




Director



Company Secretary

Dhaka, 22 September 2019

As per our report of same date.



Auditor

SUMMIT GAZIPUR II POWER LIMITED
STATEMENT OF CHANGES IN EQUITY

Figures in BDT

Particulars	For the period from 3 July 2017 to 30 June 2018				
	Share capital	Share money deposit	Currency translation reserve*	Retained earnings	Total equity
Balance at 3 July 2017	-	-	-	-	-
Total comprehensive income					
Profit	-	-	-	384,465,244	384,465,244
Other comprehensive income	-	-	19,014,899	-	19,014,899
Total comprehensive income for the period	-	-	19,014,899	384,465,244	403,480,143
Transactions with owners of the Company					
Share money deposit	-	1,520,000,000	-	-	1,520,000,000
Issue of share capital	100,000,000	(100,000,000)	-	-	-
Total transactions with owners of the Company	100,000,000	1,420,000,000	-	-	1,520,000,000
Balance at 30 June 2018	100,000,000	1,420,000,000	19,014,899	384,465,244	1,923,480,143

Figures in BDT

Particulars	For the year ended 30 June 2019				
	Share capital	Share money deposit	Currency translation reserve*	Retained earnings	Total equity
Balance at 1 July 2018	100,000,000	1,420,000,000	19,014,899	384,465,244	1,923,480,143
Total comprehensive income					
Profit	-	-	-	2,113,324,300	2,113,324,300
Other comprehensive income	-	-	88,478,532	-	88,478,532
Total comprehensive income for the year	-	-	88,478,532	2,113,324,300	2,201,802,832
Transactions with owners of the Company					
Contribution to share money deposit	-	251,200,000	-	-	251,200,000
Transfer from intercompany loan	-	1,584,800,000	-	-	1,584,800,000
Issue of share capital					
Transfer from share money deposit	3,256,000,000	(3,256,000,000)	-	-	-
Total transactions with owners of the Company	3,256,000,000	(1,420,000,000)	-	-	1,836,000,000
Balance at 30 June 2019	3,356,000,000	-	107,493,431	2,497,789,544	5,961,282,975

SUMMIT GAZIPUR II POWER LIMITED

STATEMENT OF CASH FLOWS

Figures in BDT

Particulars	For the year ended 30 June 2019	For the period from 3 July 2017 to 30 June 2018
Cash flows from operating activities		
Cash received from customer	9,811,257,173	-
Payment to employees, suppliers and service providers	(8,201,330,760)	(38,757,339)
Income taxes paid	(15,023,872)	(159,115)
Receipts from other sources	10,087,322	-
Net cash used in operating activities	1,604,989,863	(38,916,454)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,001,395,155)	(12,647,821,610)
Interest received	12,026,843	380,111
Intercompany financing (financial support)	-	(99,494,724)
Net cash used in investing activities	(989,368,312)	(12,746,936,223)
Cash flows from financing activities		
Proceeds from share money deposit	251,200,000	1,520,000,000
Proceeds from loans and borrowings	(472,622,638)	10,448,371,992
Interest and other charges paid	(123,485,584)	(34,668,367)
Intercompany financing (financial support)	523,749,807	926,415,756
Net cash generated from financing activities	178,841,586	12,860,119,381
Net change in cash and cash equivalents	794,463,136	74,266,704
Effects of currency translation	(590,768)	(16,737,367)
Opening cash and cash equivalents	57,529,337	-
Closing cash and cash equivalents	851,401,705	57,529,337

ACE ALLIANCE POWER LIMITED

Directors' & Auditor's report and Audited financial statements
as at and for the year ended 30 June 2019



Directors' Report on Subsidiary – AAPL

Dear Shareholders,

Assalamu Alaikum,

The Board of Directors of Ace Alliance Power Limited (AAPL) is pleased to submit before you the operational activities and audited financial statements of the Company for the period ended on 30 June 2019.

Business Activities including its Operating Performance

Ace Alliance Power Limited was incorporated as a Private Limited Company on 5 September 2011 under the Companies Act, 1994. The address of the Company's registered office is Summit Centre, 18, Karwan Bazar C/A, Dhaka-1215. The objective of the Company is to build, own and operate a 149 MW dual fuel (HFO/Gas) power plant in Kodda, Gazipur, Bangladesh. On 24 June 2016, Aitken Spence Plc., Sri Lanka has transferred its 6,400 shares to Summit Power Limited ("SPL") and on 29 June 2016, Alliance Holdings Limited has transferred its 3,600 shares to Summit Corporation Limited ("SCL").

Since this Company is operating under the common management of parent Company, Summit Power Limited, it is destined to achieve the same level of accomplishments and recognition. The Company started its commercial operation from 12 July 2018 in Kodda, Gazipur of its 149 MW dual fuel (HFO/gas) power plant and is supplying entire generated electricity to the Bangladesh Power Development Board (BPDB) through National Power Grid.

Operating Result of the Company:

Particulars	FY 2019
Revenue (Tk. in M)	5,194
Gross profit (Tk. in M)	717
Profit after income tax (Tk. in M)	500
Total assets (Tk. in M)	10,097
Shareholders' equity (Tk. in M)	1,893
Total liabilities (Tk. in M)	8,204
Net profit in %	9.62
Return on assets in %	6
Capacity utilization in %	33
Electricity sold (MWH) in %	431,046

The Company has installed and commissioned its 149 MW dual fuel (HFO/gas) power plant within 15 months from the date of signing of Power Purchase Agreement (PPA) and Implementation Agreement (IA).

Auditor

Rahman Rahman Huq, Chartered Accountants, as statutory auditors of the Company has carried out the audit for the period ended on 30 June 2019.

Acknowledgement

The Board of Directors would like to take this opportunity to thank the Government regulatory bodies, customers, suppliers, auditors, its shareholders, investors, bankers, and employees for their continuous dedication, commitment, cooperation and support towards success.

On behalf of the Board



Engr. Md. Mozammel Hossain
Managing Director
Dhaka, 22 September 2019


Rahman Rahman Huq
Chartered Accountants

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 Dhaka 1212, Bangladesh.

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Independent Auditor's Report

To the shareholders of Ace Alliance Power Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ace Alliance Power Limited ("the Company"), which comprise the statement of financial position as at 30 June 2019, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

"Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 22 September 2019

ACE ALLIANCE POWER LIMITED
STATEMENT OF FINANCIAL POSITION

Figures in BDT

Particulars	30 June 2019	30 June 2018
Assets		
Property, plant and equipment	6,991,097,219	6,122,880,135
Deferred tax asset	2,172,100	-
Non current assets	6,993,269,319	6,122,880,135
Inventories	67,882,629	-
Trade receivables	1,756,743,202	-
Other receivables	10,221,844	619,835
Intercompany receivables	36,200,000	-
Advances, deposits and prepayments	84,899,430	164,473,423
Cash and cash equivalents	1,147,653,325	85,657,379
Current assets	3,103,600,430	250,750,637
Total assets	10,096,869,749	6,373,630,772
Equity		
Share capital	1,660,288,890	1,324,036,000
Share money deposit	-	26,064,000
Currency translation reserve	64,056,625	46,043,179
Hedging reserve	(330,795,721)	-
Retained earnings	499,150,977	(449,965)
Total equity	1,892,700,771	1,395,693,214
Liabilities		
Redeemable preference share	799,731,782	-
Loans and borrowings	5,228,988,142	-
Other financial liabilities	330,795,721	-
Non-current liabilities	6,359,515,645	-
Loans and borrowings	377,354,273	4,709,583,236
Trade payables	1,351,944,705	-
Other payables and accruals	79,262,040	50,801,218
Intercompany payables	36,092,315	217,553,104
Current liabilities	1,844,653,333	4,977,937,558
Total liabilities	8,204,168,978	4,977,937,558
Total equity and liabilities	10,096,869,749	6,373,630,772



Managing Director



Director



Company Secretary

As per our report of same date.



Auditor

Dhaka, 22 September 2019

ACE ALLIANCE POWER LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in BDT

Particulars	For the year ended	
	30 June 2019	30 June 2018
Revenue	5,194,303,289	-
Cost of sales	(4,477,505,928)	-
Gross profit	716,797,361	-
Other income/(expenses), net	22,956,820	(5,413,193)
General and administrative expenses	(68,669,793)	(9,705,500)
Operating profit/(loss)	671,084,388	(15,118,693)
Finance income/(expense), net	(171,680,426)	3,516,499
Profit/(loss) before tax	499,403,962	(11,602,194)
Income tax expense	196,980	-
Profit/ (loss) after income tax	499,600,942	(11,602,194)
Other comprehensive income		
Currency translation reserve	18,013,446	46,043,179
Change in fair value of financial derivative instruments	(330,795,721)	-
Total other comprehensive income	(312,782,275)	46,043,179
Total comprehensive income	186,818,667	34,440,985



Managing Director



Director



Company Secretary

As per our report of same date.



Auditor

Dhaka, 22 September 2019

ACE ALLIANCE POWER LIMITED
STATEMENT OF CHANGES IN EQUITY

Figures in BDT

Particulars	For the year ended 30 June 2018					
	Share capital	Share money deposit	Currency translation reserve*	Hedging reserve**	Retained earnings	Total equity
Balance at 1 July 2017	100,000	750,000,000	-	-	(12,339,000)	737,761,000
Transaction recognised directly in equity						
Adjustment due to change in the functional currency	-	-	-	-	23,491,229	23,491,229
Total transaction recognised directly in equity	-	-	-	-	23,491,229	23,491,229
Total comprehensive income/(loss)						
Loss for the year	-	-	-	-	(11,602,194)	(11,602,194)
Other comprehensive income	-	-	46,043,179	-	-	46,043,179
Total comprehensive income for the year	-	-	46,043,179	-	(11,602,194)	34,440,985
Transactions with owners of the Company						
Contribution to share money deposit	-	550,000,000	-	-	-	550,000,000
Issue of share capital						-
Transfer from share money deposit	1,273,936,000	(1,273,936,000)	-	-	-	-
Transfer from loan	50,000,000	-	-	-	-	50,000,000
Total transactions with owners of the Company	1,323,936,000	(723,936,000)	-	-	-	600,000,000
Balance at 30 June 2018	1,324,036,000	26,064,000	46,043,179	-	(449,965)	1,395,693,214

Particulars	For the year ended 30 June 2019					
	Share capital	Share money deposit	Currency translation reserve*	Hedging reserve**	Retained earnings	Total equity
Balance at 1 July 2018	1,324,036,000	26,064,000	46,043,179	-	(449,965)	1,395,693,214
Total comprehensive income/(loss)						
Profit for the year	-	-	-	-	499,600,942	499,600,942
Other comprehensive income/(loss)	-	-	18,013,446	(330,795,721)	-	(312,782,275)
Total comprehensive income for the year	-	-	18,013,446	(330,795,721)	499,600,942	186,818,667
Transactions with owners of the Company						
Contribution to share money deposit	-	-	-	-	-	-
Issue of share capital	25,964,000	-	-	-	-	25,964,000
Transfer from share money deposit	26,064,000	(26,064,000)	-	-	-	-
Transfer from loan	284,224,890	-	-	-	-	284,224,890
Total transactions with owners of the Company	336,252,890	(26,064,000)	-	-	-	310,188,890
Balance at 30 June 2019	1,660,288,890	-	64,056,625	(330,795,721)	499,150,977	1,892,700,771

ACE ALLIANCE POWER LIMITED
STATEMENT OF CASH FLOWS

Figures in BDT

Particulars	For the year ended	
	30 June 2019	30 June 2018
Cash flows from operating activities		
Receipts from customers	3,455,309,209	-
Payment to employees, suppliers and service-providers	(2,764,360,284)	(132,059,182)
Income taxes paid	(10,676,844)	(116,569)
Receipts from other sources	23,032,899	-
Net cash generated from/(used in) operating activities	703,304,979	(132,175,751)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,029,483,881)	(5,166,840,015)
Disposal of property, plant and equipment	12,695	-
Interest received	4,360,160	-
Net cash used in investment activities	(1,025,111,026)	(5,166,840,015)
Cash flows from financing activities		
Proceeds from share capital	25,964,000	-
Proceeds from share money deposit	-	550,000,000
Proceeds from redeemable preference share	800,431,534	-
Proceeds from loans and borrowings	5,764,149,300	4,665,776,706
Repayment of loans and borrowings	(4,864,165,985)	-
Transaction cost	(103,391,994)	-
Interest and other charges paid	(307,061,299)	(3,179,557)
Intercompany financing (financial support)	62,763,562	35,788,386
Net cash generated from financing activities	1,378,689,118	5,248,385,535
Net change in cash and cash equivalents	1,056,883,071	(50,630,231)
Effects of currency translation	5,112,875	58,012,522
Opening cash and cash equivalents	85,657,379	78,275,088
Closing cash and cash equivalents	1,147,653,325	85,657,379

SUMMIT CHITTAGONG POWER LIMITED

Auditor's report and Audited financial statements
as at and for the year ended 30 June 2019



Mak & Co.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders of Summit Chittagong Power Limited

We have audited the accompanying financial statements of Summit Chittagong Power Limited, which comprise the Statement of Financial Position as of 30 June, 2019 and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and a summary of significant accounting policies and relevant explanatory notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting policies mentioned in Note-3, the Companies Act, 1994 and other applicable laws & regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation 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 the International Financial Reporting Standard (IFRS). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk 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 present fairly, in all material respect, the financial position of **Summit Chittagong Power Limited** as of 30 June, 2019 and its financial performance and its cash flows for the period then ended in accordance with accounting policies mentioned in note-3 and comply with the applicable sections of the Companies Act, 1994 and other applicable laws and regulations.

We also report that:

- 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;
- In our opinion, proper books of accounts as required by law have been kept by the entity so far as it appeared from our examination of these books;
- The Company's Statement of *Pivancdal Position and Statement of Profit or Loss and Other Comprehensive Income* dealt with by the report are in agreement with the books of account and returns.

Place: Dhaka
22 September 2019


Mak & Co.
Chartered Accountants

SUMMIT CHITTAGONG POWER LIMITED
STATEMENT OF FINANCIAL POSITION
 As at 30 June 2019

Figures in BDT

Particulars	As at 30 June 2019	As at 30 June 2018
Assets		
Non-current assets		
Capital work in progress	154,395	290,915
	154,395	290,915
Current assets		
Advances, deposits and prepayments	1,525,907	1,525,907
Cash and cash equivalents	8,134,748	8,056,228
	9,660,655	9,582,135
Total assets	9,815,050	9,873,050
Shareholders' equity & liabilities		
Shareholders' equity		
Share capital	10,000,000	10,000,000
Retained earnings	(240,750)	(166,250)
	9,759,250	9,833,750
Liabilities		
Current liabilities		
Other liabilities	55,800	39,300
Total Liabilities	55,800	39,300
Total shareholders' equity and liabilities	9,815,050	9,873,050



Managing Director



Director



Company Secretary

Signed in terms of our separate report of even date.

Dhaka, 22 September 2019



Mak & Co.
Chartered Accountants

SUMMIT CHITTAGONG POWER LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

Figures in BDT

Particulars	For the Year ended 30 June 2019	For the Year ended 30 June 2018
Revenue		
Service charge	-	-
Other income	-	-
	-	-
Operating expenses		
General & administrative expenses	(74,500)	(49,250)
	(74,500)	(49,250)
Operating profit/ (loss)	(74,500)	(49,250)
Financial expense	-	-
Profit/ (loss) before tax	(74,500)	(49,250)
Income tax expenses	-	-
Profit/ (loss) after income tax	(74,500)	(49,250)
Other comprehensive income	-	-
Total comprehensive income	(74,500)	(49,250)



Managing Director



Director



Company Secretary

Signed in terms of our separate report of even date.

Dhaka, 22 September 2019



Mak & Co.
Chartered Accountants

SUMMIT CHITTAGONG POWER LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

Figures in BDT

Particulars	Share capital	Retained earnings	Amount
Balance as at 1 July, 2017	10,000,000	(117,000)	9,883,000
Total Comprehensive income/(loss) for the year	-	(49,250)	(49,250)
Balance as at 30 June, 2018	10,000,000	(166,250)	9,833,750
Balance as at 1 July, 2018	10,000,000	(166,250)	9,833,750
Total Comprehensive income/(loss) for the year	-	(74,500)	(74,500)
Balance as at 30 June, 2019	10,000,000	(240,750)	9,759,250

SUMMIT CHITTAGONG POWER LIMITED
STATEMENT OF CASH FLOWS
 For the year ended 30 June 2019

Figures in BDT

Particulars	For the year ended	
	30 June 2019	30 June 2018
Cash flows from operating activities		
Payments for administrative works	(58,000)	(50,250)
Net cash used in operating activities	(58,000)	(50,250)
Cash flows from investing activities		
Capital work in progress	136,520	(182,630)
Net cash used in investing activities	136,520	(182,630)
Cash flows from financing activities		
Intercompany financing	-	(1,089,507)
Net cash generated by financing activities	-	(1,089,507)
Net change in cash and cash equivalents	78,520	(1,322,387)
Opening cash and cash equivalents	8,056,228	9,378,615
Closing cash and cash equivalents	8,134,748	8,056,228

CORPORATE INFORMATION

Milestones
Proxy Form
Shareholders' Attendance Slip

Milestones

1997 – 2004

March 30, 1997

Incorporation of the Company

February 10, 2000

Signing of Project Agreements with REB & GOB

February 08, 2001

Commercial operation at Savar

April 01, 2001

Commercial operation at Narshingdi

June 02, 2001

Commercial operation at Comilla

June 07, 2004

Conversion from private to public limited Company

2005

January 13, 2005

Appointment of Issue Manager

March 29, 2005

Credit Rating by CRISL

June 19, 2005

Agreement with CDBL

June 25, 2005

Approval of Prospectus from Securities & Exchange Commission

June 28, 2005

Signing of Project Agreements for expansion at Madhabdi and Comilla with REB

June 28, 2005

Publication of Prospectus

August 27, 2005

Subscription opens for public

October 03, 2005

Allotment of IPO shares

October 23, 2005

Listing with Chittagong Stock Exchange Limited

November 10, 2005

Listing with Dhaka Stock Exchange Limited

November 15, 2005

First Trading in Stock Exchanges

2006

March 20, 2006

Signing of Project Agreements for expansion at Ashulia, Savar with REB & GOB

November 15, 2006

Commercial operation at Comilla expansion project

December 16, 2006

Commercial operation at Madhabdi expansion project

2007

August 15, 2007

Incorporation of Summit Purbanchal Power Company Limited (99% subsidiary of Summit Power Limited)

August 15, 2007

Incorporation of Summit Uttaranchol Power Company Limited (99% subsidiary of Summit Power Limited)

September 29, 2007

Increase the Authorized Share Capital of the Company (SPL) through EGM for issuance of Rights Share at the ratio of 5:4

October 11, 2007

Signing of Project Agreements with REB, BPDB & GOB to implement total 110MW power plants (04 nos) through its two Subsidiary Companies.

December 04, 2007

Commercial Operation at Ashulia expansion project

2008

January 29, 2008

Approval for issuance of Rights Share

March 09, 2008

Subscription opens for Rights Share

April 21, 2008

Allotment of Rights Share

July 27, 2008

Signing of Syndicated Term Loan Facility of BDT 395.50 crore for setting up 110 MWh Power Plants of Summit's Subsidiaries.

2009

March 2, 2009

Commercial operation at Ullapara, Sirajgonj

May 11, 2009

Commercial operation at Maona, Gazipur

June 9, 2009

Commercial operation at Rupganj, Narayanganj

June 24, 2009

Commercial operation at Jangalia, Comilla

2010

May 4, 2010

Incorporation of Summit Narayanganj Power Limited (55% subsidiary of Summit Power Limited)

June 23, 2010

Signing of Project Agreement with BPDB to implement Summit Narayanganj 102MW power plant Project.

2011

April 1, 2011

Commercial Operation of 102 MW Dual Fuel Power Plant of Summit Narayanganj Power Limited at Madanganj, Narayanganj

September 28, 2011

Asian Power Awards 2011- Best Fast Track Project in Asia for Construction of SNPL in 270 Days

October 4, 2011

11th ICAB National Awards for Best Published Accounts and Reports 2010 (Manufacturing): 2nd Position

November 29, 2011

Best Presented Accounts and Corporate Governance Disclosures Awards 2010 by South Asian Federation of Accounts (SAFA): Merit

September 13, 2011

SNPL has achieved financial close by receiving a foreign currency term loan of USD 45 million from DEG - Deutsche Investitionsund Entwicklungsgesellschaft mbH and FMO - Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.

December 28, 2011

Summit Power Limited was awarded the "Best Corporate Award" in the power Companies' category in 2012 for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

2012

January 12, 2012

Summit Power Limited was awarded the "Best Corporate Award" in the power Companies' category in 2012 for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

June 25, 2012

The Company received "International Star for Leadership in Quality Award" in Paris in Gold Category for its outstanding business achievements, for perseverance and leadership in excellence, and quality in accordance with the QC 100 Criteria from Business Initiative Directions (BID), an organization whose primary objective is oriented towards sharing quality culture in leading Companies worldwide.

October 8, 2012

Summit Narayanganj Power Limited (SNPL) received the certificates of ISO 9001: 2000 - Quality Management System (QMS), ISO 14001: 2004 - Environmental Management System (EMS), BS OHSAS 18001: 2007 - Occupational Health & Safety (OH&S) for successful implementation of Integrated Management System (IMS).

October 11, 2012

Bangladesh Securities and Exchange Commission (BSEC) gave its consent for raising of capital through Initial Public Offer (IPO) and issuance of prospectus by Summit Purbanchol Power Company Limited.

December 26, 2012

Summit Power Limited (SPL) received the certificates of ISO 9001: 2000 - Quality Management System (QMS), ISO 14001: 2004 - Environmental Management System (EMS), BS OHSAS 18001: 2007 - Occupational Health & Safety (OH&S) for successful implementation of Integrated Management System (IMS).

2013

November 12, 2013

Best Power Generation Company Award 2013 in Private Sector Power Generation Summit Purbanchol Power Company Limited, a subsidiary of Summit Power Limited has received the "Best Power Generation Company" award in private sector power generation in a grand ceremony organized to celebrate the milestone achievement of 10,000 MW of electricity generation in Bangladesh.

December 24, 2013

13th ICAB National Award for Best Presented Annual Reports 2012 On the occasion of 13th ICAB National Award for Best Presented Annual Reports 2012, Summit Power Limited (SPL) received ICAB National Award, Certificate of Merit for 'Best Published Accounts and Reports 2012' under Non-Financial Sector Category - IV: Manufacturing

2014

April 28, 2014

ICMAB Best Corporate Award 2013 Summit Power Limited received the "ICMAB Best Corporate Award 2013", First Position in the power Companies' category for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB)

July 1, 2014

Summit has established a Testing and Calibration Laboratory to keep the equipment, oils and chemicals in a required status, thus minimize any possible unexpected accident/breakdown of plants.

December 2, 2014

Summit Power Limited acquired 30% shares of another group Company named, Summit Meghnaghat Power Company Limited (SMPCL), which is a dual fuel (Natural Gas/ liquid Fuel Oil) fired combined cycle power plant located at Meghnaghat, Narayanganj with net capacity of 335 MW on gas and 305 MW on HFO.

December 4, 2014

The Company received 2nd prize in the category of General Manufacturing Sector of 1st ICSB National Award 2013 of Institute of Chartered Secretaries of Bangladesh (ICSB) for Corporate Governance Excellence.

December 11, 2014

Summit Meghnaghat Power Company Limited (SMPCL), a new associate Company of Summit Power Limited received the "Best Power Generation Project Award 2014" in Private Sector Power Generation by the Government of the country.

2015

January 20, 2015

In the category of Power Generation, Summit Power Limited and its subsidiary Company Summit Purbanchol Power Company Limited attained the "ICMAB Best Corporate Award 2014", first and the second positions respectively for its efforts to establish corporate governance.

February 18, 2015

Global CSR Excellence & Leadership Award Summit Power Limited (SPL) won the prestigious "Global CSR Excellence & Leadership Award" presented by the World CSR Congress in Mumbai, India.

November 10, 2015

The Company received ICSB National Award 2014 in General Manufacturing Sector by Institute of Chartered Secretaries of Bangladesh (ICSB) for Corporate Governance Excellence.

December 10, 2015

On the occasion of 15th ICAB National Award for Best Presented Annual Report 2014, Summit Power Limited received ICAB National Award, 3rd prize for "Best Published Accounts and Reports 2014 under Manufacturing Sector.

2016

January 20, 2016

SPL received SAFA Best Presented Annual Reports Awards for its excellence in quality Annual Report 2014 by South Asian Federation of Accounts (SAFA)

26 October 2016

On the occasion of "ICMAB Best Corporate Award 2015" in the power generation category, Summit Power Limited ranked first for its efforts to establish corporate governance.

November 29, 2016

On the occasion of 16th ICAB National Award for Best Presented Annual Report 2015, Summit Power Limited received ICAB National Award, merit for Best Published Accounts and Reports 2015 under Manufacturing Sector.

December 10, 2016

Summit Barisal Power Limited (SBPL), a new subsidiary Company of Summit Power Limited received the "Best Power Generation Project Award 2016" in Private Sector Power Generation by the Government of the country. Again this the 4th time in a row for Summit Group to receive this prestigious award.

December 24, 2016

The Company received the ICSB National Award 2015, 3rd position in General Manufacturing Sector by Institute of Chartered Secretaries of Bangladesh (ICSB) for Corporate Governance Excellence.

December 29, 2016

Summit Barisal Power Limited (SBPL) and Summit Narayanganj Power Unit II Limited (SNPL II) - two subsidiaries of the Company, achieved financial close by receiving a foreign currency term loan of USD 50 million and USD 27.64 million respectively.

2017

March 05, 2017

Credit Rating Information and Services Limited (CRISL) has assigned the Long Term Rating “AAA” and Short Term Rating “ST-1” to the Summit Power Limited.

April 11, 2017

SPL Signed Project Agreement with BPDB to implement a 149 MW power plant at Kodda, Gazipur. The plant is supposed to be commissioned by March 2018 and would provide uninterrupted electricity to Gazipur region and to Kaliakor Hi-Tech Park.

December 22, 2017

The 8th Summit Open and the 22st Summit Cup Golf Tournament 2017 was held successfully at Kurmitola Golf Club.

2018

January 29 2018

The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has awarded Summit Power Limited the first prize in the ICMAB Best Corporate Award 2016 under the power generation and distribution category. This is the fifth time in a row that Summit Power Limited has received this recognition from the ICMAB.

February 7, 2018

Summit's deal of syndicated loans worth USD 79.67 million for Summit Barisal Power and Summit Narayanganj Power for 12 years and 10.5 years was awarded the Best Bangladesh Deal by FinanceAsia Achievement Awards 2017.

March 6, 2018

In the Board Meeting held on 6th March 2018, the Board of Directors approved and eventually transferred 70,237,499 number of ordinary shares of the Company from Summit Holdings Limited (SHL) to Summit Corporation Limited (SCL).

May 10 2018

After successful testing and commissioning, the 300 MW HFO based power of Summit Gazipur II Power Limited has started its commercial operation within schedule (nine months from the date of Lol) on 10th May 2018.

May 24, 2018

Summit Power Limited (SPL) received the prestigious long term AAA and short term ST-1 credit ratings from CRISL.

July 12, 2018

After successful testing and commissioning, the 149 MW HFO based power of Ace Alliance Power Limited has started its commercial operation within schedule on 12th July 2018.

August 05, 2018

Honourable Prime Minister Sheikh Hasina inaugurated the Summit Gazipur II Power Limited via video conference from her official residence Gonobhaban. The 300 MW power plant was completed in record nine month time.

September 6, 2018

Summit Power Limited received the Best Private Power Generation Company award for the Best Private Power Generation Company (300 MW Summit Gazipur II Power Limited) in recognition of fastest implemented power plant in the country from the Honourable Prime Minister Sheikh Hasina.

20 September 2018:

Summit Gazipur II Power Limited (20% owned associate of SPL) won Best Fast Track Power Project Award, silver in a ceremony held in Jakarta, Indonesia. The award is considered as Oscars of the Power Industry.

October 01, 2018

Summit Group and Eastern Bank Limited (EBL) have closed an Interest Rate SWAP derivative deal worth 71.25 million US dollars for two power plants of the group—Summit Barisal Power Limited (120 MW) and Summit Narayanganj Power Unit II Limited (62 MW). This transaction is first of its kind executed by a private commercial bank in Bangladesh.

November 01, 2018

Honourable Prime Minister Sheikh Hasina inaugurated Summit's 149 MW dual-fuel (Gas/HFO) based power plant Ace Alliance Power Limited. The plant is currently supplying power in the national grid at 132 KV through PGCB's Kodda grid sub-stations and located in Kodda, Gazipur about 30 km away from Dhaka city.

November 9, 2018

A Subscription Closing Ceremony held for Redeemable Preference Shares worth BDT 1,000 Million (USD 12.50 Million) for two associate companies - Summit Barisal Power Limited & Summit Narayanganj Power Unit II Limited.

November 11, 2018

Summit Power Limited awarded the gold award at ICSB National Award for Corporate Governance Excellence in the Fuel and Power Companies Category. This is the fourth time that Summit Power Limited has received this recognition from the ICSB.

December 19, 2018

Summit Ace Alliance Power Limited (AAPL) achieved financial close by receiving a foreign currency term loan of USD 68.6 million from IDCOL, ICD and OFID.

December 08, 2018

Summit Power Limited secured the first position at the ICMAB Best Corporate Award 2017 under the power generation category. This is the sixth time in a row that Summit Power Limited has received this recognition from the ICMAB for corporate governance. Summit Power has been consistently ICMAB award winner since 2012.

2019

March 19, 2019

A subscription closing ceremony to raise capital through issuance of Preference Shares worth BDT 805 Million for Ace Alliance Power Limited.

April 07, 2019

Summit Ace Alliance Power Limited (AAPL) and BRAC Bank signed an Interest Rate Swap (IRS) deal. Under the agreement, BRAC Bank provided hedging for AAPL's exposure in LIBOR against their borrowing of USD 68.60 million for 10.3 years. This deal is one-of-a-kind as it is the highest tenor Interest Rate Derivative for any private commercial bank in the industry.

June 17, 2019

The technology group Wärtsilä signed two major Maintenance management and operational advisory agreements with Summit Group, the largest independent power producer (IPP) in Bangladesh and long standing partner. The seven-year agreements represent the biggest ever signed service deals, in terms of MW generation, in the Bangladesh energy sector. The orders were booked by Wärtsilä in Q2, 2019.



SUMMIT POWER LIMITED
Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215
Email: spl.investorrelations@summit-centre.com

PROXY FORM

I/We of
..... being a member of Summit Power Limited hereby appoint
Mr./Ms. of
..... another member of the company, as my proxy to attend and vote for me on my behalf at the 22nd Annual General Meeting of the Company to be held at 11.30 a.m. on Sunday the 24th November, 2019 at the Krishibid Institution Bangladesh (KIB) Complex, Krishi Khamar Sarak, (Khamarbari) Farmgate, Dhaka 1215 and at any adjournment thereof.
Signed this day of 2019

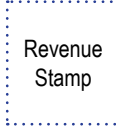
Signature of the Shareholder (s)

Signature of the Proxy

Number of Shares held

BO ID NO.																				
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Note: A member entitled to attend and vote at the Annual General Meeting may appoint at Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office/Corporate Office of the company not later than 48 hours before the time appointed for the meeting.



Signature Verified

Authorized Signature



SUMMIT POWER LIMITED
Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215
Email: spl.investorrelations@summit-centre.com

SHAREHOLDER'S ATTENDANCE SLIP

I/We hereby record my attendance at the 22nd Annual General Meeting of the Company to be held at 11.30 a.m. on Sunday the 24th November, 2019 at Krishibid Institution Bangladesh (KIB) Complex, Krishi Khamar Sarak, (Khamarbari) Farmgate, Dhaka 1215.

Name of the member/Proxy (in Block Letters)																				
BO ID No.																				
Mobile Number																				
E-mail address (if any)																				

Signature verified by

Signature of the Member/Proxy

Authorised Signatory of the Company

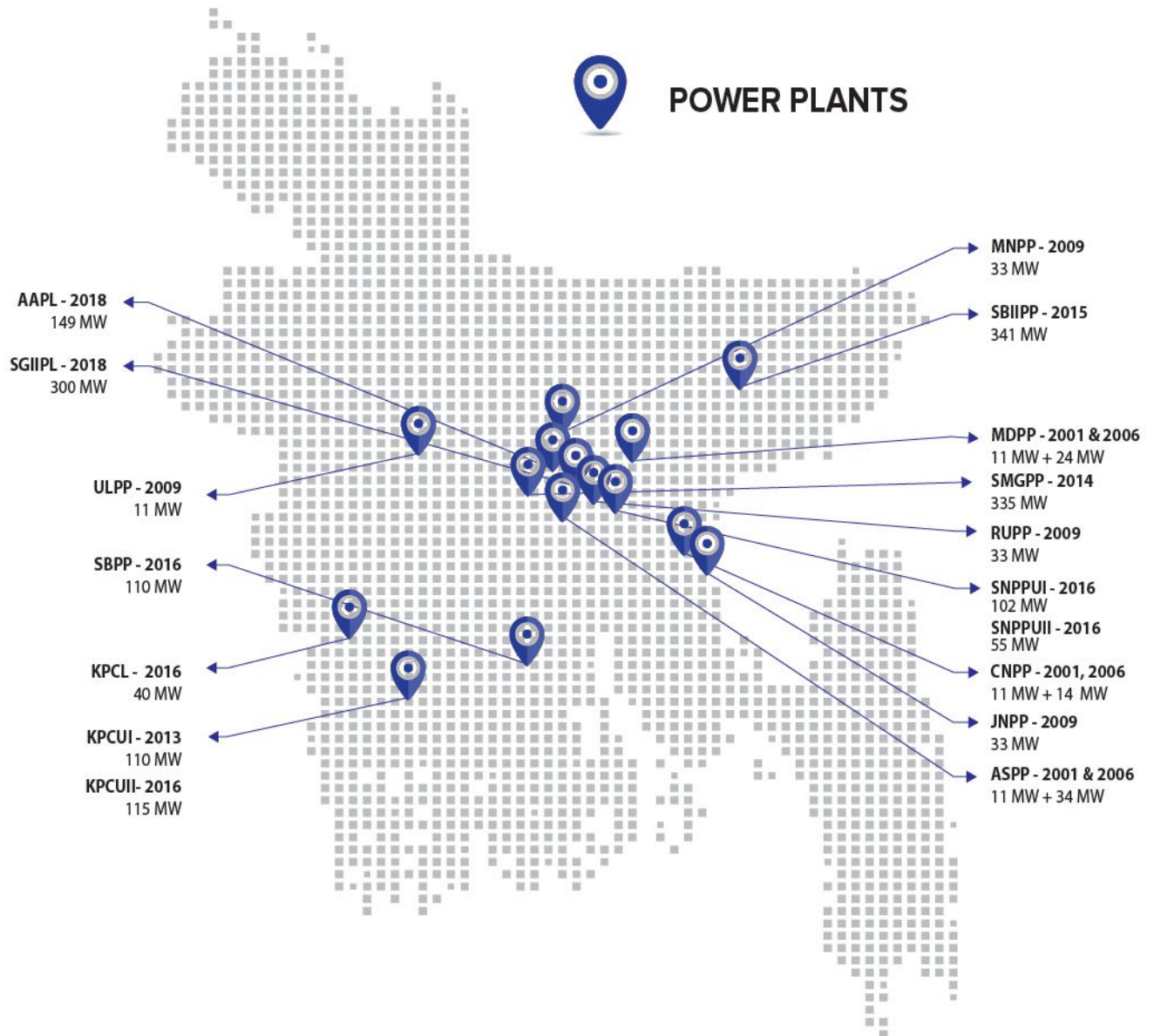
Note:

- Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with the honourable shareholder or proxy cannot be allowed into the meeting.
- Please present this slip at the reception desk.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কুপন প্রদানের ব্যবস্থা থাকবে না।



POWER PLANTS



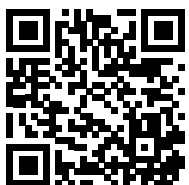
AAPL *Ace Alliance Power Limited*
 SGIPL *Summit Gazipur II Power Limited*
 MNPP *Maona Power Plant*
 ULPP *Ullapara Power Plant*
 ASPP *Ashulia Power Plant*
 KPCN *Khulna Power Company Noapara*
 KPCUI *Khulna Power Company Unit I*
 KPCUII *Khulna Power Company Unit II*
 SBIIPP *Summit Bibiana II Power Plant*

MDPP *Madhabdi Power Plant*
 SMGPP *Summit Meghnaghat Power Plant*
 RUPP *Rupganj Power Plant*
 SNPPUI *Summit Narayanganj Power Plant Unit I*
 SNPPUII *Summit Narayanganj Power Plant Unit II*
 CNPP *Chandina Power Plant*
 JNPP *Jangalia Power Plant*
 SBPP *Summit Barisal Power Plant*



Best Private Power Generation Company Award in recognition of fastest implemented power plant at the Power & Energy Week 2018

Silver Award at Asian Power Awards 2018 for Fast-Track Power Plant of the year



Summit Power Limited

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