

**SHAHJIBAZAR POWER COMPANY  
LIMITED**

822/2 Rokeya Sarani, Mirpur,  
Dhaka – 1216, Bangladesh

=====

**Financial Statements & Auditor's Report  
For the year ended June 30, 2020**



# Independent Auditor's Report

## To the Shareholders of Shahjibazar Power Company Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the consolidated financial statements of Shahjibazar Power Company Limited and its subsidiaries (the 'Group') as well as the separate financial statements of Shahjibazar Power Company Limited (the 'Company'), which comprise the consolidated and separate statement of financial position as at 30 June 2020, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
<b>Revenue Recognition</b>  Revenue of BDT 633 Crore (BDT 714 Crore for the year ended June 30, 2019) is recognized in the consolidated Statement of Profit or Loss and Other Comprehensive Income of Shahjibazar Power Company Limited. The Company's revenue recognition policies and procedures are not complex and revenue is recognized at a point in time when invoices are made by survey of meter reading. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share etc.  Details of the Revenue Section are summarized in Note 27 and 27a to the Financial Statements	Our audit procedures included:  Understanding the process of estimating, recording and reassessing going concern. ► Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard. ► Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer. ► Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately ► Examine Payment documentation to ensure completion of revenue cycle is documented appropriately





## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2020 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis.

Our opinion on the financial statements does not cover the 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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 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 relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- ▶ We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Group and Company so far as it appeared from our examinations of those books;
- ▶ Financial statements for the year ended 30 June 2020 of subsidiary namely, Petromax Refinery Limited have been audited by Aziz Halim Khair Choudhury, Chartered Accountants and have been properly reflected in the consolidated financial statements. The auditors have expressed an unqualified opinion for the company;
- ▶ The consolidated and the separate statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- ▶ The expenditures incurred were for the purpose of the Group's and the Company's business.

Date: 28 October, 2020  
Dhaka, Bangladesh

  
A.K. Gulam Kibria, FCA  
Engagement Partner  
G. KIBRIA & CO.  
Chartered Accountants





# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Notes	June 30, 2020 Taka	June 30, 2019 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4a	7,374,335,212	6,664,344,988
Intangible Assets	5	5,557,612,336	5,343,862,662
Investment Accounted for using the Equity Method	6a	326,832	466,483
Other Investments	8a	821,075,029	433,278,893
		995,321,015	886,736,950
<b>Current Assets</b>			
Inventories	9a	4,197,240,580	3,648,816,187
Accounts Receivables	10a	1,515,005,284	1,112,159,536
Other Receivables	11a	1,671,558,329	1,290,439,850
Advance, Deposits and Prepayments	12a	355,974	264,993
Financial Assets at fair value through profit or loss	12b	735,267,993	748,234,181
Cash and Cash Equivalents	13a	14,133,508	20,367,330
Goods in Transit	14a	72,783,831	114,576,699
		188,135,660	362,773,597
<b>TOTAL ASSETS</b>		<b>11,571,575,792</b>	<b>10,313,161,174</b>
<b>SHARE HOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	15	5,911,063,380	5,619,852,848
Share Premium	16	1,691,680,710	1,658,510,500
Tax Holiday Reserve	16a	914,920,000	914,920,000
Retained Earnings	17a	914,937,337	897,720,729
		2,389,525,333	2,148,701,619
<b>Non-controlling interests</b>			
Total equity		267,494,659	272,712,268
<b>Non-Current Liabilities</b>			
Long Term Loan- Net of Current Maturity	18a	6,178,558,039	5,892,565,116
Deferred Tax Liabilities	19a	467,214,670	238,951,203
		312,799,664	162,095,425
		154,415,006	76,855,778
<b>Current Liabilities</b>			
L/C Liabilities	20a	4,925,803,084	4,181,644,855
Short Term Loan	21a	706,602,001	426,912,660
IPO Application Amount	22a	3,563,288,765	3,233,290,331
Long Term Loan - Current Maturity	23a	6,084,318	6,084,318
Sundry Creditors	24a	118,025,748	179,935,756
Liabilities for Expenses	25a	276,028,436	203,092,460
Unclaimed Dividend	25b	19,603,334	21,479,861
Trade Payable	26a	12,012,509	9,451,872
		224,157,975	101,397,598
Total liabilities		5,393,017,754	4,420,596,059
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,571,575,792</b>	<b>10,313,161,174</b>
Net Asset Value Per Share (NAVPS)	26b	34.94	33.22

### CONTINGENT LIABILITIES & COMMITMENTS

37 & 38

The financial statements were authorised for issuance by the Board of Directors on 28th October 2020

  
Chairman

  
Director

  
Director

  
Company Secretary

*Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.*

This is the statement of Consolidated Financial Position referred to in our report of even date.

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

Dhaka, Bangladesh  
October 28, 2020

  
G. KIBRIA & CO.  
Chartered Accountants



# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Notes	June 30, 2020 Taka	June 30, 2019 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4.00	5,077,234,373	4,285,658,876
Investment Accounted for using the Equity Method	6.00	2,901,477,112	2,492,616,862
Investment in Subsidiary	7.00	821,075,029	433,278,892
Other Investments	8.00	900,000,000	900,000,000
		454,682,232	459,763,121
<b>Current Assets</b>			
Inventories	9.00	1,133,187,983	883,648,270
Accounts Receivables	10.00	290,966,565	177,156,569
Other Receivables	11.00	609,041,275	293,107,638
Advance, Deposits and Prepayments	12.00	355,974	264,993
Cash and Cash Equivalent	13.00	41,567,259	28,999,372
Goods In Transit	14.00	55,469,480	70,783,475
		135,787,429	313,336,223
<b>TOTAL ASSETS</b>		<b>6,210,422,356</b>	<b>5,169,307,145</b>
<b>SHARE HOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	15.00	4,230,872,342	3,892,703,329
Share Premium	16.00	1,691,680,710	1,658,510,500
Retained Earnings	17.00	914,920,000	914,920,000
		1,624,271,632	1,319,272,829
<b>Non-Current Liabilities</b>			
Long Term Loan- Net of Current Maturity	18.00	467,214,670	238,951,203
Deferred Tax Liabilities	19.00	312,799,664	162,095,425
		154,415,006	76,855,778
<b>Current Liabilities</b>			
L/C Liabilities	20.00	1,512,335,344	1,037,652,612
Short Term Loan	21.00	706,602,001	423,381,018
IPO Application Amount	22.00	179,202,760	132,775,773
Long Term Loan - Current Maturity	23.00	6,084,318	6,084,318
Sundry Creditors	24.00	118,025,748	179,935,756
Liabilities for Expenses	25.00	266,114,352	184,683,035
Unclaimed Dividend	25b	5,454,927	5,858,957
Trade Payable	26.00	12,012,509	9,451,872
		218,838,731	95,481,884
<b>Total Liabilities</b>		<b>1,979,550,014</b>	<b>1,276,603,816</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,210,422,356</b>	<b>5,169,307,145</b>
<b>Net Asset Value Per Share (NAVPS)</b>			
	26bb	25.01	23.01

### CONTINGENT LIABILITIES & COMMITMENTS

37 & 38

The financial statements were authorised for issuance by the Board of Directors on 28th October 2020

  
Chairman

  
Director

  
Director

  
Company Secretary

Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.

### Report of the Auditors to the Shareholders:

This is the statement of Financial Position referred to in our report of even date.

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

Dhaka, Bangladesh  
October 28, 2020

  
G. KIBRIA & CO.  
Chartered Accountants





# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE YEAR ENDED JUNE 30, 2020

	Notes	For the Year Ended	
		June 30, 2020	June 30, 2019
		Taka	Taka
Revenue	27a	6,332,403,614	7,140,194,813
Cost of Sales	28a	5,146,405,025	5,827,997,744
<b>Gross Profit</b>		<b>1,185,998,589</b>	<b>1,312,197,068</b>
<b>Operating Expenses:</b>			
General and Administrative Expenses	29a	146,758,423	173,614,731
Financial Expenses	30a	385,997,588	375,662,195
<b>Operating Profit</b>		<b>653,242,578</b>	<b>762,920,142</b>
Non-Operating Income	31a	30,598,181	40,523,698
Share of Profit From Associate	32a	387,796,137	260,236,290
<b>Net Profit before Tax and WPPF</b>		<b>1,071,636,897</b>	<b>1,063,680,131</b>
Workers' Profit Participation Fund	33a	55,316,043	59,222,863
<b>Net Profit before Tax</b>		<b>1,016,320,854</b>	<b>1,004,457,268</b>
<b>Income Tax Expenses:</b>	34a	<b>255,944,991</b>	<b>275,409,216</b>
Current Tax		178,385,763	223,361,958
Deferred Tax		77,559,227	52,047,258
<b>Net profit after Tax</b>		<b>760,375,863</b>	<b>729,048,052</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>760,375,863</b>	<b>729,048,052</b>
<b>Profit Attributable to</b>			
Equity holders' of the parent		755,593,472	715,989,805
Non Controlling Interest		4,782,391	13,058,247
		<b>760,375,863</b>	<b>729,048,052</b>
<b>Total Comprehensive Income Attributable to:</b>			
Equity holders' of the parent		755,593,472	715,989,805
Non Controlling Interest		4,782,391	13,058,247
		<b>760,375,863</b>	<b>729,048,052</b>
<b>Earnings Per Share (EPS)</b>	35a	<b>4.47</b>	<b>4.23</b>

The financial statements were authorised for issuance by the Board of Directors on 28<sup>th</sup> October 2020

  
Chairman

  
Director

  
Director

  
Company Secretary

*Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.*

#### Report of the Auditors to the Shareholders:

This is the statement of Consolidated Comprehensive Income referred to in our report of even date.

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

Dhaka, Bangladesh  
October 28, 2020

  
G. KIBRIA & CO.  
Chartered Accountants



# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Notes	For the Year Ended	
		June 30, 2020 Taka	June 30, 2019 Taka
Revenue from Sales	27.00	1,740,166,065	1,533,537,526
Cost of Sales	28.00	998,665,757	805,369,668
<b>Gross Profit</b>		<b>741,500,308</b>	<b>728,167,857</b>
<b>Operating Expenses:</b>			
General and Administrative Expenses	29.00	65,685,636	64,307,039
Financial Expenses, Net	30.00	63,416,601	57,216,981
<b>Operating Profit</b>		<b>612,398,071</b>	<b>606,643,838</b>
Non-Operating Income	31.00	89,932,796	192,155,150
Share of Profit of Investment Accounted for using	32.00	387,796,137	260,236,290
<b>Net Profit before Tax and WPPF</b>		<b>1,090,127,004</b>	<b>1,059,035,279</b>
Less: Workers' Profit Participation Fund	33.00	51,910,810	50,430,251
<b>Net Profit before Tax</b>		<b>1,038,216,194</b>	<b>1,008,605,028</b>
<b>Income Tax Expenses:</b>	34.00	<b>235,664,242</b>	<b>230,139,442</b>
Current Tax		158,105,014	178,092,184
Deferred Tax		77,559,227	52,047,258
<b>Net profit after Tax</b>		<b>802,551,953</b>	<b>778,465,585</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>802,551,953</b>	<b>778,465,585</b>
<b>Earnings Per Share (EPS)</b>	35.00	<b>4.74</b>	<b>4.60</b>

The financial statements were authorised for issuance by the Board of Directors on 28th October 2020

  
Chairman

  
Director

  
Director

  
Company Secretary

*Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.*

### Report of the Auditors to the Shareholders:

This is the statement of Comprehensive Income referred to in our report of even date.  
The annexed notes 1 to 49 form an integral part of these financial statements

Dhaka, Bangladesh  
October 28, 2020

  
G. KIBRIA & CO.  
Chartered Accountants





# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	JUNE 30, 2020 Taka	JUNE 30, 2019 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	5,951,194,153	7,277,351,035
Cash paid to suppliers, employees	(4,794,694,759)	(5,529,352,138)
Cash Paid for operational Expenses	(114,830,815)	(336,970,445)
Cash received from Other Activities	36,961,401	221,849,560
Cash paid for Workers Profit Participation Fund	(67,930,810)	(50,657,103)
Income Tax Paid	(129,896,436)	(173,971,586)
Cash payment for Financial Expenses	(385,997,588)	(375,662,195)
<b>Net Cash flows from operating activities</b>	<b>494,805,146</b>	<b>1,032,587,127</b>
<b>B CASH FLOWS IN INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(366,984,311)	(40,741,030)
Disposal of Fixed Assets	-	20,318,790
Other Investment	(108,584,065)	58,129,624
<b>Net cash used in investing activities</b>	<b>(475,568,376)</b>	<b>37,707,384</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Loan (Short Term )	321,998,434	(395,239,059)
Payment of Dividend	(471,822,303)	(602,310,951)
Loan Other Than Bank and Financial Institutes	-	(89,364)
Bank Loan (Long Term )	88,794,231	(19,785,595)
<b>Net cash used in financing activities</b>	<b>(61,029,638)</b>	<b>(1,017,424,969)</b>
<b>D Net Cash for the year (A+B+C)</b>	<b>(41,792,868)</b>	<b>52,869,543</b>
<b>E Opening cash and bank balance</b>	<b>114,576,709</b>	<b>61,707,166</b>
<b>F Closing cash and cash equivalents (D+E)</b>	<b>72,783,841</b>	<b>114,576,709</b>
<b>G Net Operating Cash Flow per share [Note-47]</b>	<b>2.92</b>	<b>6.10</b>
<b>Effect of Exchange Rate:</b>	<b>491</b>	<b>9384.83</b>

Net Operating Cash Flow per Share reduced for excess inventory tied due to production very minimum delivery of product of Subsidiary Company (Petromax Refinery Limited) during Covid-19 lockdown and increase in Accounts Receivable from Bangladesh Petroleum Corporation.

The financial statements were authorised for issuance by the Board of Directors on 28th October 2020

  
Chairman

  
Director

  
Director

  
Company Secretary

Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.

### Report of the Auditors to the Shareholders:

This is the statement of Consolidated Cash flow referred to in our report of even date.  
The annexed notes 1 to 49 form an integral part of these financial statements

Dhaka, Bangladesh  
October 28, 2020



# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2020 Taka	June 30, 2019 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	1,424,141,447	1,530,541,237
Cash paid to suppliers, employees	(561,586,123)	(808,358,756)
Cash Paid for operational Expenses	(72,570,475)	(46,791,402)
Cash received from Other Activities	96,296,015	193,481,012
Cash paid for Workers Profit Participation Fund	(50,430,251)	(30,657,103)
Income Tax Paid	(109,615,687)	(128,629,177)
Cash Paid for Financial Expenses	(63,416,601)	(57,216,981)
<b>Net Cash flows from operating activities</b>	<b>662,818,325</b>	<b>652,368,831</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(356,612,124)	(21,258,023)
Disposal of Fixed Assets	-	7,938,690
Other Investment	5,080,889	80,087,350
<b>Net cash flow from investing activities</b>	<b>(351,531,235)</b>	<b>66,768,017</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Loan (Short Term)	46,426,987	(188,890,617)
Dividend Paid	(461,822,303)	(402,310,949)
Loan & Advance ( Subsidiary )	-	(133,000,000)
Bank Loan (Long Term)	88,794,231	20,727,984
<b>Net cash used financing activities</b>	<b>(326,601,085)</b>	<b>(703,473,582)</b>
<b>D Net Cash inflow/(outflow) for the year (A+B+C)</b>	<b>(15,313,995)</b>	<b>15,663,266</b>
<b>E Opening Cash &amp; Cash Equivalent</b>	<b>70,783,485</b>	<b>55,120,219</b>
<b>F Closing Cash &amp; Cash Equivalent</b>	<b>55,469,490</b>	<b>70,783,485</b>
<b>G Net Operating Cash Flow per share [Note-48]</b>	<b>3.92</b>	<b>3.86</b>
<b>Effect of Exchange Rate:</b>	<b>491</b>	<b>9,385</b>

The financial statements were authorised for issuance by the Board of Directors on 28th October 2020

  
Chairman

  
Director

  
Director

  
Company Secretary

Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.

### Report of the Auditors to the Shareholders:

This is the statement of Cash flow referred to in our report of even date.  
The annexed notes 1 to 49 form an integral part of these financial statements  
Dhaka,  
October 28, 2020





# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
Balance as at July 01, 2019	1,658,510,500	897,720,729	914,920,000	2,148,701,619	5,619,852,848	272,712,268	5,892,565,116
Net profit (After Tax) for the period	-	-	-	755,593,472	755,593,472	4,782,391	760,375,863
Bonus Share/Stock Dividend	33,170,210	-	-	(33,170,210)	-	-	-
Cash Dividend Paid	-	-	-	(464,382,940)	(464,382,940)	(10,000,000)	(474,382,940)
Tax Holiday Reserve	-	17,216,608	-	(17,216,608)	-	-	-
Balance as at June 30, 2020	1,691,680,710	914,937,337	914,920,000	2,389,525,333	5,911,063,380	267,494,659	6,178,558,039

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
Balance as at July 01, 2018	1,610,204,368	850,711,042	914,920,000	1,930,578,726	5,306,414,136	279,654,022	5,586,068,158
Net profit (After Tax) for the year	-	-	-	715,989,805	715,989,805	13,058,247	729,048,053
Bonus Share/Stock Dividend	48,306,131	-	-	(48,306,131)	-	-	-
Cash Dividend Paid	-	-	-	(402,551,095)	(402,551,095)	(20,000,000)	(422,551,095)
Tax Holiday Reserve	-	47,009,687	-	(47,009,687)	0	-	0
Balance as at June 30, 2019	1,658,510,499	897,720,729	914,920,000	2,148,701,618	5,619,852,846	272,712,269	5,892,565,116

The financial statements were authorised for issuance by the Board of Directors on 28th October 2020

*[Signature]*  
Chairman

*[Signature]*  
Director

*[Signature]*  
Director

Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.

Company Secretary

### Report of the Auditors to the Shareholders:

This is the statement of Consolidated Changes in Equity referred to in our report of even date.  
The annexed notes 1 to 49 form an integral part of these financial statements  
Dhaka, Bangladesh  
October 28, 2020



# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
Balance as at July 01, 2019	1,658,510,500	914,920,000	1,319,312,829	3,892,743,329
Net profit for the year	-	-	802,551,953	802,551,953
Bonus Share/Stock Dividend	33,170,210	-	(33,170,210)	-
Cash Dividend	-	-	(464,382,940)	(464,382,940)
Balance as at June 30, 2020	1,691,680,710	914,920,000	1,624,311,632	4,230,912,342

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
Balance as at July 01, 2018	1,610,204,369	914,920,000	991,664,470	3,516,788,839
Net profit for the year	-	-	778,465,585	778,465,585
Bonus Share/Stock Dividend	48,306,131	-	(48,306,131)	-
Cash Dividend	-	-	(402,511,095)	(402,511,095)
Balance as at June 30, 2019	1,658,510,500	914,920,000	1,319,312,829	3,892,743,329

The financial statements were authorised for issuance by the Board of Directors on 28th October 2020

  
Chairman

  
Director

Director

Company Secretary

Note of Disclosure: Managing Director, Mr. Faridul Alam is travelling overseas. The Board of Directors has authorized Mr. Anis Salahuddin Ahmad to authenticate the Audited Financial Statements.

### Report of the Auditors to the Shareholders:

This is the statement of Changes in Equity referred to in our report of even date. The annexed notes 1 to 49 form an integral part of these financial statements

Dhaka, Bangladesh  
October 28, 2020





**SHAHJIBAZAR POWER COMPANY LIMITED**  
**Notes to the Financial Statements**  
**As on and for the year ended June 30, 2020**

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION**

**1. Status of the Reporting Entity**

**1.1. Corporate History:**

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

**1.2. Nature of business**

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

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

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

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

**1.3. Description of Subsidiary**

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

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

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

**1.4. Description of Associate**

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

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



## **2. Basis of Preparation:**

### **2.1. Statement of Compliance**

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

### **2.2. Application of Standards**

The following IASs and IFRSs are applicable for the financial statement for the year under review:

IAS 1 Presentation of Financial Statements  
IAS 2 Inventories  
IAS 7 Statement of Cash Flows  
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors  
IAS 10 Events after the Reporting Period  
IAS 12 Income Taxes  
IAS 16 Property, Plant and Equipment  
IAS 19 Employee Benefits  
IAS 21 The Effects of Changes in Foreign Exchange Rates  
IAS 23 Borrowing Costs  
IAS 24 Related Party Disclosures  
IAS 32 Financial Instrument: Presentation  
IAS 33 Earnings per Share  
IAS 36 Impairment of Assets  
IAS 37 Provisions, Contingent Liabilities and Contingent Assets  
IAS 38 Intangible Assets  
IFRS 7 Financial Instruments: Disclosures  
IFRS 8 Operating Segments  
IFRS 9 Financial Instrument: Recognition and measurement  
IFRS 10 Consolidated Financial Statements  
IFRS 12 Disclosure of Interests in other Entities  
IFRS 13 Fair Value Measurement  
IFRS 15 Revenue

### **2.3. Date of authorization**

The consolidated financial statements as well as separate financial statements were authorized by the Board of Directors on October 28, 2020 for publication.

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

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

### **2.5. Use of estimates and judgments**

The preparation of financial statements requires management to make 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 estimates.

Note 9 and 9a Inventories – Inventories are valued at lower of cost of net realizable value. Cost of inventory includes cost of purchase (purchase price, transport, handling and other costs directly attributable to the acquisition of inventories), cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in the financial statements of loss and comprehensive loss in the current year on any difference between book value and net realizable value





Note 4 and 4a: Property, Plant & Equipment (Impairment) - Tangible assets with finite lives will be reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. Intangible assets not yet put into use are evaluated for impairment at least annually. Whether an asset is impaired requires management to determine whether there is an indication of impairment based on the consideration of internal and external indicators. If an indication of impairment exists, management must determine if the carrying amount of an asset, or the CGU in which the asset is included, exceeds its recoverable amount. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, future capital requirements and future operating performance. The estimation of the future cash flows requires assumptions to be made by management. Therefore, the determination of the recoverable amount implies estimates that may affect the amount of an impairment loss, if any.

Note 6 and 6a: Investment under Equity Method (Impairment) – Similar to Property, Plant & Equipment, Management has to estimate future cash flows that will result from the investment and whether indicators of impairment exist and if so, whether the carrying amount of the investment exceeds its recoverable amount.

Note 24.01 Provision for Tax –Provision for income tax expense for the current year represents management's best estimate on how much tax the Company has to pay to the National Board of Revenue ("NBR") for profits generated in the current year. They do not represent the final tax bill assessed by the NBR which could have deviations based on deductions allowed or disallowed through the assessment process. Once assessments are finalized by the NBR, the Company will record an adjustment to reflect the change

## **2.6. Accounting Convention and Basis**

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

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

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

## **2.8. Reporting period**

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

## **2.9. Components of the Financial Statements**

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

- i) Statement of Financial Position
- ii) Statement of Comprehensive Income
- iii) Statement of Changes in Equity
- iv) Statement of Cash Flows
- v) Notes to the Financial Statements

## **2.10. Standards, amendments or interpretations which became effective during the year**

During the year certain amendments to Standards and new interpretations became effective however they did not have any material effect on the financial statements of the Company.

On January 13, 2016, the IASB issued IFRS 16, "Leases" ("IFRS 16"), which outlines requirements for lessees to recognize assets and liabilities for most leases. Lessees are required to recognize the lease liability for the obligations to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lease liability is measured at the present value of lease payments to be made over the term of the lease. The right-of-use asset is initially measured at the amount of the lease liability and adjusted for prepayments, direct costs and incentives received. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted, provided the new revenue standard, IFRS 15, has been applied or is applied at the same date as IFRS 16. The Company has adopted the standard for the financial year starting July 01, 2019 which is the first fiscal year for the Company where the standard was applicable.





### 3. Principal Accounting Policies:

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

#### 3.1. Basis of consolidation

##### 3.1.1. Subsidiary

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

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of Shahjibazar Power Co. Ltd. interest in the investee. Unrealized losses, if any, are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

#### 3.2. Property, Plant and Equipment

##### 3.2.1. Recognition and Measurement

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

##### 3.2.2. Disposal of Fixed Assets

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

##### 3.2.3. Depreciation on Fixed Assets

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

Plant and machinery are depreciated from the day on which the asset comes into use or being capitalized. Other fixed assets are also depreciating on the same basis.

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

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

##### 3.2.4. Subsequent Costs

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





### **3.2.5. Capitalization of Borrowing Cost**

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

### **3.2.6. Impairment of Assets**

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

## **3.3. Intangibles Assets**

Intangible Assets are measured at cost less accumulated amortization and recognized when all the condition as per IAS-38: Intangible Assets are met. Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied there with will flow to the entity and its cost can be measured reliably. Intangible assets are amortized at the rate of fifteen percent of cost per year.

## **3.4. Capital work in progress**

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost.

## **3.5. Inventories**

Inventories in hand as at 30<sup>th</sup> June, 2020 have been valued at lower of cost and net realizable value in accordance with IAS -2 "Inventories" after making due allowance for any obsolete or slow-moving items.

## **3.6. Accounts Receivables**

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

## **3.7. Advance, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

## **3.8. Investment in shares of listed companies**

Investment in shares of listed companies is classified as financial assets fair value through profit or loss as it is designated as such upon initial recognition. Financial assets fair value through profit or loss are measured at fair value, and changes therein are recognized in comprehensive income.

## **3.9. Cash and Cash Equivalents**

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

## **3.10. Other Current Assets**

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

## **3.11. Other Corporate Debt, Accounts Payable, Trade and Other Liabilities**

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





### 3.12. Taxation

Income Tax expense comprises current and deferred Tax. Income Tax expense is recognized in the statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### Current Tax

Current Tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Company is currently 25%.

#### Deferred Tax

Deferred income Tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of Deferred Income Tax. Deferred Tax liabilities are recognized for all temporary taxable differences.

Deferred Tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

### 3.13. Provisions

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

### 3.14. Revenue Recognition

Revenue from net sales of the company represents invoiced value of meter reading for electricity generated. Revenue is recognized in accordance with IFRS 15 and the recognition process involves the following 5-step process:

- Identifying the contract from a customer;
- Identifying the performance obligation;
- Determining the transaction prices;
- Allocating the transaction price to the performance obligation; and
- Recognizing revenue when/as performance obligation(s) is satisfied.

If the Company satisfies a performance obligation before it receives the consideration, the Group recognizes and Accounts Receivable (See Note 7) in its statement of financial position. Similarly, if the Company receives a consideration before the performance obligation, a contract liability is recognized. As at June 30, 2019, the Company did not receive any consideration before performance obligation was completed and there is no amount recognized on the Statement of Financial position as of the end of the year.

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred at the point in time to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

### 3.15. Foreign Currency

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

### 3.16. Finance Income and Expenses

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

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





### 3.17. Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with IAS 33: Earning per Share, which has been shown on the face of Statement of Comprehensive Income account, and the computation of EPS is stated in **Note 35 & 35a**

#### Basic earnings

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

#### Basic earnings per share

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

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

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

#### Diluted earnings per share

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

### 3.18. Cash flows statement

Cash Flow Statement is prepared in accordance with IAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method". In addition to disclosures on direct method of cash flows, a reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for nonoperating items and for the net changes in operating accruals A reconciliation of Cash flow related to operating activities is also provided in Note 47 and 48.

### 3.19. Workers Profit Participation Fund (WPPF) and other Post-Retirement Benefits

The company has been providing worker profit participation fund for its employees in accordance with provisions of Bangladesh Labor Act 2006. Section-232(1). The company maintains a defined contribution plan (Provident Fund) for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans (Gratuity Plan) and therefore does not record any provisions or expenses in this regard. The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate

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

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

### 3.21. Risk and uncertainties for the use of estimates

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

### 3.22. Related Party Transactions

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





### 3.23. Comparative Amounts

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

### 3.24. Segment Reporting

Shahjibazar Power Company Limited generate revenue from only power generation. There no other segment of revenue producing and in this consequence no segment reporting is required.

### 3.24. Leases (IFRS 16)

The Company applied IFRS 16 Leases for the first time on 1 July 2019. A Lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the Company used to charge the consideration paid in its books as rent expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. These rental agreements are less than or equal to 12 (Twelve) months and therefore fall under the definition of a short-term lease. In accordance with paragraph 6 of IFRS 16, the Company recognizes the rental expenses as they are accrued by the Company. The Company did not record any right-of-use assets and lease liabilities related to these rental agreements in the current year.

### 3.25. Measurement of Fair Values

The Company has an established control framework with respect to the measurement of fair values. Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of BFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.





#### 4.00 PROPERTY, PLANT AND EQUIPMENT:

	June 30, 2020 Taka	June 30, 2019 Taka
<b>Cost</b>		
Cost at July 01, 2019	5,094,848,638	4,747,511,724
Addition during the period	811,018,682	361,961,914
Disposal during the year	-	(14,625,000)
Cost at June 30, 2020	5,905,867,320	5,094,848,638
<b>Accumulated Depreciation</b>		
Balance at July 01, 2019	2,602,231,777	2,303,774,462
Charged during the year	402,158,431	306,056,719
Adjustment during the year	-	(7,599,404)
At June 30, 2020	3,004,390,208	2,602,231,777
<b>Carrying Value at June 30, 2020</b>	<b>2,901,477,112</b>	<b>2,492,616,862</b>
<b>LEASEHOLD/FREEHOLD STATUS (at carrying value)</b>		
Land, Building, Plant & Machinery, Furniture fixtures & Others		
Leasehold	-	-
Freehold	2,901,477,112	2,492,616,862
	<b>2,901,477,112</b>	<b>2,492,616,862</b>

For details breakup please refer to Note-43 & Note 44

<b>4a Consolidated Property, Plant and Equipment</b>		
Shahjibazar Power Company Limited	2,901,477,112	2,492,616,862
Petromax Refinery Limited	2,656,135,224	2,851,245,800
	<b>5,557,612,336</b>	<b>5,343,862,662</b>

<b>5.00 Consolidated Intangible Assets</b>		
Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	326,832	466,483
	<b>326,832</b>	<b>466,483</b>

<b>6.00 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Initial Investment in Midland Power Co. Ltd.	49,000,000	49,000,000
Share of Post Acquisition Change in Net Asset	772,075,029	384,278,892
	<b>821,075,029</b>	<b>433,278,892</b>

<b>6.01 Share of Post Acquisition Changes in Net Asset</b>		
Opening Balance	384,278,892	124,042,602
Share of net profit for the this Period	387,796,137	260,236,290
Interim dividend declared and paid	-	-
	<b>772,075,029</b>	<b>384,278,892</b>

<b>6a Consolidated Investment Accounted for using the Equity Method</b>		
Initial Investment	49,000,000	49,000,000
Share of Post Acquisition Changes in Net Asset	772,075,029	384,278,892
	<b>821,075,029</b>	<b>433,278,892</b>

#### 6b Nature of Investment in Associate:

Name of the Entity	Place of Business/Country of Incorporation	% of ownership Interest	Nature of the relationship	Measurement Method
Midland Power Co. Ltd.	The Company is incorporated and registered in Bangladesh. The plant of the Company is situated at Ashuganj, Brahmanbaria. The Company is engaged in generating & supplying electricity to national grid. It has a set up of 51 MW gas based power plant.	49%	Associate	Equity

Midland Power Company Limited is a private limited company and there is no quoted market price available for its share. There is no contingent liabilities relating to the group's interest in the associate.



	June 30, 2020 Taka	June 30, 2019 Taka
<b>Summarised financial information for associate</b>		
<b>Summarised Balance Sheet:</b>		
Current:		
Cash & Cash Equivalents	420,930,838	432,073,751
Other Current Assets (excluding cash)	2,171,988,609	2,915,485,085
<b>Total Current Assets</b>	<b>2,592,919,447</b>	<b>3,347,558,836</b>
Financial liabilities (excluding trade payables)	3,719,860,557	3,281,131,451
Other current liabilities	433,195,711	1,653,768,628
<b>Total Current Liabilities</b>	<b>4,153,056,268</b>	<b>4,934,900,079</b>
Non-Current:		
Assets	10,926,021,109	11,990,062,563
<b>Total Non-Current Assets</b>	<b>10,926,021,109</b>	<b>11,990,062,563</b>
Financial Liabilities	4,794,583,922	6,018,970,692
Other Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>4,794,583,922</b>	<b>6,018,970,692</b>
<b>Net Assets</b>	<b>4,571,300,366</b>	<b>4,383,750,629</b>
<b>Summarised Statement of Comprehensive Income</b>		
Revenue	4,849,345,552	3,480,319,430
Cost of Revenue	3,049,363,459	2,204,230,264
Other Expenses	890,504,746	191,595,696
Income Tax Expense	22,775,255	2,617,671
Post tax from continuing operations.	-	531,094,470
<b>Details of Post tax from continuing operations:</b>		
Midland Power Co. Ltd.	94,878,353	(71,932,036)
Midland East Power Ltd.	696,542,335	603,026,506
<b>Profit Transferred to Midland Power Co. Ltd.(A+B)</b>	<b>791,420,687</b>	<b>531,094,470</b>
A. Midland Power Company Ltd.	94,878,353	(71,932,036)
B. Midland East Power Ltd.	696,542,335	603,026,506
Net Profit of Midland East Power Ltd.	789,412,804	683,428,445
Less: Non-Controlling Interest	(92,870,469)	(80,401,939)

**7.00 INVESTMENT IN SUBSIDIARY:**

Petromax Refinery Limited	900,000,000	900,000,000
	<b>900,000,000</b>	<b>900,000,000</b>

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

**8.00 OTHER INVESTMENTS:**

Investment In Mudaraba Term Deposit	8.01	11,817,732	16,898,621
Investment In Associate over share capital as Share Money Deposit		431,200,000	431,200,000
Midland East Power Ltd.		11,664,500	11,664,500
		<b>454,682,232</b>	<b>459,763,121</b>

Shahjibazar Power Co. Ltd. has invested in Midland East Power Ltd's equity share for 11,64,450 shares @ Tk. 10/- each.

**8.01 Investment in Mudaraba Term Deposit**

Mudaraba Term Deposit Receipt-IBBL	11,817,732	7,795,748
Mudaraba Term Deposit Receipt-IFIL	-	9,102,873
	<b>11,817,732</b>	<b>16,898,621</b>

**Lien Status:**

Under Lien (Against Bank Guarantee)	11,817,732	7,795,748
Free from Lien	-	9,102,873
	<b>11,817,732</b>	<b>16,898,621</b>

**8a Consolidated Other Investment**

Shahjibazar Power Company Limited	454,682,232	459,763,121
Petromax Refinery Limited	540,638,783	426,973,829
	<b>995,321,015</b>	<b>886,736,950</b>





## 9.00 INVENTORIES

Oil & Lubricant  
Spare parts and others

June 30, 2020 Taka	June 30, 2019 Taka
11,118,810	6,870,952
279,847,755	170,285,617
<u>290,966,565</u>	<u>177,156,569</u>

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

Quantity wise disclosure of inventory:

Items	Measurement Unit	Quantity	Value
Oil & Lubricant	Liter	36259	9,427,340
	Drum	35	1,669,620
	Kgs	600	12,850
	Can	22	9,000
Spare parts & Others	Pices	11690	251,114,424
	Packet	560	7,645,020
	Set	102	1,821,960
	Roll	10	20,000
	Rim	2	740
	Rft	45230	7,942,500
	Pair	260	1,126,800
	Book	260	24,325
	Box	425	9,560,321
	Kg	20	55,790
	Lbs	2	3,250
	Mtr	604	532,625
<b>Total</b>		<b>96081</b>	<b>290,966,565</b>

### 9a Consolidated Inventories

Shahjibazar Power Company Limited  
Petromax Refinery Limited

290,966,565	177,156,569
1,224,038,719	935,002,967
<u>1,515,005,284</u>	<u>1,112,159,536</u>

### 10.00 ACCOUNTS RECEIVABLES

Bangladesh Power Development Board (BPDB)

<u>609,041,275</u>	<u>293,107,638</u>
--------------------	--------------------

#### Ageing Status of Accounts Receivables

Less than six months

609,041,275	293,107,638
-------------	-------------

More than six months

-	-
---	---

<u>609,041,275</u>	<u>293,107,638</u>
--------------------	--------------------

### 10a Consolidated Accounts Receivables:

Shahjibazar Power Company Limited  
Petromax Refinery Limited

609,041,275	293,107,638
1,062,517,054	997,332,211
<u>1,671,558,329</u>	<u>1,290,439,849</u>

### 11.00 OTHER RECEIVABLES:

Interest on Mudaraba Term Deposit-IBBL

355,974	114,993
---------	---------

Engr. A.F.M Sarwar Jahan

-	150,000
---	---------

<u>355,974</u>	<u>264,993</u>
----------------	----------------

### 11a Consolidated Other Receivables:

Shahjibazar Power Company Limited  
Petromax Refinery Limited

355,974	264,993
---------	---------

-	-
---	---

<u>355,974</u>	<u>264,993</u>
----------------	----------------

### 12.00 ADVANCE, DEPOSITS AND PREPAYMENTS:

Advance 12.01  
Deposits 12.02  
Prepayments 12.03

442,294	315,629
27,304,165	22,456,730
13,820,800	6,227,013
<u>41,567,259</u>	<u>28,999,372</u>



	June 30, 2020 Taka	June 30, 2019 Taka
<b>12.01 Advances:</b>		
<b>Advance Income Tax:</b>		
Opening Balance	-	-
Adjusted with Non-Operating Income Tax Payable (Previous Year)	-	-
Add: During this period	296,296	84,195
Adjusted with Non-Operating Income Tax Payable	(296,296)	(84,195)
	-	-
<b>Advance to Others :</b>		
Youth Garments Ltd.	96,101	101,101
	96,101	101,101
<b>Advance to Staffs:</b>		
Mr. A.F.M Sarwar Jahan	257,607	129,395
Mr. Tarekul Islam	6,978	80,362
Others	81,608	4,771
	346,193	214,528
<b>Total Advances :</b>	<b>442,294</b>	<b>315,629</b>
<b>12.02 Deposits :</b>		
Central Depository Bangladesh Ltd.(CDBL)	500,000	500,000
Power Development Board (Hobigonj)	72,660	72,660
Bank Guarantee Margin - IBBL	16,678,691	15,903,070
Letter of Credit Margin - IBBL	9,752,814	5,681,000
Trust Filling Station	300,000	300,000
<b>Total Deposits :</b>	<b>27,304,165</b>	<b>22,456,730</b>
<b>12.03 Pre-Payments:</b>		
Pre-paid Insurance	6,723,038	5,189,509
Pre-paid Interest-Bai Murabaha TR Loan	6,620,998	107,911
Pre-paid BG Commission	476,764	929,593
<b>Total Prepayments :</b>	<b>13,820,800</b>	<b>6,227,013</b>
<p>Islami Bank Bangladesh Limited has issued Bank Guarantee on behalf of SPCL favoring Bangladesh Power Development Board (BPDB) &amp; Jalalabad Gas Transmission and Distribution Company Limited (JGTDCL) regarding Plant Operation &amp; ensuring the bill payment. The Bank has kept a Margin of said Guarantee which will be continued up to 2023.</p>		
<b>Ageing Status of Advance, Deposits &amp; Prepayments</b>		
Less than One Year	41,567,259	28,999,372
More than One Year	-	-
	<b>41,567,259</b>	<b>28,999,372</b>
<b>12a Consolidated Advance, Deposits and Prepayments:</b>		
Shahjibazar Power Company Limited	41,567,259	28,999,372
Petromax Refinery Limited	770,700,734	804,234,809
Less : Loan from Petromax Refinery Limited	(77,000,000)	(85,000,000)
	<b>735,267,993</b>	<b>748,234,181</b>
<b>12b Consolidated Financial Assets at fair value through profit or loss</b>		
Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	14,133,508	20,367,330
	<b>14,133,508</b>	<b>20,367,330</b>

**Financial Assets at fair value through profit or loss**

**Listed Equity Securities-Held for Trading**

AB Bank Ltd.	553,520	814,000
Appollo Ispat Complex Limited.	134,827	269,654
Asia Insurance Ltd. (ASIANS)	85,000	122,000
Bay Leasing & Investment Ltd.	1,165,500	1,921,500
BBS Cables Ltd.	1,762,160	2,948,670
Bashundhara Paper Mills Ltd. (BPML)	678,300	1,200,200
Bangladesh Steel Re-Rolling Mills Limited	2,200,990	2,916,826
The City Bank Ltd.	478,706	796,887
CVO Petrochemical Refinery Limited	741,560	1,024,304
Dhaka Electric Supply Company Limited	211,932	278,313





	June 30, 2020 Taka	June 30, 2019 Taka
Dhaka Bank Ltd.	1,060,500	1,428,000
Dutch-Bangla Bank Limited	78,238	94,738
EXIM Bank Limited	645,000	847,500
Far Chemicals Industries Ltd.	130,438	157,300
GPH Ispat Ltd.	294,686	398,475
IFIC Bank Limited	291,368	352,352
Lafarge Holcim Bangladesh Limited	359,000	397,000
Nahee Aluminum Composite Panel Ltd.	782,331	813,890
Nurani Dyeing & Sweater Ltd. (NURANI)	143,990	294,100
One Bank Limited	759,000	1,097,250
Premier Leasing & Finance Ltd.	102,640	190,618
RAK Ceramics (Bangladesh) Limited	173,030	224,939
Union Capital Ltd.	396,898	901,288
Uttara Bank Ltd.	903,894	877,526
	<b>14,133,508</b>	<b>20,367,330</b>

Changes in fair value of financial assets at fair value through profit or loss are recorded in Non-operating income and General and Administrative

### 13.00 CASH AND CASH EQUIVALENT:

#### Cash in Hand

#### Cash at Bank:

CD Account with Bank Asia Limited, IPO-USD  
CD Account with Bank Asia Limited, IPO-GBP  
CD Account with Bank Asia Limited, IPO-EURO  
STD Account with Bank Asia Limited, IPO-Taka  
CD Account with Islami Bank Bangladesh Ltd# 9396  
CD Account with Islami Bank Bangladesh Ltd# 1250  
SND Account with Islami Bank Bangladesh Ltd# 49  
SND Account with Islami Bank Bangladesh Ltd# 29413  
CD A/C with Standard Chartered Bank # 53917701  
CD A/C with Eastern Bank Ltd. # 1041060274350

56,976	40,333
<b>55,412,504</b>	<b>70,743,141</b>
104,277	103,787
32,659	33,638
858	869
15,837,517	15,316,857
2,066,736	34,272,010
5,531,794	3,491,341
24,509,440	2,604,438
7,219,965	2,767,432
4,600	4,600
104,657	12,148,169
<b>55,469,480</b>	<b>70,783,474</b>

### 13a Consolidated Cash and Cash Equivalent

Shahjibazar Power Company Limited  
Petromax Refinery Limited

55,469,480	70,783,474
17,314,351	43,793,225
<b>72,783,831</b>	<b>114,576,699</b>

### 14.00 GOODS IN TRANSIT:

Parts of Plant & Machinery

135,787,429	313,336,223
<b>135,787,429</b>	<b>313,336,223</b>

### 14a Consolidated Goods in Transit

Shahjibazar Power Company Limited  
Petromax Refinery Limited

135,787,429	313,336,223
52,348,231	49,437,374
<b>188,135,660</b>	<b>362,773,597</b>

### 15.00 SHARE CAPITAL:

#### Authorized :

500,000,000 shares @ Tk.10.00 each

<b>5,000,000,000</b>	<b>5,000,000,000</b>
----------------------	----------------------

#### Issued, Subscribed and paid -up:

16,91,68,071 shares @ Tk.10.00 each

<b>1,691,680,710</b>	<b>1,658,510,500</b>
----------------------	----------------------

#### Movement of Share Capital:

Opening Balance  
Add: Bonus Share issued (2%)

1,658,510,500	1,610,204,368
33,170,210	48,306,132
<b>1,691,680,710</b>	<b>1,658,510,500</b>



Shareholding position was as follows:

Name of Shareholders	June 30, 2020 Taka	June 30, 2019 Taka
	% of Shareholding 30-Jun-20	% of Shareholding 30-Jun-19
Mr. Rezakul Haider	8.60%	8.60%
Mr. Feroz Alam	7.79%	7.79%
Mr. Anis Salahuddin Ahmad	8.91%	8.91%
Mr. A.K.M.Badiul Alam	7.57%	7.57%
Md. Samsuzzaman	11.36%	11.36%
Ms. Shahida Alam	3.79%	3.79%
Md. Akbor Haider	3.12%	3.12%
Mr. Faridul Alam	2.98%	2.98%
Mr. Rezina Alam	3.12%	3.12%
Mr. Faisal Alam	3.43%	3.43%
Mr. Asgar Haider	3.00%	3.00%
Ms. Israt Azim Ahmad	3.12%	3.12%
General Public	33.21%	33.21%
	<b>100%</b>	<b>100%</b>

Classification of Shareholders by holding:

Class by number of shares	Number of Shareholders		Percentage of Shareholding	Percentage of Shareholding
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Less than 500 Shares	4,340	4,723	52.15%	55.91%
501 to 5,000 shares	2,991	2,807	35.94%	33.23%
5,001 to 10,000 shares	413	385	4.96%	4.56%
10,001 to 20,000 Shares	268	217	3.22%	2.57%
20,001 to 30,000 Shares	83	70	1.00%	0.83%
30,001 to 40,000 Shares	36	42	0.43%	0.50%
40,001 to 50,000 Shares	24	21	0.29%	0.25%
50,001 to 100,000 Shares	73	79	0.88%	0.94%
100,001 to 1,000,000 Shares	73	83	0.88%	0.98%
Over 1,000,000 Shares	21	21	0.25%	0.25%
	<b>8,322</b>	<b>8,448</b>	<b>100%</b>	<b>100%</b>

Name of the Directors and their Shareholding position:

Name of the Directors	No. of Shareholding 30-Jun-20	No. of Shareholding 30-Jun-19
Mr. Rezakul Haider	14,542,843	14,257,690
Mr. Feroz Alam	13,181,783	12,923,317
Mr. Anis Salahuddin Ahmad	15,074,341	14,778,766
Mr. A.K.M.Badiul Alam	12,807,878	12,556,744
Md. Samsuzzaman	19,211,818	18,835,116
Mr. Akbor Haider	5,279,797	5,176,272
Mr. Faridul Alam	5,042,880	4,944,000
<b>Total :</b>	<b>85,141,340</b>	<b>73,351,633</b>

Mr. Feroz Alam was deceased on October 5, 2019. Upon application of his legal successors before the office of District Judge, Dhaka under case no.- 1719/2019, the Court has issued succession certificate on August 16, 2020. Now, as per the succession certificate the share transmission process complying the relevant clause of Article of the Association (AoA) of the Company is currently underway for execution.

**16.00 SHARE PREMIUM:**

Opening Balance

914,920,000	914,920,000
<b>914,920,000</b>	<b>914,920,000</b>

**16a Consolidated Tax Holiday Reserve**

Shahjibazar Power Company Limited  
Petromax Refinery Limited

-	-
914,937,337	897,720,729
<b>914,937,337</b>	<b>897,720,729</b>





	June 30, 2020 Taka	June 30, 2019 Taka
<b>17.00 RETAINED EARNING:</b>		
Opening Balance	1,319,272,829	991,664,470
Add: Net profit for this year	802,551,953	778,465,585
Less: 28% Cash Dividend	(464,382,940)	(402,551,095)
Less: 2% Stock Dividend	(33,170,210)	(48,306,131)
	<u>1,624,271,632</u>	<u>1,319,272,829</u>
<b>17a Consolidated Retained Earning</b>		
Opening Balance	2,148,701,619	1,930,578,727
Net Profit for the period	755,593,472	715,989,805
Bonus Share/Stock Dividend	(33,170,210)	(48,306,131)
Cash Dividend Paid	(464,382,940)	(402,551,095)
Transfer to Tax Holiday Reserve	(17,216,608)	(47,009,687)
	<u>2,389,525,333</u>	<u>2,148,701,619</u>
<b>18.00 LONG TERM LOAN - NET OF CURRENT MATURITY</b>		
Islami Bank Bangladesh Limited	312,799,664	162,095,425
	<u>312,799,664</u>	<u>162,095,425</u>

Facility arrangement for bank overdraft, short term bank loan and long term loan, working capital loan and bank guarantee.

Name of the Bank	Working Capital Loan	Short Term Facilities Limit	Long Term Loan Limit	Bank Guarantee
Islami Bank Bangladesh Ltd.	350.00	350.00	896.00	936.70
Total	350.00	350.00	896.00	936.70

**Islami Bank Bangladesh Limited**

<b>Name of the facility:</b>	HPSM (Project)
<b>Purpose of Loan:</b>	To import equipment/accessories for the existing power plant.
<b>Mode of Repayment:</b>	Monthly installment
<b>Security:</b>	Proportionate ownership of the proposed machinery of the project to be procured valued Tk. 234.37 million shall
<b>Collaterals:</b>	Registered Mortgage/further charge with registered irrevocable power of attorney from the mortgagors in Bank's 432.00 decimal project land and building (Total area: 62,360 sft), 199.00 decimal project land and building (Total
<b>Name of facility</b>	Working Capital

<b>18a Consolidated Long Term Loan- Net of Current Maturity</b>		
Shahjibazar Power Company Limited	312,799,664	162,095,425
Petromax Refinery Limited	-	-
	<u>312,799,664</u>	<u>162,095,425</u>
<b>18b Consolidated Loan from other than Bank</b>		
Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	-	-
	<u>-</u>	<u>-</u>
<b>19.00 DEFERRED TAX LIABILITIES:</b>		
Investment in associates carrying value	821,075,029	433,278,892
Investment in associates tax base	49,000,000	49,000,000
<b>Taxable temporary Difference</b>	<u>772,075,029</u>	<u>384,278,892</u>
<b>Deferred tax liabilities at 20%</b>	<u>154,415,006</u>	<u>76,855,778</u>

The Company's only source of temporary difference arises from equity income recognized under IAS 28 for their share of profits of their associate, Midland Power Company. The temporary difference is caused by the fact that the Company is recognizing income in their statement of profit or loss & comprehensive but the related income tax would only be paid when these profits are paid out by the associate in the form of dividends. This temporary difference creates a deferred tax liability for the Company.

<b>19a Consolidated Deferred Tax Liabilities</b>		
Shahjibazar Power Company Limited	154,415,006	76,855,778
Petromax Refinery Limited	-	-
	<u>154,415,006</u>	<u>76,855,778</u>



	June 30, 2020 Taka	June 30, 2019 Taka
<b>20.00 L/C LIABILITIES:</b>		
Liabilities for Letter of Credit	706,602,001	423,381,018
	<u>706,602,001</u>	<u>423,381,018</u>
<b>20a Consolidated LC Liabilities</b>		
Shahjibazar Power Company Limited	706,602,001	423,381,018
Petromax Refinery Limited	-	3,531,642
	<u>706,602,001</u>	<u>426,912,660</u>
<b>21.00 SHORT TERM LOAN:</b>		
Bai Murabaha TR-IBBL	102,202,760	47,727,711
Youth Fashion Ltd.	-	48,062
Petromax Refinery Ltd.	77,000,000	85,000,000
	<u>179,202,760</u>	<u>132,775,773</u>
Short term loan from Petromax Refinery Ltd. was taken at zero profit margin basis. This loan was taken due to overcome the short time deficiencies.		
<b>21a Consolidated Short Term Loan</b>		
Shahjibazar Power Company Limited	179,202,760	132,775,773
Petromax Refinery Limited	3,461,086,005	3,185,514,558
Less: Intercompany Loan	(77,000,000)	(85,000,000)
	<u>3,563,288,765</u>	<u>3,233,290,331</u>
<b>22.00 IPO APPLICATION AMOUNT:</b>	<u>6,084,318</u>	<u>6,084,318</u>
This amount represents the balance amount of IPO proceeds collected through applications from general public. The company submitted the Return of Allotment to the Registrar of Joint Stock Companies on July 06, 2014 for allotment of 126,80,000 shares of Tk. 10 per share which was approved by RJSC on September 22, 2014. On that day an amount of Tk. 19,02,00,000 was also credited to Share Premium Account. The balance amount are the refund amount of the un-successful applicant of IPO.		
<b>22a Consolidated IPO Application Amount</b>		
Shahjibazar Power Company Limited	6,084,318	6,084,318
Petromax Refinery Limited	-	-
	<u>6,084,318</u>	<u>6,084,318</u>
<b>23.00 LONG TERM LOAN - CURRENT MATURITY:</b>		
Islami Bank Bangladesh Limited	118,025,748	32,051,892
Eastern Bank Limited	-	147,883,864
	<u>118,025,748</u>	<u>179,935,756</u>
This represents the current portion of Long Term Loan payable with in one year from the Financial Position date.		
<b>23a Consolidated Long Term Loan- Current Maturity</b>		
Shahjibazar Power Company Limited	118,025,748	179,935,756
Petromax Refinery Limited	-	-
	<u>118,025,748</u>	<u>179,935,756</u>
<b>24.00 SUNDRY CREDITORS:</b>		
Amber IT Ltd.	-	10,812
Square Pharmaceuticals Ltd.	10,200	10,200
Inspace Atelier	-	2,000,000
CDZ Global Logistics Limited	2,490,660	969,000
Peerless Technical Services Ltd.	-	43,200
Petromaz LPG Ltd.	500,000	-
The Daily Jugantor	150,000	-
M/S Jilani Air Cargo Limited	8,010	-
Zenith Islami Life Insurance Limited	306,000	-
Provision for WPPF	68,843,120	67,362,562
Payable for Current Tax	193,806,361	114,287,261
<b>24.01</b>	<u>266,114,352</u>	<u>184,683,035</u>





	June 30, 2020 Taka	June 30, 2019 Taka
<b>24.01 Payable for Current Tax</b>		
Sales Tax at Source @ 6%	140,121,815	139,053,397
Previous year Income Tax Payable	114,287,261	64,824,254
Tax on non-operating income	(16,801)	3,038,788
Tax on Dividend Income	18,000,000	36,000,000
Tax on Cash Dividend Payable	31,029,772	-
Total Payable	303,422,048	242,916,439
Tax paid during this period	(109,319,391)	(128,544,982)
	194,102,657	114,371,456
TDS adjustment	(296,296)	(84,195)
	193,806,361	114,287,261
<b>24a Consolidated Sundry Creditors</b>		
Shahjibazar Power Company Limited	266,114,352	184,683,035
Petromax Refinery Limited	9,914,084	18,409,425
	276,028,436	203,092,460
<b>25.00 LIABILITIES FOR EXPENSES:</b>		
Salary & Allowance	4,028,011	4,438,707
Directors Remuneration	350,000	500,000
Audit Fees	759,000	759,000
Car Allowances	94,125	30,000
Office Rent	131,250	131,250
Electricity Bill	92,541	-
	5,454,927	5,858,957
<b>25a Consolidated Liabilities for Expenses</b>		
Shahjibazar Power Company Limited	5,454,927	5,858,957
Petromax Refinery Limited	14,148,407	15,620,904
	19,603,334	21,479,861
<b>25b Dividend Payable</b>		
Dividend Payable	12,012,509	9,451,872
	12,012,509	9,451,872
Subsequent to the year end maximum portion of unclaimed dividend has been claimed and disbursed accordingly.		
<b>26.00 TRADE PAYABLE:</b>		
A to Z Computer	6,200	-
Angelic Accessories	7,800	-
Assign Engineering Ltd.	25,300	-
Clarke Energy Bangladesh Ltd.	-	172,500
Controlware Power & Automation Engineering Ltd.	4,787,500	-
MJL Bangladesh Limited	5,201,300	15,592,200
Dglobal Digital Mart Ltd.	8,750	-
Jalalabad Gas Transmission and Distribution Systems Ltd.	208,588,021	79,469,569
Energy Plus Electric	2,000	2,000
Delcot Ltd.	76,000	243,071
New Mizan Electric	87,360	-
R & B International	48,500	-
Others	-	2,544
	218,838,731	95,481,884
<b>26a Consolidated Trade Payable</b>		
Shahjibazar Power Company Limited	218,838,731	95,481,884
Petromax Refinery Limited	5,319,244	5,915,714
	224,157,975	101,397,598
<b>26b Net Asset Value Per Share (Consolidated)</b>		
Net Asset Value	5,911,063,380	5,619,852,848
Number of share	169,168,072	169,168,072
Net Asset Value Per Share	34.94	33.22
<b>26bb Net Asset Value Per Share</b>		
Net Asset Value	4,230,872,342	3,892,703,329
Number of share	169,168,072	169,168,072
Net Asset Value Per Share	25.01	23.01



		2019 - 2020 Taka	2018 - 2019 Taka
27.00	REVENUE		
	Sales	1,740,166,065	1,533,537,526
		<u>1,740,166,065</u>	<u>1,533,537,526</u>
27a	Consolidated Revenue		
	Shahjibazar Power Company Limited	1,740,166,065	1,533,537,526
	Petromax Refinery Limited	4,592,237,549	5,606,657,287
		<u>6,332,403,614</u>	<u>7,140,194,813</u>
28.00	COST OF SALES:		
	Raw Material Consumed	543,203,119	446,011,283
	Factory Overhead	455,462,638	359,358,385
		<u>998,665,757</u>	<u>805,369,668</u>
28.01	Raw Material Consumed		
	Opening Stock	177,156,569	122,610,952
	Purchase During the Year	657,013,115	500,556,900
	Closing Stock	(290,966,565)	(177,156,569)
		<u>543,203,119</u>	<u>446,011,283</u>
	<u>Consumption of Raw Materials:</u>		
		2020	2019
	Natural Gas Consumption (Cubic Meter)	120,554,676	130,019,515
	Lube & Other Oil (Ltrs)	167,310	170,645
28.02	Factory Overhead		
	Salary & Allowance	43,697,465	43,411,071
	Overtime	1,034,673	728,895
	Festival Bonus	3,908,686	4,509,497
	Plant & Machinery maintenance	9,570,775	10,940,790
	Fuel & Lubricants for car	1,039,937	1,360,178
	Diesel for Generator	139,750	116,398
	Depreciation (Note-43)	396,071,352	298,291,556
		<u>455,462,638</u>	<u>359,358,385</u>
28a	Consolidated Cost of Sales		
	Shahjibazar Power Company Limited	998,665,757	805,369,668
	Petromax Refinery Limited	4,147,739,268	5,022,628,076
		<u>5,146,405,025</u>	<u>5,827,997,744</u>
29.00	GENERAL & ADMINISTRATIVE EXPENSES:		
	Salary & Allowance	17,764,816	13,412,263
	Audit Fee	759,000	816,500
	Advertisement & Publicity	1,349,200	1,342,475
	Secretarial Expenses	2,824,457	2,945,076
	BG Commission	4,757,102	2,369,227
	Credit Rating Expenses	111,194	107,811
	Carrying Inwards/C&F Charges	3,127,700	6,802,821
	Gift, Donation & Subscription	3,699,600	741,500
	Utility Bill	1,175,362	1,056,528
	Entertainment	1,726,137	2,094,603
	Insurance Premium	9,113,414	7,893,846
	Legal & Professional Fees	60,000	235,000
	Directors Remuneration	5,550,000	7,000,000
	Office Maintenance	3,090,202	3,069,333
	Printing, Stationary & Supplies	804,643	738,856
	Registration & Renewals	937,932	719,151
	Traveling & Conveyances	1,651,079	3,281,246
	Training & Workshop	10,000	63,500
	Civil Works Maintenance	1,086,719	1,852,140
	Depreciation (Note-43)	6,087,079	7,765,162
		<u>65,685,636</u>	<u>64,307,039</u>
29.01	Discloser as per requirement of Schedule XI, Part II, Para 4		
		June-2020	June-2019
	Name		
	Late Feroz Alam	3,750,000	7,000,000
	Anis Salahuddin Ahmad	1,800,000	-
	Total	<u>5,550,000</u>	<u>7,000,000</u>

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





	2019 - 2020 Taka	2018 - 2019 Taka
29a Consolidated General & Administrative Expenses Shahjibazar Power Company Limited Petromax Refinery Limited	65,685,636 81,072,787 <u>146,758,423</u>	64,307,039 109,307,692 <u>173,614,731</u>
30.00 FINANCIAL EXPENSES		
Interest on Loan - Islami Bank Bangladesh Ltd.	42,818,489	23,245,919
Interest on Loan - Eastern Bank Ltd.	9,094,004	27,818,909
Bank Charges & Commission	5,168,318	5,236,874
Charge for Delay Payment	6,335,791	915,279
	<u>63,416,601</u>	<u>57,216,981</u>
30a Consolidated Financial Expenses Shahjibazar Power Company Limited Petromax Refinery Limited	63,416,601 322,580,987 <u>385,997,588</u>	57,216,981 318,445,214 <u>375,662,195</u>
31.00 NON-OPERATING INCOME:		
Income from Bank Interest	884,641	1,063,727
Wastage Sale	2,236,993	1,069,475
Foreign Exchange Gain	-	4,965,044
Interest on Mudaraba Term Deposit	3,174,382	4,143,811
Foreign Exchange Loss	(6,363,220)	-
Gain on sale of vehicle	-	913,094
Income from Dividend- Subsidiaries	90,000,000	180,000,000
	<u>89,932,796</u>	<u>192,155,150</u>
Non-Operating income increased due to receiving of Dividend from Subsidiary Company.		
31a Consolidated Non-operating Income Shahjibazar Power Company Limited Petromax Refinery Limited Less: Inter-company Dividend	89,932,796 30,665,386 (90,000,000) <u>30,598,181</u>	192,155,150 28,368,548 (180,000,000) <u>40,523,698</u>
32.00 SHARE OF PROFIT FROM ASSOCIATE:		
Net Profit of Associate company	791,420,687	531,094,470
Percentage of share holding	49%	49%
Share of profit from Associate	<u>387,796,137</u>	<u>260,236,290</u>
Profit of Midland East Power Limited	<u>789,412,804</u>	<u>683,428,445</u>
SHAREHOLDING PERCENTAGE OF MEPL:		
Midland Power Co. Limited	88.24%	88.24%
Shahjibazar Power Co. Limited	11.66%	11.66%
Faridul Alam	0.10%	0.10%
	<u>100.00%</u>	<u>100.00%</u>
MPCL's profit from MEPL	696,542,335	603,026,506
Profit of Midland Power Co. Limited	94,878,353	(71,932,036)
	<u>791,420,687</u>	<u>531,094,470</u>
32a Consolidated Share of Profit from Associate: Shahjibazar Power Company Limited Petromax Refinery Limited	387,796,137 <u>387,796,137</u>	260,236,290 <u>260,236,290</u>
33.00 WPPF IS BASED ON NET PROFIT BEFORE TAX @ 5%	51,910,810 <u>51,910,810</u>	50,430,251 <u>50,430,251</u>
33a Consolidated Workers' Profit Participant Fund: Shahjibazar Power Company Limited Petromax Refinery Limited	51,910,810 3,405,233 <u>55,316,043</u>	50,430,251 8,792,612 <u>59,222,863</u>

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



	2019 - 2020 Taka	2018 - 2019 Taka
<b>34.00 INCOME TAX EXPENSES:</b>		
<b>Current Tax</b>		
Tax on Operating Income @ 25%	140,121,815	139,053,397
Tax on Non-Operating Income @ 25%	(16,801)	3,038,788
Tax on Dividend Received @ 20%	18,000,000	36,000,000
	<u>158,105,014</u>	<u>178,092,184</u>

In accordance with the provision of Income Tax Ordinance 1984 under section 52N, Bangladesh Power Development Board is deducting tax at source @ 6% on invoice value.

**Deferred Tax**

Deferred Tax on the Profit from Associate accounted for using Equity Method

77,559,227	52,047,258
<u>77,559,227</u>	<u>52,047,258</u>

- 34a Consolidated Income Tax Expense**  
Shahjibazar Power Company Limited  
Petromax Refinery Limited

158,105,014	178,092,184
20,280,749	45,269,774
<u>178,385,763</u>	<u>223,361,958</u>

**35.00 EARNING PER SHARE (EPS)**

Net Profit After Tax	802,551,953	778,465,585
Number of share	169,168,072	169,168,072
Earnings Per Share	4.74	4.60

**35a Consolidated Basic Earning Per Share (EPS)**

Profit/(Loss) attributable to equity holder of the parent	755,593,472	715,989,805
Number of share	169,168,072	169,168,072
Earnings Per Share	4.47	4.23

**36.00 CAPACITY AND UTILIZATION:**

Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994.

	30-Jun-20	30-Jun-19
License Capacity (Unit - Kw)	753,360,000	753,360,000
Actual Utilized (Unit - Kw)	440,517,096	474,114,000
Capacity Utilize (Unit - Kw)	58%	63%

During the period license capacity and Actual capacity considered for 365 days / 12 (Twelve) months.

**37.00 CONTINGENT LIABILITIES:**

The Company has also Contingent Liabilities of an amount Tk. 45,40,23,031/- which was issued by Shahjibazar Power Company Limited infavour of BPDB, Commissioner of Customs, Chittagong and Jalalabad Gas Transmission & Distribution Systems Ltd, The Chief Controller of Import and Export, The Commissioner of Customs, Benapole. These contingent liabilities created due to released of capital goods from customs authority, guarantee of power sell and gas bill List of contingent liabilities are as follows:

BG Issued	Beneficiary Name	B.G No	Guarantee Value
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/51	1,897,479
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/57	839,273
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/60	127,431
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/58	648,848
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/61	509,724
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/71	4,247,697
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/75	118,935
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/80	1,136,259
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/81	4,247,696
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/82	4,183,981
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/85	95,572
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/86	1,018,152
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/87	4,183,981
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	BG/08/91	139,816,591
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/94	4,041,046
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/97	4,041,046
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/98	826,644
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/100	8,082,049
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/101	9,135,058
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/105	8,750,934
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/107	45,875





		2019 - 2020 Taka	2018 - 2019 Taka
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/109	8,664,228
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/110	420,564
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/02	35,043
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/03	8,407,253
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/10	10,619
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/13	467,247
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/16	20,389
Islami Bank Bangladesh Ltd.	Bangladesh Power Development Board	BG/09/25	91,500,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	11,249,611
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	18,213,655
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,405,698
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,405,698
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	Export-Cum-Import Permission	3,436,426
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	Export-Cum-Import Permission	3,436,426
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,456,425
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,456,425
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	2,550,000
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,404,351
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,404,351
Islami Bank Bangladesh Ltd.	Rupali Insurance Co. Ltd.	Insurance Payment	1,500,000
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	Export-Cum-Import Permission	2,550,000
Islami Bank Bangladesh Ltd.	Aqua Pacific General Insurance Co. Ltd.	Insurance Payment	300,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	69,104,752
<b>Grand Total</b>			<b>454,023,031</b>

**38.00 CAPITAL EXPENDITURE COMMITMENT:**

No capital expenditure contracted or incurred provided for as at 30th June, 2020.

There was no material capital expenditure authorized by the Board or contracted for as at 30th June, 2020.

**39.00 CLAIM ACKNOWLEDGEMENT:**

There was no claim against the Company not acknowledged as debt as on June 30, 2020.

**40.00 EVENTS AFTER THE REPORTING PERIOD:**

The Board of Directors at the Board Meeting held on 28th October 2020, has recommended to the shareholders a cash dividend @ 28% Cash i.e. Tk. 2.80 per share (amounting to Tk. 473,670,601.60) and stock dividend @2%. This will be considered for approval by the shareholders at the 13th Annual General Meeting (AGM) to be held on 25 January 2021.

"The financial statements for the year ended 30 June 2020 do not include the effect of these dividends which will be counted for the period when shareholder's right to receive payment is established. These are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements."

**41.00 Name of Auditors of Group Companies**

SL	Name of the Company	Status	Name of Auditor
1	Petromax Refinery Limited	Subsidiary	Aziz Halim Khair Choudhury
2	Midland Power Co. Ltd.	Associate	Aziz Halim Khair Choudhury
3	Midland East Power Limited	Equity Investment	ACNABIN

**42.00 NUMBER OF EMPLOYEES:**

This is the disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994. Total number of employees is 125 in comparison to 121 in

	30-Jun-20	30-Jun-19
Head Office Staff	24	19
Plant Staff/Employees	101	102
<b>Total</b>	<b>125</b>	<b>121</b>



**SHAHJIBAZAR POWER COMPANY LIMITED**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Note-43

SL No.	Particulars	Cost			Rate %	Depreciation				Written Down Value as on 30.06.2020
		Balance as on 01.07.2019	Addition during this year	Disposal/ Impairment during the year		Balance as on 01.07.2019	Adjustment during the year	Charged During the year	Balance as on 30.06.2020	
01	Land & Land Development	149,587,065	-	-	0.0%	-	-	-	-	149,587,065
02	Building & Construction	374,855,803	-	-	7.0%	263,581,598	-	26,239,906	289,821,504	85,034,299
03	Plant & Machineries	4,524,208,263	809,573,630	-	6.0%	2,307,468,318	-	368,771,511	2,676,239,829	2,657,542,064
04	Mechanical & Electrical Goods	4,167,563	64,000	-	10.0%	1,159,377	-	422,623	1,582,000	2,649,563
05	Office Equipment	4,321,654	179,460	-	15.0%	4,501,114	-	464,107	4,501,114	0
06	Computer & Computer Equipment	2,711,570	130,500	-	20.0%	2,711,570	-	130,500	2,842,070.33	(0)
07	Water Treatment Plant	4,170,000	94,500	-	15.0%	3,354,250	-	637,313	3,991,563	272,938
08	Furniture & Fixture	7,148,470	976,592	-	10.0%	4,420,236	-	756,822	5,177,058	2,948,004
09	Vehicles	23,678,250	-	-	20.0%	15,499,421	-	4,735,650	20,235,071	3,443,179
	June-2020	5,094,848,638	811,018,692	-		2,602,231,777	-	402,158,431	3,004,390,208	2,901,477,112
	June-2019	4,747,511,724	361,961,914	14,625,000		2,303,774,462	7,599,404	306,056,719	2,602,231,777	2,492,616,862

**Allocation Current Year Depreciation:**

**Cost of Goods Sold Portion:**

Building & Construction	26,239,906
Plant & Machineries	368,771,511
Mechanical & Electrical Goods	422,623
Water Treatment Plant	637,313
<b>Total</b>	<b>396,071,352</b>

Note: 28

**General & Admin. Portion:**

Office Equipment	464,107
Computer & Computer Equipment	130,500
Furniture & Fixture	756,822
Vehicles	4,735,650
<b>Total</b>	<b>6,087,079</b>
<b>Grand Total :</b>	<b>402,158,431</b>

Note: 29





Note: 44

**SHAHJIBAZAR POWER COMPANY LIMITED**  
**CONSOLIDATED SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

SL	Particulars	Cost			Depreciation				Written Down Value as on 30.06.2020	
		Balance as on 01.07.2019	Addition during the year	Disposal during the year	Balance as on 30.06.2020	Rate %	Balance as on 01.07.2019	Adjustment during the year		Charged During the year
1	Land & Land Development	213,812,861	141,636	-	213,954,497	0.0%	-	-	-	213,954,497
2	Building & Construction	906,265,898	750,503	-	907,016,401	7.0%	418,357,693	-	51,946,298	436,712,410
3	Plant & Machineries	7,346,868,682	809,573,630	-	8,156,442,312	6.0%	3,103,780,337	-	487,619,363	4,565,042,612
4	Mechanical & Electrical Goods	4,167,563	64,000	-	4,231,563	10.0%	1,159,376	-	422,623	2,649,564
5	Office/factory Equipment	14,750,826	9,400,208	-	24,151,034	15.0%	8,447,995	-	1,547,446	9,995,441
6	Computer & Computer Equipment	4,833,983	203,700	-	5,037,683	20.0%	3,594,848	-	310,776	3,905,624
7	Water Treatment Plant	8,552,645	94,500	-	8,647,145	15.0%	5,746,296	-	919,523	6,665,819
8	Furniture & Fixture	14,681,118	1,062,992	-	15,744,110	10.0%	8,247,999	-	1,346,670	9,594,669
9	Vehicles	59,962,165	-	-	59,962,165	20.0%	25,506,115	-	9,609,911	35,116,026
10	Electric Installation	35,794,236	-	-	35,794,236	15.0%	19,813,169	-	2,265,659	22,078,828
11	Fire Extinguisher/Equipments	2,405,810	-	-	2,405,810	15.0%	418,697	-	281,716	700,413
12	Lab Equipments	2,791,179	-	-	2,791,179	15.0%	1,430,958	-	192,839	1,623,797
13	Refrigerator	28,299	-	-	28,298	15.0%	16,112	-	1,728	17,840
14	Air Conditioner	6,531,490	-	-	6,531,490	15.0%	3,026,309	-	496,934	3,523,243
15	Jetty	9,047,777	-	-	9,047,777	15.0%	4,949,747	-	580,984	5,530,731
16	Cylindrical Vertical Steel Tank	111,594,038	-	-	111,594,038	15.0%	61,779,199	-	7,062,321	68,841,520
17	Generator	20,300,278	-	-	20,300,278	15.0%	11,518,082	-	1,245,065	12,763,147
18	Ship	355,753,863	-	-	355,753,863	20.0%	167,808,783	-	34,862,638	202,671,421
19	Helicopter	90,285,623	-	-	90,285,623	10.0%	20,191,957	-	6,750,869	153,082,442
20	Solar Power System	560,000	-	-	560,000	15.0%	318,820	-	34,193	205,987
21	Telephone Installation	1,702,088	99,700	-	1,801,788	15.0%	855,839	-	123,712	979,551
22	Water Line Installation	326,395	-	-	326,395	15.0%	185,824	-	19,928	205,752
	June 30, 2020	9,211,016,817	821,390,869	-	10,032,407,685		3,867,154,155	-	607,841,195	4,474,795,350
	June 30, 2019	8,867,009,531	381,023,284	37,015,998	9,211,016,817		3,349,279,831	13,611,618	531,485,942	3,867,154,155
										5,557,612,336
										5,343,862,662



**Note: 45**

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

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2019	Addition during the period	Adjustment during the period	Balance as at June 30, 2020	Nature of Balance
Comfit Composite Knit Ltd.	Common Directorship	Intercompany Transaction	-	480,434	480,434	-	
Petromax Refinery Limited	Parent - Subsidiary	Intercompany Transaction	85,000,000	55,000,000	63,000,000	77,000,000	Credit
Youth Fashion Limited	Common Directorship	Intercompany Transaction	48,062	445,898	493,960	-	
Youth Garments Limited	Common Directorship	Intercompany Transaction	101,101	-	5,000	96,101	Credit
Midland Power Co. Ltd.	Associate Company	Investment	431,200,000	-	-	431,200,000	Debit
Midland East Power Limited	Common Directorship	Investment	11,664,500	-	-	11,664,500	Debit
Islamic Finance & Inv. Ltd.	Common Directorship	MTDR	9,102,873	890,375	9,993,248	(0)	
Feroz Alam	Ex-Managing Director	Remuneration	500,000	3,250,000	3,750,000	-	
Anis Salahuddin Ahmad	Managing Director	Remuneration	-	1,800,000	1,450,000	350,000	Credit

**Key Management Personnel Compensation:**

Particulars	Transaction During the period ended 30 June, 2020	30 June, 2019
Salary & Allowances	21,304,584	22,696,906
Total =	21,304,584	22,696,906

The company's key management personnel includes the company's Managing Director, Executive Director, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit etc.





**Note-46****Financial risk management**

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

- Credit risk
- Liquidity risk
- Market risk

**Credit risk**

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

**a) Exposure to credit risk**

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

	30 June, 2020	30 June, 2019
	Taka	Taka
Accounts Receivable	1,671,558,329	1,290,439,850
Advance, Deposit & Prepayments	735,267,993	748,234,181
Other Receivable	355,974	264,993
	<b>2,407,182,296</b>	<b>2,038,939,024</b>

**b) Ageing of Receivables**

Accounts receivable were aged as below:

Less than six months	1,062,517,054	293,107,638
More than six months	609,041,275	997,332,211
	<b>1,671,558,329</b>	<b>1,290,439,849</b>

**c) Impairment losses**

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

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities. The contractual maturities of financial liabilities of the Group are as follows:

Particulars	Carrying amount	Cash flows	Up to 1 year	Above 1 Year
As at 30 June 2020	Taka	Taka	Taka	Taka
Short Term interest bearing loans	3,563,288,765	3,563,288,765	3,563,288,765	-
Short Term non-interest bearing loan	(124,767,099)	(124,767,099)	(124,767,099)	-
Long Term interest bearing loans	430,825,412	430,825,412	182,096,793	248,728,619
Long Term non-interest bearing loan	-	-	-	-
Trade creditors/Payable	224,157,975	224,157,975	224,157,975	-
Sundry creditors	276,028,436	276,028,436	276,028,436	-
L/C Liabilities	706,602,001	706,602,001	706,602,001	-
Other liabilities	37,700,160	37,700,160	37,700,160	-
	<b>5,113,835,649</b>	<b>5,113,835,649</b>	<b>4,865,107,029</b>	<b>248,728,619</b>
<b>As at 30 June 2019</b>				
Short Term interest bearing loans	3,185,514,558	3,185,514,558	3,185,514,558	-
Short Term non-interest bearing loan	309,341,597	309,341,597	309,341,597	-
Long Term interest bearing loans	342,031,181	342,031,181	182,096,793	-
Long Term non-interest bearing loan	53,705,545	53,705,545	-	-
Trade creditors/Payable	101,397,598	101,397,598	101,397,598	-
Sundry creditors	203,089,779	203,089,779	203,089,779	-
L/C Liabilities	426,912,660	426,912,660	426,912,660	-
Other liabilities	21,479,861	21,479,861	21,479,861	-
	<b>4,643,472,779</b>	<b>4,643,472,779</b>	<b>4,429,832,846</b>	<b>-</b>



#### Market risk

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

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

The Company's exposure to foreign currency risk at June 30, 2020 are as follows:

	30 June, 2020	30 June, 2019
	Taka	Taka
Deferred L/C for Import of Spare Parts (USD)	5,980.00	671,431.92
Deferred L/C for Import of Spare Parts (EURO)	8,028,782.00	3,736,905.95
Bank Balance/IPO Fund (USD)	1,228.97	1,228.97
Bank Balance/IPO Fund (EURO)	9.00	9.00
Bank Balance/IPO Fund (GBP)	312.90	312.90

#### b) Interest rate risk

		30 June, 2020	30 June, 2019
		Taka	Taka
<b><u>Fixed Rate instruments</u></b>	<b><u>Rate of Interest</u></b>		
Financial Assets	5%-9.50%	552,456,515	443,872,450
Financial Liabilities	9.00%-11.50%	3,994,114,177	3,527,545,739
<b><u>Variable Rate instruments</u></b>			
Financial Assets			
Financial Liabilities			





**Note-47:** Reporting under BSEC Notification of Financial Reporting and Disclosure dated 20 June 2018.

**SHAHJIBAZAR POWER COMPANY LIMITED  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30,2020**

		JUNE 30, 2020 Taka
<b>A</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
	Net Income	760,375,863
	Adjustments to reconcile net income to net cash provided by operating activities	
	(+) Depreciation	607,641,194
	(+) Amortization of Intangible Assets	139,652
	(-) Increase in Inventory	(402,845,749)
	(-) Increase in Accounts Receivable	(381,118,480)
	(-) Increase in Other Receivable	(90,981)
	(+) Decrease in Prepaid Expenses	20,966,187
	(+) Decrease in Financial Assets	6,233,822
	(-) Increase in Goods Intransit	(2,910,858)
	(+) Increase in Sundry Creditors	81,431,316
	(+) Increased in Trade Payable	122,760,381
	(-) Decrease in Other Payable	(8,495,341)
	(-) Decrease in L/C Liabilities	(3,531,642)
	(-) Decrease in Liabilities for Expenses	(1,876,527)
	(-) Increase in Investment in equity Methods	(387,796,137)
	(+) Provision for Deferred Tax	77,559,227
	(+) Exchange Gain or Loss	6,363,219
	<b>Net Cash flows from operating activities</b>	<b>494,805,146</b>
<b>B</b>	<b>Number of Share for Calculation of NOCFPS</b>	<b>169,168,072</b>
	<b>Net Operating Cash Flow Per Share (NOCFPS) [A/B]</b>	<b>2.92</b>



**Note-48:** Reporting under BSEC Notification of Financial Reporting and Disclosure dated 20 June 2018.

**SHAHJIBAZAR POWER COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30,2020**

**A CASH FLOWS FROM OPERATING ACTIVITIES**

	JUNE 30, 2020 Taka
Net Income	802,551,953
Adjustments to reconcile net income to net cash provided by operating activities	
(+) Depreciation	402,158,431
(-) Increase in Inventory	(113,809,996)
(-) Increase in Accounts Receivable	(315,933,637)
(-) Increase in Other Receivable	(90,981)
(-) Increase in Prepaid Expenses	(12,567,888)
(+) Decrease in Goods Intransit	-
(+) Increase in Sundry Creditors	81,431,316
(+) Increased in Trade Payable	123,356,847
(+) Increase in L/C Liabilities	-
(-) Decrease in Liabilities for Expenses	(404,030)
(-) Increase in Investment in equity Methods	(387,796,137)
(+) Provision for Deferred Tax	77,559,227
(+) Exchange Gain or Loss	6,363,220
<b>Net Cash flows from operating activities</b>	<b>662,818,325</b>

**Calculation of Net Operating Cash Flow Per Share:**

<b>B</b>	Number of Share for Calculation of NOCFPS	169,168,072
	Net Operating Cash Flow Per Share (NOCFPS) [A/B]	3.92





Note: 49

Reporting under Company Act 1994, section 186(6)

Investment in Subsidiary	Amount in BDT						
Share of net assets	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Net Assets
30 June 2020							
Petromax Refinery Limited	3,141,052,598	3,197,100,838	6,338,153,436	3,490,467,740	-	3,490,467,740	2,847,685,697
30 June 2019							
Petromax Refinery Limited	2,850,167,916	3,278,686,112	6,128,854,028	3,228,992,242	-	3,228,992,242	2,899,861,786
Share of Net Profit & Loss	Reporting Date	Nature of Investment Controlling Power	Income	Expenses	Tax Expenses	Profit After tax	Share of Profit
30 June 2020							
Petromax Refinery Limited	27-Oct-2020	Subsidiary	4,592,237,549	4,524,132,889	20,280,749	47,823,911	43,041,520
30 June 2019							
Petromax Refinery Limited	15-Oct-2019	Subsidiary	5,606,657,287	5,430,805,047	45,269,774	130,582,466	117,524,219

