

**Independent Auditor's Report
&
Audited Consolidated and Separate Financial
Statements
of
Summit Power Limited and its subsidiaries**

As at & for the year ended 30 June 2019

**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.

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.

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.

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.

Key audit matters	How the matters were addressed in our audit
01. Audit of opening balances- Consolidated and Separate financial statements	
<p>The consolidated financial statements of the Group and Separate financial statements of the Company for the financial year ended 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

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; and - 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. - 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>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>

Key audit matters	How the matters were addressed in our audit
<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 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>

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 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 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, 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.

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.

Dated, Dhaka
22 September 2019



A. Qasem & Co.
Chartered Accountants

Summit Power Limited
Statement of financial position
As at 30 June 2019

Notes	Consolidated		Separate		
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT	
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 - non current	21	1,469,771,322	826,398,267	-	-
Loans and borrowings - non current	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 - current	21	157,509,885	157,279,653	-	-
Loans and borrowings - current	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

	Notes	Consolidated		Separate	
		30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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

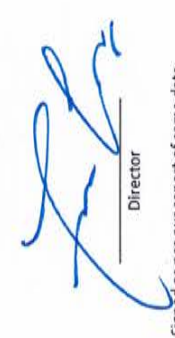



A. Qasem & Co.
Chartered Accountants

Summit Power Limited
Consolidated statement of changes in equity
For the year ended 30 June 2019

	Attributable to owners of the Company										Total	Non-controlling interests	Total equity
	Share capital	Share premium premium	Revaluation reserve	Fair value reserve	Capital reserve premium	Hedging reserve	Currency translation reserve	Retained earnings					
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	33,378,267,981	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	33,378,267,981	3,521,273,883	36,899,541,864		
Total comprehensive income													
Profit	-	-	-	-	-	-	-	5,104,797,292	5,104,797,292	2,177,818,111	7,282,615,403		
Other comprehensive income	-	-	-	(363,132,046)	-	-	29,224,312	(15,560,895)	(683,270,362)	(170,301,186)	(853,571,548)		
Total comprehensive income	-	-	-	(363,132,046)	-	-	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	7,751,258,808	41,847,422,002		


Managing Director


Director

Signed as per our report of same date.



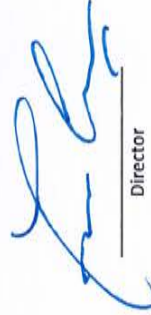

Company Secretary


A. Qasem & Co.
Chartered Accountants

Summit Power Limited
Separate statement of changes in equity
For the year ended 30 June 2019

	Share capital	Share premium	Revaluation reserve	Fair value reserve	Capital reserve	Retained earnings	Amount in BDT 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	-	-	-	-	-	3,911,748,726	3,911,748,726
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	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
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	-	-	(19,121,724)	-	-	19,121,724	-
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	-	-	-	-	-	3,694,785,802	3,694,785,802
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	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
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	-	-	(19,121,720)	-	-	19,121,720	-
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

	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	BDT	BDT	BDT	BDT
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

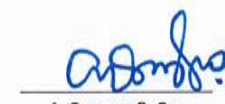

Managing Director


Director


Company Secretary

Signed as per our report of same date.

Place: Dhaka
Date: 22 September 2019


A. Qasem & Co.
Chartered Accountants



Summit Power Limited
Notes to the financial statements
For the year ended 30 June 2019

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 ("SGIPL") 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*	-	-	-	-	-



Summit Power Limited
Notes to the financial statements
For the year ended 30 June 2019

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.

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.



Summit Power Limited
Notes to the financial statements
For the year ended 30 June 2019

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 6 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.



Consolidated

In BDT	For the year ended 30 June 2019					Written down value at 30 June 2019
	Balance at 1 July 2018	Addition/transfer in	Cost/Revaluation Disposal/transfer out	Movement of exchange rate	Balance at 30 June 2019	
				Rate %		
a) Own assets : i) Cost						
Land and land development	953,405,952	217,336,968	-	-	2,912,852	1,173,655,772
Furniture and fixtures	31,506,708	4,119,063	(61,315)	10	30,032	35,594,488
Office and electrical equipment	73,359,209	15,247,126	(771,855)	20	123,467	87,957,947
Office decoration	29,704,028	601,000	-	20	30,305,028	29,401,155
Motor vehicles	164,003,784	29,949,535	(15,201,663)	20	202,697	178,954,353
Maintenance equipment	32,885,578	786,896	-	20	2,487	33,674,961
Civil works and others	224,889,004	897,566	-	20	225,786,570	177,549,839
Plant and machineries:						
Ashulia Power Plant (Unit-1)	457,956,738	6,109,084	-	3.33 - 10	-	464,065,823
Ashulia Power Plant (Unit-2)	1,480,456,849	93,987,482	-	3.33 - 16.67	-	1,574,444,331
Madhabdi Power Plant (Unit-1)	421,741,065	4,531,388	-	3.33 - 10	-	426,272,453
Madhabdi Power Plant (Unit-2)	1,005,495,201	53,479,300	-	3.33 - 16.67	-	1,058,974,501
Chandina Power Plant (Unit-1)	468,388,956	5,656,913	-	3.33 - 10	-	474,045,869
Chandina Power Plant (Unit-2)	624,809,281	29,763,317	-	3.33 - 16.67	-	654,072,598
Jangalia Power Plant	1,519,190,175	58,462,124	-	3.33 - 16.67	-	1,577,652,299
Rungga Power Plant	1,512,653,345	64,160,812	-	3.33 - 16.67	-	1,576,814,156
Maona Power Plant	1,434,339,147	78,894,818	-	3.33 - 16.67	-	1,513,233,965
Ullapara Power Plant	542,984,339	98,191,870	-	3.33 - 16.67	-	641,176,209
Madanganj Power Plant	5,309,071,512	184,150,617	-	3.33 - 16.67	-	5,493,222,130
Rupatoli Power Plant	5,250,372,185	222,568,159	-	3.33 - 5	-	5,472,940,344
Madanganj Power Plant (Unit-2)	2,767,035,373	133,229,226	-	3.33 - 5	-	2,900,264,600
Kouda Power Plant (Unit-1)	12,780,322,851	6,431,616,186	-	3.33 - 5	36,319,949	6,467,936,135
Kouda Power Plant (Unit-2)	37,084,571,281	7,801,559,859	(16,034,833)	3.33 - 5	118,579,710	12,967,222,970
Total (i)	37,084,571,281	7,801,559,859	(16,034,833)		158,171,194	45,028,267,501
a) Own assets : ii) Revaluation						
Land and land development	569,663,952	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	20	-	13,002,138
Plant and machineries:						
Ashulia Power Plant (Unit-1)	166,227,903	-	-	3.33 - 10	-	166,227,903
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3.33 - 16.67	-	3,310,422
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	3.33 - 10	-	161,663,341
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	3.33 - 16.67	-	79,752,991
Chandina Power Plant (Unit-1)	146,384,742	-	-	3.33 - 10	-	146,384,742
Chandina Power Plant (Unit-2)	16,317,466	-	-	3.33 - 16.67	-	16,317,466
Total (ii)	1,156,322,955	-	-		-	1,156,322,955
Total assets (a)	38,240,894,236	7,801,559,859	(16,034,833)		158,171,194	46,184,590,456
b) Spare parts						
Stock in hand	973,575,986	747,314,944	(827,755,062)	3.33 - 50	985,576	894,121,445
Stock in transit	192,764,020	1,107,004,962	(1,136,992,575)	-	14,300	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
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
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
Total (a+b+c)	45,489,893,057	11,231,248,173	(8,456,555,857)		187,726,742	48,452,312,114
Depreciation						
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Movement of exchange rate	Balance at 30 June 2019	Written down value at 30 June 2019
	13,369,598	3,321,974	(41,763)	2,945	16,652,754	1,173,655,772
	40,622,553	9,898,429	(683,081)	19,680	49,857,581	18,941,734
	27,251,039	2,150,116	-	-	29,401,155	38,100,366
	88,226,912	19,966,184	(15,201,663)	38,914	93,030,348	903,873
	21,240,754	4,363,507	-	207	25,604,468	85,924,006
	177,549,839	21,512,646	-	-	199,062,486	8,070,493
	255,045,875	27,477,925	-	-	282,523,800	26,724,084
	532,101,053	82,298,408	-	-	614,399,462	181,542,022
	293,481,030	25,399,003	-	-	318,880,033	960,044,869
	425,994,874	55,477,636	-	-	481,472,510	107,392,420
	283,207,909	26,368,162	-	-	309,576,071	577,501,991
	260,824,491	34,926,557	-	-	295,751,048	164,469,797
	465,775,390	74,993,989	-	-	540,769,379	358,321,550
	474,028,243	76,368,503	-	-	550,396,746	1,036,882,920
	490,235,218	70,912,559	-	-	561,147,777	1,026,417,410
	197,227,856	33,929,705	-	-	231,157,561	410,018,648
	1,390,982,708	284,689,189	-	-	1,675,671,897	3,817,550,233
	407,000,090	217,845,356	-	-	624,845,446	4,848,094,898
	215,608,244	109,832,179	-	-	325,440,423	2,574,824,177
	-	216,685,871	-	-	217,953,081	6,249,983,054
	72,659,663	441,507,745	-	-	517,311,562	12,449,911,408
Total (i)	6,132,433,339	1,839,925,645	(15,926,507)		7,960,905,587	37,067,361,914
a) Own assets : ii) Revaluation						
Land and land development	569,663,952	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	20	-	13,002,138
Plant and machineries:						
Ashulia Power Plant (Unit-1)	166,227,903	-	-	3.33 - 10	-	166,227,903
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3.33 - 16.67	-	3,310,422
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	3.33 - 10	-	161,663,341
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	3.33 - 16.67	-	79,752,991
Chandina Power Plant (Unit-1)	146,384,742	-	-	3.33 - 10	-	146,384,742
Chandina Power Plant (Unit-2)	16,317,466	-	-	3.33 - 16.67	-	16,317,466
Total (ii)	1,156,322,955	-	-		-	1,156,322,955
Total assets (a)	38,240,894,236	7,801,559,859	(16,034,833)		158,171,194	46,184,590,456
b) Spare parts						
Stock in hand	973,575,986	747,314,944	(827,755,062)	3.33 - 50	985,576	894,121,445
Stock in transit	192,764,020	1,107,004,962	(1,136,992,575)	-	14,300	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
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
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
Total (a+b+c)	45,489,893,057	11,231,248,173	(8,456,555,857)		187,726,742	48,452,312,114
Depreciation						
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Movement of exchange rate	Balance at 30 June 2019	Written down value at 30 June 2019
	13,369,598	3,321,974	(41,763)	2,945	16,652,754	1,173,655,772
	40,622,553	9,898,429	(683,081)	19,680	49,857,581	18,941,734
	27,251,039	2,150,116	-	-	29,401,155	38,100,366
	88,226,912	19,966,184	(15,201,663)	38,914	93,030,348	903,873
	21,240,754	4,363,507	-	207	25,604,468	85,924,006
	177,549,839	21,512,646	-	-	199,062,486	8,070,493
	255,045,875	27,477,925	-	-	282,523,800	26,724,084
	532,101,053	82,298,408	-	-	614,399,462	181,542,022
	293,481,030	25,399,003	-	-	318,880,033	960,044,869
	425,994,874	55,477,636	-	-	481,472,510	107,392,420
	283,207,909	26,368,162	-	-	309,576,071	577,501,991
	260,824,491	34,926,557	-	-	295,751,048	164,469,797
	465,775,390	74,993,989	-	-	540,769,379	358,321,550
	474,028,243	76,368,503	-	-	550,396,746	1,036,882,920
	490,235,218	70,912,559	-	-	561,147,777	1,026,417,410
	197,227,856	33,929,705	-	-	231,157,561	410,018,648
	1,390,982,708	284,689,189	-	-	1,675,671,897	3,817,550,233
	407,000,090	217,845,356	-	-	624,845,446	4,848,094,898
	215,608,244	109,832,179	-	-	325,440,423	2,574,824,177
	-	216,685,871	-	-	217,953,081	6,249,983,054
	72,659,663	441,507,745	-	-	517,311,562	12,449,911,408
Total (i)	6,132,433,339	1,839,925,645	(15,926,507)		7,960,905,587	37,067,361,914
a) Own assets : ii) Revaluation						
Land and land development	569,663,952	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	20	-	13,002,138
Plant and machineries:						
Ashulia Power Plant (Unit-1)	166,227,903	-	-	3.33 - 10	-	166,227,903
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3.33 - 16.67	-	3,310,422
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	3.33 - 10	-	161,663,341
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	3.33 - 16.67	-	79,752,991
Chandina Power Plant (Unit-1)	146,384,742	-	-	3.33 - 10	-	146,384,742
Chandina Power Plant (Unit-2)	16,317,466	-	-	3.33 - 16.67	-	16,317,466
Total (ii)	1,156,322,955	-	-		-	1,156,322,955
Total assets (a)	38,240,894,236	7,801,559,859	(16,034,833)		158,171,194	46,184,590,456
b) Spare parts						
Stock in hand	973,575,986	747,314,944	(827,755,062)	3.33 - 50	985,576	894,121,445
Stock in transit	192,764,020	1,107,004,962	(1,136,992,575)	-	14,300	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
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
Total capital work-in progress (c)	6,082,658,814	1,575,368,407	(6,475,77			

In BD	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
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	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	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	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	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	3,331,814	-	-	21,240,754	11,644,824
Civil works and others	208,801,320	16,087,684	-	-	224,889,004	20	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	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	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	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	-	-	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	-	-	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	-	-	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	-	-	465,775,390	1,053,414,785
Maona Power Plant	1,457,317,703	53,335,642	-	-	1,512,653,345	3.33 - 16.67	400,112,795	-	-	474,028,243	1,038,625,102
Ruganj Power Plant	1,397,125,057	37,214,090	-	-	1,434,339,147	3.33 - 16.67	426,860,120	-	-	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	-	-	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	-	-	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	-	-	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	-	-	215,608,244	2,551,427,130
Koada 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	(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	-
Plant and machineries:											
Ashulia Power Plant (Unit-1)	166,227,903	-	-	-	166,227,903	3.33 - 10	40,863,958	-	-	46,404,838	119,823,065
Ashulia Power Plant (Unit-2)	3,310,422	-	-	-	3,310,422	3.33 - 16.67	813,813	-	-	924,165	2,386,257
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	-	161,663,341	3.33 - 10	39,741,844	-	-	45,130,564	116,532,777
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	-	79,752,991	3.33 - 16.67	19,605,738	-	-	22,264,158	57,488,833
Chandina Power Plant (Unit-1)	146,384,742	-	-	-	146,384,742	3.33 - 10	35,985,900	-	-	40,865,340	105,519,402
Chandina Power Plant (Unit-2)	16,317,466	-	-	-	16,317,466	3.33 - 16.67	4,011,340	-	-	4,555,252	11,762,214
Total (ii)	1,156,322,955	-	-	-	1,156,322,955		154,024,730	-	173,146,454	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	(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	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	(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	(47,529,330)	1,442,307	6,437,325,546	39,052,567,510



Separate

For the year ended 30 June 2019

In BDT	Cost/Revaluation			Rate %	Depreciation			Written down value at 30 June 2019
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out		Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	
a) Own assets : i) Cost								
Land and land development	350,868,786	1,709,456	-	-	11,893,027	-	-	352,578,242
Furniture and fixtures	21,313,903	1,948,432	(61,315)	10	2,091,538	(41,763)	13,942,802	9,258,218
Office and electrical equipment	49,369,683	10,565,277	(645,250)	20	6,135,874	(645,250)	40,831,811	18,457,899
Office decoration	29,424,708	601,000	-	20	27,143,970	-	27,921,478	2,104,230
Motor vehicles	141,177,004	20,222,636	(15,201,663)	20	16,012,465	(15,201,663)	84,906,147	61,291,830
Maintenance equipment	31,492,590	346,500	-	20	20,784,448	-	23,094,763	8,744,327
Civil works and others	224,803,919	897,566	-	20	177,546,914	-	199,052,541	26,648,944
Plant and machineries:								
Ashulia Power Plant (Unit-1)	457,956,738	6,109,084	-	3.33 - 10	255,045,874	-	282,523,799	181,542,024
Ashulia Power Plant (Unit-2)	1,480,456,849	93,987,482	-	3.33 - 16.67	532,101,052	-	614,399,460	960,044,870
Madhabdi Power Plant (Unit-1)	421,741,065	4,531,388	-	3.33 - 10	293,481,029	-	318,880,032	107,392,421
Madhabdi Power Plant (Unit-2)	1,005,495,201	53,479,300	-	3.33 - 16.67	425,994,873	-	481,472,509	577,501,992
Chandina Power Plant (Unit-1)	468,388,956	5,656,913	-	3.33 - 10	283,207,909	-	309,576,071	164,466,798
Chandina Power Plant (Unit-2)	624,809,281	29,263,317	-	3.33 - 16.67	260,824,490	-	295,751,047	358,321,550
Jangalia Power Plant	1,519,190,175	58,462,124	-	3.33 - 16.67	465,775,390	-	540,769,379	1,036,882,920
Rupganj Power Plant	1,512,653,345	64,160,812	-	3.33 - 16.67	474,028,243	-	550,396,746	1,026,417,410
Maona Power Plant	1,434,339,147	78,894,818	-	3.33 - 16.67	490,235,217	-	561,147,776	952,086,189
Ullapara Power Plant	542,984,339	98,191,870	-	3.33 - 10	197,227,855	-	231,157,560	410,018,649
Madanganj Power Plant	5,309,071,512	184,150,617	-	3.33 - 16.67	1,390,982,707	-	1,675,671,896	3,817,556,233
Total (i)	15,625,537,201	713,178,592	(15,908,228)		5,425,709,528	(15,888,676)	6,251,495,817	10,071,311,746
a) Own assets : ii) Revaluation								
Land and land development	569,663,952	-	-	-	13,002,138	-	13,002,138	569,663,952
Civil works and others	13,002,138	-	-	20	-	-	-	-
Plant and machineries:								
Ashulia Power Plant (Unit-1)	166,227,903	-	-	3.33 - 10	46,404,837	-	51,945,713	114,282,190
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3.33 - 16.67	924,163	-	1,034,515	2,275,907
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	3.33 - 10	45,130,563	-	50,519,283	111,144,058
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	3.33 - 16.67	22,264,158	-	24,922,578	54,830,413
Chandina Power Plant (Unit-1)	146,384,742	-	-	3.33 - 10	40,865,339	-	45,744,779	100,639,963
Chandina Power Plant (Unit-2)	16,317,466	-	-	3.33 - 16.67	4,555,253	-	5,099,165	11,218,301
Total (ii)	1,156,322,955	-	-		173,146,450	-	192,268,170	964,054,784
Total assets (i+ii)	16,781,860,156	713,178,592	(15,908,228)		5,598,855,978	(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)	3.33 - 50	115,623,599	(41,906,574)	118,699,009	391,863,190
Stock in transit	184,046,153	598,431,583	(668,580,068)	-	113,897,668	-	118,699,009	505,760,858
Total (a+b)	17,680,580,010	1,780,815,625	(1,357,805,247)		5,714,479,577	(57,795,250)	6,562,462,996	11,541,127,388



For the year ended 30 June 2018

In BDT	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	
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	1,819,349	-	11,893,027
Office and electrical equipment	40,835,379	8,581,304	(47,000)	49,369,683	20	4,734,011	(38,832)	35,341,187
Office decoration	27,771,019	1,653,689	-	29,424,708	20	594,178	-	27,143,970
Motor vehicles	129,950,544	26,822,960	(15,596,500)	141,177,004	20	12,155,482	(15,596,500)	84,095,344
Maintenance equipment	26,133,840	5,358,750	-	31,492,590	20	3,043,301	-	20,784,448
Civil works and others	208,751,320	16,052,599	-	224,803,919	20	31,623,032	-	177,546,914
Plant and machineries:								
Ashulia Power Plant (Unit-1)	454,204,669	3,752,069	-	457,956,738	3.33 - 10	228,291,221	-	255,045,874
Ashulia Power Plant (Unit-2)	1,465,580,547	14,876,302	-	1,480,456,849	3.33 - 16.67	454,870,732	-	532,101,052
Madhabdi Power Plant (Unit-1)	413,433,901	8,307,164	-	421,741,065	3.33 - 10	267,923,365	-	293,481,029
Madhabdi Power Plant (Unit-2)	988,239,163	17,256,038	-	1,005,495,201	3.33 - 16.67	383,064,623	-	425,994,873
Chandina Power Plant (Unit-1)	462,336,094	6,052,862	-	468,388,956	3.33 - 10	257,836,089	-	185,181,047
Chandina Power Plant (Unit-2)	608,371,334	16,437,947	-	624,809,281	3.33 - 16.67	233,045,515	-	260,824,490
Jangalia Power Plant	1,512,454,446	6,735,729	-	1,519,190,175	3.33 - 16.67	396,316,930	-	465,775,390
Rupganj Power Plant	1,457,317,703	55,335,642	-	1,512,653,345	3.33 - 16.67	400,112,794	-	474,028,243
Maona Power Plant	1,397,125,057	37,214,090	-	1,434,339,147	3.33 - 16.67	426,860,119	-	944,103,930
Ullapara Power Plant	511,740,411	31,243,928	-	542,984,339	3.33 - 16.67	176,639,689	-	197,227,855
Madanganj Power Plant	5,134,835,936	174,235,576	-	5,309,071,512	3.33 - 16.67	1,131,215,578	-	1,390,982,707
Total (i)	15,370,822,754	431,419,272	(176,704,825)	15,625,537,201		4,674,647,523	(15,635,332)	5,425,709,528
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
Plant and machineries:								
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	40,863,957	-	46,404,837
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	813,811	-	924,163
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	39,741,843	-	45,130,563
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	19,605,738	-	22,264,158
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	35,985,899	-	40,865,339
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	4,011,341	-	4,555,253
Total (ii)	1,156,322,955	-	-	1,156,322,955		154,024,726	-	173,146,450
Total assets (i+ii)	16,527,145,709	431,419,272	(176,704,825)	16,781,860,156		4,828,672,249	(15,635,332)	5,598,855,978
b) Spare parts								
Stock in hand	632,260,098	437,115,333	(354,701,730)	714,673,701	3.33 - 50	103,726,559	(30,225,205)	599,050,101
Stock in transit	104,133,106	648,007,630	(568,094,583)	184,046,153	-	-	-	184,046,153
Total (a+b)	736,393,204	1,085,122,963	(922,796,313)	898,719,854		103,726,559	(30,225,205)	783,096,254
	17,263,538,912	1,516,542,235	(1,099,501,138)	17,680,580,010		4,932,398,808	(45,860,537)	11,966,100,432



5.1 Allocation of depreciation

	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	BDT	BDT	BDT	BDT
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

In BDT	Cost				For the year ended 30 June 2019				
	Balance at 1 July 2018	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2019	Rate %	Amortisation		Balance at 30 June 2019	Written down value at 30 June 2019
						Addition/transfer in	Disposal/transfer out		
Software	3,803,851	-	-	3,803,851	20	359,928	-	2,364,166	1,439,685
Brand	10,000,000	-	-	10,000,000	3.3333	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	-	1,623,264	-	6,794,160	47,863,446

In BDT	Cost				For the year ended 30 June 2018				
	Balance at 1 July 2017	Addition/transfer in	Disposal/transfer out	Balance at 30 June 2018	Rate %	Amortisation		Balance at 30 June 2018	Written down value at 30 June 2018
						Addition/transfer in	Disposal/transfer out		
Software	2,004,238	1,799,613	-	3,803,851	20	-	-	2,004,238	1,799,613
Brand	10,000,000	-	-	10,000,000	3.3333	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	-	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

In BDT	For the year ended 30 June 2019										
	Balance at 1 July 2018		Cost		Disposal/transfer out		Balance at 30 June 2019		Rate %		Written down value at 30 June 2019
	Balance at 1 July 2018	22,350,132	Addition/transfer in	4,407,474	Disposal/transfer out	-	Balance at 30 June 2019	3,803,851	20		
Software	3,803,851		-	-	-	3,803,851	20				1,439,685
Brand	10,000,000		-	-	-	10,000,000	3.3333				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					20,893,446

In BDT	For the year ended 30 June 2018										
	Balance at 1 July 2017		Cost		Disposal/transfer out		Balance at 30 June 2018		Rate %		Written down value at 30 June 2018
	Balance at 1 July 2017	12,004,238	Addition/transfer in	10,345,894	Disposal/transfer out	-	Balance at 30 June 2018	22,350,132	20		
Software	2,004,238		1,799,613	-	-	3,803,851	20				1,799,613
Brand	10,000,000		-	-	-	10,000,000	3.3333				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					17,179,236



7 Investment in subsidiaries

	<u>Notes</u>	<u>No. of shares</u>	<u>% of holding</u>	<u>Value in BDT</u>
30 June 2019				
Summit Barisal Power Limited	7.1	50,699,516	49.00%	506,995,160
Summit Narayanganj 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
		<u>252,280,227</u>		<u>2,550,702,270</u>
30 June 2018				
Summit Barisal Power Limited	6.1	50,699,516	49.00%	506,995,160
Summit Narayanganj 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
		<u>167,301,738</u>		<u>2,126,981,380</u>

7.1 Summit Power Limited (SPL) hold 49% shares in Summit Barisal Power Limited (SBPL), Summit Narayanganj 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 BFRS 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

	<u>Note</u>	<u>% of holding</u>	<u>30 June 2019</u> <u>BDT</u>	<u>30 June 2018</u> <u>BDT</u>
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)	-
			<u>6,084,406,955</u>	<u>5,708,245,782</u>
Separate				
Summit Meghnaghat Power Company Limited				
Cost of investment	8.1	30%	3,801,772,452	3,801,772,452
			<u>3,801,772,452</u>	<u>3,801,772,452</u>

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.



9 Deferred tax asset

Consolidated

	<u>Note</u>	<u>Carrying amount BDT</u>	Tax base	<u>Taxable/ (deductible) temporary difference BDT</u>
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

	<u>Note</u>	<u>Carrying amount BDT</u>	Tax base	<u>Taxable/ (deductible) temporary difference BDT</u>
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)



10 Available-for-sale financial assets

	No. of shares	Rate per share	Market value at		Change in fair value at		Cost price	
			30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
			BDT	BDT	BDT	BDT	BDT	BDT
Khulna Power Company Limited	70,108,200	56.30	3,947,091,660	4,308,467,612	(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	(2,367,328)	(204,080)	20,500,000	
Popular Life First Mutual Fund	1,495,442	4.70	7,028,577	8,294,879	(1,266,302)	(1,098,045)	10,000,000	
	72,011,802		3,955,793,693	4,320,803,275	(365,009,582)	534,069,589	3,655,796,384	

Allocation -

Included in profit or loss
Included in other comprehensive income

For the year ended	
30 June 2019	30 June 2018
BDT	BDT
(1,877,536)	
(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

Notes	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	BDT	BDT	BDT	BDT
Consumable - others	573,222,558	531,213,931	364,905,647	433,464,556
Lubricant oil, chemicals and others	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

Notes	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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

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

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 of 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.



13 Other receivables

	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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

Summit Barisal Power Limited	-	-	228,390,780	63,229,669
Summit Narayanganj 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

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

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
Titus 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



	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	BDT	BDT	BDT	BDT
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

	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	BDT	BDT	BDT	BDT
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
Sonali 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
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

	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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

* 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 Narayanganj 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

Name of shareholders	Number of shares			
	Percentage of shareholdings		30 June 2019	30 June 2018
	30 June 2019	30 June 2018	BDT	BDT
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

	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

	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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
	<u>3,134,820,817</u>	<u>3,134,820,817</u>	<u>3,134,820,817</u>	<u>3,134,820,817</u>
Issue costs	(234,123,160)	(234,123,160)	(234,123,160)	(234,123,160)
	<u>2,900,697,657</u>	<u>2,900,697,657</u>	<u>2,900,697,657</u>	<u>2,900,697,657</u>
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)
	<u>6,234,626,639</u>	<u>6,234,626,639</u>	<u>6,234,626,639</u>	<u>6,234,626,639</u>
Share premium on amalgamation	244,471,000	244,471,000	244,471,000	244,471,000
	<u>6,479,097,639</u>	<u>6,479,097,639</u>	<u>6,479,097,639</u>	<u>6,479,097,639</u>

* Details are given in the Note 8.1.

19 Revaluation reserve

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	<u>963,843,005</u>	<u>982,964,725</u>	<u>963,843,005</u>	<u>982,964,725</u>

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

	30 June 2019					Amounts in BDT
	SBPL	SNPL-II	SCPL	AAPL	SGIPL	
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



Amounts in BDT

		30 June 2018					Total
		SBPL	SNPL-II	SCPL	AAPL	SGIPL	Total
		51%	51%	51%	36%	80%	
NCI percentage							
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

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

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 institutions 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 instalments 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 instalments payable at the end of each year commencing from December 2020.

22 Loans and borrowings

Non-current					
Project loan	22.1	10,088,328,323	5,401,218,269	-	-
		<u>10,088,328,323</u>	<u>5,401,218,269</u>	-	-
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	-	-
		<u>10,968,298,719</u>	<u>15,948,932,217</u>	-	-

22.1 Project loan

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	-	-	-
		<u>11,759,863,573</u>	<u>6,119,632,959</u>	-	-
Repayment		(696,523,778)	(384,608,890)	-	-
Transaction cost		(118,676,841)	(2,012,067)	-	-
Amortisation of transaction cost		20,789,989	19,696,086	-	-
Effect of exchange rate movement		90,743,184	243,006,185	-	-
		<u>11,056,196,128</u>	<u>5,995,714,273</u>	-	-
Non-current		10,088,328,323	5,401,218,269	-	-
Current		967,867,805	594,496,003	-	-
		<u>11,056,196,128</u>	<u>5,995,714,272</u>	-	-

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* ("SNPUJIL"). 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. SNPUJIL is exposed to changes in the USD LIBOR interest rate. To reduce the exposure, SNPUJIL 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%.

22.2 Short term loan

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

22.3 Deferred letter of credit

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

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

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

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

	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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 followings 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:

	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

	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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

23.3 Other financial liability

Interest rate swap				
Summit Barisal Power Limited	157,534,903	-	-	-
Summit Narayanganj 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 SNPUIIL 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

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

Gas:

Titas Gas Transmission & Distribution Company Limited

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

Bakhrabad Gas Distribution Company Limited

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

Pashchimanchal Gas Company Limited

Ullapara Power Plant	4,818,604	9,538,122	4,818,604	9,538,122
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Note	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
Heavy furnace oil (HFO):				
<i>Summit Oil & Shipping Company Limited</i>				
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

26 Other payables and accruals

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

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

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	-



	Note	Consolidated		Separate	
		30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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
29 Cost of sales					
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

Notes	Consolidated		Separate	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	BDT	BDT	BDT	BDT
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

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	116,239	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	61,212,857	60,422,386	48,833,328	53,969,353
Amortisation	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

5.1

6



32 Finance income/(expenses), net

Note	Consolidated		Separate	
	30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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

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)

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)



33.2 Other comprehensive income - net of tax

	Notes	Consolidated		Separate	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		BDT	BDT	BDT	BDT
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)
		<u>16,967,450</u>	<u>20,562,850</u>	<u>14,209,500</u>	<u>16,107,750</u>

34 Earnings per share (EPS)

34.1 Basic earnings per share

Basic earnings per share					
Profit attributable to the ordinary shareholders (basic)		5,104,797,292	4,696,084,430	3,694,785,802	3,911,748,726
33.2 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)

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)	33.2	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)

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)	33.2	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



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

	Notes	Consolidated		Separate	
		30 June 2019 BDT	30 June 2018 BDT	30 June 2019 BDT	30 June 2018 BDT
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



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.

Notes	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
								Amounts in BDT ('000)			
30 June 2019											
Financial assets measured at fair value											
10	-	-	-	3,955,794	-	-	3,955,794	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											
12	-	-	-	-	11,856,589	-	11,856,589	-	-	-	-
13	-	-	-	-	118,565	-	118,565	-	-	-	-
15	-	-	-	-	27,544	-	27,544	-	-	-	-
16	-	-	-	-	5,840,528	-	5,840,528	-	-	-	-
	-	-	-	-	17,843,225	-	17,843,225	-	-	-	-
Financial liabilities not measured at fair value											
21	-	-	-	-	-	1,627,281	1,627,281	-	-	-	-
22	-	-	-	-	-	21,056,627	21,056,627	-	-	-	-
23	-	-	-	-	-	813,938	813,938	-	-	-	-
24	-	-	-	-	-	75,475	75,475	-	-	-	-
25	-	-	-	-	-	3,896,255	3,896,255	-	-	-	-
26	-	-	-	-	-	618,470	618,470	-	-	-	-
27	-	-	-	-	-	200,929	200,929	-	-	-	-
	-	-	-	-	-	28,288,976	28,288,976	-	-	-	-



Amounts in BDT ('000)

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
								4,320,803	-	-	
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 measured at fair value											
Available-for-sale financial assets											
Financial assets not measured at fair value											
12	-	-	-	-	9,177,390	-	9,177,390	-	-	-	-
13	-	-	-	-	60,254	-	60,254	-	-	-	-
15	-	-	-	-	26,690	-	26,690	-	-	-	-
16	-	-	-	-	4,879,259	-	4,879,259	-	-	-	-
	-	-	-	-	14,143,593	-	14,143,593	-	-	-	-
Financial liabilities not measured at fair value											
21	-	-	-	-	-	983,678	983,678	-	-	-	-
22	-	-	-	-	-	21,350,150	21,350,150	-	-	-	-
23	-	-	-	-	-	202,257	202,257	-	-	-	-
24	-	-	-	-	-	58,430	58,430	-	-	-	-
25	-	-	-	-	-	3,610,508	3,610,508	-	-	-	-
26	-	-	-	-	-	363,060	363,060	-	-	-	-
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.



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:

<i>In BDT</i>	<i>Notes</i>	30 June 2019 BDT	30 June 2018 BDT
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
		<u>17,843,225,480</u>	<u>14,143,593,095</u>

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

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
	<u>11,913,489,938</u>	<u>9,196,756,666</u>



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:

	Carrying amount	Contractual cash flows					Amounts in BDT
		Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	
30 June 2019							
Non-derivative financial liabilities							
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
Derivative financial liabilities							
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



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 in a currency other than the functional currency, primarily the United State Dollar (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.

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:

	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:

	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.

	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.

	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:

	30 June 2019 BDT	30 June 2018 BDT
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)
	<u>2,649,856,975</u>	<u>2,628,947,473</u>
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	-
	<u>(10,000,430,914)</u>	<u>(20,861,972,832)</u>

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.

40 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

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
	<u>11,866,667</u>	<u>15,546,494</u>

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:

	30 June 2019 BDT	30 June 2018 BDT
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:

<u>Name of power plants</u>	<u>LC number</u>	<u>Currency type</u>	<u>Invoice value</u>	<u>Commitment value (in BDT)</u>
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:

	<u>Expiry date/ Income year</u>	<u>Assessment year</u>	<u>Currency</u>	<u>30 June 2019</u>	<u>30 June 2018</u>
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 - SNPUIL (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 SNPUIL	13.12.2019	-	USD	177,112,000	167,715,827
SPL - in favour of AAPL	18.12.2019	-	USD	452,920,000	-



	<u>Expiry date/ Income year</u>	<u>Assessment year</u>	<u>Currency</u>	<u>30 June 2019</u>	<u>30 June 2018</u>
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.



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

	Company			
	Transaction value (BDT)		Balance outstanding (BDT)	
	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:

	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.

	The Company and the 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

	Nature of transaction	Group			
		Transaction value		Balance outstanding at	
		FY 2019	FY 2018	30 June 2019	30 June 2018
Parent					
SCL	Building maintenance	(13,510,258)	(4,892,106)	(929,205)	2,419,783
	Financial support	(200,000,000)	-	(200,000,000)	-
Related parties					
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	Lease rental	(465,530)	(232,765)	1,789,198	2,254,728
Cosmopolitan Communications Limited	Internet service provider	(1,752,000)	(1,007,400)	(142,800)	(167,900)
Others					
KPCL	Dividend	191,204,184	350,541,004	-	-



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



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 interests
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 ("SGIIPL"). However, according to control procedures outlined in IFRS 10: *Consolidated Financial Statements*, SBPL, SNPL-II, SCPL and SGIIPL 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.

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.

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

<i>In Years</i>	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 BAS 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.

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 plan (gratuity), defined benefit plan (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.

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 and 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 SROs 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
Summit Narayanganj Power Unit II Limited	Madanganj Power Plant (Unit-1)	Narayanganj	Tax exemption	10 years since commercial operation date	31-Mar-2021
	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)	Kodda, 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.

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.

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, derivative financial instruments, 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 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 is assessing the potential impact of IFRS 16 on its financial statements.

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

