

**Evolving Energy  
Evolving Lifestyles**

**ANNUAL REPORT**  
2017-2018

MIDLAND EAST POWER LTD.  
150 MW HFO FIRED POWER PLANT  
CHOR CHARTOLA, ASHUGONJ, S. BARIA



**SHAHJIBAZAR POWER CO. LTD.**

## INSIDE THIS REPORT

### CORPORATE OBJECTIVES, VALUES & STRUCTURE

1.	COMPANY INFORMATION	2
2.	CORPORATE DIRECTORY	3
3.	PARTICULARS OF TOP EXECUTIVES/OFFICERS	4
4.	LETTER OF TRANSMITTAL	5
5.	CONSOLIDATED KEY HIGHLIGHTS – 2018	6
6.	CORE VALUES & CODE OF CONDUCTS	7-10
7.	CORPORATE GOVERNANCE	11-12
8.	NOTICE OF THE 11TH ANNUAL GENERAL MEETING	13
9.	CORPORATE ETHOS	14
10.	TYPICAL ELECTRICITY TRANSPORT MODEL	15
11.	TYPICAL OIL REFINING MODEL	15
12.	LETTER FROM THE CHAIRMAN	16-17

### THE MANAGEMENT & REPORTING

13.	DIRECTORS PROFILE	19-21
14.	SUCCESS MILESTONES	22-23
15.	DIRECTORS REPORT TO SHAREHOLDERS	24-32

### COMPLIANCES AND DISCLOSURES

16.	MANAGEMENT DISCUSSION AND ANALYSIS	34-35
17.	PICTURES FROM 10TH ANNUAL GENERAL MEETING	36
18.	KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 (FIVE) YEARS	37
19.	FINANCIAL REVIEW – 2018	38
20.	INVESTOR COMPLAINT REDRESSAL MECHANISM	39
21.	CEO AND CFO'S DECLARATION TO THE BOARD	40
22.	CERTIFICATE OF CORPORATE GOVERNANCE COMPLIANCE	41
23.	COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE	42-52
24.	VARIOUS COMMITTEES	53
25.	VALUE ADDED STATEMENT	54

### FINANCIAL STATEMENTS

26.	AUDITORS REPORT TO THE SHAREHOLDERS	55-91
-----	-------------------------------------	-------

### DIRECTORS' REPORTS AND FINANCIAL STATEMENTS OF SUBSIDIARY

27.	PETROMAX REFINERY LTD.	92-119
28.	PROXY FORM AND ATTENDANCE SLIP	120



## COMPANY INFORMATION

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

Shahjibazar Power Co. Ltd. produce electricity from natural gas and supply to Bangladesh Power Development Board (BPDB) under a 15 year Power Purchase agreement for supply of power with Bangladesh Power Development Board (BPDB) held on 14th February, 2008.

After successful completion of Initial Public Offering (IPO) the Company has started trading of shares in Dhaka and Chittagong-stock exchange from July 15, 2014.

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



## CORPORATE DIRECTORY

### Board of Directors:

**Mr. Rezakul Haider**  
Chairman

**Mr. Feroz Alam**  
Managing Director

**Mr. Anis Salahuddin Ahmad**  
Director

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

**Mr. Shamsuzzaman**  
Director

**Mr. Mohammad Liaquat Ali**  
Independent Director

**Mr. Golam Nabi FCA**  
Independent Director

### Company Secretariat:

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

**Mr. Yeasin Ahmed, ACS**  
Company Secretary

### Registered Office:

822/2 Rokeya Sarani, Mirpur  
Dhaka-1216

Tel: +88-02 9025401-2

Fax: +88-02 9032436

E-Mail: [info@youthbd.com](mailto:info@youthbd.com)

Website: [www.youthbd.com](http://www.youthbd.com)

### Auditors :

ACNABIN Chartered Accountants

BDBL Bhaban (Level-13 & 14),

12 Kawran Bazar C/A Dhaka - 1215,

Tel: +88-02-814 4347-52

Fax: +88-02-814 4353

[www.acnabin.com](http://www.acnabin.com)

### Main Bankers:

Islami Bank Bangladesh Ltd.

Eastern Bank Ltd.

Bank Asia Ltd.

## PARTICULARS OF TOP EXECUTIVES/OFFICERS

### Feroz Alam

Position  
 Educational Qualification  
 Date of Joining  
 Last Five Years' Experience

Director & Managing Director  
 Bachelor of Arts  
 Since start of the Project  
 Worked as Managing Director in different companies within the group

### Engr. Md. Hafizur Rahman

Position  
 Educational Qualification  
 Date of Joining  
 Last Five Years' Experience

Executive Director  
 BSc Engineer – Mechanical (BUET)  
 Since start of the Project  
 Worked as Executive Director in different companies within the group

### Engr. Shariful Islam

Position  
 Educational Qualification  
 Date of Joining  
 Last Five Years' Experience

COO - Project and Power Gen.  
 BSc Engineer – Mechanical (RUET)  
 01.01.2010  
 Worked as Sr. Manager in different companies within the group

### Bhulon Bhowmik

Position  
 Educational Qualification  
 Date of Joining  
 Last Five Years' Experience

Chief Financial Officer (CFO)  
 MBA (Finance), LLB, ITP  
 01.01.2008  
 Worked as Sr. Manager in different companies within the group

### Yeasin Ahmed, ACS

Position  
 Educational Qualification  
 Date of Joining  
 Last Five Years' Experience

Company Secretary  
 BBA, MBA (Finance), ACS  
 02.05.2014  
 Worked as Manager in different Group of companies

### Hasan Imam Siddiki, ACA

Position  
 Educational Qualification  
 Date of Joining  
 Last Five Years' Experience

Manager - Finance  
 BBA, MBA (AIS), ACA  
 01.03.2015  
 Worked as Manager in Audit Firms

## LETTER OF TRANSMITTAL

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

Dear Sir(s)

The undersigned on behalf of the Board of Directors of Shahjibazar Power Co. Ltd. is pleased to present herewith the Annual Report together with the Audited Financial Statements which includes Statement of Financial Position as at June 30, 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended June 30, 2018 and notes thereon.

Thanking You

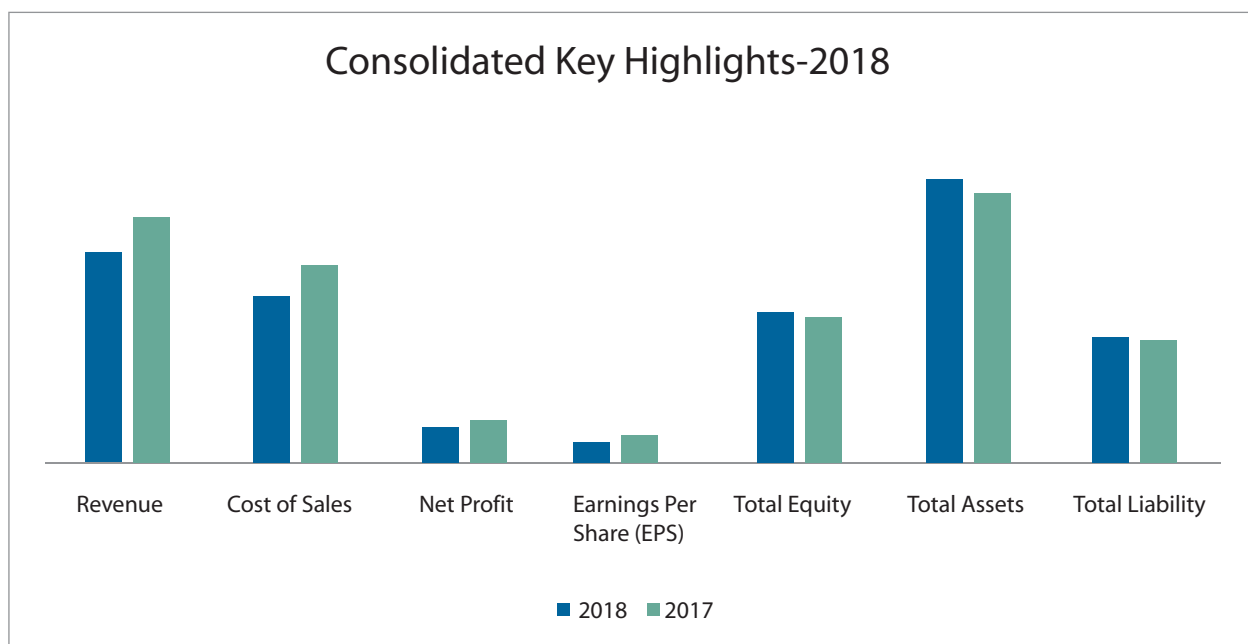
Sincerely Yours,



Yeasin Ahmed, ACS  
Company Secretary

## CONSOLIDATED KEY HIGHLIGHTS-2018

Particulars	2018	2017	Change in %
Revenue	7384.77	8642.56	-14.55%
Cost of Sales	5832.55	6889.32	-15.34%
Net Profit	701.76	949.89	-26.12%
Earnings Per Share (EPS)	4.10	6.28	-34.69%
Total Equity	5306.41	5130.30	3.43%
Total Assets	9969.07	9443.11	5.57%
Total Liability	4383.00	4312.81	1.63%



## CORE VALUES & CODE OF CONDUCTS

### 6.1. ETHICS:

Ethics deal primarily with conflicts of interest and integrity. A conflict of interest could be defined as a situation that arises when a decision making authority is seen to have a personal stake in the outcome of the decision itself. This code covers various situations which an SPCL employee may face in the areas of financial control, personal integrity, conflicts, etc, and the role which they should play in such circumstances. This code provides a common code of conduct, which should be adhered to, by all SPCL employees.

### 6.2 CONFLICTS OF INTEREST:

An employee or director of SPCL shall always act in the interest of the company, and ensure that any business or personal association which he / she may have does not involve a conflict of interest with the operations of the company and his / her role therein.

- 6.2.1 An employee of SPCL, shall not accept a position or responsibility in any other non-SPCL company or not-for-profit organization without specific approval
- 6.2.2 Shall not be involved in the decisions pertaining to companies where he / she holds financial interest directly or indirectly, including through close relatives in a company.
- 6.2.3 Shall not direct business to a supplier managed by a relative or close friend.
- 6.2.4 Shall not solicit subcontractors and vendors for donation / advertisements to a charity, in which the employee is involved.
- 6.2.5 Using company facilities for personal purposes or for spouse's / relatives business.
- 6.2.6 Shall not treat personal expenses / trips as business expenses / trips.
- 6.2.7 Shall not take part-time job requiring the employee to spend time, during normal working hours or using office equipment in meeting personal responsibilities.
- 6.2.8 Shall not be in a position to influence career decision about a spouse or relative.
- 6.2.9 Shall not pursue any business or profession outside SPCL including consultancy.

The above shall not apply to (whether for remuneration or otherwise):

- a) Nominations to the boards of SPCL companies, joint ventures or associate companies.

- b) Memberships / positions of responsibility in educational / professional bodies, wherein such association will benefit the employee / SPCL Company.
- c) Nominations / memberships in government committees / bodies or organizations.
- d) Exceptional circumstances, as determined by the competent authority.

### 6.3 MEMBERSHIP OF SOCIAL SERVICE ORGANISATIONS

Potential conflicts arise when executives take up memberships of Organizations and Associations that undertake Social Service of various kinds. Conflicts arise in the form of fund-raising from SPCL for such Associations / Organizations, using company infrastructure and facilities to discharge responsibilities towards that organization and providing use of such facilities directly to the Association / Organizations and its members. Prior approval from the management should be obtained, for undertaking such activities.

### 6.4 GIFTS

- 6.4.1 Buying equipment from suppliers for personal use at high discounts is absolutely prohibited.
- 6.4.2 Accepting free trips / holidays within Bangladesh and / or abroad and / or members of employees family, from suppliers is also absolutely prohibited.
- 6.4.3 Business associates such as JV partners, technology suppliers and other closely related companies may also make similar offers. These should be reported to the management, who shall provide guidance.
- 6.4.4 Small value gifts and flowers on festive occasions from anyone are normally acceptable. High value gifts in extraordinary circumstances, if required, need to be specially approved by the concern management.

### 6.5 CONFIDENTIALITY AND DISCRETION

Executives should, at all times, realize that they are in possession of sensitive, classified and confidential information that should not be parted with, in any circumstances to Competitors, Investment analysts, Stock brokers, Newspaper reporters and Government officials before intimating the same to BSEC, DSE & CSE as material or price sensitive information. Some illustrations of such information are given here.

- 6.5.1 Financial Information.
- 6.5.2 Tax Planning Measures.
- 6.5.3 Potential Joint Venture deals being negotiated.
- 6.5.4 New Product Introductions.
- 6.5.5 Manufacturing Process and Recipe for Products. Employees should maintain total confidentiality with any such classified information.



## 6.6 PERSONAL INTEGRITY

In day – to – day work most employees are called upon to support broad company objectives like providing equal employment opportunity and environmental protection. Some responsibilities are on a more personal level. For example, every employee also has a direct role in helping to keep the company's records accurate and in protecting company assets.

Sometimes the chance for illegal or unethical personal gain will arise. That is when employees must remember that integrity depends on individual integrity. Every employee should develop the ability to distinguish the right from the wrong and relentlessly follow the right - even when it may be very tempting to do otherwise.

## 6.7 SEXUAL HARASSMENT AT WORKPLACE

Equality in employment can be seriously impaired when women are subjected to gender specific harassment such as sexual harassment at workplace. Such conduct is discriminatory when the woman has reasonable grounds to believe that her objection would disadvantage her in connection with her employment, including recruiting or promotion, or when it creates a hostile working environment.

The following rules are therefore applicable, regarding this matter.

- 6.7.1 Company should provide a procedure for resolution, settlement or prosecution for acts of sexual harassment, by taking all steps required.

For this purpose, sexual harassment includes such unwelcome sexually determined behavior as

- 6.7.1.1 Physical contact and advances;
- 6.7.1.2 A demand or request for sexual favors;
- 6.7.1.3 Sexually colored remarks;
- 6.7.1.4 Showing pornography;
- 6.7.1.5 Any other unwelcome physical, verbal or non-verbal conduct of sexual nature.

All managers or persons in-charge of work place are required to take appropriate steps, to prevent sexual harassment.

## 6.8 CODE OF CONDUCT:

- 6.8.1 Every employees of SPCL shall devote their whole time and attention to and use their best skills and care in the business and affairs of the Company and at all times faithfully and diligently perform such duties assigned to them by the Company.
- 6.8.2 They shall not at any time during the continuance of the employment hereunder solicit, seek, engage or be

interested or concerned either directly or indirectly or alone or jointly in any other office, trade, business or occupation without the prior permission in writing of the Company.

- 6.8.3 Notwithstanding anything to the contrary in this document if, in the opinion of the Company, they commit any breach in the observance of performance of their obligations hereunder or if they are, in the opinion of the Company, guilty of any misconduct, including disobedience, breach of duty or gross carelessness or if they absent themselves without leave then and in any and every such case it shall be lawful for the Company, (notwithstanding any waiver by the Company of antecedent breach or circumstances justifying the termination of their services under this clause) to terminate this employment forthwith without notice whatsoever and/or to dismiss them from the services of the Company without prejudice to the Company's remedial rights in respect of such breach or circumstances. In the event of such termination or dismissal they will be entitled to their salary including all allowances up to the date of termination according to the provisions of labor law.

- 6.8.4 As a corollary to their obligation, under sub-clause 2 above, they shall devote their whole-time attention to the Company and use their best skills and care for the benefit of the Company and any discovery or invention or secret process or improvement in procedure made or discovered by them or any work capable of copy right whilst in the service of the Company in connection with or in any manner affecting or relating to the business of the Company or capable of being adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and if and whenever required to do so by the Company, they shall, at the cost the Company, apply or join the Company in applying for letters, patents or other equivalent protection in Bangladesh and in any other part of the world for any such discovery, invention, process or improvement as aforesaid and shall at the cost of the Company execute and do all instruments and things necessary for vesting the said letters patents or other equivalent protection when obtained and all right, title and interest to and in the same shall vest in the Company absolutely and as sole beneficial owner or in such other person as the Company may specify.

- 6.8.5 During association with the Company, our employees will have access to and be furnished with such information, trade secrets, processes, inventions, customer/supplier lists, etc. which would be sensitive for the Company and therefore would be treated as absolutely confidential (Confidential Information) and they may themselves develop or be a contributory to such Confidential Information. Hence, as a corollary to their duty to act

always in the interest of the Company, they shall be obliged not to divulge or communicate to any person other than necessary to those who need to know such information for Company's business and use such Confidential Information solely for the benefit and in the best interests of the Company.

6.8.6 All Confidential Information belongs to the Company and is always to be used for the Company's benefit, needless to mention, such obligation on employee's part will have to be honored, even after they cease to be associated with the Company. Hence, if there is any apprehension that the Confidential Information could be misused to the Company's detriment, you should refrain from associating, joining, or taking up employment with any other person for such period, as is considered necessary by the Company. They can also during their tenure with the company and during the notice period prior to their separation from the company, be restrained from coming to work, associating or communicating with the Company officials for such time as is considered necessary.

6.8.7 Considering the sensitivity of the confidential information which will come to the knowledge, the employee shall not engage in any activity even after ceasing to be in employment with the Company, which will adversely affect the interest of the Company including advising and utilizing the information to the disadvantage of the Company.

6.8.8 Every employee shall not at any time within twelve months after the cessation of their employment with the Company, either directly or indirectly, or through any proprietary firm or a partnership firm in which he/she is a partner or through any Company in which he/she is a shareholder or director, or engage with in any manner whatsoever, solicit or seek to employ or appoint as agent, or engage with, any employee or officer or associate of the Company unless a period of twelve months has elapsed since the date of separation of the concerned employee, agent or associate, unless specifically approved by the management of the Company.

6.8.9 Every employee shall also not request, encourage or cause any of the past, present or prospective customer, supplier, employee or independent contractor to withdraw, curtail or cancel a business relationship with the Company or otherwise interfere in any manner with the relationship between the Company and such past, present or prospective customer, supplier, employee or independent contractor.

## 6.9 POLITICAL NON ALIGNMENT

As a secular and nonpolitical enterprise, SPCL shall not have any type of political alignments:

6.9.1 SPCL shall be committed to and support the constitution and governance systems of the country in which it operates.

6.9.2 SPCL shall not support any specific political party and not have any political affiliations.

6.9.3 All SPCL Employees are free to contribute or participate in the political process if it does not create conflict of interest or invade work related commitments.

## 6.10 PROTECTING COMPANY ASSETS

It is the responsibility of all employees to protect the interests of all stakeholders of the company.

6.10.1 The assets of SPCL shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and suppliers.

## 6.11 DONATIONS

Any amount of donation shall be made only with prior approval of Chairman/Board of Directors/CEO. This will include advertisement in the souvenir or any such support directly or indirectly.

## 6.12 CORPORATE CITIZENSHIP

6.12.1 SPCL shall be committed to good corporate citizenship, not only in the compliance of all relevant laws and regulations but also by actively assisting in the improvement of quality of life of the people in the communities in which it operates. The company shall encourage volunteering by its employees and collaboration with community groups.

6.12.2 SPCL also encouraged to develop systematic processes and conduct management reviews from time to time so as to set strategic direction for social development activity.

6.12.3 SPCL shall not treat these activities as optional, but should strive to incorporate them as an integral part of its business plan.

## 6.13 REGULATORY COMPLIANCE

6.13.1 Employees of SPCL, in their business conduct, shall comply with all applicable laws and regulations, in letter and spirit.

6.13.2 Directors of SPCL shall comply with applicable laws and regulations of all the relevant regulatory and other authorities. As good governance practice they shall safeguard the confidentiality of all information received by them by virtue of their position.

## 6.14 SECURITIES TRANSACTIONS & CONFIDENTIAL INFORMATION

Handling of sensitive and confidential information relating to the business of SPCL is very crucial. It is also a highly regulated area which requires compliance

- |   |  |
|---|--|
| <p>6.14.1 An employee of SPCL and his / her immediate family shall not derive any benefit or counsel, or assist others to derive any benefit, from access to and possession of information about the company or its clients or suppliers that is not in the public domain and, thus, constitutes unpublished, price-sensitive insider information.</p> <p>6.14.2 An employee of SPCL shall not use or proliferate information that is not available to the investing public, and which therefore constitutes insider information, for making or giving advice on investment decisions about the securities of SPCL client or supplier on which such insider information has been obtained. Such insider information might include (without limitation) the following:</p> | <p>6.14.2.1 Acquisition and divestiture of businesses or business units.</p> <p>6.14.2.2 Financial information such as profits, earnings and dividends.</p> <p>6.14.2.3 Announcement of new product introductions or developments.</p> <p>6.14.2.4 Asset revaluations.</p> <p>6.14.2.5 Investment decisions / plans.</p> <p>6.14.2.6 Restructuring plans.</p> <p>6.14.2.7 Major supply and delivery agreements.</p> <p>6.14.2.8 Raising of finances.</p> <p>6.14.3 An employee of SPCL shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions; and strictly observe a practice of non-disclosure.</p> |
|---|--|



## CORPORATE GOVERNANCE

Shahjibazar Power believes that the fair practice of excellent corporate governance is fundamental to ensuring sustainability of the Business of the Company. The Board of Directors of Shahjibazar Power Co. Ltd. (SPCL) is responsible for the Corporate Governance of the Company. This statement outlines the policies and practices related to the corporate governance guidelines enacted by the Bangladesh Securities & Exchange Commission (BSEC) and fully adopted by us to keep the Company's business integrity and performance on the right track. The Board of Directors put their best effort to establish an appropriate internal control system and risk management procedures to make sure the accountability, transparency at every level of its operation. Moreover, the Directors follow some principles set for them to oversee the function and set up clear guidelines for the management.

### Board Composition

The Board of SPCL is comprised of seven (7) Directors including the Chairman of the Company. In compliance with the Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC), the board has appointed two (2) Independent Directors with diversified knowledge and experience which provides a balance and ensures transparency in decision making process.

### Responsibilities of the Board

The Board assumes overall responsibility for the strategic direction of the Company, retains full and effective control over the company, oversees the operations and activities through appropriate delegation of authority to the management and decisions in subsidiaries. The main role of the Board is to take decisions concerning certain policies, budgets, financing plan and major capital expenditures of the Company. The board is governed by a formal board charter setting out its composition, processes and responsibilities.

The primary responsibilities of the board are to:

- Retain full and effective control of the company
- Give strategic direction to the company
- Take decisions concerning certain policies, budgets, financing plan and major capital expenditures of the Company.
- Monitor management in implementing plans and strategies, as approved by the board
- Appoint the CEO and other directors
- Ensure that succession is planned
- Identify and regularly monitor key risk areas and key performance indicators of the business
- Ensure that the company complies with relevant laws, regulations and codes of business practice
- Ensure that the company communicates with shareholders and relevant stakeholders openly and promptly
- Monitoring the company's integrated performance
- Establish a formal and transparent procedure for appointment to the board
- Regularly review the report provided by the Audit Committee
- Assess the performance of the board, its committees and its individual members on a regular basis

In order to fulfill their responsibilities, directors always have unrestricted access to information including financial data, documents, and records of the company.

### Board Meeting

In fulfillment of its responsibilities, the Board of Directors of SPCL holds periodic meetings and takes appropriate decisions. The Board meets not only for scheduled meeting but also on other occasions to deal with urgent matters that require attention; additional meetings are convened on an ad hoc basis.

As per the provision mentioned under Section 96 of the Companies Act-1994, a meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

Pursuant to the above, The Board met Four (4) times during the reporting period and all the directors including both the independent directors were present in most of the meetings. The Company Secretary and the Chief Financial Officer were also present in the Board meetings.

### Rotation of Directors

Under the Companies Act 1994, one third of the directors are required to retire by rotation each year and being eligible, offer themselves for re-election by shareholders at the Annual General Meeting. Here, Mr. Rezakul Haider and Mr. Md Sham-suzzaman Directors of the Company retire by rotation and also offer themselves for re-appointment at the ensuing AGM.

### Company Secretary

The Company Secretary, Mr. Yeasin Ahmed ACS is responsible for providing guidance to the Chairman and Board of Directors in respect of their responsibilities, authorities and power. He is directly accountable to the Board, through the Chairman. He is also responsible to advice on the corporate governance and other rules and regulations imposed by different regulatory authorities including RJSC, DSE, CSE, BSEC. He facilitates the distribution of information to the concerned office or person in a timely manner like agenda items for board meetings, investor communications and any other corporate announcement including Price Sensitive Information which may have significant material impact on the performance of the Company.

### Chief Financial Officer

The name of the Chief Financial Officer is Mr. Bhulon Bhowmik. He is the Assistant General Manager and also the Head of Finance & Accounts of the Company. His certification on the financial statements is disclosed in Page No. 40.

### Board Committee- Audit Committee

The SPCL's Audit Committee has been established as a sub-committee of the Board consisting of three (3) Directors. The Chairman of the Committee is an Independent Director,



Mr. Golam Nabi FCA. Other members are Mr. Anis S. Ahmad (Director), Mr. A.K.M Badiul Alam (Director). The Audit Committee assists the Board with respect to internal control, financial reporting, risks management, auditing matters, monitoring process, related party transactions etc. The Committee has also the responsibility to make sure that all the rules and regulations issued by the regulatory authorities have been complied with.

#### **Board Committee- Nomination & Remuneration Committee (NRC)**

SPCL's Nomination and Remuneration Committee has been established as a sub-committee to the Board consisting of three members. The purpose of the Nomination and Remuneration Committee is to assist the Board in ensuring that the Board retains an appropriate structure, size and balance of skills to support the strategic objectives and values of the company. The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of senior remuneration arrangements to enable the recruitment, motivation and retention of directors and senior management positions generally. The Committee oversees arrangements for succession planning. The Committee also assists the Board by reviewing and making recommendations in respect of the remuneration policies and framework for all staff.

Mr. Golam Nabi, FCA - Chair

Mr. Rezakul Haider - Member

Mr. Feroz Alam - Member

Mr. Yeasin Ahmed ACS - Member Secretary

#### **Management Team**

The Management team of Shahjibazar Power Co. Ltd. is involved in managing and running the affairs of the Company. The team is in full control of the Company's affair and is also accountable to the Board of Directors. It builds the confidence of the Board by ensuring that all the activities carried out by them are consistent with high ethical standards.

#### **Risk Management & Internal Control**

A detailed framework to review significant risks impacting the performance of the Company has been established. It is the responsibility of Audit Committee to assess the identified risk

and to implement the mitigating strategy. Apart from this, the establishment of the effective strong internal control system in all levels of the organization is the sole responsibility of the Audit Committee.

#### **Separation of work for the Chairman and Chief Executive Officer**

Mr. Rezakul Haider is the Chairman and Mr. Feroz Alam is the Chief Executive Officer of the Company. The separation of the position of CEO from that of the Chairman ensures the compliance of corporate governance guidelines imposed by BSEC.

#### **Subsidiary Boards**

Shahjibazar Power Co. Ltd. is the parent company of:

- Petromax Refinery Ltd

The Board is aware of the fact that any material issues of the subsidiary companies might have an effect on both the parent company as a whole and its subsidiaries. Therefore, it oversees the operation and performance of the subsidiaries to ensure effective control over the decision making process of the subsidiaries. Under the chapter 'Reports and Financials of Subsidiary Company', detailed discussion on the operation and performance of the subsidiary is disclosed.

#### **Investor Relation**

The Board of Directors of the Company pays great importance to its investors' community and their information requirements. With the sincere desire to stay close with investors' community, the Company always tries to bridge the gap between investors' and the Company.

#### **Communication with Stakeholders**

The Company aims to be transparent with all stakeholders, including the owners of the Company – the Shareholders. The Company holds the Annual General Meeting regularly as per law with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness. Quarterly, Half-yearly and the Annual financial statements are also posted at Company's website to keep all the stakeholders informed about the Company's financial results.



# NOTICE OF THE 11TH ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the Shareholders of Shahjibazar Power Company Limited will be held on Sunday the 27th day of January, 2019, at KIB Complex Auditorium, Krishikhamar Road, Farmgate, Dhaka-1215 at 10.30 A.M to transact the following businesses:

## **ORDINARY BUSINESS:**

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended June 30, 2018 together with the Auditors' Report thereon
2. To declare dividend for the year 2018 as recommended by the Board of Directors
3. To elect/Re-elect Directors
4. To approve the appointment of Statutory Auditors for the year 2018-2019 and to fix their remuneration
5. To approve Appointment of professional for the Certification on Corporate Governance for the year 2018-19 and fixation of their remuneration.

## **SPECIAL BUSINESS:**

To consider and if thought fit to pass the following Resolutions, with or without amendments as special Resolutions:

RESOLVED THAT, the company as holding company shall execute and deliver Corporate Guarantee in favour of its subsidiary company PETROMAX REFINERY LTD, within the purview of Companies Act 1994 to secure different types of investments from different banks and financial institutions time to time.

FURTHER RESOLVED THAT, Managing Director is be and hereby authorized to sign and execute Guarantee Instrument or any other document(s) expedient to complete the Guarantee on behalf of the company.

By order of the Board



(Yeasin Ahmed, ACS)  
Company Secretary

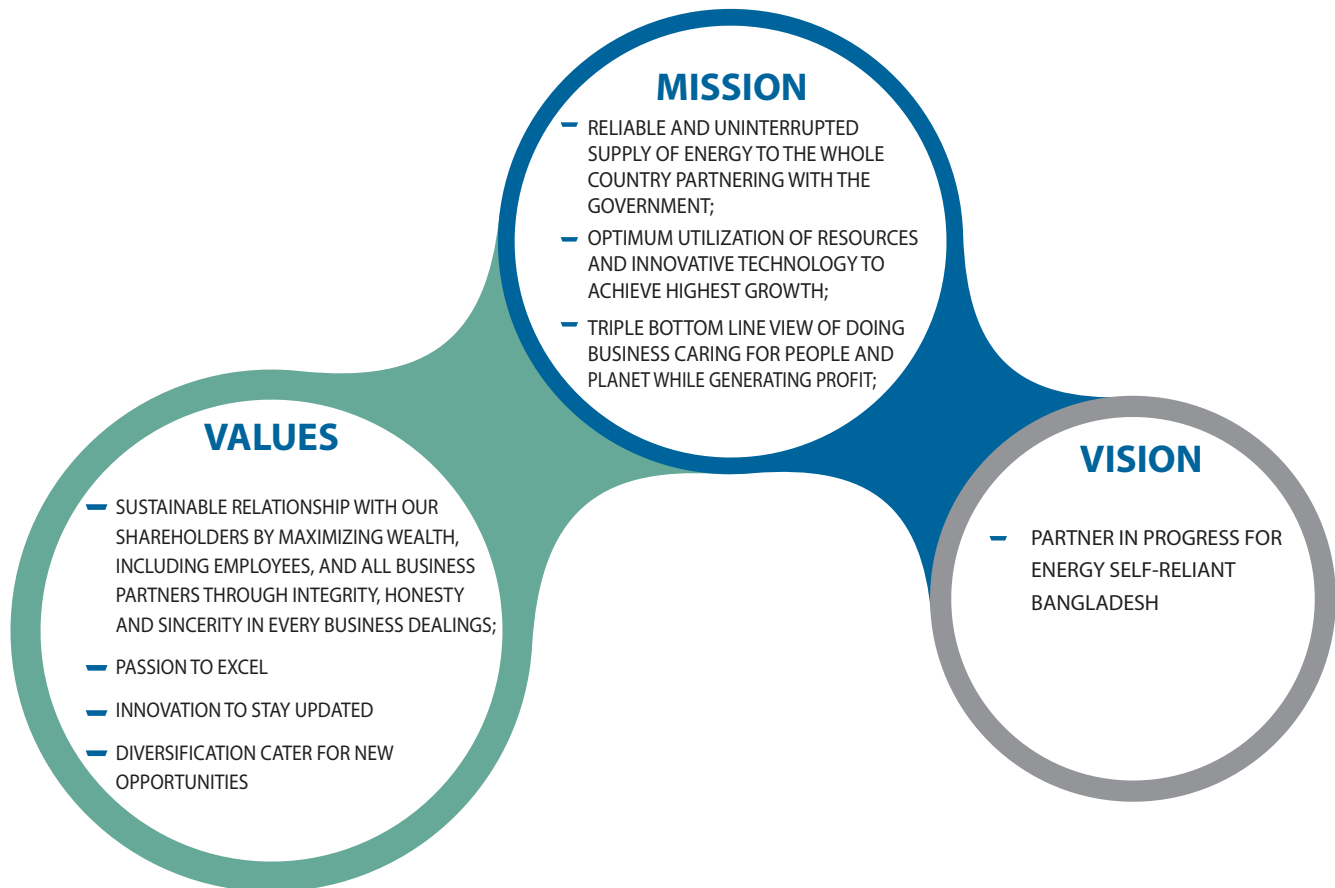
Dhaka, January 03, 2019

## **Notes:**

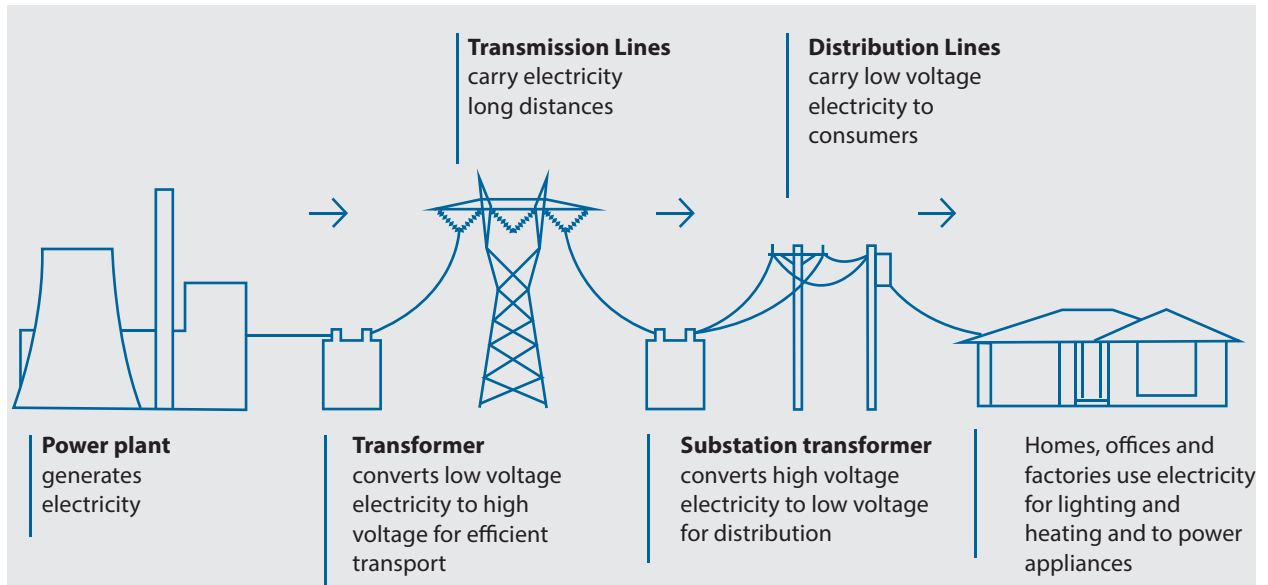
1. Shareholders whose names appeared at the record date i.e. December 3, 2018 in the Share Register of the Company or in the Depository Register on that date will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.
2. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 72 hours before the time fixed for the Annual General Meeting.
3. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy Form.
4. Pursuant to the Notification No: BSEC/CMRRCD/2006-158/208/Admin/81 dated 03rd June, 2018 of Bangladesh Securities and Exchange Commission (BSEC), soft copy of the Annual Report has been sent to the e-mail addresses of the Honorable Shareholders as found recorded in their respective Beneficial Owner (BO) accounts maintained with the depository. Soft copy of the Annual Report is available in investor relation section of Company's website – [www.Youthbd.com](http://www.Youthbd.com)

**Special Note: No benefit or gift in cash or kind shall be given to the Shareholders for attending the 10th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.**

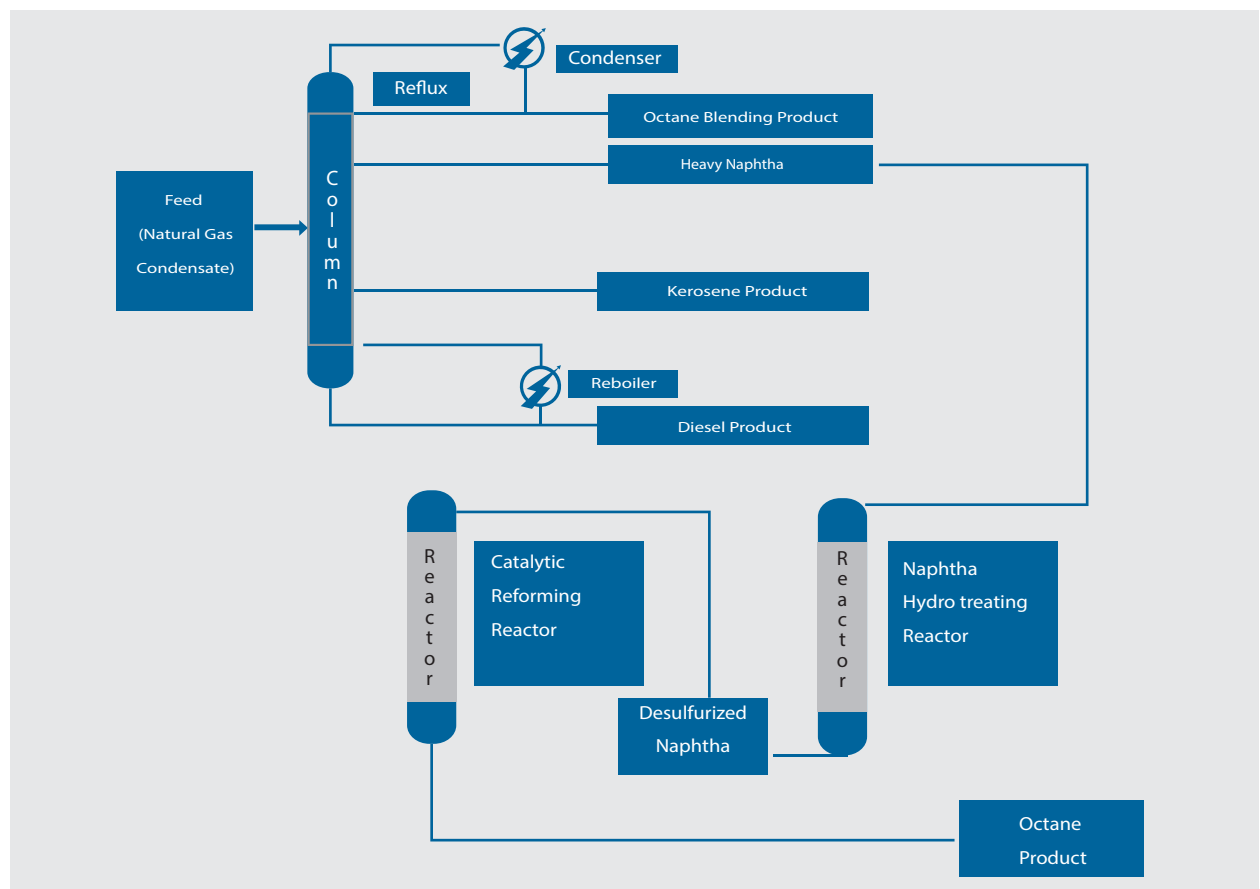
## CORPORATE ETHOS



## TYPICAL ELECTRICITY TRANSPORT MODEL



## TYPICAL OIL REFINING MODEL

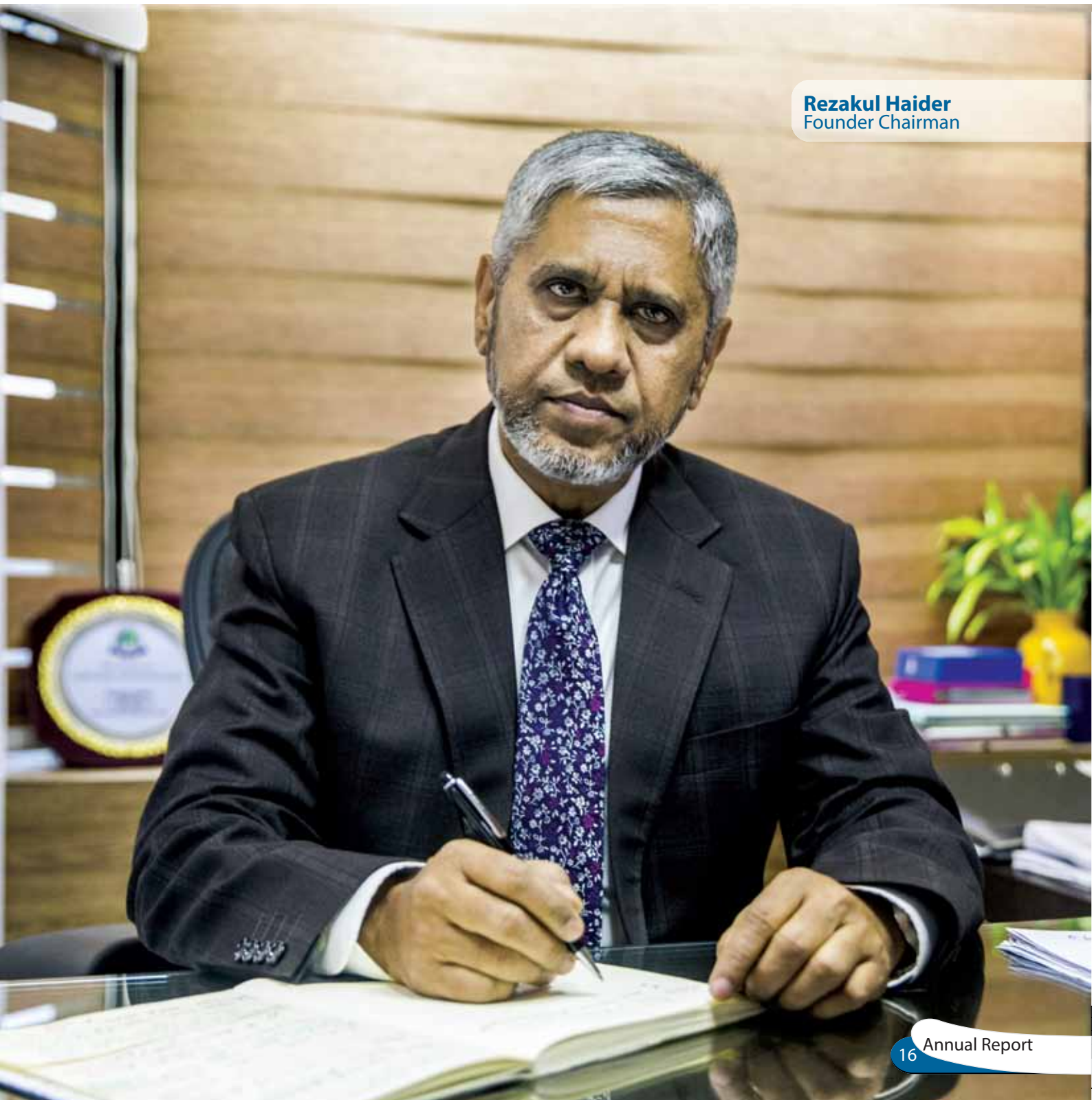


## LETTER FROM THE CHAIRMAN

***“Evolving Energy, Evolving Lifestyles”***

*“Sustainability is at the DNA of our all business model. We are working with the pace of Evolving Energy, Evolving Lifestyles”*

**Rezakul Haider**  
Founder Chairman



Respected Members, Shareholders and Stakeholders,

I on behalf of the Board welcome you all to 11th Annual General Meeting. We have completed another year of business generating mixed operating results. Energy market throughout the world perhaps passing through a major transition driven by growth and prosperity. World GDP will be more than doubles by 2040. Around 2.5 Billion people are being lifted from low incomes. Industrial demand for energy accounts for around half of the increase in energy consumption; growth in transport demand slows sharply relative to the past. Carbon emissions continue to rise, signaling the need for a comprehensive set of actions to achieve a decisive break from the past.

Meanwhile, Bangladesh in terms of sovereign credit rating has been showcasing a stable economic outlook according to Moody, Standard & Poor and Fitch's review. The GDP curve has just been taking off for the last decade which may hit 7.9% in year 2018 according to several forecasts. Per capita power production ramped at 464 KWH to complement this growth. Rising domestic demand proliferate industrial growth and creation of employment. However, an uncertainty in terms of political turmoil heading to the General Election and post-election instability may slog the momentum.

As I have announced in my speech last year, I am delighted to confirm the successful commercial operation of our 150 MW HFO Fired power plant under the sponsorship of our associate company Midland Power Co. Ltd (MPCL). The subsidiary of MPCL named as Midland East Power Ltd (MEPL) has been operating this newly added power plant from November 2018. The plant has started to generate power and transmit to the National Grid under a 15 years Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB) starting from the commercial operation date.

Oil production segment remains the major crosscurrent for our business and power production segment pushing the tailwind. Dependency on a single supplier i.e. Government for the only Raw Material remaining a major challenge for the business. Yet, several contemporary business of this segment face continued non-operation lacking supply of raw material while with our compliant business model and higher value generation capacity, we could sustain a mere supply of raw material stream from the government.

During the year under report consolidated turnover was down (14.55%) year-over-year registering BDT 7384.76 Million. Net Profit after Tax (NPAT) was down (26.12%) year-over-year contributing BDT 701.75 Million netting off the portion of minority holders of subsidiary, BDT 660.44 Million was contributed towards the appropriation account. Some positive results were showcased in terms of separate performance. SPCL was able to demonstrate 2.55% growth year-over-year registering turnover of BDT 1347.73 Million and BDT 468.62 Million NPAT which is 35% rise.

Considering the short term downturn of financial sector and to keep some buffer against post-election tension, the Board has recommended 25% Cash and 3% Stock dividend for the year under report subject to the approval of members at 11th Annual General Meeting.

Upholding human rights within the organization is the intrinsic part of our business. Our codes of business are aligned with all international and local human rights standards. Our satisfied employees are the testimony of our activities related to upholding human rights. We continuously monitor our human capital set rules and policies link their personal interest and passions aligned with our business goal. We owe a sincere debt of gratitude towards our employees for their hard work and dedication.

On behalf of the Board of Directors (BOD), I would like to extend my sincere thanks to first of all our shareholders, Bangladesh Power Development Board (BPDB), Bangladesh Petroleum Corporation (BPC), RupantaritaPrakritik Gas Company Ltd (RPGCL), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd, Central Depository Bangladesh Limited (CDBL), and Banks and other financial institutions.

Our business models are uniquely set to assure relevance of social commitment in every business aspect possible. We believe that, making profit is not the only objective of business. We care for ethical, social, environmental, cultural and economic aspects at large while conducting our profit making business operations. We select all our business partners conforming the same commitment from them to the society. Sustainability is at the DNA of our all business model. We are working with the pace of Evolving Energy, Evolving Lifestyles.



CHAIRMAN  
 SHAHJIBAZAR POWER CO. LTD.



THE  
MANAGEMENT  
&  
REPORTING

## DIRECTORS PROFILE



**Rezakul Haider**  
Chairman

Mr. Rezakul Haider aged 62 is the Chairman of the Company, has joined the Board on November 2007. After completing his graduation from University of Chittagong, he has started his career as a businessman dated back from 1982. With a long experience of 35 years, he has established himself as a seasoned Industrialist of different sectors like Readymade Garments, Textile, Apparel, Energy and Power Generation. Sensing the urge of the contribution for the development of the society Mr. Haider has extended his footsteps in School, University and different social welfare organization by his direct participation and generous donations. Mr. Haider has travelled many places throughout the Globe including USA, UK, Germany, Italy, France, Japan, Korea, China, Malaysia, Thailand, Singapore, Srilanka, India, Pakistan to enrich his knowledge and experience in Trade and Business.



**Feroz Alam**  
Director & Managing Director

Feroz Alam, aged 61 years, Director & Managing Director of the Company. He has joined the Board of the Company on November 2007. He has completed his graduation from University of Chittagong and engaged himself in business. With his true vision and strong leadership quality he has attained the ultimate success in the business arena of the Country. Starting with apparel and textile industry vertical to beverage, Private Power Generation and petrochemical industry he has proved his capacity in building strong footings in all diversified fields. He inherently possesses the expertise of managing manufacturing, marketing and finance area.

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





**Anis Salahuddin Ahmad**  
**Director**

Anis Salahuddin Ahmad, aged 52, is the Director of the Company. He has received higher diploma from abroad. He has started his career by start working for a reputed textile trading house and later on he switched in business profession in 1985. He was engaged in different types of local and international businesses. Mr. Ahmad has acquired vast experience in textile trading and other manufacturing business verticals through his many years of high profile service experience and business career. Mr. Ahmad has been associated with and patrons many schools, colleges and different social welfare organizations by his active participation and generous donations. He traveled many countries of America, Europe and Asia to enrich his knowledge and experience.



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

Mr. A.K.M. Badiul Alam, aged 57, is the Director of the Company. He has received Master Degree in Management from the University of Dhaka. He started his career as a businessman after the completion of his education. Mr. Alam acquired vast experience in textile trading and other manufacturing business verticals through his business exposure. He owns a group of full vertical Ready Made Garment named as Amtranet Group with 17 years of legacy. Mr. Alam is associated with and donor of many schools, colleges and different social welfare organizations. He has traveled several Extensive business tours in many countries, including America, Japan, Korea, China, India, Germany, Spain, U.K, Australia, Italy, France, Austria, Saudi Arab, Hong Kong, Singapore, Canada, Taiwan, Holland and many other countries to enrich his knowledge and experience.



**Md. Shamsuzzaman**  
**Director**

Md. Shamsuzzaman, aged 56, is the Director of the Company. He has received his Bachelor of Textile Science & Technology & Post Graduate Diploma in Industrial Management (PGDIM). He started his career as a business man after his academic education. He was engaged in different types of local and international businesses related to textile chemicals and composite knit. He has been the owner of Micro Fibre Group consist of several manufacturing units producing knitwear apparels for the last around 20 years. Md. Shamsuzzaman acquired vast experience in textile, Chemicals trading and other manufacturing business through his 24 years of business career. He is also associated with and donor of many schools, colleges and different social welfare organizations. He traveled many countries of America, Europe and Asia to enrich his knowledge and experience in his career.



**Mr. Mohammad Liaquat Ali**  
**Independent Director**

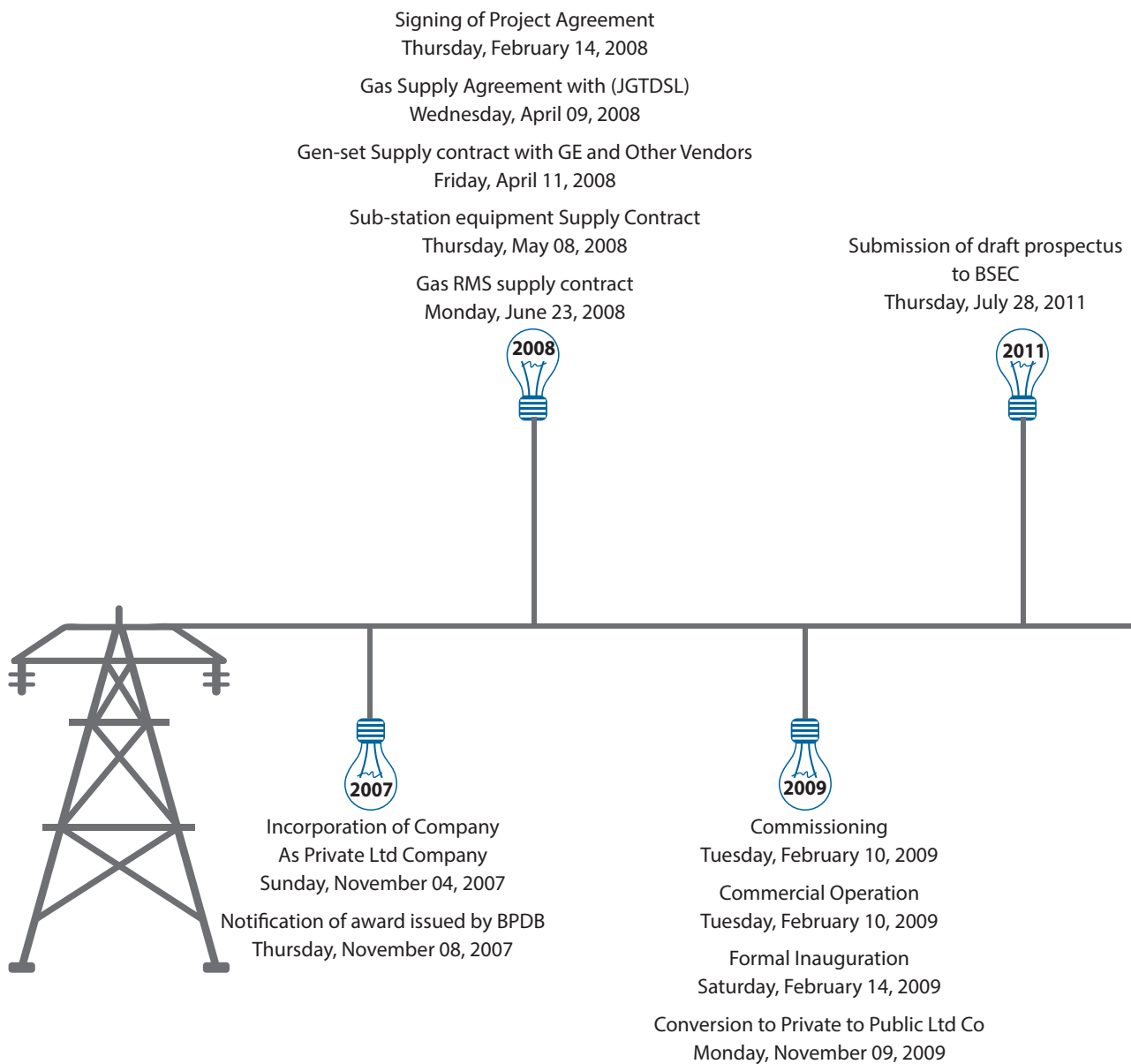
Mohammad Liaquat Ali, aged 64 is the Independent Director of the Company. He has received his bachelor degree from University of Dhaka in the year 1982 and LL.B from University of Dhaka in the year 1984. He is an advocate of Supreme Court Bangladesh for a long time. He also holds the membership of Supreme Court Bar Association, Judge Court Bar Association Dhaka and Labor Court Bar Association Dhaka. In his career he has moved for various cases relating to company and labor law and obtained extensive experience in the field of Corporate Finance and Accounting, Corporate Tax and labor related laws and implications.



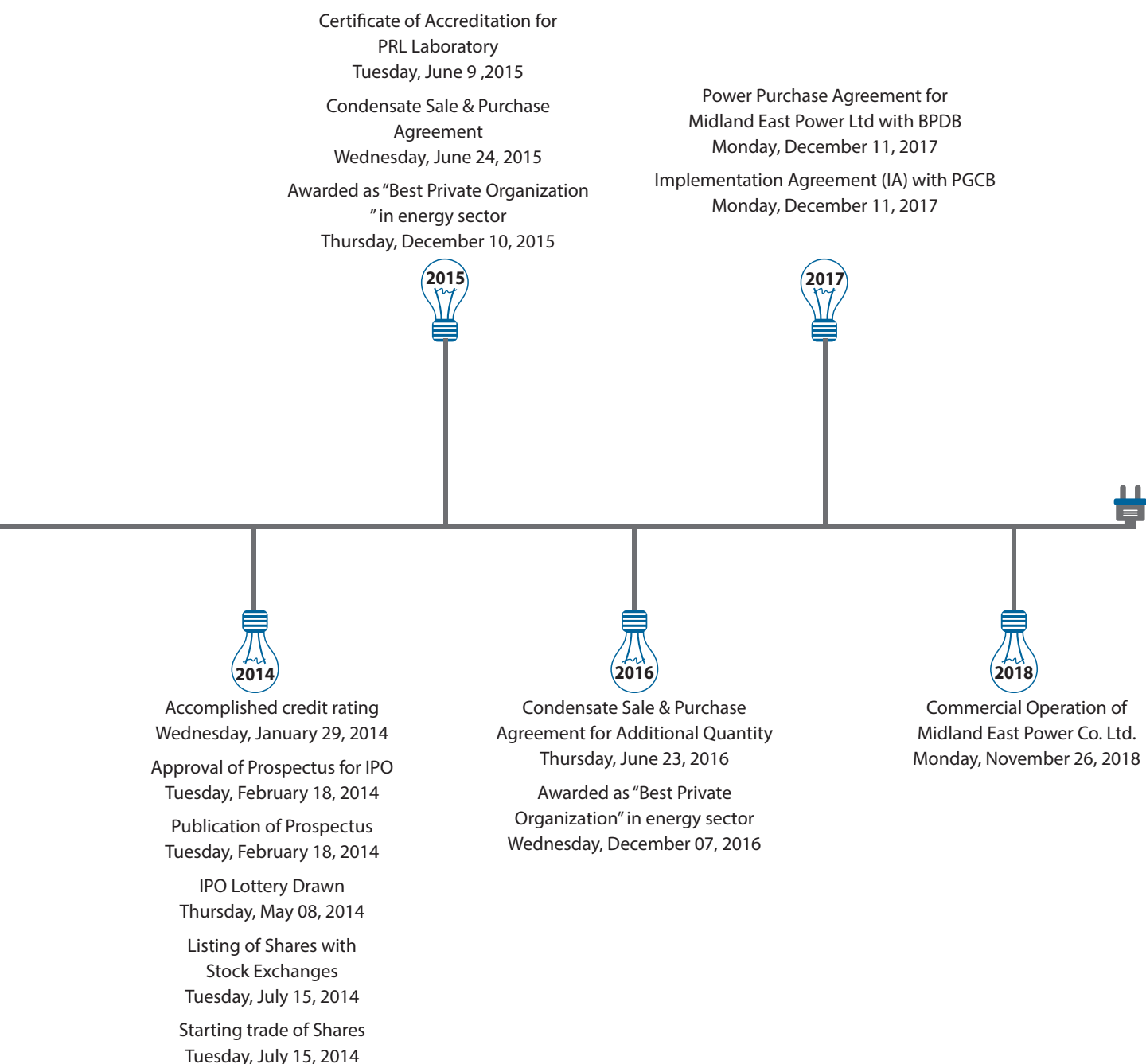
**Mr. Golam Nabi - FCA**  
**Independent Director**

Mr. Golam Nabi FCA, aged 64 is the Independent Director of the Company. He has received his graduation from University of Dhaka back in the year 1965. He then become an Associate Member of Institute of Chartered Accountants of Bangladesh (ICAB) in 1983 and subsequently become Fellow Member of the Institute in 1989. Mr. Nabi is the founding partner of G. Nabi & Co. Chartered Accountants. He has more than 34 years of experience in public and private sector audit. He has been actively involved with designing and implementing accounting system, corporate and investment planning, project implementation of World Bank and other international agencies. He is also an expert of different types of taxes both at corporate and individual level.

## SUCCESS MILESTONES







## DIRECTORS REPORT TO SHAREHOLDERS

Respected Members & Shareholders,

Assalamualikum,

Turning over to another year I am delighted to extend warm welcome to all distinguished members of Shahjibazar Power Co. Ltd. at the 11th Annual General Meeting. As authorized by the Board of Directors, I am presenting you herewith the Audited Financial Statements for the year then ended June 30, 2018.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994, Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), The Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015 and Bangladesh Securities & Exchange Commission's (BSEC) notification no-BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 regarding Corporate Governance Code.

### ECONOMY AT A GLANCE

Global growth for 2018 and 2019 is projected at 3.9 percent, as forecasted in the April 2018 by World Economic Outlook. The tension rises from recently announced tariff increases by the United States and retaliatory measures by trading partners mostly China have increased the likelihood of escalating and sustained trade tensions. This could derail several other economies to write down growth projections and be a major impediment to achieve 3.9 percent growth. Emerging Asia has still been enjoying the buoyant prospects as external demand remains strong. The region is forecast to expand by 6.0% in 2018 which is almost doubles of the world's growth.

By the same token, Bangladesh economy is undergoing a transformation from a low-income to middle-income economy. All three indices i.e. GNI (Per Capita), Human Assets Index and Economic Vulnerability Index set by The UN Committee for Development Policy are comfortably attained by Bangladesh. GDP growth may expand 7.9 percent year-over-year according to several estimates. This growth is mostly driven by domestic consumer spending and investment.

Consumer Price Index (CPI) has reached record 259.13 point as of October 2018. Cost of Living continues to increase vis-à-vis the rise in GDP growth. This can only be compensated by rapid capacity expansion by both private and public sectors.

Foreign exchange reserve was slightly slipped y-o-y at USD 31958 Million as of September 2018. Export of RMG and remittance inward from manpower export are the top contributor to the reserve. Payment for Import of capital machineries remains the major user of foreign exchange reserve.

Annual inflation rate in Bangladesh was nearly flat at 5.4 percent in October of 2018, compared to 5.43 percent in September. Still, it is the lowest reading since March of 2017, dragged down by a slowdown in cost of food (5.08 percent compared to 5.42 percent to 5.42 percent in September) while inflation went up for rent and utilities (2.7 percent compared

to 2.21 percent); clothing and footwear (10.88 percent compared to 10.4 percent); and transport and communication (8.14 percent compared to 7.23 percent). On a monthly basis, consumer prices went up 0.6 percent, below 1.8 percent in the previous month.

The current economic outlook of the country is inviting more investment in the industrial and utility sector. Assuming a stable political environment in recent times, the country is set to become the middle income country by 2021.

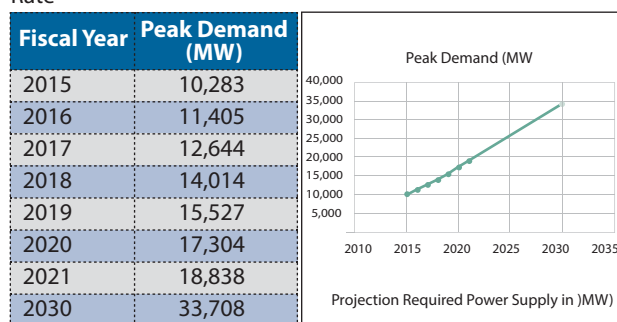
### POWER SECTOR SCENARIO OF BANGLADESH

The power sector scenario of Bangladesh with its unprecedented growth drag the attention of the global community. Bangladesh has joined the elite club of Nuclear Power Producing countries as the 3rd member within South Asia. With captive and renewables, total generation capacity hits 20,430 MW which is an all-time record according to Power Division, Ministry of Power Energy and Mineral Resources.

According to the estimate of Bangladesh Power Development Board (BPDB), existing installed generation capacity of the country is 17,340 MW (Without Captive and SHS) of which 8,986 MW (51.82%) is being facilitated by Public Sector and rest 8,354 MW (48.18%) is being facilitated by Private Sector investment.

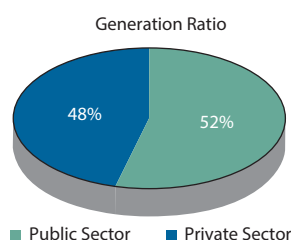
The access to electricity has been raised to 91% as compared to 83% last year and per capita electricity generation improved dramatically (from 220 kWh to 464kWh). Total consumer stands at 31.8 Million (December 2018) and System loss (distribution) reduced to 11.87%.

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



## Present Installed Generation Capacity (MW) as on October 2018.

Public Sector	Installed Generation Capacity (MW)	%
BPDB	5266	30.37%
APSCL	1444	8.33%
EGCB	839	4.84%
NWPGCL	1211	6.98%
RPCL	226	1.30%
Sub Total	8986	51.82%
Private Sector	Installed Capacity (MW)	%
IPPs	5099	29.41%
SIPPs (BPDB)	99	0.57%
SIPPs (REB)	251	1.45%
15 YR. Rental	169	0.97%
3/5 YR. Rental	1576	9.09%
Power Import	1160	6.69%
Sub Total	8354	48.18%
Total	17340	100.00%



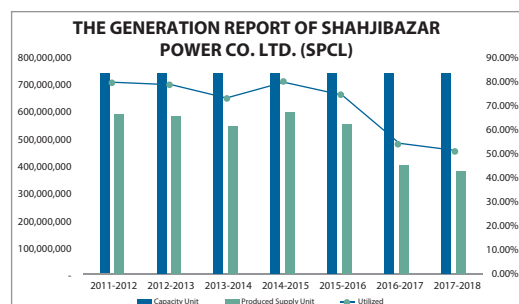
Public and private sector is contributing 52% and 48% respectively in the total generation of power as of October 2018. Amongst the public sector generation units BPDB is playing the champion role as usual.

## BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

Shahjibazar Power Company Limited (SPCL) has come into the power sector of Bangladesh winning competitive tender beating several other participants with Bangladesh Power Development Board (BPDB) on February 14, 2008. Subsequently the company has entered into Gas Supply Agreement (GSA) with Jalalabad Gas Transmission and Distribution System Limited (JGTDSL) on April 9, 2008. Partnering with US based Company General Electric International, the 86 MW power plant constructed based on PPA (Power Purchase Agreement) between BPDB and the Company to supply electricity to the Government. As of June 30, 2018 the company is producing 51.35% of total capacity on an average. The operational performance of the Company is shown as hereunder:

Fiscal Year	Capacity Unit	Produced Supply Unit	Utilized %
2011-2012	743,040,000	589,434,211	79.33%
2012-2013	743,040,000	584,089,568	78.61%
2013-2014	743,040,000	543,261,043	73.11%
2014-2015	743,040,000	593,039,904	79.81%
2015-2016	743,040,000	553,765,512	74.53%
2016-2017	743,040,000	402,946,125	54.23%
2017-2018	743,040,000	381,564,619	51.35%

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



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

In the fiscal year 2017-2018 your company has contributed a total of 381,564,619 Kwh to the national grid as compared to 402,946,125 of the Fiscal Year 2016-2017. Only off-taker of power of your company is Bangladesh Power Development Board (BPDB). Revenue for the year under report stands at Tk.1,347.73Million as compared to that of the previous year TK 1,314.17Million which is lower due to lower volume transmission. The reason behind this lower transmission is attributed to collapse of a major tower in 132 KV grid line in Shahjibazar area. Consolidated revenue of Tk. 7,384.77Million was reported during the year under report as compared to Tk. 8,642.56Million. Net Profit After Tax (NPAT) with adding subsidiaries performance stands at Tk. 701.76Million. Oil refinery segment has delivered around 106.96 Million Liter of different grades of petroleum products including Octane, MS and HSD recording a revenue of Tk.6037.03Million separately.

## SEGMENT WISE PERFORMANCE

Segment/Product	Quantity	Sales in Million Tk.
Power	381,564,619 Kwh	1,347.73
Oil & Gas	106,969,991 Ltr	6,037.03
Total		7,384.76

## CONTRIBUTION TO THE NATIONAL EXCHEQUER

The driving force of growth to any economy is uninterrupted energy supply and your company is supplying energy to the whole country in the form of Power and Oil. In process, As of June 30, 2018 your company has contributed Tk. 247.50 Million as income tax and subsidiary of your company has added Tk. 905.55 Million in the form VAT to the national exchequer.

## EXTRA-ORDINARY GAIN OR LOSS

There are no extra ordinary gain or Loss during the reporting period

## DISCUSSION ON RELATED PARTY TRANSACTION

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 in accordance with the provision of IAS 24 "Related Party Disclosures". The related party transactions have been taken place on arm's length basis during the year have been disclosed in the Annexure - B to the financial statements.

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

No such event was incurred during the year under report, utilization has completed in the year 2014-2015

### SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

Variations between quarterly and annual financial statements occurred due to inconsistent supply of raw material in the oil refinery business and lower off-take of generated power by BPDB from power generation business.

### REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of managing director is disclosed in Note 29.01 Other directors are not entitled to remuneration and other facilities for their directorship except the Board Meeting Fee.

### MINORITY SHAREHOLDERS:

As of June 30, 2018 the total minority shareholders represent 36.77% of total shareholdings of the Company including Institute and General Public Portion. Every material decision which may affect the profitability of the company has been disclosed by disseminating the same as Material or Price Sensitive Information (PSI) as the case may be. Hence, active participation of the Independent Directors in the board has balanced the interest of Minority shareholders while considering or adopting any operational decision in the board.

### CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

- I. Selection of suitable accounting policies and then applying them consistently,
- II. Making judgments and estimates that are reasonable and prudent,
- III. Ensuring that the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS),
- IV. Preparing the financial statements in an ongoing concern basis unless it is appropriate to presume that the Company will not continue in business. Proper accounting records have been kept so that at any given point the financial position of the Company is reflected with reasonable accuracy, which will enable them to ensure that its financial statements comply with Companies Act 1994 and other required regulatory authorities.

In compliance with the requirements of the BSEC/CMRCD/2006158/207/Admin/80, dated 3 June 2018 the Directors are also pleased to make the following declarations in their report:

- a. The financial statement prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;
- b. Proper books of accounts of your Company have been maintained;
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- d. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
- e. The system of internal control is well structured and has been effectively implemented and monitored;
- f. There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
- g. Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;
- h. Key operating and financial data has been summarized for the preceding five years;
- i. The number of Board meetings held during the year and attendance of each director has been disclosed;
- j. The pattern of shareholding has been reported in Annexure-3 to disclose the aggregate number of shares.
- k No bonus share or stock dividend has been or shall be declared as interim dividend

### FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

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

Taka in Million

Particulars	2017 (in Million Taka)	% on Sales	2018 (in Million Taka)	% on Sales	% Change
Revenue	8,642.56		7,384.77		-14.55%
Cost of Sales	6,889.32	80%	5,832.55	80%	-15.34%
Gross Profit	1,753.24	20%	1,552.22	20%	-11.47%
General and Administrative Expenses	163.66	2%	200.78	2%	22.68%
Finance Cost Net	393.22	5%	365.28	5%	-7.11%
Operating Profit	1,196.36	14%	986.16	14%	-17.57%
Other Income Net	23.41	0%	24.25	0%	3.61%
Share of Profit from Associate	42.70	0%	-4.69	0%	-110.98%
WPPF	66.55	1%	56.46	1%	-15.15%
Net Profit Before Income Tax	1,195.92	14%	949.26	14%	-20.62%
Income Tax	246.03	3%	247.50	3%	0.60%
Total Comprehensive Income	949.89	11%	701.76	11%	-26.12%
Less: Minority Interest	63.52	1%	41.31	1%	-34.96%
Net Profit (After Tax & Minority Interest)	886.37	10%	660.44	10%	-25.49%

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

Taka in Million

Particulars	2017 (in Million Taka)	% on Sales	2018 (in Million Taka)	% on Sales	% Change
Revenue	1,314.17		1,347.73		2.55%
Cost of Sales	718.44	55%	738.99	55%	2.86%
Gross Profit	595.74	45%	608.74	45%	2.18%
General and Administrative Expenses	58.74	4%	59.51	4%	1.31%
Finance Cost Net	95.66	7%	77.20	6%	-19.30%
Operating Profit	441.34	34%	472.03	35%	6.95%
Other Income Net	133.16	10%	176.45	13%	32.51%
Share of Profit from Associate	42.70	3%	-4.69	0%	-110.98%
WPPF	29.39	2%	30.66	2%	4.31%
Net Profit Before Income Tax	587.81	45%	613.14	45%	4.31%
Income Tax	138.07	11%	144.52	11%	4.67%
Total Comprehensive Income	449.74	34%	468.62	35%	4.20%

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



### SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

Variations between quarterly and annual financial statements occurred due to inconsistent supply of raw material in the oil refinery business and lower off-take of generated power by BPDB from power generation business.

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

Particulars	2017		2018		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	8,642.56		7,384.77		-14.55%
Cost of Sales	6,889.32	80%	5,832.55	80%	-15.34%
Gross Profit	1,753.24	20%	1,552.22	20%	-11.47%
Operating Profit	1,196.36	14%	986.16	14%	-17.57%
Net Profit Before Income Tax	1,195.92	14%	949.26	14%	-20.62%
Total Comprehensive Income	949.89	11%	701.76	11%	-26.12%
Net Profit (After Tax & Minority Interest)	886.37	10%	660.44	10%	-25.49%

#### Consolidated

As per the consolidated summary of accounts during the year under report, the revenue of the company was decreased by 14.55% year over year and cost of sales was decreased by 15.34%, Gross Profit Margin was 20% as compared to 20% of the previous year and Net Profit Margin was 10% as compared to 10% of the previous year.

Particulars	2017		2018		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	1,314.17		1,347.73		2.55%
Cost of Sales	718.44	55%	738.99	55%	2.86%
Gross Profit	595.74	45%	608.74	45%	2.18%
Operating Profit	441.34	34%	472.03	35%	6.95%
Net Profit Before Income Tax	587.81	45%	613.14	45%	4.31%
Total Comprehensive Income	449.74	34%	468.62	35%	4.20%

#### Separate

As per the separate summary of accounts during the year under report, the revenue of the company has increased by 2.55% year-over-year and cost of sales was increased by 2.86%, Gross Profit Margin was 45% as compared to 45% of the previous year and Net Profit Margin was 35% as compared to 34% of the previous year.

### PROFIT APPROPRIATION

During the year under report the consolidated Net Profit After Tax (NPAT) of your company at Tk. 660.44 Million As compared to Tk. 886.37 Million year-over-year. The Company needs availability of funds for continuous progress to fight against emerging risk factors including abrupt policy change by the Government. Keeping these in mind, Directors would like to report the Company's financial result for the year that ended on June 30, 2018 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2018	660.44
Profit brought Forward	1,270.13
Profit available for appropriation	1,930.57
Appropriations:	
Proposed Stock and Cash Dividend	450.85
Transferred to Retained Earning	1,479.72
Profit available for appropriation	1,930.57

### DIVIDEND

Your Board recommends a final cash dividend of 25% and 3% stock dividend for the year 2018 i.e. 3 (Three) Ordinary shares of Taka 10 each for 100 shares held on the record date, subject to approval by the shareholders at the 11th Annual General Meeting.

Dividend Type	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
Cash Dividend (%)	25%	16%	30%	28%	25%
Stock Dividend (%)	3%	14%	3%	3%	5%
<b>Total</b>	<b>28%</b>	<b>30%</b>	<b>33%</b>	<b>31%</b>	<b>30%</b>

### DIRECTORS' MEETING & ATTENDANCE

During the year ended June 30, 2018 The Board of Directors has attended 4 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Rezakul Haider	4
Mr. Feroz Alam	4
Mr. Anis Salahuddin Ahmad	4
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Mohammad Liaquat Ali	4
Mr. Golam Nabi FCA	4



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

### THE PATTERN OF SHAREHOLDING

### Annexure-3

Name of Shareholders	Status	Relation	Share Held	Percentage (%)
i) Parent/Subsidiary/Associated Companies and other related parties	-	-	-	-
ii) Directors				
A. Mr. Rezakul Haider	Chairman		13,842,418	8.60%
B. Mr. Feroz Alam	Managing Director		12,923,317	8.03%
C. Mr. Anis Salahuddin Ahmad	Director		14,348,317	8.91%
D. Mr. A.K.M. Badiul Alam	Director		12,191,014	7.57%
E. Mr. Md. Shamsuzzaman	Director		18,286,521	11.36%
F. Mr. Akbor Haider	Sponsor	Son of Mr. Rezakul Haider	5,025,507	3.12%
G. Mr. Faridul Alam	Sponsor	Son of Mr. Feroz Alam	4,800,000	2.98%
H. Ms. Rezina Alam	Sponsor	Daughter of Mr. Feroz Alam	5,025,507	3.12%
J. Mr. Faisal Alam	Sponsor	Son of Mr. Feroz Alam	5,525,507	3.43%
K. Mr. Asgar Haider	Sponsor	Son of Mr. Rezakul Haider	4,825,507	3.00%
L. Ms. Israt Azim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	5,025,507	3.12%
F. Mr. Mohammad Liaquat Ali	Independent Director		Nil	Nil
G. Mr. GolamNabi FCA	Independent Director		Nil	Nil
iii) Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:				
A. Bhulon Kumar Bhowmik	CFO		0	0.00%
B. Yeasin Ahmed	Company Secretary		0	0.00%
C. Saiful Islam	Head of Internal Audit		0	0.00%
iv) Executives			Nil	Nil
v. Shareholders Holding 10% or more voting interest in the company: -			-	-
A. Mr. Md. Shamsuzzaman	Director		18,286,521	11.36%

### DIRECTORS' ELECTION & RE-APPOINTMENT:

As per Articles of Association Mr. Rezakul Haider and Mr. Md. Shamsuzzaman shall retire in 11th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

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

Described in Directors Profile

### INDEPENDENT DIRECTOR TO THE BOARD OF SUBSIDIARY COMPANY

Mr. Golam Nabi FCA has been continuing as the nominated director in the subsidiary company.



### AUDIT COMMITTEE

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

Name of Directors	Status	Attended
Mr. Golam Nabi FCA	Chair	4
Mr. Rezakul Haider	Member	4
Mr. A.K.M Badiul Alam	Member	4
Mr. Yeasin Ahmed ACS	Secretary	4

### AUDITORS

ACNABIN Chartered Accountants was appointed as the auditor of the Company in the 10th Annual General Meeting. They have carried out the audit for the year 2018 and will retire in the 11th Annual General Meeting. M/S G. Kibria and Co. Chartered Accountants had expressed their willingness to become appointed as the Statutory Auditor of your company for the Financial Year 2018-2019. Being eligible as per section 212 of Company Act 1994 and a member of list of Panel Auditors by Bangladesh Securities and Exchange Commission (BSEC), the appointment of ACNABIN Chartered Accountants shall be presented at the 11th AGM for member's approval.



### BUSINESS RISK & UNCERTAINTIES

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

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

Principal Risks	Impact	Key Mitigations
<b>Interest Rate Risk</b>	<ul style="list-style-type: none"> <li>Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan process interest rate structure to be fixed at high. Raising of interest rate increases the cost of fund for a company, which has borrowed fund, consequently profit is squeezed.</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize Equity Based Financing</li> <li>Prefer Long Term fund over Short Term due to lower cost</li> <li>Continuously seeking cheap source of fund</li> </ul>
<b>Exchange Rate Risk</b>	<ul style="list-style-type: none"> <li>SPCL imports mostly spare parts (if required) against payment of foreign currency. Unfavorable volatility or currency fluctuation may affect the profitability of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Justified Forward Contract agreements</li> <li>Purchase through L/C which is known to be less exposed method in terms of Forex Risk</li> </ul>
<b>Industry Risk</b>	<ul style="list-style-type: none"> <li>The supply of electricity and alternative energy is not adequate than the demand of it. For that reason organizations engaged in generating electricity can't provide all required amount of electricity. Power companies mainly supply electricity to national power distributors to supply electricity.</li> </ul>	<ul style="list-style-type: none"> <li>Payment is guaranteed by Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB)</li> </ul>

<b>Market And Technology Related Risk</b>	<ul style="list-style-type: none"> <li>Technology is related to generation, transmission, distribution, quantity measuring and maintaining of required electricity generation.</li> </ul>	<ul style="list-style-type: none"> <li>Modernization program after periodic interval</li> </ul>
<b>Potential Or Existing Government Regulations</b>	<ul style="list-style-type: none"> <li>The business activities of SPCL and its Subsidiary Petromax is fully controlled by policies, rules and regulation framed by Government, that is policies related to electricity price fixation, demand &amp; supply and distribution is fully under the control of Government. So, Government policies in this regard may impact business operation of SPCL.</li> </ul>	<ul style="list-style-type: none"> <li>Every possible effect of abrupt policy change by government is communicated with respective authority of the Government time to time</li> <li>Energy sector being one of the priority sector the respective authority</li> </ul>
<b>Potential Changes In The Global or National Policies</b>	<ul style="list-style-type: none"> <li>The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such political turmoil, war, terrorism, political unrest in the Country may adversely affect the economy in general. Moreover, natural disasters like Cyclone, Tide, and Earthquake may hamper normal performance of power generation.</li> </ul>	<ul style="list-style-type: none"> <li>Prudent Rehabilitation Scheme</li> <li>Insurance Coverage to all possible extents</li> </ul>
<b>Pricing</b>	<ul style="list-style-type: none"> <li>The BPDB and BPC are the single buyers respectively who purchases total electricity generated and total petroleum items produced. In these circumstances usually they are only buyers who may determine the pricing of the electricity and Petroleum products by the Company.</li> </ul>	<ul style="list-style-type: none"> <li>For Power Generation Segment, BPDB and the Company have pre-determined and contracted terms-conditions regarding the tariff of electricity, expressed under two slabs-(i) Rental Payment (ii) Fuel Payments and Operation &amp; Maintenance Payment according to supplied MW. Tariff for each month adjusted as per price index by the Bangladesh Bank. So, there is no risk associated with tariff value of electricity supplied to BPDP.</li> <li>For Petroleum Segment, pricing of only Raw Material NGC is also administered by the government. Being the industry is under a priority sector of the Government, it is assumed to be guaranteed that no abrupt change of price shall be administered by the government in a foreseeable future.</li> </ul>
<b>Risk Associated With Payment</b>	<ul style="list-style-type: none"> <li>There is an impending risk in the case of delayed payment from BPDB and BPC. In case of any dispute with BPDB and BPC or failure to comply with certain rules and regulations, BPDB and BPC may stop making payments to SPCL and Petromax resulting into non-payment to its lenders</li> </ul>	<ul style="list-style-type: none"> <li>Power Generation Segment is getting the payment regularly from BPDB. Sometimes, there are delays in payment but that is mainly due to administrative reasons. Till date, no payment has been defaulted. As per the PPA, BPDB needs to ensure minimum guaranteed payment supported by Letter of Credit. Which mitigates risk of any non-payments.</li> <li>Petroleum Segment has been collecting payment from BPC in a regular basis. There is no history of default in payment from BPC till today.</li> </ul>
<b>Environmental Pollution</b>	<ul style="list-style-type: none"> <li>SPCL and Petromax plant operation may cause air and water pollution which may affect the ecological balance and living condition and health of the people around the plant.</li> </ul>	<ul style="list-style-type: none"> <li>The operations and maintenance (O&amp;M) contractor of SPCL plant, GE Austria is responsible for environmental management of the project. Plant operation is certified by the Department of Environment, Government of Bangladesh.</li> <li>Petromax Has installed state of the art technology of oil refining equipment that ensures zero emission of spill overs.</li> </ul>



### GOING CONCERN

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

### CORPORATE GOVERNANCE

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

### CORPORATE SOCIAL RESPONSIBILITY

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

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

### HUMAN RESOURCE MANAGEMENT

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

### STATUS OF COMPLIANCE

In accordance with the requirement stipulated As per condition No. 1(5) (xxvii) of the Securities & Exchange Commission's notification no-SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 issued under section 2CC of the Ordinance 1969 the Corporate Governance Compliance Report is shown in **Annexure-2**. A certificate from Mazumdar Sikder and Associates Cost & Management Accountants confirming compliance of conditions of Corporate Governance Guidelines as stipulated under condition 9(i) is also annexed to this report as **Annexure-1**.

### KEY OPERATING AND FINANCIAL DATA:

The summarized key data for last five years is set out in the **page 37**

### ACKNOWLEDGEMENT:

In fine, we are sincerely thankful to all of you for your continuous believe and trust on us. Our effort shall be continued to ensure best utilization of your invested money in our company. We are striving for innovation and opportunity for diversification to generate more values outstand your company within the corporate sector of the Country.

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

Looking forward for a better future and sustainable growth.

For and On Behalf of the Board



**Feroz Alam**  
 Managing Director

## COMPLIANCES AND DISCLOSURES

## MANAGEMENT DISCUSSION AND ANALYSIS

A Management's Discussion and Analysis (MD&A) presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, described as provided hereunder:

**(a) Accounting policies and estimation:** We have applied accounting policies consistently to all periods presented while preparing the financial statements. We have applied International Financial Reporting Standards (IFRS) to transactions, other events or conditions to their full extent as applicable. The applicable significant accounting policies and estimation are well elaborated in note 3 of the financial statements. In the absence of applicable IFRSs to any particular transactions, other events or conditions, we have used our best judgment in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users and is reliable.

**(b) Changes in accounting policies and estimation:** We usually change an accounting policy only when the change is required by a IFRS or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance or cash flows.

**(c) Comparative analysis of financial performance and financial position as well as cash flows for current year with immediate preceding five years explain the reasons thereof:** We have presented a comprehensive financial highlights for all the relevant periods containing financial performance, financial position, cash flows and important financial ratio in the Page 37 of this annual report. As the financial highlights presented, the detailed comparative analysis thereon are as following:

- Consolidated revenue was decreased by -14.55% year-over-year.
- With the same pace as the revenue went down, Cost of Sales were also went down by -15.34 % due to the same reason.
- Net Profit after Tax went down by -26.12%.
- Total Liabilities of the Company marginally increased by 1.63%.
- Shareholders' Equity was up by 8.92%.
- Operating Profit went down by -17.57% on account of full year performance due to lower margin of Petroleum segment of the business
- The EPS was down by -25.45% over the last year's EPS due to lower margin of Petroleum segment of the business.
- The long term liabilities has decreased by -50.57% this year the reason of such significant difference can be attributed to the principal repayment of borrowed fund.

**(d) Comparative analysis of financial performance and financial position as well as cash flows with peer industry scenario:** As presented in the financial highlights, the comparative analysis of financial performance, financial position and cash flows with other relevant financial ratio and other industry performance parameter are described as following:

- Plenty of room for price escalation if assumed that, average P/E ratio of listed companies are 25;
- Large market capitalization of the company will help competing for lesser cost of fund from different lenders including Banks and Financial Institutions;

(e) Financial and economic scenario of the country and the world: As stated in the Directors' Report, the Global growth for 2018 and 2019 is projected at 3.9 percent, as forecasted in the April 2018 by World Economic Outlook. The tension rises from recently announced tariff increases by the United States and retaliatory measures by trading partners mostly China have increased the likelihood of escalating and sustained trade tensions. This could derail several other economies to write down growth projections and be a major impediment to achieve 3.9 percent growth. Emerging Asia has still been enjoying the buoyant prospects as external demand remains strong. The region is forecast to expand by 6.0% in 2018 which is almost doubles of the world's growth.

By the same token, Bangladesh economy is undergoing a transformation from a low-income to middle-income economy. All three indices i.e. GNI (Per Capita), Human Assets Index and Economic Vulnerability Index set by The UN Committee for Development Policy are comfortably attained by Bangladesh. GDP growth may expand 7.9 percent year-over-year according to several estimates. This growth is mostly driven by domestic consumer spending and investment.

Consumer Price Index (CPI) has reached record 259.13 point as of October 2018. Cost of Living continues to increase vis-à-vis the rise in GDP growth. This can only be compensated by rapid capacity expansion by both private and public sectors.

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

- To understand, identify and recognize cross border transactions, other events or conditions properly;
- To understand, identify and recognize foreign currency based transactions, other events or conditions including its timely currency valuation effects properly;
- Recognition and presentation of property, plant & equipment including classification of spare parts are now a days very challenging job to reflect the effect reliably; and
- Identification and recognition of deferred tax issue on property, plant & equipment is now a days challenging due to its effect in the financial statements correctly and reliably;
- Recognition of revenue and trade receivables in line with contractual provisions including the receivable management have become concern in preparation and presentation of reliable financial statements. To mitigate the above risk concerns and challenges, the Company has a well set of internal control system including the Internal Audit team under the guidance of Audit Committee and under the direct consultation with competent external auditors. Talented pool of employees are well aware of the risk concerns and they are nominated for training and workshop program for skill development in the challenging areas so that they can identify, measure, recognize and condition relevantly and reliably.

(g) Future plan for Company's operation, performance and financial position: The Company has continuously been seeking more opportunity to invest in more power plants partnering with the government. Recent breakthrough achievement as discussed in the director's report is the start of Commercial Operation of 150 MW HFO fired power plant under the sponsorship of Midland Power Co. Ltd. which is an associate company of Shahjibazar Power Co. Ltd. Further to this, a MOU has already been signed with GE to set up a 600 MW power plant under the sponsorship of Midland Power Co. Ltd.



**Feroz Alam**  
 Managing Director  
 Shahjibazar Power Co. Ltd.

### COMPLIANCE REPORT

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No: SEC/CMRRCD/2006-158/207/Admin/80 dated 07 June 3, 2018 is presented in Page No. 42-52

### REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Shahjibazar Power Company Ltd (SPCL) a subcommittee of Board of Directors (BOD) was formed and its Charter was approved by the Company's Board. The Audit Committee of SPCL comprises of the following Board members:

1. Mr. Golam Nabi FCA (Chair)
2. Mr. Anis Salahuddin Ahmad (Member)
3. Mr. A.K.M Badiul Alam (Member)
4. Mr. Yeasin Ahmed (Secretary)

A total of 4 (four) meetings were held since the last Annual General Meeting of SPCL, the last being on 29th April 2017. Besides Company Secretary who supports the committee as its secretary as well, permanent invitees to the meetings were the CFO and Head of Internal Audit. Relevant heads of other functions. The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function and the terms of reference are detailed in Committee Charter approved by the Board. The major responsibilities of the Committee, among others, include:

1. Reviewing the quarterly, half-yearly and annual financial statements and other financial results of the company and, upon its satisfaction of the review, recommend them to the board for approval.
2. Monitoring and reviewing the adequacy and effectiveness of the company's financial reporting process, internal control and risk management system.

3. Monitoring and reviewing the arrangements to ensure objectivity and effectiveness of the external and internal audit functions. Examine audit findings and material weaknesses in the system and monitor implementation of audit action plans.

4. Recommending to the Board the appointment, re-appointment or removal of external auditors.

5. Reviewing and monitoring the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

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

1. Reviewed, among other issues, the quarterly and half yearly financial statements of the Company and recommended to the Board for adoption and circulation as per the requirement of Bangladesh Securities & Exchange Commission.

2. Also reviewed the audited financial statements of the Company together with consolidated statements with its associate and subsidiary for the year ended June 30, 2018 and being satisfied that the critical accounting policies, significant judgments and practices used by the Company are compliant with the required laws and regulations, also confirmed by the external auditor in their independent report, recommended to Board for adoption.

3. Committee recommended M/S. G. Kibria & Co. Chartered Accountants, for appointment as the external auditors of the Company for the year ending on June 30, 2019;

4. Reviewed the external auditors' findings arising from audit, particularly comments and responses given by the management.

5. Reviewed the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).

6. The committee is of the opinion that reasonable controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and the financial position of the Company is adequately managed.

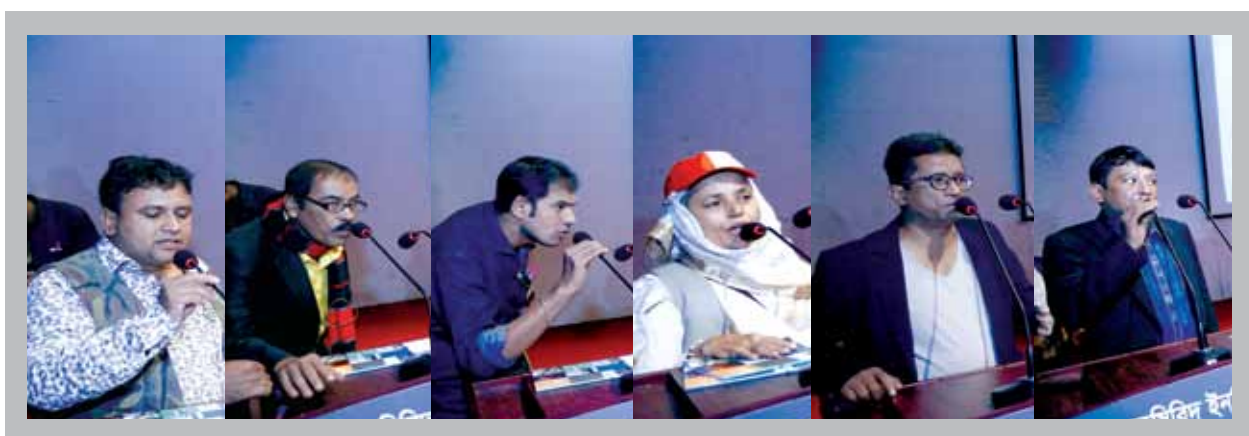
On behalf of the Committee



Mr. Golam Nabi FCA  
 Chairman of the Audit Committee



## PICTURES FROM 10TH ANNUAL GENERAL MEETING



## KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 (FIVE) YEARS

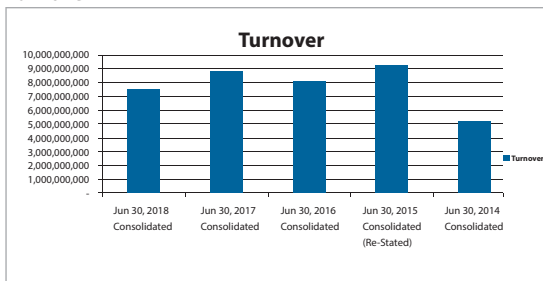
Operational Result	Jun 30,2018 Consolidated	Jun 30,2017 Consolidated	Jun 30,2016 Consolidated	Jun 30,2015 Consolidated (Re-Styled)	Jun 30,2014 Consolidated
Turnover	7,384,769,136	8,642,556,150	7,994,314,012	9,182,109,019	5,055,725,129
Cost of Sales	5,832,546,927	6,889,320,961	6,492,895,642	7,527,721,229	3,901,712,993
Gross Profit	1,552,222,209	1,753,235,189	1,501,418,370	1,654,387,790	1,154,012,136
Profit From Operation	986,158,965	1,196,353,450	842,216,138	1,094,821,715	494,834,849
Net Profit Before Tax	949,261,411	1,195,921,525	873,502,049	1,142,939,876	528,152,702
Net Profit After Tax	701,757,692	949,894,782	741,108,399	1,022,424,882	472,292,475
Net Cash Flow From Operation	407,900,650	1,922,297,991	1,125,147,220	204,248,754	1,873,897,290

Financial Position	Jun 30,2018 Consolidated	Jun 30,2017 Consolidated	Jun 30,2016 Consolidated	Jun 30,2015 Consolidated (Re-Styled)	Jun 30,2014 Consolidated
Non-Current Assets	6,231,228,910	6,647,548,177	6,427,200,483	6,666,085,325	6,836,447,741
Current Assets	3,737,839,884	2,795,563,575	3,883,982,475	3,840,511,387	4,275,808,552
Inventories	1,128,458,840	785,392,635	927,183,754	907,674,381	1,125,663,025
Shareholders' Equity	5,306,414,146	4,871,963,609	4,396,980,445	4,064,363,206	3,214,152,921
Long Term Liability	192,115,541	388,672,715	743,784,661	1,359,785,767	2,609,313,244
Current Liabilities	4,190,885,084	3,924,134,964	4,960,592,895	4,908,327,823	5,286,889,808
Total Liabilities	4,383,000,625	4,312,807,679	5,704,377,557	6,268,113,590	7,896,203,052

Key Financial Ratio	Jun 30,2018 Consolidated	Jun 30,2017 Consolidated	Jun 30,2016 Consolidated	Jun 30,2015 Consolidated (Re-Styled)	Jun 30,2014 Consolidated
Current Ratio	0.89	0.71	0.78	0.78	0.81
Quick Ratio	0.62	0.51	0.60	0.60	0.60
Debt to Equity Ratio	0.83	0.89	1.30	1.54	2.46
Net Income Ratio (%)	10%	11%	9%	11%	9%
Return on Equity (%)	13%	19%	17%	25%	15%
Earning Per Share	4.10	5.50	5.14	7.20	4.13

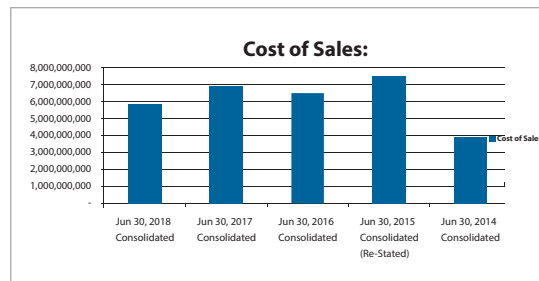
## FINANCIAL REVIEW – 2018

### Turnover



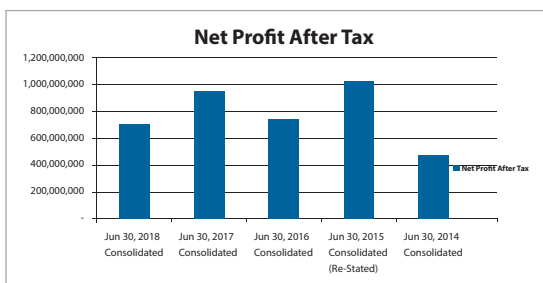
- Consolidated revenue was decreased by -14.55% year-over-year.

### Cost of Sales:



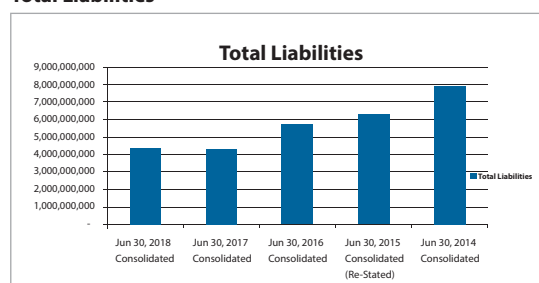
- With the same pace as the revenue went down, Cost of Sales were also went down by -15.34% due to the same reason.

### Net Profit after Tax:



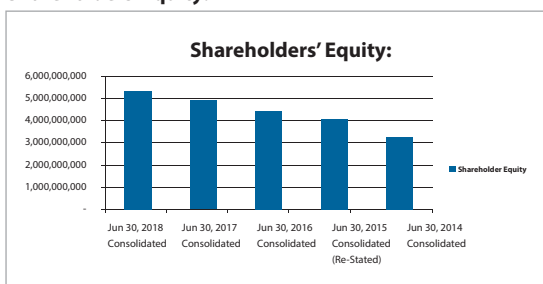
- Net Profit after Tax went down by -26.12%.

### Total Liabilities



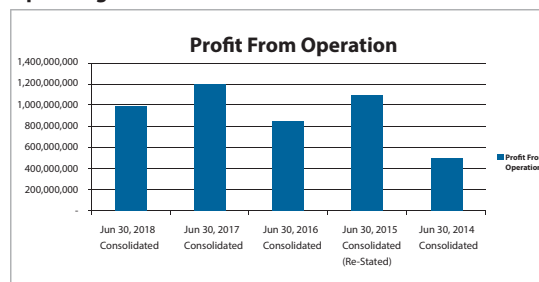
- Total Liabilities of the Company marginally increased by 1.63%.

### Shareholders' Equity:



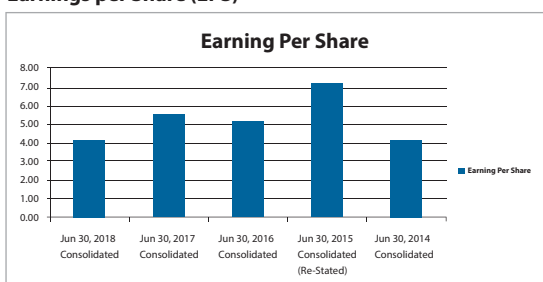
- Shareholders' Equity was up by 8.92%.

### Operating Profit:



- Operating Profit went down by -17.57% on account of full year performance due to lower margin of Petroleum segment of the business

### Earnings per Share (EPS)



- The EPS was down by -25.45% over the last year's EPS due to lower margin of Petroleum segment of the business.

### Long Term Liabilities:



- The long term liabilities has decreased by -50.57% this year
- The reason of such significant difference can be attributed to the principal repayment of borrowed fund.

## INVESTOR COMPLAINT REDRESSAL MECHANISM



1. The company has a designated investor grievances E-Mail id [debasish@youthbd.com](mailto:debasish@youthbd.com) on which the client or investor can make their complaints. Apart from that Investors are allowed to call directly to concerned officer of Investor Relation Department through Telephone Numbers.
2. An Investor can make a written complaint through letter addressing to "The Company Secretary, Shahjibazar Power Co. Ltd, 822/2 Rokeya Sarani, Dhaka – 1216" as well.
3. The Company maintains investor grievance register in which full detail of every written complaint shall be entered.
4. The full detail of the written complaint must be passed to the concerned department and inform the compliance officer of the company as soon as it is received.
5. A letter or mail must be written to all the investor who has submitted written complaints by the designated person or Compliance Officer acknowledging receipt of the complaint and informing them it will be dealt with.
6. Compliance Department will obtain all information available on the complaint which is considered necessary for a proper investigation. Look into all the necessary information and resolve them as soon as possible.
7. There is standing policy of the company to resolve the investor complaint within seven days of the receipt of the same except the complicated case.
8. A serious complaint (where the written response does not settle the issue) must be referred to the higher management of the company.
9. The Compliance Officer of the Company shall review the investor complaint register on weekly basis to find out whether complaint has been resolved within time or not.



## CEO AND CFO'S DECLARATION TO THE BOARD

Dated: October 28, 2018

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

**Subject: Declaration on Financial Statements for the year ended on June 30, 2018**

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 Dated: June 3, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Shahjibazar Power Co. Limited for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**Bhulon Bhowmik**  
Chief Financial Officer



**Feroz Alam**  
Managing Director



## MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

### Report to the Shareholders of Shahjibazar Power Co. Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Shahjibazar Power Co. Ltd.** for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except Condition no 6. (4) and 6 (5);
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- (d) The governance of the company is satisfactory.

For Mazumdar Sikder and Associates

Place -Dhaka.  
Date- December 26 , 2018

  
**Md. Salauddin Sikder FCMA**  
Cost & Management Accountants

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

# SHAHJIBAZAR POWER CO. LTD.

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Annexure-2

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006158/207/Admin /80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
<b>1.</b>	<b>Board of Directors:-</b>			
1 (1)	<b>Size of the Board of Directors</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The SPCL Board is comprised of 7 Directors.
<b>1 (2)</b>	<b>Independent Directors</b>			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are two Independent Directors in the SPCL Board
1 (2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		The Independent Director has declared his Compliance.
1 (2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		Do
1 (2) (b) (iii)	who has not been an executive of the company in immediately preceding 2(two) financial years;	✓		Do
1 (2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		Do
1 (2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		Do
1 (2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		Do
1 (2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		Do
1 (2) (b) (viii)	who is not independent director in more than 5 (five) listed companies;	✓		Do
1 (2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		Do
1 (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		Do
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		-
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		No vacancy occurred
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	✓		

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		The qualification and background of IDs justify their abilities
1 (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			
1 (3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;			
1 (3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;			
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		Do
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		Do
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	N/A
<b>1 (4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-</b>			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
<b>1 (5)</b>	<b>The Directors' Report to Shareholders</b>			
1 (5) (i)	An industry outlook and possible future developments in the industry;	✓		The Director's Report compliance with the guidelines



Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
1 (5) (ii)	The segment-wise or product-wise performance;	✓		Do
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Do
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Do
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Do
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	✓		The Director's Report complied with the guidelines.
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	✓	-	Do
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	-	-	Not Applicable
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓	-	The Director's Report complied with the guidelines.
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	✓	-	Do
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		Do
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	✓		Do
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		Do
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		Do
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Do
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		The Director's Report compliance with the guidelines.
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		The Director's Report compliance with the guidelines.
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	Do
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Do
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Not Applicable		

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		N/A
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		The Director's Report complied with the guidelines.
1 (5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	✓		Do
1 (5)(xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		Do
1 (5)(xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	✓		Do
1 (5) (xxiii)(c)	Executives;	✓		Do
1 (5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		Do
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	✓		Do
1(5)(xxiv)(a)	a brief resume of the director	✓		Do
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	✓		Do
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Do
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		Do
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		The Director's Report compliance with the guidelines
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		Do
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;			The Director's Report compliance with the guidelines.
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Do
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		Do
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Do
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		Do
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure-A</b> ; and	✓		Do
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure-B</b> and <b>Annexure-C</b> .	✓		Do

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.			
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-		To be Complied
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company.	-		To be Complied
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company.</b>			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	✓		
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		Do
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		Do
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;			N/A
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
<b>3 (2)</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		In Practice
<b>3 (3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3 (3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4</b>	<b>Board of Directors' Committee. For ensuring good governance in the company, the Board shall have at least following sub committees:</b>			
4 (i)	Audit Committee;	✓		In Practice
4 (ii)	Nomination and Remuneration Committee.	✓		Has been Constituted
<b>5</b>	<b>Audit Committee</b>			
<b>5 (1)</b>	<b>Responsibility to the Board of Directors.</b>			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		Already in place
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		In Practice
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		In Practice
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		Do
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	-		No Such incidence occurred
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		In Practice
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In Practice
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		



Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		In Practice
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		In Practice
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		In Practice
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		In Practice
5 (5)	The Audit Committee shall:-			
5 (5) (a)	Oversee the financial reporting process;	✓		In Practice
5 (5) (b)	monitor choice of accounting policies and principles;	✓		In Practice
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		In Practice
5 (5) (d)	oversee hiring and performance of external auditors;	✓		In Practice
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		In Practice
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		In Practice
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		In Practice
5 (5) (h)	review the adequacy of internal audit function;	✓		In Practice
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		In Practice
5 (5) (j)	review statement of all related party transactions submitted by the management;	✓		In Practice
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	-		No Such incidence occurred
5 (5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		In Practice
5 (5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		Stated in Director's Report
5 (6)	<b>Reporting of the Audit Committee</b>			
5 (6) (a)	<b>Reporting to the Board of Directors</b>			

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		Audit Committee informs board periodically through its minutes which are placed a board meeting.
<b>5 (6) (a) (ii)</b>	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>			
5 (6) (a) (ii) (a)	report on conflicts of interests;	-	-	N/A
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	N/A
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	N/A
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	N/A
5 (6) (b)	<b>Reporting to the Authorities</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	N/A
5 (7)	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC).-</b>			
<b>6 (1)</b>	<b>Responsibility to the Board of Directors</b>			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		
6 (2)	<b>Constitution of the NRC</b>	✓		
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;			
6 (2) (b)	All members of the Committee shall be non-executive directors;	✓		
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		No Such incidence occurred
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		No Such incidence occurred
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	✓		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		Will be held in the next financial year
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		No Such incidence occurred
6 (3)	<b>Chairperson of the NRC</b>	✓		
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		No Such incidence occurred
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-		Will attend in next AGM
6 (4)	<b>Meeting of the NRC</b>			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	-		Will be Complied within next Financial Year
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6 (2) (h);	-		Do
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		Do
6 (5)	<b>Role of the NRC</b>			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-		Do
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		Do
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to 13 the remuneration of the directors, top level executive, considering the following:	-		Do
6 (5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-		Do
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-		Do

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
6 (5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-		Do
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		Do
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		Do
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	-		Do
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-		Do
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	-		Do
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		Do
7	<b>External or Statutory Auditors.-</b>			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7 (1) (i)	appraisal or valuation services or fairness opinions;	✓		
7 (1) (ii)	financial information systems design and implementation;	✓		
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7 (1) (iv)	broker-dealer services;	✓		
7 (1) (v)	actuarial services;	✓		
7 (1) (vi)	internal audit services or special audit services;	✓		
7 (1) (vii)	any service that the Audit Committee determines;	✓		
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7 (1) (ix)	any other service that creates conflict of interest.	✓		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	<b>Maintaining a website by the Company.-</b>			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8 (2)	The company shall keep the website functional from the date of listing.	✓		



Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	<b>Reporting and Compliance of Corporate Governance.-</b>			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	-		Will be appointed in the next AGM for the year 2018-2019
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

## VARIOUS COMMITTEES

### Audit Committee

Mr. Golam Nabi FCA (Independent Director)	Chair
Mr. Anis S. Ahmad (Director)	Member
Mr. A.K.M Badiul Alam (Director)	Member
Mr. Yeasin Ahmed, ACS (Company Secretary)	Secretary

### Nomination and Remuneration Committee (NRC)

Mr. GolamNabi, FCA (Independent Director)	-Chair
Mr. Rezakul Haider (Board Chairman)	-Member
Mr. Feroz Alam (Managing Director)	-Member
Mr. Yeasin Ahmed ACS (Company Secretary)	-Secretary

## VALUE ADDED STATEMENT

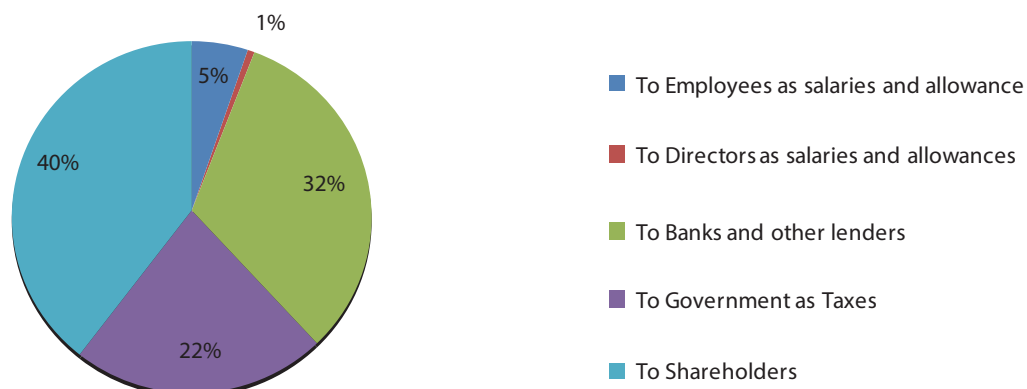
### SHAHJIBAZAR POWER CO. LTD.

Consolidated Value Added Statement

For the year ended June 30, 2018

Particulars	2018 Taka	2017 Taka
Revenue	7,384,769,136	8,642,556,150
Other Income including interest income	24,253,990	2,365,447
Profit Sharing from Associate	(4,688,473)	42,696,087
Cost of Sales, Excluding Depreciation	(5,549,753,317)	(6,568,588,899)
Other Operating Expenses	(34,034,482)	(1,964,970)
<b>Total Value Added</b>	<b>1,820,546,854</b>	<b>2,117,063,815</b>
<b>Distribution of Added Value</b>		
To Employees as salaries and allowance	59,376,237	55,809,342
To Directors as salaries and allowances	7,000,000	4,000,000
To Banks and other lenders	365,281,173	372,169,002
To Government as Taxes	248,441,414	237,487,526
To Shareholders	450,857,226	423,737,994
	<b>1,130,956,050</b>	<b>1,093,203,864</b>
<b>Retained for Re-investment and Future Growth</b>		
Depreciation and amortization	282,793,611	282,120,421
Retained Profit	406,797,194	741,739,530
	<b>689,590,805</b>	<b>1,023,859,951</b>
<b>Total Value Distributed</b>	<b>1,820,546,854</b>	<b>2,117,063,815</b>

### Distribution of Added Value





BDBL Bhaban (Level-13 & 14)  
12 Kawran Bazar Commercial Area  
Dhaka-1215, Bangladesh.

Telephone: (88 02) 8144347 to 52  
(88 02) 8189428 to 29  
Facsimile: (88 02) 8144353  
e-mail: <acnabin@bangla.net>  
Web: www.acnabin.com

## Independent Auditors' Report To The Shareholders of Shahjibazar Power Company Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Shahjibazar Power Company Limited ("The Company") which comprise the statement of financial position as at 30 June 2018, statement of Profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information and all related consolidated financial statements of Shahjibazar Power Company Limited including its subsidiary (together referred to as "the Group").

### Management's Responsibility for the Financial Statements

Management of Shahjibazar Power Company Limited is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, the Bangladesh 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 the financial statements that are free from material misstatement, whether due to fraud and error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements including the consolidated financial statements give a true and fair view of the financial position as at 30 June 2018, and of the financial performance and cash flows for the year then ended prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB).





### Other Matter

The financial statements of the Company's subsidiary, Petromax Refinery Limited (PRL), were not audited by us. The financial statements of Petromax Refinery Limited shows total assets of Taka 6,462,185,684 as on 30 June 2018 and total revenue of Taka 6,037,037,045 for the year then ended. Aziz Halim Khair Choudhury Chartered Accountants has audited the Financial Statements of Petromax Refinery Limited and expressed an unmodified opinion. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the audited financial statements and reports issued by subsidiary's auditor.

### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The Company's statement of financial position and statement of Profit & loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the company's business.

Dhaka,  
24 October 2018

  
**ACNABIN**  
Chartered Accountants

## SHAHJIBAZAR POWER COMPANY LIMITED

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

#### AS AT JUNE 30, 2018

	Notes	June 30, 2018 Taka	June 30, 2017 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4a	5,517,729,701	5,932,098,205
Intangible Assets	5.00	606,135	745,787
Investment Accounted for using the Equity Method	6a	173,042,602	177,731,076
Other Investments	8a	539,850,471	536,973,109
		<b>6,231,228,910</b>	<b>6,647,548,177</b>
<b>Current Assets</b>			
Inventories	9a	1,128,458,840	785,392,635
Accounts Receivables	10a	1,427,596,071	908,417,838
Other Receivables	11a	2,503,949	512,032
Advance, Deposits and Prepayments	12a	501,009,779	507,083,848
Financial Assets at fair value through profit or loss	12b	20,201,919	24,774,556
Cash and Cash Equivalents	13a	529,762,731	508,991,093
Goods in Transit	14a	128,306,595	60,391,573
		<b>3,737,839,884</b>	<b>2,795,563,575</b>
<b>TOTAL ASSETS</b>		<b>9,969,068,794</b>	<b>9,443,111,751</b>
<b>SHARE HOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	15.00	1,610,204,378	1,412,459,981
Share Premium	16.00	914,920,000	914,920,000
Tax Holiday Reserve	16a	850,711,042	701,982,235
Retained Earnings	17a	1,930,578,727	1,842,601,393
<b>Non-controlling interests</b>		<b>279,654,021</b>	<b>258,340,464</b>
<b>Total equity</b>		<b>5,586,068,168</b>	<b>5,130,304,073</b>
<b>Non-Current Liabilities</b>			
Long Term Loan- Net of Current Maturity	18a	167,217,657	350,426,500
Loan from other than Bank	18b	89,364	12,500,000
Deferred Tax Liabilities	19a	24,808,520	25,746,215
		<b>192,115,541</b>	<b>388,672,715</b>
<b>Current Liabilities</b>			
L/C Liabilities	20a	90,345,074	65,026,521
Short Term Loan	21a	3,628,529,390	3,130,570,723
IPO Application Amount	22a	6,084,318	6,084,318
Long Term Loan - Current Maturity	23a	194,599,119	510,047,371
Sundry Creditors	24a	145,268,525	124,046,922
Liabilities for Expenses	25a	19,884,836	11,495,521
Unclaimed Dividend	25b	9,211,728	10,141,045
Trade Payable	26a	96,962,095	66,722,544
<b>Total liabilities</b>		<b>4,383,000,625</b>	<b>4,312,807,679</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,969,068,793</b>	<b>9,443,111,751</b>
<b>Net Asset Value Per Share (NAVPS)</b>			
		<b>32.95</b>	<b>34.49</b>
<b>CONTINGENT LIABILITIES &amp; COMMITMENTS</b>			
	37 & 38		

The financial statements were authorised for issuance by the Board of Directors on 24 October 2018



Chairman



Director



Managing Director



Company Secretary

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

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

Dhaka,  
24 October 2018

  
**ACNABIN**  
 Chartered Accountants

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Notes	June 30, 2018 Taka	June 30, 2017 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>4,056,630,337</b>	<b>4,321,960,176</b>
Property, Plant and Equipment	4.00	2,443,737,263	2,707,255,991
Investment Accounted for using the Equity Method	6.00	173,042,602	177,731,076
Investment in Subsidiary	7.00	900,000,000	900,000,000
Other Investments	8.00	539,850,471	536,973,109
<b>Current Assets</b>		<b>568,252,773</b>	<b>450,457,647</b>
Inventories	9.00	122,610,952	132,208,155
Accounts Receivables	10.00	290,111,349	222,267,768
Other Receivables	11.00	2,503,949	512,032
Advance, Deposits and Prepayments	12.00	38,492,208	39,610,868
Cash and Cash Equivalent	13.00	55,120,219	46,319,577
Goods In Transit	14.00	59,414,096	9,539,247
<b>TOTAL ASSETS</b>		<b>4,624,883,110</b>	<b>4,772,417,823</b>
<b>SHARE HOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>3,516,788,848</b>	<b>3,274,160,328</b>
Share Capital	15.00	1,610,204,378	1,412,459,981
Share Premium	16.00	914,920,000	914,920,000
Retained Earnings	17.00	991,664,470	946,780,347
<b>Non-Current Liabilities</b>		<b>164,014,924</b>	<b>310,016,228</b>
Long Term Loan- Net of Current Maturity	18.00	139,206,404	284,270,013
Deferred Tax Liabilities	19.00	24,808,520	25,746,215
<b>Current Liabilities</b>		<b>944,079,337</b>	<b>1,188,241,268</b>
L/C Liabilities	20.00	82,677,127	58,040,125
Short Term Loan	21.00	454,666,390	556,819,339
IPO Application Amount	22.00	6,084,318	6,084,318
Long Term Loan - Current Maturity	23.00	182,096,793	412,976,929
Sundry Creditors	24.00	115,778,239	80,648,188
Liabilities for Expenses	25.00	5,601,319	3,436,738
Unclaimed Dividend	25b	9,211,728	10,141,045
Trade Payable	26.00	87,963,424	60,094,587
<b>Total Liabilities</b>		<b>1,108,094,262</b>	<b>1,498,257,496</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,624,883,110</b>	<b>4,772,417,823</b>
Net Asset Value Per Share (NAVPS)		<b>21.84</b>	<b>23.18</b>
CONTINGENT LIABILITIES & COMMITMENTS	37 & 38		

The financial statements were authorised for issuance by the Board of Directors on 24 October 2018



Chairman



Director



Managing Director



Company Secretary

### Report of the Auditors to the Shareholders:

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

Dhaka,  
24 October 2018

  
**ACNABIN**  
 Chartered Accountants

## SHAHJIBAZAR POWER COMPANY LIMITED

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	Notes	For the Year Ended	
		June 30, 2018 Taka	June 30, 2017 Taka
<b>Revenue</b>	<b>27a</b>	7,384,769,136	8,642,556,150
Cost of Sales	<b>28a</b>	5,832,546,927	6,889,320,961
<b>Gross Profit</b>		<b>1,552,222,209</b>	<b>1,753,235,189</b>
<b>Operating Expenses:</b>			
General and Administrative Expenses	<b>29a</b>	200,782,071	163,660,120
Financial Expenses	<b>30a</b>	365,281,173	393,221,618
<b>Operating Profit</b>		<b>986,158,965</b>	<b>1,196,353,450</b>
Non-Operating Income	<b>31a</b>	24,253,990	23,418,064
Share of Profit From Associate	<b>32a</b>	(4,688,473)	42,696,087
<b>Net Profit before Tax and WPPF</b>		<b>1,005,724,482</b>	<b>1,262,467,601</b>
Workers' Profit Participation Fund	<b>33a</b>	56,463,071	66,546,076
<b>Net Profit before Tax</b>		<b>949,261,411</b>	<b>1,195,921,525</b>
<b>Income Tax Expenses:</b>	<b>34a</b>	<b>247,503,719</b>	<b>246,026,743</b>
Current Tax		248,441,414	237,487,526
Deferred Tax		(937,695)	8,539,217
<b>Net profit after Tax</b>		<b>701,757,692</b>	<b>949,894,782</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>701,757,692</b>	<b>949,894,782</b>
<b>Profit Attributable to</b>			
Equity holders' of the parent		660,444,134	886,379,275
Non Controlling Interest		41,313,557	63,515,507
		<b>701,757,692</b>	<b>949,894,782</b>
<b>Total Comprehensive Income Attributable to:</b>			
Equity holders' of the parent		660,444,134	886,379,275
Non Controlling Interest		41,313,557	63,515,507
		<b>701,757,692</b>	<b>949,894,782</b>
<b>Earnings Per Share (EPS)</b>	<b>35a</b>	<b>4.10</b>	<b>5.50</b>

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 24 October 2018

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

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

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

Dhaka,  
24 October 2018

  
**ACNABIN**  
Chartered Accountants



**SHAHJIBAZAR POWER COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Notes	For the Year Ended	
		June 30, 2018 Taka	June 30, 2017 Taka
<b>Revenue from Sales</b>	<b>27.00</b>	1,347,732,091	1,314,173,261
Cost of Sales	<b>28.00</b>	738,992,074	718,436,382
<b>Gross Profit</b>		<b>608,740,017</b>	<b>595,736,879</b>
<b>Operating Expenses:</b>			
General and Administrative Expenses	<b>29.00</b>	59,507,835	58,737,895
Financial Expenses	<b>30.00</b>	77,197,746	97,892,026
<b>Operating Profit</b>		<b>472,034,435</b>	<b>439,106,958</b>
Non-Operating Income	<b>31.00</b>	176,453,195	135,393,832
Share of Profit of Investment Accounted for using Equity Method	<b>32.00</b>	(4,688,473)	42,696,087
<b>Net Profit before Tax and WPPF</b>		<b>643,799,157</b>	<b>617,196,876</b>
Less: Workers' Profit Participation Fund	<b>33.00</b>	30,657,103	29,390,327
<b>Net Profit before Tax</b>		<b>613,142,055</b>	<b>587,806,548</b>
<b>Income Tax Expenses:</b>	<b>34.00</b>	<b>144,519,937</b>	<b>138,066,832</b>
Current Tax		145,457,632	129,527,615
Deferred Tax		(937,695)	8,539,217
<b>Net profit after Tax</b>		<b>468,622,117</b>	<b>449,739,716</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>468,622,117</b>	<b>449,739,716</b>
<b>Earnings Per Share (EPS)</b>	<b>35.00</b>	<b>2.91</b>	<b>2.79</b>

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 24 October 2018



Chairman



Director



Managing Director



Company Secretary

**Report of the Auditors to the Shareholders:**

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

Dhaka,  
24 October 2018

  
**ACNABIN**  
 Chartered Accountants

# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018 Taka	June 30, 2017 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	6,865,590,903	8,817,829,593
Cash paid to suppliers, employees	(5,705,094,758)	(6,178,576,102)
Cash Paid for operational Expenses	(180,503,086)	(96,335,476)
Cash received from Other Activities	38,723,313	7,104,426
Cash paid for Workers Profit Participation Fund	(29,390,327)	(37,893,509)
Income Tax Paid	(216,376,140)	(218,635,673)
Cash payment for Financial Expenses	(365,281,173)	(371,195,269)
<b>Net Cash flows from operating activities</b>	<b>407,668,732</b>	<b>1,922,297,991</b>
<b>B CASH FLOWS IN INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(131,769,800)	(258,774,374)
Disposal of Fixed Assets	7,782,046	225,000
Investment in Quoted Securities	-	(8,550,890)
Other Investment	(2,877,362)	56,034,724
<b>Net cash used in investing activities</b>	<b>(126,865,116)</b>	<b>(211,065,540)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Loan (Short Term )	497,958,667	386,204,958
IPO Application Amount	-	(20,000)
Payment of L/C Liabilities	-	(1,003,189,074)
Payment of Dividend	(246,922,914)	(436,937,821)
Loan Other Than Bank and Financial Institutes	(12,410,636)	(54,822,967)
Bank Loan (Long Term )	(498,657,095)	(638,914,195)
<b>Net cash used in financing activities</b>	<b>(260,031,978)</b>	<b>(1,747,679,099)</b>
<b>D Net Cash for the year (A+B+C)</b>	<b>20,771,638</b>	<b>(36,446,648)</b>
<b>E Opening cash and bank balance</b>	<b>508,991,093</b>	<b>545,437,741</b>
<b>F Closing cash and cash equivalents (D+E)</b>	<b>529,762,731</b>	<b>508,991,093</b>
<b>G Net Operating Cash Flow per share</b>	<b>2.53</b>	<b>13.61</b>

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 24 October 2018

Chairman

Director

Managing Director

Company Secretary

### Report of the Auditors to the Shareholders:

This is the statement of Consolidated Cash flow referred to in our report of even date.

Dhaka,  
24 October 2018

ACNABIN  
Chartered Accountants

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018 Taka	June 30, 2017 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	1,279,888,510	1,386,474,614
Cash paid to suppliers, employees	(447,987,870)	(485,400,852)
Cash Paid for operational Expenses	(50,408,993)	(34,947,049)
Cash received from Other Activities	10,922,518	2,897,537
Cash paid for Workers Profit Participation Fund	(29,390,327)	(37,893,509)
Income Tax Paid	(113,392,358)	(110,675,762)
Cash Paid for Financial Expenses	(77,197,746)	(94,683,021)
<b>Net Cash flows from operating activities</b>	<b>572,433,734</b>	<b>625,771,958</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(37,236,122)	(58,440,790)
Disposal of Fixed Assets	1,500,000	225,000
Dividend Received from Subsidiary	180,000,000	135,000,000
Other Investment	(2,877,362)	56,034,724
<b>Net cash flow from investing activities</b>	<b>141,386,516</b>	<b>132,818,934</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Loan (Short Term)	(86,234,390)	(15,814,170)
IPO Application Amount	-	(20,000)
Dividend Paid	(226,922,914)	(421,937,821)
Loan & Advance (Subsidiary & Associate)	(15,918,559)	-
Bank Loan (Long Term)	(375,943,745)	(295,019,462)
<b>Net cash used financing activities</b>	<b>(705,019,608)</b>	<b>(732,791,453)</b>
<b>D Net Cash inflow/(outflow) for the year (A+B+C)</b>	<b>8,800,642</b>	<b>25,799,439</b>
<b>E Opening Cash &amp; Cash Equivalent</b>	<b>46,319,577</b>	<b>20,520,138</b>
<b>F Closing Cash &amp; Cash Equivalent</b>	<b>55,120,219</b>	<b>46,319,577</b>
<b>G Net Operating Cash Flow per share</b>	<b>3.56</b>	<b>4.43</b>

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 24 October 2018



Chairman



Director



Managing Director



Company Secretary

### Report of the Auditors to the Shareholders:

This is the statement of Cash flow referred to in our report of even date.

Dhaka,  
24 October 2018

  
**ACNABIN**  
Chartered Accountants

## SHAHJIBAZAR POWER COMPANY LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

#### FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
<b>Balance as at July 01, 2017</b>	1,412,459,981	701,982,235	914,920,000	1,842,601,393	4,871,963,609	258,340,464	5,130,304,073
Net profit (After Tax) for the period	-	-	-	660,444,134	660,444,134	41,313,557	701,757,692
Bonus Share/Stock Dividend	197,744,397	-	-	(197,744,397)	-	-	-
Cash Dividend Paid	-	-	-	(225,993,597)	(225,993,597)	(20,000,000)	(245,993,597)
Tax Holiday Reserve	-	148,728,807	-	(148,728,807)	-	-	-
<b>Balance as at June 30, 2018</b>	<b>1,610,204,378</b>	<b>850,711,042</b>	<b>914,920,000</b>	<b>1,930,578,727</b>	<b>5,306,414,146</b>	<b>279,654,021</b>	<b>5,586,068,168</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
<b>Balance as at July 01, 2016</b>	1,371,320,370	473,326,411	914,920,000	1,637,413,664	4,396,980,445	209,824,957	4,606,805,402
Net profit (After Tax) for the year	-	-	-	886,379,275	886,379,275	63,515,507	949,894,781
Bonus Share/Stock Dividend	41,139,611	-	-	(41,139,611)	-	-	-
Cash Dividend Paid	-	-	-	(411,396,111)	(411,396,111)	(15,000,000)	(426,396,111)
Tax Holiday Reserve	-	228,655,824	-	(228,655,824)	-	-	-
<b>Balance as at June 30, 2017</b>	<b>1,412,459,981</b>	<b>701,982,235</b>	<b>914,920,000</b>	<b>1,842,601,393</b>	<b>4,871,963,609</b>	<b>258,340,464</b>	<b>5,130,304,072</b>

The accompanying notes form an integral part of the financial statements  
The financial statements were authorised for issuance by the Board of Directors on 24 October 2018



**Chairman**

**Report of the Auditors to the Shareholders:**

This is the statement of Consolidated Changes in Equity referred to in our report of even date.

Dhaka,  
24 October 2018



**Director**

**Managing Director**



**Company Secretary**



**ACNABIN**

**Chartered Accountants**

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
<b>Balance as at July 01, 2017</b>	1,412,459,981	914,920,000	946,780,347	3,274,160,328
Net profit for the year	-	-	468,622,117	468,622,117
Bonus Share/Stock Dividend	197,744,397	-	(197,744,397)	-
Cash Dividend	-	-	(225,993,597)	(225,993,597)
<b>Balance as at June 30, 2018</b>	<b>1,610,204,378</b>	<b>914,920,000</b>	<b>991,664,470</b>	<b>3,516,788,848</b>

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
<b>Balance as at July 01, 2016</b>	1,371,320,370	914,920,000	949,576,353	3,235,816,723
Net profit for the year	-	-	449,739,716	449,739,716
Bonus Share/Stock Dividend	41,139,611	-	(41,139,611)	-
Cash Dividend	-	-	(411,396,111)	(411,396,111)
<b>Balance as at June 30, 2017</b>	<b>1,412,459,981</b>	<b>914,920,000</b>	<b>946,780,347</b>	<b>3,274,160,328</b>

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 24 October 2018



**Chairman**



**Director**



**Managing Director**



**Company Secretary**

**Report of the Auditors to the Shareholders:**

This is the statement of Changes in Equity referred to in our report of even date.

Dhaka,  
24 October 2018



**ACNABIN**  
**Chartered Accountants**



# SHAHJIBAZAR POWER COMPANY LIMITED

## Notes to the Financial Statements As on and for the year ended June 30, 2018

### 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 4th November, 2007 vide registration no C-68888 (1400)/07. The registered office of the company is located at Youth Tower, 822/2 Rokeya Sarani, Dhaka-1216 and the plant is located at 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 International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB), 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 18 Revenue
- 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
- IAS 39 Financial Instrument: Recognition and measurement
- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IFRS 10 Consolidated Financial Statements
- IFRS 12 Disclosure of Interests in other Entities
- IFRS 13 Fair Value Measurement

## 2.3. Date of authorization

The consolidated financial statements as well as separate financial statements were authorized by the Board of Directors on 24 October 2018 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.

## 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 as IAS 1 "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

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

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

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

##### 3.2.4. Subsequent Costs

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

##### 3.2.5. Capitalization of Borrowing Cost

Borrowing cost relating to acquisition of fixed assets is capitalized as per International 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 30th June, 2018 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 recognised for all temporary taxable differences.

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

### 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

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

### 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".

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

The company has been providing worker profit participation fund for its employees in accordance with provisions of Bangladesh Labor Act 2006. Section-232(1)

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



### 3.22. 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.

### 3.25. 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 IFRS, 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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, 2018	June 30, 2017
<b>Summarised financial information for associate</b>		
<b>Summarised Balance Sheet:</b>		
<b>Current:</b>		
Cash & Cash Equivalents	10,796,886	48,368,232
Other Current Assets (excluding cash)	320,765,216	210,460,988
<b>Total Current Assets</b>	<b>331,562,102</b>	<b>258,829,220</b>
Financial liabilities (excluding trade payables)	1,304,658,936	191,427,098
Other current liabilities	89,013,727	88,528,579
<b>Total Current Liabilities</b>	<b>1,393,672,663</b>	<b>279,955,677</b>
<b>Non-Current:</b>		
Assets	3,302,667,718	2,406,039,106
<b>Total Non-Current Assets</b>	<b>3,302,667,718</b>	<b>2,406,039,106</b>
Financial Liabilities	1,018,629,805	1,142,196,168
Other Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>1,018,629,805</b>	<b>1,142,196,168</b>
<b>Net Assets</b>	<b>1,221,927,348</b>	<b>1,242,716,481</b>
<b>Summarised Statement of Comprehensive Income</b>		
Revenue	599,856,084	633,647,718
Cost of Revenue	438,622,472	421,746,993
Other Expenses	170,479,347	76,819,240
Income Tax Expense	322,578	-
Post tax profit from continuing operations	(9,568,313)	87,134,871
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>(9,568,313)</b>	<b>87,134,871</b>
<b>7.00 INVESTMENT IN SUBSIDIARY:</b>		
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.		
<b>8.00 OTHER INVESTMENTS:</b>		
Investment In Mudaraba Term Deposit	108,650,471	105,773,109
Investment In Associate over share capital as advance	431,200,000	431,200,000
	<b>539,850,471</b>	<b>536,973,109</b>
<b>8.01 Investment in Mudaraba Term Deposit</b>		
Mudaraba Term Deposit Receipt-IBBL	100,226,335	97,919,107
Mudaraba Term Deposit Receipt-IFIL	8,424,136	7,854,003
	<b>108,650,471</b>	<b>105,773,109</b>
<b>Lien Status:</b>		
Under Lien (Against Short Term Loan)	59,892,230	59,892,230
Free from Lien	48,758,241	45,880,879
	<b>108,650,471</b>	<b>105,773,109</b>
<b>8a Consolidated Other Investment</b>		
Shahjibazar Power Company Limited	539,850,471	536,973,109
Petromax Refinery Limited	-	-
	<b>539,850,471</b>	<b>536,973,109</b>
<b>9.00 INVENTORIES</b>		
Oil & Lubricant	7,824,380	2,324,696
Spare parts and others	114,786,572	129,883,459
	<b>122,610,952</b>	<b>132,208,155</b>

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

Items	Measurement Unit	Quantity	Value
Oil & Lubricant	Drum	144	7,796,380
	Liter	22	21,200
	Can	6	6,800
Spare Parts & Others	Pieces	60,540	83,665,668
	Packet	145	697,450
	Set	44	475,250
	Roll	2	1,800
	Rim	5	1,250
	Rft	19,541	22,954,500
	Pairs	125	345,221
	Book	168	17,460
	Box	75	6,246,530
	Kgs	28	82,758
	Lbs	1	1,650
	Mtr	265	297,035
<b>Total</b>			<b>122,610,952</b>

	June 30, 2018 Taka	June 30, 2017 Taka
<b>9a Consolidated Inventories</b>		
Shahjibazar Power Company Limited	122,610,952	132,208,155
Petromax Refinery Limited	1,005,847,888	653,184,480
	<b>1,128,458,840</b>	<b>785,392,635</b>
<b>10.00 ACCOUNTS RECEIVABLES</b>		
Bangladesh Power Development Board (BPDB)	<b>290,111,349</b>	<b>222,267,768</b>
<b>Ageing Status of Accounts Receivables</b>		
Less than six months	290,111,349	222,267,768
More than six months	-	-
	<b>290,111,349</b>	<b>222,267,768</b>
<b>10a Consolidated Accounts Receivables:</b>		
Shahjibazar Power Company Limited	290,111,349	222,267,768
Petromax Refinery Limited	1,137,484,722	686,150,070
	<b>1,427,596,071</b>	<b>908,417,838</b>
Out of total receivable of Petromax Refinery Limited an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since the government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.		
<b>11.00 OTHER RECEIVABLES:</b>		
Interest on Mudaraba Term Deposit-IFIL	319,122	304,184
Interest on Mudaraba Term Deposit-IBBL	1,184,827	207,848
Md. Shariful Islam	1,000,000	-
	<b>2,503,949</b>	<b>512,032</b>
<b>11a Consolidated Other Receivables:</b>		
Shahjibazar Power Company Limited	2,503,949	512,032
Petromax Refinery Limited	-	-
	<b>2,503,949</b>	<b>512,032</b>
<b>12.00 ADVANCE, DEPOSITS AND PREPAYMENTS:</b>		
Advance	12.01 754,741	785,991
Deposits	12.02 17,521,116	14,673,190
Prepayments	12.03 20,216,351	24,151,687
	<b>38,492,208</b>	<b>39,610,868</b>

**12.01 Advances:**

**Advance Income Tax:**

Opening Balance	-	3,682,623
Add: During this period	9,398	75,000
Adjusted with Non-Operating Income Tax Payable	(9,398)	(3,757,623)
	-	-

**Advance to Others :**

Linde Bangladesh Ltd.	408,250	-
Assign Engineering Ltd.	-	30,000
Energypac Engineering Ltd.	-	105,000
M/S Chunnu Enterprise	-	53,625
Olympia Machinery Store	-	14,100
Youth Garments Ltd (C&F).	-	31,000
UMS Centre	-	20,000
	408,250	253,725

**Advance to Staffs:**

Mr. A.F.M Sarwar Jahan/Tamiz Uddin	132,048	327,879
Mr. Tarekul Islam	142,388	102,854
Mr. Faridur Rahman	5,802	49,384
Mr. Kazi Mamunur Rashid	62,145	-
Others	4,108	52,149
	346,491	532,266

**Total Advances :**

**754,741 785,991**

**12.02 Deposits :**

Central Depository Bangladesh Ltd.(CDBL)	500,000	500,000
Power Development Board (Hobigonj)	72,660	72,660
Bank Guarantee margin - IBBL	12,243,456	11,530,530
Letter of credit margin - IBBL	4,705,000	2,570,000
<b>Total Deposits :</b>	<b>17,521,116</b>	<b>14,673,190</b>

**12.03 Pre-Payments:**

Pre-paid Insurance	4,679,139	4,976,594
Pre-paid Security Guard Bill	-	679,574
Pre-paid Interest on MPI Loan	2,853,660	-
Pre-paid Interest-Bai Murabaha TR Loan	10,570,233	17,249,718
Pre-paid BG Commission	2,113,319	1,245,801
<b>Total Prepayments :</b>	<b>20,216,351</b>	<b>24,151,687</b>

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

**Ageing Status of Advance, Deposits & Prepayments**

Less than One Year	38,492,208	39,610,868
More than One Year	-	-
	<b>38,492,208</b>	<b>39,610,868</b>

**12a Consolidated Advance, Deposits and Prepayments:**

Shahjibazar Power Company Limited	38,492,208	39,610,868
Petromax Refinery Limited	680,517,571	701,391,539
Less : Loan from Petromax Refinery Limited	(218,000,000)	(233,918,559)
	<b>501,009,779</b>	<b>507,083,848</b>



	June 30, 2018 Taka	June 30, 2017 Taka
<b>12b Consolidated Financial Assets at fair value through profit or loss</b>		
Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	20,201,919	24,774,556
	<b>20,201,919</b>	<b>24,774,556</b>
<b>Financial Assets at fair value through profit or loss</b>		
<b>Listed Equity Securities-Held for Trading</b>		
ACI Limited	-	684,363
AB Bank Ltd.	967,200	233,888
Active Fine Chemicals Limited	252,000	354,900
Aman Feed Ltd.	1,108,800	370,000
Appollo Ispat Complex Limited.	462,000	721,000
Bay Leasing & Investment Ltd.	2,152,500	2,490,000
Bangladesh Thai Aluminium Ltd	-	697,500
BBS Cables Ltd.	1,386,240	-
Bangladesh Steel Re-Rolling Mills Limited	1,401,400	1,749,800
CVO Petrochemical Refinery Limited	1,332,752	1,662,570
The City Bank Ltd.	917,280	935,000
City General Insurance Company Ltd.	-	360,800
Dhaka Electric Supply Company Limited	256,389	303,891
Dutch-Bangla Bank Limited	607,000	-
Evince Textiles Ltd.	-	345,780
EXIM Bank Limited	696,150	-
Far Chemicals Industries Ltd.	173,800	257,000
GPH Ispat Ltd.	385,350	443,000
Ifad Autos Ltd.	-	2,023,500
Islamic Finance & Investment Ltd.	-	159,250
IFIC Bank Limited	391,160	-
KDS Accessories Ltd.	-	190,250
Jamuna Bank Limited	1,472,979	-
Lafarge Surma Cement Limited	-	629,000
Lafarge Holcim Bangladesh Limited	564,000	-
Lankabangla Finance Ltd.	-	557,000
MJL Bangladesh Ltd.	-	607,500
Nahee Aluminum Composite Panel Ltd.	604,500	-
National Polymar Industries Ltd.	1,955,923	1,924,930
One Bank Limited	866,250	-
Premier Leasing & Finance Ltd .	213,465	477,500
RAK Ceramics (Bangladesh) Limited	260,150	316,800
Saiham Cotton Mills Ltd.	-	352,000
Shahjalal Islami Bank Ltd.	-	422,625
Shepherd Industries Ltd.	-	710,630
Union Capital Ltd.	1,023,750	894,080
Uttara Bank Ltd.	750,880	-
Western Marine Shipyard Ltd.	-	3,900,000
	<b>20,201,919</b>	<b>24,774,556</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 Expense.

	June 30, 2018 Taka	June 30, 2017 Taka
<b>13.00 CASH AND CASH EQUIVALENT:</b>		
<b>Cash in Hand</b>	<b>50,288</b>	<b>30,486</b>
<b>Cash at Bank:</b>	<b>55,069,931</b>	<b>46,289,091</b>
CD Account with Bank Asia Limited, IPO-USD	96,351	96,351
CD Account with Bank Asia Limited, IPO-GBP	31,778	31,778
CD Account with Bank Asia Limited, IPO-EURO	780	780
STD Account with Bank Asia Limited, IPO-Taka	14,815,117	14,411,411
CD Account with Islami Bank Bangladesh Ltd# 9396	4,747,792	27,120,153
CD Account with Islami Bank Bangladesh Ltd# 1250	3,540,297	630,779
SND Account with Islami Bank Bangladesh Ltd# 49	17,833,216	3,992,089
CD A/C with Standard Chartered Bank # 53917701	4,600	5,750
CD A/C with Eastern Bank Ltd. # 1041060274350	14,000,000	-
	<b>55,120,219</b>	<b>46,319,577</b>
<b>13a Consolidated Cash and Cash Equivalent</b>		
Shahjibazar Power Company Limited	55,120,219	46,319,577
Petromax Refinery Limited	474,642,512	462,671,516
	<b>529,762,731</b>	<b>508,991,093</b>
<b>14.00 GOODS IN TRANSIT:</b>		
Parts of Plant & Machinery	59,414,096	9,539,247
	<b>59,414,096</b>	<b>9,539,247</b>
<b>14a Consolidated Goods in Transit</b>		
Shahjibazar Power Company Limited	59,414,096	9,539,247
Petromax Refinery Limited	68,892,499	50,852,326
	<b>128,306,595</b>	<b>60,391,573</b>
<b>15.00 SHARE CAPITAL:</b>		
Authorized :		
500,000,000 shares @ Tk.10.00 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Issued, Subscribed and paid -up:</b>		
16,10,20,438 shares @ Tk.10.00 each	<b>1,610,204,378</b>	<b>1,412,459,981</b>
<b>Movement of Share Capital:</b>		
Opening Balance	1,412,459,981	1,371,320,370
Add: Bonus Share issued (14%)	197,744,397	41,139,611
	<b>1,610,204,378</b>	<b>1,412,459,981</b>

**Shareholding position was as follows:**

Name of Shareholders	% of Shareholding 30-Jun-18	% of Shareholding 30-Jun-17
Mr. Rezakul Haider	8.60%	9.71%
Mr. Feroz Alam	8.03%	8.96%
Mr. Anis Salahuddin Ahmad	8.91%	9.84%
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%	3.43%
Mr. Faridul Alam	2.98%	3.43%
Mr. Rezina Alam	3.12%	3.43%
Mr. Faisal Alam	3.43%	3.43%
Mr. Asgor Haider	3.00%	3.43%
Ms. Israt Azim Ahmad	3.12%	3.43%
General Public	32.98%	28.18%
	<b>100%</b>	<b>100%</b>

June 30, 2018 Taka	June 30, 2017 Taka
-----------------------	-----------------------

**Classification of Shareholders by holding:**

Class by number of shares	Number of Shareholders		Percentage of Shareholding	Percentage of Shareholding
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Less than 500 Shares	4,648	4,799	48.82%	55.63%
501 to 5,000 shares	3793	3376	39.84%	35.29%
5,001 to 10,000 shares	463	433	4.86%	3.59%
10,001 to 20,000 Shares	267	245	2.80%	2.40%
20,001 to 30,000 Shares	110	92	1.16%	1.17%
30,001 to 40,000 Shares	38	38	0.40%	0.43%
40,001 to 50,000 Shares	34	35	0.36%	0.30%
50,001 to 100,000 Shares	85	63	0.89%	0.48%
100,001 to 1,000,000 Shares	65	53	0.68%	0.55%
Over 1,000,000 Shares	18	14	0.19%	0.16%
	<b>9,521</b>	<b>9,148</b>	<b>100%</b>	<b>100%</b>

**Name of the Directors and their Shareholding position:**

Name of the Directors	No. of Shareholding 30-Jun-18	No. of Shareholding 30-Jun-17
Mr. Rezakul Haider	13,842,418	13,721,420
Mr. Feroz Alam	12,923,317	12,652,033
Mr. Anis Salahuddin Ahmad	14,348,317	13,902,033
Mr. A.K.M.Badiul Alam	12,191,014	10,693,872
Md. Samsuzzaman	18,286,521	16,040,808
<b>Total :</b>	<b>71,591,587</b>	<b>67,010,166</b>

**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	850,711,042	701,982,235
	<b>850,711,042</b>	<b>701,982,235</b>

**17.00 RETAINED EARNING:**

Opening Balance	946,780,347	949,576,353
Add: Net profit for this year	468,622,117	449,739,716
Less: 16% Cash Dividend	(225,993,597)	(411,396,111)
Less: 14% Stock Dividend	(197,744,397)	(41,139,611)
	<b>991,664,470</b>	<b>946,780,347</b>

**17a Consolidated Retained Earning**

Opening Balance	1,842,601,393	1,637,413,664
Net Profit for the period	660,444,134	886,379,275
Bonus Share/Stock Dividend	(197,744,397)	(41,139,611)
Cash Dividend Paid	(225,993,597)	(411,396,111)
Transfer to Tax Holiday Reserve	(148,728,807)	(228,655,824)
	<b>1,930,578,727</b>	<b>1,842,601,393</b>

**18.00 LONG TERM LOAN - NET OF CURRENT MATURITY**

Islami Bank Bangladesh Limited	-	17,261,131
Eastern Bank Limited	139,206,404	267,008,882
	<b>139,206,404</b>	<b>284,270,013</b>

June 30, 2018  
Taka

June 30, 2017  
Taka

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

Name of the Bank	Working Loan Capital	Short Term Long Facilities Limit	Term Loan Limit	Bank Guarantee
Islami Bank Bangladesh Ltd.	233.80	300.00	1,354.83	290.00
Eastern Bank Limited	300.00	300.00	1,100.00	250.00
<b>Total</b>	<b>533.80</b>	<b>600.00</b>	<b>2,454.83</b>	<b>540.00</b>

**Islami Bank Bangladesh Limited**

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

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

**Mode of Repayment:** Monthly installment

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

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

432.00 decimal project land and building (Total area: 62,360 sft), 199.00 decimal

**Name of facility** Working Capital

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

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

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

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

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

**Eastern Bank Limited**

**Name of the facility:** Term Loan

**Purpose of Loan:** To takeover the loan from Islami Bank Bangladesh Limited

**Mode of Repayment:** Monthly installment

**Tenor:** 4 (Four) Years

**18a Consolidated Long Term Loan- Net of Current Maturity**

Shahjibazar Power Company Limited  
Petromax Refinery Limited

139,206,404	284,270,013
28,011,253	66,156,487
<b>167,217,657</b>	<b>350,426,500</b>
-	-
89,364	12,500,000
<b>89,364</b>	<b>12,500,000</b>

**18b Consolidated Loan from other than Bank**

Shahjibazar Power Company Limited  
Petromax Refinery Limited

	June 30, 2018 Taka	June 30, 2017 Taka
<b>21.00 SHORT TERM LOAN:</b>		
QTDR - Islami Bank Bangladesh Ltd.	59,917,690	59,892,230
Bai Murabaha TR-IBBL	132,505,255	-
MPI Loan-IBBL	44,201,344	209,320,789
Comfit Composite Knit Ltd.	-	53,649,500
Youth Fashion Ltd.	32,101	38,261
Youth Garments Ltd.	10,000	-
Petromax Refinery Ltd.	218,000,000	233,918,559
	<b>454,666,390</b>	<b>556,819,339</b>
Short term loan from Comfit Composite Knit Ltd. and Petromax Refinery Ltd. were taken at zero profit margin basis. This loan was taken due to overcome the short time deficiencies. Repayment will be made on availability of cash.		
<b>21a Consolidated Short Term Loan</b>		
Shahjibazar Power Company Limited	454,666,390	556,819,339
Petromax Refinery Limited	3,391,863,000	2,807,669,943
Less: Intercompany Loan	(218,000,000)	(233,918,559)
	<b>3,628,529,390</b>	<b>3,130,570,723</b>
<b>22.00 IPO APPLICATION AMOUNT:</b>	<b>6,084,318</b>	<b>6,084,318</b>
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	-	-
	<b>6,084,318</b>	<b>6,084,318</b>
<b>23.00 LONG TERM LOAN - CURRENT MATURITY:</b>		
Islami Bank Bangladesh Limited	17,425,640	248,305,776
Eastern Bank Limited	164,671,153	164,671,153
	<b>182,096,793</b>	<b>412,976,929</b>
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	182,096,793	412,976,929
Petromax Refinery Limited	12,502,326	97,070,442
	<b>194,599,119</b>	<b>510,047,371</b>
<b>24.00 SUNDRY CREDITORS:</b>		
Al-Amin Trading Organization	600	-
Aamra Networks Ltd	5,000	20,000
Amicus Curiae	15,000	15,000
Arthosuchak	-	80,000
Amber IT Ltd.	11,841	11,841
Clarke Enery Bangladesh Ltd.	-	92,000
Square Pharmaceuticals Ltd.	10,200	10,200
Smart Printing Solutions Ltd.	2,549	-
Inspace Atelier	2,000,000	-
Orient Energy Systems Ltd. Bangladesh	1,319,382	1,319,382
Global Digital mart Ltd.	-	8,750
Provision for WPPF	47,589,413	46,322,638
Payable for Current Tax	64,824,254	32,768,378
<b>24.01</b>	<b>115,778,239</b>	<b>80,648,188</b>



	June 30, 2018 Taka	June 30, 2017 Taka
<b>24.01 Payable for Current Tax</b>		
Sales Tax at Source	107,295,209	102,987,976
Previous year Income Tax Payable	32,768,378	17,674,147
Tax on non-operating income	2,162,423	(460,360)
Tax on Dividend	36,000,000	27,000,000
Total Payable	178,226,010	147,201,763
Tax paid during this period	(113,392,358)	(110,675,762)
	64,833,652	36,526,001
TDS adjustment	(9,398)	(3,757,623)
	<b>64,824,254</b>	<b>32,768,378</b>
<b>24a Consolidated Sundry Creditors</b>		
Shahjibazar Power Company Limited	115,778,239	80,648,188
Petromax Refinery Limited	29,490,286	43,398,733
	<b>145,268,525</b>	<b>124,046,922</b>
<b>25.00 LIABILITIES FOR EXPENSES:</b>		
Salary & Allowance	4,114,819	2,043,363
Directors Remuneration	500,000	500,000
Audit Fees	759,000	759,000
Office Rent	-	134,375
Credit Rating Fee	172,500	-
Car Maintenance	55,000	-
	<b>5,601,319</b>	<b>3,436,738</b>
<b>25a Consolidated Liabilities for Expenses</b>		
Shahjibazar Power Company Limited	5,601,319	3,436,738
Petromax Refinery Limited	14,283,517	8,058,783
	<b>19,884,836</b>	<b>11,495,521</b>
<b>25b Unclaimed Dividend</b>		
Dividend Payable	9,211,728	10,141,045
	<b>9,211,728</b>	<b>10,141,045</b>
Subsequent to the year end maximum portion of unclaimed dividend has been claimed and disbursed accordingly.		
<b>26.00 TRADE PAYABLE:</b>		
Orient Energy Systems Ltd.	65,200	65,200
Clarke Energy Bangladesh Ltd.	115,000	-
MJL Bangladesh Limited	5,187,260	11,627,460
Bluse Star Communications	5,000	-
Jalalabad Gas Transmission and Distribution Systems Ltd.	82,567,160	47,906,281
Aqua Care Trading	-	172,500
Alpana Tyre Corporation	-	36,400
A to Z Computer	-	4,600
Energy Plus Electric	2,000	2,000
Metro Police Store	-	130,000
HAMKO Corporation Ltd.	-	121,824
Others	21,804	28,322
	<b>87,963,424</b>	<b>60,094,587</b>
<b>26a Consolidated Trade Payable</b>		
Shahjibazar Power Company Limited	87,963,424	60,094,587
Petromax Refinery Limited	8,998,671	6,627,957
	<b>96,962,095</b>	<b>66,722,544</b>
<b>27.00 REVENUE</b>		
Sales	1,347,732,091	1,314,173,261
	<b>1,347,732,091</b>	<b>1,314,173,261</b>
<b>27a Consolidated Revenue</b>		
Shahjibazar Power Company Limited	1,347,732,091	1,314,173,261
Petromax Refinery Limited	6,037,037,045	7,328,382,889
	<b>7,384,769,136</b>	<b>8,642,556,150</b>

		June 30, 2018 Taka	June 30, 2017 Taka
<b>28.00 COST OF SALES:</b>			
Raw Material Consumed	<b>28.01</b>	403,087,777	359,285,859
Factory Overhead	<b>28.02</b>	335,904,297	359,150,523
		<b>738,992,074</b>	<b>718,436,382</b>
<b>28.01 Raw Material Consumed</b>			
Opening Stock		132,208,155	107,136,484
Purchase During the Year		393,490,574	384,357,530
Closing Stock		(122,610,952)	(132,208,155)
		<b>403,087,777</b>	<b>359,285,859</b>
<b>Consumption of Raw Materials:</b>			
		<b>2018</b>	<b>2017</b>
Natural Gas Consumption (Cubic Meter)		104,928,612	109,731,541
Lube & Other Oil (Ltrs)		29,986	106,545
<b>28.02 Factory Overhead</b>			
Salary & Allowance		42,826,261	39,255,593
Overtime		416,003	888,097
Festival Bonus		3,476,221	4,084,317
Plant & Machinery maintenance		10,064,810	36,791,987
Fuel & Lubricants for car		2,006,543	1,451,149
Diesel for Generator		136,450	175,325
Depreciation		276,978,010	276,504,056
		<b>335,904,297</b>	<b>359,150,523</b>
<b>28a Consolidated Cost of Sales</b>			
Shahjibazar Power Company Limited		738,992,074	718,436,382
Petromax Refinery Limited		5,093,554,853	6,170,884,579
		<b>5,832,546,927</b>	<b>6,889,320,961</b>
<b>29.00 GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>			
Salary & Allowance		12,657,752	11,581,335
Audit Fee		759,000	858,000
Advertisement & Publicity		1,156,460	1,550,150
Secretarial Expenses		3,987,161	3,014,471
BG Commission		2,050,269	9,167,062
Credit Rating Expenses		172,500	172,500
Carrying Inwards/C&F Charges		2,168,402	1,758,600
Gift, Donation & Subscription		2,763,274	1,058,000
Utility Bill		885,924	806,936
Entertainment		3,680,350	3,450,059
Insurance Premium		6,943,907	6,887,965
Legal & Professional Fees		255,000	2,000
Directors Remuneration	<b>29.01</b>	7,000,000	4,000,000
Office Maintenance		2,619,284	2,422,827
Printing, Stationary & Supplies		1,479,812	1,139,397
Registration & Renewals		789,540	476,358
Traveling & Conveyances		2,626,855	1,392,687
Training & Workshop		61,950	279,000
Civil Works Maintenance		1,058,510	3,104,183
Lease Rental		576,284	-
Depreciation Expenses		5,815,601	5,616,365
		<b>59,507,835</b>	<b>58,737,895</b>

**29.01 Discloser as per requirement of Schedule XI, Part II, Para 4**

Name	Designation	June-2018	June-2017
Feroz Alam	Managing Director	7,000,000	4,000,000
<b>Total</b>		<b>7,000,000</b>	<b>4,000,000</b>

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

	June 30, 2018 Taka	June 30, 2017 Taka
<b>29a Consolidated General &amp; Administrative Expenses</b>		
Shahjibazar Power Company Limited	59,507,835	58,737,895
Petromax Refinery Limited	141,274,236	104,922,225
	<b>200,782,071</b>	<b>163,660,120</b>
<b>30.00 FINANCIAL EXPENSES</b>		
Interest on Loan - Islami Bank Bangladesh Ltd.	39,896,225	51,373,445
Interest on Loan - Eastern Bank Ltd.	36,070,629	44,579,659
Bank Charges & Commission	1,230,892	586,092
Charge for Delay Payment	-	1,352,831
	<b>77,197,746</b>	<b>97,892,026</b>
<b>30a Consolidated Financial Expenses</b>		
Shahjibazar Power Company Limited	77,197,746	97,892,026
Petromax Refinery Limited	288,083,427	295,329,592
	<b>365,281,173</b>	<b>393,221,618</b>
<b>31.00 NON-OPERATING INCOME:</b>		
Income from Bank Interest	559,158	569,572
Wastage Sale	3,393,399	1,542,700
Foreign Exchange Gain	4,426,531	58,809
Interest on Mudaraba Term Deposit	5,074,745	2,235,273
Foreign Exchange Loss	(1,329,397)	(4,237,522)
Gain on sale of vehicle	810,000	225,000
Loss on asset disposal	(17,271,240)	-
Income from Insurance Claim	790,000	-
Income from Dividend- Subsidiaries	180,000,000	135,000,000
	<b>176,453,195</b>	<b>135,393,832</b>
Non-Operating income increased due to receiving of Dividend from Subsidiary Company.		
<b>31a Consolidated Non-operating Income</b>		
Shahjibazar Power Company Limited	176,453,195	135,393,832
Petromax Refinery Limited	27,800,795	23,024,233
Less: Inter-company Dividend	(180,000,000)	(135,000,000)
	<b>24,253,990</b>	<b>23,418,064</b>
<b>32.00 SHARE OF PROFIT FROM ASSOCIATE:</b>		
Net Profit of Associate company	(9,568,313)	87,134,871
Percentage of share holding	49%	49%
<b>Share of profit from Associate</b>	<b>(4,688,473)</b>	<b>42,696,087</b>
<b>32a Consolidated Share of Profit from Associate:</b>		
Shahjibazar Power Company Limited	(4,688,473)	42,696,087
Petromax Refinery Limited	-	-
	<b>(4,688,473)</b>	<b>42,696,087</b>
<b>33.00 WPPF IS BASED ON NET PROFIT BEFORE TAX @ 5%</b>		
	30,657,103	29,390,327
	<b>30,657,103</b>	<b>29,390,327</b>
<b>33a Consolidated Workers' Profit Participant Fund:</b>		
Shahjibazar Power Company Limited	30,657,103	29,390,327
Petromax Refinery Limited	25,805,968	37,155,749
	<b>56,463,071</b>	<b>66,546,076</b>

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.

	June 30, 2018 Taka	June 30, 2017 Taka
<b>34.00 INCOME TAX EXPENSES:</b>		
<b>Current Tax</b>		
Tax on Operating Income	107,295,209	102,987,976
Tax on Non-Operating Income @ 25%	2,162,423	(460,360)
Tax on Dividend Received @ 20%	36,000,000	27,000,000
	<b>145,457,632</b>	<b>129,527,615</b>

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	(937,695)	8,539,217
	<b>(937,695)</b>	<b>8,539,217</b>

Deferred tax has been recognized on Share of Profit of Associate accounted for using Equity Method for the earlier period for better presentation.

<b>34a Consolidated Income Tax Expense</b>		
Shahjibazar Power Company Limited	145,457,632	129,527,615
Petromax Refinery Limited	102,983,782	107,959,911
	<b>248,441,414</b>	<b>237,487,526</b>

<b>35.00 EARNINGS PER SHARE (EPS)</b>		
Net Profit After Tax	468,622,117	449,739,716
Number of share	161,020,438	141,245,998
Earnings Per Share	<b>2.91</b>	<b>2.79</b>

<b>35a Consolidated Basic Earnings Per Share (EPS)</b>		
Profit/(Loss) attributable to equity holder of the parent	660,444,134	886,379,275
Number of share	161,020,438	141,245,998
Earnings Per Share	<b>4.10</b>	<b>5.50</b>

The significant deviation in the profitability of the company can be substantiated mainly with two reasons. Firstly, the profitability of 90% Subsidiary petromax Refinery Limited was declined due to lower capacity production caused by lesser availability of raw materials from the government. Secondly, net loss was reported by the 49% Associate Midland Power Co. Ltd. Caused by investment in a new 150 MW HFO fired power generation project from where no return still being generated till commercial operation.

<b>36.00 CAPACITY AND UTILIZATION:</b>		
License Capacity (Unit - Kw)	753,360,000	753,360,000
Actual Utilized (Unit - Kw)	381,564,619	402,946,125
Capacity Utilize (Unit - Kw)	<b>51%</b>	<b>53%</b>

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

**37.00 CONTINGENT LIABILITIES:**

The Company has also Contingent Liabilities of an amount Tk. 34,05,10,880/- which was issued by Shahjibazar Power Company Limited in favour 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 release 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

		June 30, 2018 Taka	June 30, 2017 Taka
BG Issued	Beneficiary Name	B.G No	Guarantee Value
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/81	4,247,696
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/82	4,183,981
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/85	95,572
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/86	1,018,152
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/87	4,183,981
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	BG/08/91	139,816,591
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/94	4,041,046
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/97	4,041,046
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/98	826,644
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/100	8,082,049
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/101	9,135,058
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/105	8,750,934
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/107	45,875
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/109	8,664,228
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/110	420,564
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/02	35,043
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/03	8,407,253
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/10	10,619
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/13	467,247
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/16	20,389
Islami Bank Bangladesh Ltd.	Bangladesh Power Development Board	BG/09/25	91,500,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	11,249,611
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	18,213,655
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Export	Export-Import Permit	1,764,000
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Benapole	Custom Guarantee	1,764,000
<b>Grand Total</b>			<b>340,510,880</b>

**38.00 CAPITAL EXPENDITURE COMMITMENT:**

- No capital expenditure contracted or incurred provided for as at 30th June, 2018.
- There was no material capital expenditure authorized by the Board or contracted for as at 30th June, 2018.

**39.00 CLAIM ACKNOWLEDGEMENT:**

There was no claim against the Company not acknowledged as debt as on June 30, 2018.

**40.00 EVENTS AFTER THE REPORTING PERIOD:**

The Board of Directors at the Board Meeting held on 24 October 2018, has recommended to the shareholders a cash dividend @ 25% Cash i.e. Tk. 2.5 per share (amounting to Tk. 402,551,095) and stock dividend @3%. This will be considered for approval by the shareholders at the 11th Annual General Meeting (AGM) to be held on 27 January 2019.

**41.00 NUMBER OF EMPLOYEES:**

Total number of employees is 125 in comparison to 127 in previous year. There is no employees in the company who is entitled to get annual salary below TK. 36,000.



SHAHJIBAZAR POWER COMPANY LIMITED  
 SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
 FOR THE YEAR ENDED JUNE 30, 2018

SL No.	Particulars	Cost				Depreciation					Written Down Value as on 30.06.2018
		Balance as on 01.07.2017	Addition during this year	Disposal/ Impairment during the year	Balance as on 30.06.18	Rate %	Balance as on 01.07.2017	Adjustment during the year	Charged During the year	Balance as on 30.06.18	
01	Land & Land Development	149,587,065	-	-	149,587,065	0%	-	-	-	-	149,587,065
02	Building & Construction	374,855,803	-	-	374,855,803	7%	211,101,786	-	26,239,906	237,341,692	137,514,111
03	Plant & Machineries	4,181,326,528	33,213,924	33,213,924	4,181,326,528	6%	1,802,294,283	15,942,684	249,930,977	2,036,282,577	2,145,043,951
04	Mechanical & Electrical Goods	1,816,263	-	-	1,816,263	10%	737,342	-	181,626	918,968	897,295
05	Office Equipment	3,390,875	855,000	-	4,245,875	15%	2,807,285	-	590,006	3,397,291	848,584
06	Computer & Computer Equipment	2,311,970	146,500	-	2,458,470	20%	2,311,970	-	9,650	2,321,620	136,850
07	Water Treatment Plant	4,170,000	-	-	4,170,000	15%	2,103,250	-	625,500	2,728,750	1,441,250
08	Furniture & Fixture	4,127,770	3,020,700	-	7,148,470	10%	3,192,094	-	513,295	3,705,389	3,443,082
09	Vehicles	24,663,250	-	2,760,000	21,903,250	20%	14,445,525	2,070,000	4,702,650	17,078,175	4,825,075
	June-2018	4,746,249,524	37,236,124	35,973,924	4,747,511,724		2,038,993,534	18,012,684	282,793,611	2,303,774,462	2,443,737,262
	June-2017	4,689,082,734	58,440,790	1,274,000	4,746,249,524		1,758,147,113	1,274,000	282,120,421	2,038,993,534	2,707,255,991

Annexure - A

Allocation Current Year Depreciation:

Cost of Goods Sold Portion:

Building & Construction  
 Plant & Machineries  
 Mechanical & Electrical Goods  
 Water Treatment Plant

**Total**

**Note: 28**

Taka
26,239,906
249,930,977
181,626
625,500
<b>276,978,010</b>

General & Amin. Portion:

Office Equipment  
 Computer & Computer Equipment  
 Furniture & Fixture  
 Vehicles

**Total**

**Grand Total:**

**Note: 29**

590,006
9,650
513,295
4,702,650
<b>5,815,601</b>
<b>282,793,611</b>

SHAHJIBAZAR POWER COMPANY LIMITED  
CONSOLIDATED SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED JUNE 30, 2018

SL No.	Particulars	Cost				Depreciation					Written Down Value as on 30.06.2018
		Balance as on 01.07.2017	Addition during this year	Disposal during the year	Balance as on 30.06.18	Rate %	Balance as on 01.07.2017	Adjustment during the year	Charged During the year	Balance as on 30.06.18	
1	Land & Land Development	210,358,285	2,389,281	606,735	212,140,831	0.0%	-	-	-	-	212,140,831
2	Building & Construction	898,873,480	-	-	898,873,480	7.0%	309,688,269	-	55,247,440	364,935,709	533,937,771
3	Plant & Machineries	7,017,986,947	33,213,924	33,213,924	7,017,986,947	6.0%	2,337,322,230	15,942,684	384,952,677	2,706,332,223	4,311,654,724
4	Mechanical & Electrical Goods	1,816,263	-	-	1,816,263	10.0%	737,341	-	181,626	918,967	897,296
5	Office/factory Equipment	11,238,310	3,116,331	-	14,354,641	15.0%	5,527,928	-	1,317,468	6,845,396	7,509,245
6	Computer & Computer Equipments	3,920,783	561,500	-	4,482,283	20.0%	2,816,999	-	189,743	3,006,742	1,475,541
7	Water Treatment Plant	8,552,645	-	-	8,552,645	15.0%	3,783,319	-	1,008,648	4,791,967	3,760,678
8	Furniture & Fixture	11,092,368	3,588,750	-	14,681,118	10.0%	5,707,345	-	1,161,925	6,869,270	7,811,848
9	Vehicles	57,674,547	16,985,000	15,760,000	58,899,547	20.0%	25,491,501	6,620,000	8,777,080	27,648,581	31,250,966
10	Electric Installation	35,456,026	338,210	-	35,794,236	15.0%	14,153,096	-	3,020,148	17,173,244	18,620,992
11	Fire Extinguisher/Equipments	644,810	36,000	-	680,810	15.0%	239,982	-	60,043	300,025	380,785
12	Lab Equipments	2,791,179	-	-	2,791,179	15.0%	944,448	-	261,813	1,206,261	1,584,918
13	Refrigerator	28,299	-	-	28,299	15.0%	11,752	-	2,346	14,098	14,201
14	Air Conditioner	5,642,540	714,650	-	6,357,190	15.0%	1,883,235	-	577,896	2,461,131	3,896,060
15	Fork LIFT	1,750,000	-	1,750,000	-	15.0%	726,734	837,589	110,854	-	-
16	Jetty	9,047,777	-	-	9,047,777	15.0%	3,484,007	-	788,784	4,272,791	4,774,986
17	Cylindrical Vertical Steel Tank	111,594,038	-	-	111,594,038	15.0%	43,961,944	-	9,588,301	53,550,246	58,043,792
18	Generator	20,300,278	-	-	20,300,278	15.0%	8,376,955	-	1,690,387	10,067,343	10,232,935
19	Ship	284,927,707	70,826,156	-	355,753,863	20.0%	84,238,754	-	40,767,854	125,006,609	230,747,254
20	Helicopter	90,285,623	-	-	90,285,623	10.0%	4,455,082	-	8,266,520	12,721,602	77,564,021
21	Solar Power System	560,000	-	-	560,000	15.0%	232,556	-	46,422	278,978	281,022
22	Telephone Installation	1,702,088	-	-	1,702,088	15.0%	553,162	-	162,884	716,046	986,042
23	Water Line Installation	326,395	-	-	326,395	15.0%	135,544	-	27,057	162,602	163,793
	June 30, 2018	8,786,570,388	131,769,802	51,330,659	8,867,009,531		2,854,472,184	23,400,273	518,207,918	3,349,279,831	5,517,729,701
	June 30, 2017	8,523,284,747	264,559,642	1,274,000	8,786,570,388		2,340,658,138	1,274,000	515,088,046	2,854,472,183	5,932,098,205

**Annexure-B**

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

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2017	Addition during the period	Adjustment during the period	Balance as at June 30, 2018
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	53,649,500	251,539	53,901,039	-
Petromax Refinery Limited	Parent - Subsidiary	Short Term Loan	233,918,559	-	15,918,559	218,000,000
Youth Fashion Limited	Common Directorship	Short Term Loan	38,261	245,042	251,202	32,101
Midland Power Co. Ltd.	Common Directorship	Short Term Loan	(31,000)	289,118	248,118	10,000
Islamic Finance & Inv. Ltd.	Associate Company	Advance	431,200,000	-	-	431,200,000
Feroz Alam	Common Directorship	MTDR	7,854,003	41,445,611	40,875,478	8,424,136
	Managing Director	Remuneration	500,000	5,500,000	5,500,000	500,000
		Office Rent	134,375	1,301,250	1,249,375	186,250
Yasir Ahmed	Company Secretary	Salaries and other short term benefit	50,000	1,581,250	1,631,250	-
Saiful Islam	Head of Internal Audit	Salaries and other short term benefit	23,524	316,164	313,341	26,347

**Annexure-C****Financial risk management**

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

- Credit risk
- Liquidity risk
- Market risk

**Credit risk**

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

**a) Exposure to credit risk**

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

	<b>2018</b>	<b>2017</b>
	<b>Taka</b>	<b>Taka</b>
Accounts receivable	1,427,596,071	908,417,838
Advance, Deposit & Prepayments	501,009,779	507,083,848
Other Receivable	2,503,949	512,032
	<b>1,931,109,799</b>	<b>1,416,013,718</b>

**b) Ageing of receivables**

Accounts receivable were aged as below:

Less than six months	1,284,836,464	817,576,054
More than six months	142,759,607	90,841,784
	<b>1,427,596,071</b>	<b>908,417,838</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. Subsequent to year end the collectibles were realised duly.

**Liquidity risk**

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

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

<b>Particulars</b>	<b>Carrying amount</b>	<b>Cash flows</b>	<b>Up to 1 year</b>	<b>Above 1 Year</b>
	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
<b>As at 30 June 2018</b>				
Short Term interest bearing loans	2,197,040,851	2,197,040,851	2,197,040,851	-
Short Term non-interest bearing loans	1,431,446,438	1,431,446,438	1,431,446,438	-
Long Term interest bearing loans	321,303,196	321,303,196	182,096,793	139,206,404
Long Term non-interest bearing loans	-	-	-	-
Trade creditors/Payable	87,963,424	87,963,424	87,963,424	-
Sundry creditors	115,778,239	115,778,239	115,778,239	-
L/C Liabilities	82,677,127	82,677,127	82,677,127	-
Other liabilities	35,180,881	35,180,881	35,180,881	-
	<b>4,271,390,157</b>	<b>4,271,390,157</b>	<b>4,132,183,753</b>	<b>139,206,404</b>
<b>As at 30 June 2017</b>				
Short Term interest bearing loans	2,598,349,154	2,598,349,154	2,598,349,154	-
Short -Term non interest bearing loans	209,320,789	209,320,789	209,320,789	-
Long Term interest bearing loans	697,246,941	697,246,941	412,976,929	284,270,013
Long Term non-interest bearing loans	-	-	-	-
Trade creditors/Payable	60,094,587	60,094,587	60,094,587	-
Sundry creditors	80,648,188	80,648,188	80,648,188	-
L/C Liabilities	58,040,125	58,040,125	58,040,125	-
Other liabilities	27,720,883	27,720,883	27,720,883	-
	<b>3,731,420,667</b>	<b>3,731,420,667</b>	<b>3,447,150,655</b>	<b>284,270,013</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, 2018 are as follows:

	2018	2017
Deferred L/C for Import of Spare Parts (USD)	\$ 109,959.30	\$ 35,000.00
Deferred L/C for Import of Spare Parts (EURO)	€ 750,669.90	€ 348,208.50
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

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

		2018	2017
		Taka	Taka
<u>Fixed rate instruments</u>	<u>Rate of Interest</u>		
Financial assets	5%-9.50%	513,666,577	103,007,834
Financial liabilities	9.00%-11.50%	3,990,346,165	4,286,753,830
<u>Variable rate instruments</u>			
Financial assets	-	-	-
Financial liabilities	-	-	-



**Reporting under Company Act 1994, section 186(6)****Annexure-D**

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
<u>30 June 2018</u>							
Petromax Refinery Limited	3,387,587,111	3,074,598,573	6,462,185,684	3,464,805,747	28,100,617	3,492,906,364	2,969,279,320
<u>30 June 2017</u>							
Petromax Refinery Limited	2,579,024,487	3,225,588,001	5,804,612,488	2,969,812,254	78,656,487	3,048,468,741	2,756,143,747
Share of Net Profit & Loss	Reporting Date	Nature of Investment Controlling Power	Income	Expenses	Tax Expenses	Profit After tax	Share of Profit
<u>30 June 2018</u>							
Petromax Refinery Limited	23-Oct-2017	Subsidiary	6,064,837,840	5,548,718,484	102,983,782	413,135,574	371,822,017
<u>30 June 2017</u>							
Petromax Refinery Limited	17-Oct-2017	Subsidiary	7,351,407,122	6,608,292,145	107,959,911	635,155,066	571,639,559

Reporting under BSEC Notification on Financial Reporting and Disclosure dated 20 June 2018

**SHAHJIBAZAR POWER COMPANY LIMITED  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<b>June 30, 2018 Taka</b>
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income	880,361,372
Adjustments to reconcile net income to net cash provided by operating activities	
(+) Depreciation	518,207,918
(+) Amortization of Intangible Assets	139,652
(+) Decrease in Inventory	(343,066,205)
(-) Increase in Accounts Receivable	(521,170,150)
(+) Decrease in Financial Assets	4,572,637
(+) Decrease in prepaid Expenses	7,470,388
(-) Increase in Goods Intransit	(67,915,022)
(+) Increase in Sundry Creditors	37,500,766
(+) Increase in Trade Payable	27,868,837
(-) Decrease in Other Payable	(13,908,447)
(+) Increase in L/C Liabilities	25,318,553
(+) Increase in Liabilities for Expenses	8,389,315
(-) Gain on Sales of Vehicle	(810,000)
(+) Loss on Assets Disposal	20,958,340
(-) Investing Activities(Dividend Received)	(180,000,000)
(+) Investment in equity Method	4,688,473
(-) Provision for Deferred Tax	(937,695)
<b>Net Cash flows from operating activities</b>	<b>407,668,732</b>

DIRECTORS  
REPORTS  
AND  
FINANCIAL  
STATEMENTS  
OF  
SUBSIDIARY





## COMPANY INTRODUCTION

Petromax Refinery Ltd (PRL) erstwhile Mongla Oil Mills registered under Company Act 1994 Registration No- C – 58744 is a fractionation facility of Hydrocarbon to refine and produce different grades of gasoline. The Plant is situated at the embankment of Poshur River Mongla Industrial Area, Khulna. The facility consists of Condensate Fractionation Unit (CFU), Naphtha Hydro Treating Unit (NHTU) and a Catalytic Reforming Unit (CRU). The only customer of the company is Bangladesh Petroleum Corporation (BPC).

Partnering with some world class energy companies, Petromax has sourced and installed state of the art refining equipment and equipped the project as one of the first of its kind in the Country. In the Petrochemical Industry of Bangladesh PRL is the first company to achieve the quality credentials from Bangladesh Accreditation Board (BAB).

Experiencing several hurdles at the commissioning phase, the Company has been in successful operations since October, 2013.



## DIRECTORS REPORT TO SHAREHOLDERS

Respected Shareholders,

On behalf of the Board of Directors of Petromax Refinery Ltd (PRL) I would like to extend my warm greetings and welcome you all to 13th Annual General Meeting of the Company. Being authorized by the Board of Directors, I am hereby submitting the Audited Financial Statements for the year then ended June 30, 2017.

This Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994.

### 2.1 Economy at a Glance

Over the last almost one decade the Economy of Bangladesh has been showing a consistent growth of over six percent in terms of GDP. According to several sources, the Economy is going to register a GDP of whopping 7.30% for the period of 2017-18 which is an all-time record.

Foreign Exchange Reserve has reached a record USD 32.91 Billion and GDP Per capita has reached at USD 1093.05 showcasing unprecedented growth.

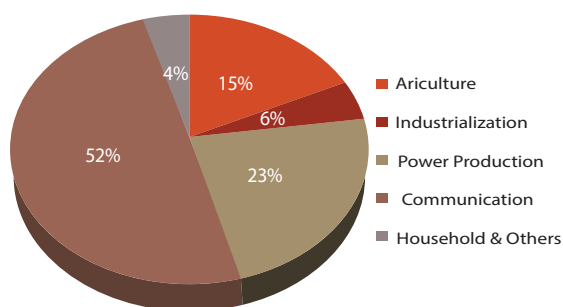
### 2.2 Petrochemical Sector Scenario of Bangladesh

Business of Petrochemical sector has been lone prerogative of Government of Bangladesh since the inception of the Country. Bangladesh Petroleum Corporation (BPC) a statutory corporation under an ordinance effective from the year 1977 has been given with the only right of Petroleum Import, Collection, Production and Distribution. Government is realizing the matter that, sustainable development can only be possible by ensuring participation of both private and public sector.

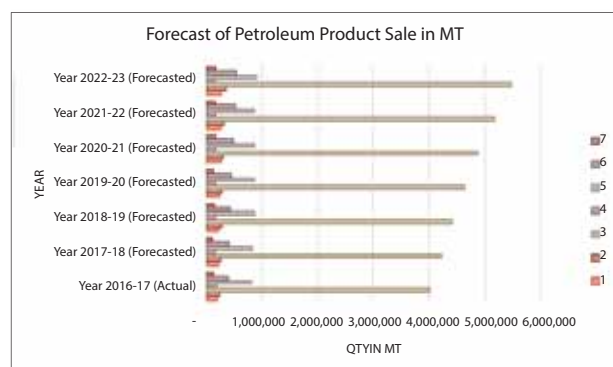
Energy is the driving force of economic development. Each dollar investment in energy will return in manifold to all branches of economy which includes Agriculture, Industrialization, Power Production, Communication, Households and so forth.

For the period of 2016-17 total consumption of petroleum product was 58.88 Lac MT out of which more than 74% was consumed by communication and power production sector.

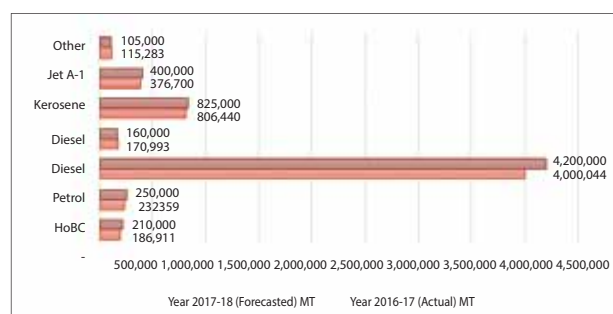
### Sector wise use of Fuel Oil 2016-17



Around 57.84 Lac MT refined oil are imported from abroad and the rest 12.64 Lac MT are being refined within the country by BPC's subsidiary company Eastern Refinery Ltd (ERL) and other Private Fractionation Plants operating within the framework of BERC and MPEMR. The distribution channel is maintained by three state run oil companies PADMA, MEGHNA and JAMUNA through 23 Countrywide Depots. Around 90% of the total petroleum product are distributed through riverine channels using 220 Tanker vessels, rest 10% are being distributed through Railway and Road.



According to the estimates of Bangladesh Petroleum Corporation (BPC), till the year 2020-21 the total size of the market will be around 70.25 Lac MT.



Current oil consumption portfolio shows the dominant use of Diesel. Almost 68% of total oil consumption is covered by Diesel use most of which are imported from overseas market. Existing storage capacity for Petroleum product is somewhere between 11-12 Lac MT in aggregate of both floating and fixed storage capacity.

The sector enjoys subsidies from the Government for a long time. Recent fall of price in petroleum products throughout the world market, has revealed the opportunity for the state owned oil companies to recover huge accumulated loss by making some profit.

Major challenge of the industry remains with pilferages in different stages of refining, collection and distributing throughout the country. The limited storage capacity is also an issue for optimum use of distribution channels and more extension of Refining Capacity.



### Business Activities Including Its Operating Performance

During the year under report, your company has managed to generate a revenue of Tk. 7328.38 Million as compared to Tk. 6483.19 Million in FY 2015-16 which is 13.04% Higher. The only reason for such increase in revenue is the no price adjustment by the government during the period under report.

Particulars	FY 2017-18	FY 2016-17
Capacity (In liter Per day)	3,97,500	3,97,500
Capacity Utilization (%)	74.75	90.52
Revenue (In Million Taka)	6037.03	7328.38
Gross Profit (In Million Taka)	943.48	1157.49
Profit from Operation (In Million Taka)	802.20	1052.57
Profit Before Tax (In Million Taka)	516.11	743.11
Profit After Tax (In Million Taka)	413.13	635.15
Gross Profit Margin (%)	15.63	15.79
Operating Profit Margin (%)	13.29	14.36
Net Profit Margin (%)	6.84	8.67

To ensure the availability of NGC (Natural Gas Condensate) which is the only feedstock of the plant; there is an agreement between RupantaritaPrakritik Gas Company Ltd (RPGCL) and Your Company for the allocation of 30,000 MT NGC signed and executed on October 01, 2018 for next three months which will expire on December 31, 2018.

For delivery of Finished Oil in different Depots throughout the country operated by PADMA, MEGHNA and JAMUNA Oil Company Ltd, your company is maintaining a fleet of tanker vessel consists of 3 number of Vessels (1000 MT x 3). Apart from that your company is also maintaining a fixed storage capacity of approximately 2300 MT in 12 Tanks installed within the premises of the plant area.

### Segment Wise Performance

Your company retains the higher ratio of production and sale of HOBC being the higher margin product as per the latest price gazette of the government. Production of HOBC was increased by 10% to harness on the higher margin benefit as per government price.

Taka in Million				
Product	Year 2016-17	%	Year 2017-18	%
HOBC	4,947.90	68%	4,684.08	78%
Petrol	1,068.78	15%	256.73	4%
Diesel	1,027.38	14%	758.89	13%
Kerosene	283.75	4%	337.34	6%
Others	0.56	0%	-	0%
Total	7,328.37	100%	6,037.04	100%

### Contribution to the National Exchequer

Seamless supply of energy is a prerequisite for the development of economy. Your company is contributing to the economic growth by supplying energy products in the market. Currently your company is enjoying Tax Holiday but still for FY2017-18 your company has added a total of Tk. 40.59 Million as Advance Income Tax and Tk. 90.55 Million in the form of VAT.

### Extra-Ordinary Gain or Loss

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

### Related Party Transaction

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

### Utilization of Proceeds from Public Issues, Rights Issues and/or Through Any Other Instrument

There was no such issues.

### Remuneration of Directors

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

### Corporate and Financial Reporting Framework

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

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

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

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

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

### Financial Results and Performance of the Company

Taka in Million				
Particulars	2017		2018	
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales
Revenue	7,328.38		6,037.03	
Cost of Sales	6,170.88	84.21%	5,093.55	84.37%
Gross Profit	1,157.50	15.79%	943.48	15.63%
Other Income Net	23.02	0.31%	27.80	0.46%
General and Administrative Expenses	104.92	1.43%	141.27	2.34%
Operating Profit	1,052.58	14.36%	802.21	13.29%
Finance Costs Net	295.32	4.03%	288.08	4.77%
WPPF	37.16	0.51%	25.80	0.43%
Net Profit Before Income Tax	720.10	9.83%	488.33	8.09%
Income Tax	107.96	1.47%	102.98	1.71%
Net Profit After Income Tax	635.16	8.67%	413.15	6.84%

### Significant Variance of Financial Statements & Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

Gross revenue has decreased by around -17.62% due to under capacity production and Cost of Sales was also decreased in the same ratio and the company lose -18.49% on Gross Margin. General and Administrative expenses has a significant rise of over 34.65%, due to increase in sales and distribution expenses.

2.45% fall in Net Finance Cost can be attributed to principal repayment of Term Loans.

As you know, your company is enjoying Tax Holiday from the date of commercial operation. Therefore, in the earlier years there is lesser provision of Income Tax. During the year under report, Income Tax expenses fall by 4.61% due to lesser income.

### Profit Appropriation

During the year under report the net profit of your company stands at Tk. 413.15 Million as compared to Tk. 635.16 Million in the last year. However, the Company needs availability of funds for continuous progress and investments in new projects. Keeping these in view, the Directors would like to report the Company's financial results for the year that ended on June 30, 2018 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2017	413.15
Profit brought Forward	785.31
Less: Tax Holiday Reserve	(165.25)
Profit available for appropriation	1033.20
Appropriations:	
Proposed Stock and Cash Dividend	250.00
Transferred to Retained Earning	783.20
Profit available for appropriation	1033.20

### Dividend

Your company has just started commercial operation from October 2013. Generally to attain the operational stability a new company requires some incubation time to attain certain level of resilience to battle unwanted risks. Keeping this in mind your board recommends 25% cash dividend for the year under report.

Dividend Type	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
Cash Dividend (%)	25%	20%	15%	0%	0%
Stock Dividend (%)	0%	0%	0%	0%	0%
<b>Total</b>	<b>25%</b>	<b>20%</b>	<b>15%</b>	<b>0%</b>	<b>0%</b>

### Directors' Meeting & Attendance

During the year ended June 30, 2018 The Board of Directors held 4 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Rezaul Haider	4
Mr. Feroz Alam	4
Mr. AnisSalahuddin Ahmad	4
Mr. A.K.M BadiulAlam	4
Mr. Shamsuzzaman	4
Mr. Faridul Alam	4
Mr. Golam Nabi FCA	4

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

### The Pattern of Shareholding

Pattern of Shareholding as on June 30, 2018

Name of Shareholders	Status	Relation	Share Held	Percentage (%)
i) Parent/Subsidiary/Associated Companies and other related parties	-	-	-	-
Shahjibazar Power Co. Ltd.	Public Listed Company	Parent	90,000,000	90%
ii) Directors				
A. Mr. Rezaul Haider	Chairman		1,700,000	1.70%
B. Mr. Feroz Alam	Managing Director		1,800,000	1.80%
C. Mr. Anis Salahuddin Ahmad	Director		1,000,000	1.00%
D. Mr. A.K.M BadiulAlam	Director		1,000,000	1.00%
E. Mr. Md. Shamsuzzaman	Director		1,500,000	1.50%
F. Ms. Shahida Alam	Sponsor	Spouse of Mr. A.K.M Badiul Alam	500,000	0.50%
G. Mr. Akbor Haider	Sponsor	Son of Mr. Rezaul Haider	500,000	0.50%
H. Mr. Faridul Alam	Director	Son of Mr. Feroz Alam	500,000	0.50%
I. Mr. Faisal Alam	Sponsor	Son of Mr. Feroz Alam	500,000	0.50%
J. Mr. Asgar Haider	Sponsor	Son of Mr. Rezaul Haider	500,000	0.50%
K. Ms. Israt Azim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	500,000	0.50%
M. Mr. Golam Nabi FCA	Nominee Director	-	Nil	Nil
v. Shareholders Holding 10% or more voting interest in the company:	-	-	-	-
Shahjibazar Power Co. Ltd.	Public Listed Company	Parent	90,000,000	90%

### Directors' election & re-appointment

As per Articles of Association Mr. Anis. S. Ahmd and Mr. Faridul Alam shall retire in 13th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

### Holding Of Directorship and Membership of the Committees of the Board Other Than This Company

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

### Auditors

Being eligible as per section 212 of Company Act 1994, the re-appointment of Aziz Halim Khair Chowdhury Chartered Accountants shall be presented at the 13th AGM for member's approval.

### Business Risk & Uncertainties

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

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

Private sector oil refinery businesses are very highly exposed to the risk of government policy change. As we all know, like other countries, energy security of the country is the sole jurisdiction of Ministry of Power, Energy and Mineral Resources (MPEMR). During the year under report your company has to struggle for adjustment of price administered by regulatory authority.

Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan process interest rate structure to be fixed at high. Raising of interest rate increases the cost of fund for a company, which has borrowed fund, consequently profit is squeezed.

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

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

Apart from the above your company operates under companies act, taxation policy adopted by NBR, Security and Exchange Commission's rule and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the

Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the company will not be effected.

Government emphasizes participation of private sector in energy business. A large amount of foreign currency reserve are spent for importing raw as well as refined oil. A well-organized policy of international standard is still lacking this sector. Sponsors are in process of convincing the authority to formulate a standard policy by infusing favorable terms for private sector investors.

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

### Going Concern

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

### Corporate Governance

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

### Human Resource Management

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

### Acknowledgement

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

The board would further like to extend their graceful appreciation for the assistance and co-operation received from Bangladesh Petroleum Corporation (BPC), Petro Bangla,

RupantaritaPrakritic Gas CompayLtd (RPGCL), Registrar of Joint Stock Companies & Firms, and various government authorities, individual and agencies.

The Board of Directors would like to acknowledge the effort of its employees to the Business of the Company. Their commitment,

passion and teamwork towards the dream of the Company has helped to stand the company where it is today. Looking forward for a better future and sustainable growth.

For and On Behalf of the Board



**Feroz Alam**  
 Managing Director





## Independent Auditors' Report to the Shareholders of Petromax Refinery Limited

We have audited the accompanying financial statements of **Petromax Refinery Limited** which comprise the Statement of Financial Position as at 30 June 2018, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

### Management's responsibility for the financial statements

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

### Auditors' responsibility

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements of **Petromax Refinery Limited** prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

### We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books;
- c) the Company's Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the company's business.

Dhaka  
23 October, 2018

*Aziz Halim Khair Choudhury*  
**Aziz Halim Khair Choudhury**  
Chartered Accountants



**Petromax Refinery Limited**  
**Statement of Financial Position**  
As at June 30, 2018

	Notes	June 30, 2018	June 30, 2017
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>3,074,598,573</b>	<b>3,225,588,001</b>
Property, Plant and Equipment	4.00	3,073,992,438	3,224,842,214
Intangible Assets	5.00	606,135	745,787
<b>Current Assets</b>		<b>3,387,587,111</b>	<b>2,579,024,487</b>
Inventories	6.00	1,005,847,888	653,184,480
Accounts Receivable	7.00	1,137,484,722	686,150,070
Advance, Deposits and Prepayments	8.00	680,517,571	701,391,539
Financial Assets at fair value through profit or loss	9.00	20,201,919	24,774,556
Goods In-transit	10.00	68,892,499	50,852,326
Cash & Bank Balance	11.00	474,642,512	462,671,516
<b>Total Assets</b>		<b>6,462,185,684</b>	<b>5,804,612,488</b>
<b>Shareholders Equity and Liabilities</b>			
<b>Shareholder's Equity</b>		<b>2,969,279,320</b>	<b>2,756,143,746</b>
Share Capital	12.00	1,000,000,000	1,000,000,000
Tax Holiday Reserves	13.00	936,079,162	770,824,933
Retained Earnings	14.00	1,033,200,157	985,318,813
<b>Non-Current Liabilities</b>		<b>28,100,617</b>	<b>78,656,487</b>
Loan other than Bank and Financial Institutes	15.00	89,364	12,500,000
Long Term Loan-Net off Current Maturity	16.00	28,011,253	66,156,487
<b>Current Liabilities</b>		<b>3,464,805,747</b>	<b>2,969,812,254</b>
Accounts Payable	17.00	8,998,671	6,627,957
Other Payable	18.00	29,490,286	43,398,733
L/C Liabilities	19.00	7,667,947	6,986,396
Short Term Loan	20.00	3,391,863,000	2,807,669,943
Long Term Loan-Current Maturity	21.00	12,502,326	97,070,442
Liabilities for Expenses	22.00	14,283,517	8,058,783
<b>Total Liabilities</b>		<b>3,492,906,364</b>	<b>3,048,468,741</b>
<b>Total Shareholders Equity and Liabilities</b>		<b>6,462,185,684</b>	<b>5,804,612,488</b>
<b>Net Assets Value Per Share (NAV)</b>		<b>29.69</b>	<b>27.56</b>
Number of Shares used to compute NAV		100,000,000	100,000,000

The accompanying notes 1 to 34 form an integral part of these financial statements.

  
**Managing Director**

  
**Director**

  
**Chairman**

**Dhaka**  
23 October 2018

  
**Aziz Halim Khair Choudhury**  
Chartered Accountants

**Petromax Refinery Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
 For the Year Ended June 30, 2018

	Notes	June 30, 2018	June 30, 2017
Revenue	23.00	6,037,037,045	7,328,382,889
Cost of Sales	24.00	5,093,554,853	6,170,884,579
<b>Gross Profit</b>		<b>943,482,192</b>	<b>1,157,498,310</b>
General and Admin. Expenses	25.00	141,274,236	104,922,225
<b>Profit/(Loss) from Operation</b>		<b>802,207,956</b>	<b>1,052,576,085</b>
Non-Operating Income	27.00	27,800,795	23,024,233
Financial Income/(Expenses)	26.00	288,083,427	295,329,592
Worker's Profit Participation Fund (WPPF)	28.00	25,805,968	37,155,749
<b>Net Profit/(Loss) Before Tax</b>		<b>516,119,356</b>	<b>743,114,977</b>
Current Tax	29.00	102,983,782	107,959,911
<b>Net Profit/(Loss) After Tax</b>		<b>413,135,574</b>	<b>635,155,066</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>413,135,574</b>	<b>635,155,066</b>
<b>Earnings Per Share (EPS)</b>	<b>30.00</b>	<b>4.13</b>	<b>6.35</b>
Number of Shares used to compute EPS		100,000,000	100,000,000

The accompanying notes 1 to 34 form an integral part of these financial statements.

  
**Managing Director**

  
**Director**

  
**Chairman**

**Dhaka**  
 23 October 2018

  
**Aziz Halim Khair Choudhury**  
 Chartered Accountants

**Petromax Refinery Limited**  
**Statement of Changes in Equity**  
**For the Year ended June 30, 2018**

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
<b>Balance as at July 01, 2017</b>				
Dividend Payment	1,000,000,000	770,824,933	985,318,813	2,756,143,746
Net profit for the period	-	-	(200,000,000)	(200,000,000)
Tax Holiday Reserve	-	-	413,135,574	413,135,574
	-	165,254,230	(165,254,230)	-
<b>Balance as at June 30, 2018</b>	<b>1,000,000,000</b>	<b>936,079,162</b>	<b>1,033,200,157</b>	<b>2,969,279,320</b>

**Statement of Changes in Equity**  
**For the Year ended June 30, 2017**

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
<b>Balance as at July 01, 2016</b>				
Dividend Payment	1,000,000,000	516,762,906	754,225,773	2,270,988,679
Net profit for the period	-	-	(150,000,000)	(150,000,000)
Transfer for the period	-	-	635,155,066	635,155,066
	-	254,062,026	(254,062,026)	-
<b>Balance as at June 30, 2017</b>	<b>1,000,000,000</b>	<b>770,824,933</b>	<b>985,318,813</b>	<b>2,756,143,746</b>

The accompanying notes 1 to 34 form an integral part of these financial statements.



**Managing Director**



**Director**



**Chairman**



**Aziz Halim Khair Choudhury**  
 Chartered Accountants

**Dhaka**  
 23 October 2018

**Petromax Refinery Limited**  
**Statement of Cash Flows**  
 For the year ended June 30, 2018

	June 30, 2018	June 30, 2017
<b>Cash Flows from Operating Activities</b>		
Cash receipt from customers	5,585,702,393	7,431,354,979
Cash paid to suppliers, service providers and employees	(5,257,106,888)	(5,693,175,250)
Cash (used)/Generated from operations	(130,094,093)	(61,388,427)
Tax (Paid)/Deducted	(102,983,782)	(107,959,911)
Cash received from Non-Operating Activities	27,800,795	4,206,889
Financial Charges	(288,083,427)	(276,512,248)
<b>Net Cash Provided/(Used) from Operating Activities</b>	<b>(164,765,002)</b>	<b>1,296,526,033</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(94,533,678)	(200,333,584)
Sales of property, plant and equipment	6,282,046	-
Intangible Assets	-	(8,550,890)
Loan and Advance (Shahjibazar Power Co. Ltd. (Parent Co.))	15,918,559	-
<b>Net Cash Provided/(Used) in Investing Activities</b>	<b>(72,333,073)</b>	<b>(208,884,474)</b>
<b>Cash Flows from Financing Activities</b>		
Loan other than Bank and Financial Institutes	(12,410,636)	(54,822,967)
Short term Loan	584,193,057	402,019,128
Dividend Paid	(200,000,000)	(150,000,000)
Payment of L/C Liabilities	-	(1,003,189,074)
Long Term Loan	(122,713,350)	(343,894,733)
<b>Net Cash Provided/(Used) in Financing Activities</b>	<b>249,069,071</b>	<b>(1,149,887,646)</b>
Net cash increased/(decreased) during the period	11,970,996	(62,246,087)
Cash and Cash Equivalent as at July 01, 2017	462,671,516	524,917,603
<b>Cash and Cash Equivalent as at June 30, 2018</b>	<b>474,642,512</b>	<b>462,671,516</b>

The accompanying notes 1 to 34 form an integral part of these financial statements.

  
 Managing Director

  
 Director

  
 Chairman

**Dhaka**  
 23 October 2018

  
**Aziz Halim Khair Choudhury**  
 Chartered Accountants

## Petromax Refinery Limited Notes to the Accounts As at and for the year ended 30 June 2018

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

#### 1.00 Status of the Reporting Entity

##### 1.01 Legal form of the Company

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.

##### 1.02 Registered office

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.

##### 1.03 Nature of business activities

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

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

#### 2.00 Basis of Preparation and Presentation of Financial Statements

##### 2.01 Statement of Compliance

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

##### 2.02 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulation in addition to the Companies Act 1994:

The Income Tax Ordinance 1984  
 The Income Tax Rules 1984  
 The Value Added Tax Act 1991  
 The Value Added Tax Rules 1991  
 The Customs Act 1969  
 Bangladesh Labor Law 2006  
 Securities and Exchange Rules 1987  
 Other applicable regulations

##### 2.03 Application of Standards

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

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



#### 2.04 Going Concern Assumption

The company has adequate resources to continue its operation for the foreseeable future and the Directors are of the opinion that the Company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

#### 2.05 Measurement bases used in preparing the Financial Statements

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

#### 2.06 Materiality and Aggregation

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

#### 2.07 Use of estimates and judgments

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

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

#### 2.08 Comparative Information

Comparative information has been disclosed in respect of the year ended 30 June 2017 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Certain figures for the year ended 30 June 2017 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.

#### 2.09 Accounting Convention and Basis

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

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

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

#### 2.11 Authorization for issue

The financial statements have been authorized by the Board of Directors on 23 October, 2018.

#### 2.12 Reporting period

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

#### 2.13 Components of the Financial Statements

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

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

### 3.00 Summary of Significant Accounting Policies

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

### 3.01 Property, Plant and Equipment

#### 3.1.1 Recognition and Measurement

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

#### 3.1.2 Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the 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 statement of comprehensive income as incurred.

#### 3.1.3 Disposal of Non-Current Assets

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

#### 3.1.4 Depreciation on Non-Current Assets

Depreciation is recognized in the statement of comprehensive Income on a reducing Balance method in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is charged on PPE in the following quarter of the procurement because procured assets takes on an average 2 to 3 months for ready to use.

#### 3.1.5 Borrowing Costs

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

#### 3.1.6 Impairment of Assets

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

### 3.02 Intangible Assets

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

### 3.03 Inventories

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

### 3.04 Trade Receivable (Book Debt)

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

### 3.05 Advance, Deposits and Prepayments

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

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

### 3.06 Foreign Exchange

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

### 3.07 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.

### 3.08 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.

### 3.09 Other Corporate Debt, Accounts Payable, Trade and Other Liabilities

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

### 3.10 Taxation

#### 3.10.1 Current Tax

No provision is required for current income tax on the company's operating profit because Petromax Refinery Limited has been enjoying tax holiday for 7 years from the date of October 25, 2013 to October 24, 2020 and the rate of tax holiday for the year are 55% and 40%. Moreover, tax on remaining 45% and 60% of income had duly been calculated and adjusted with the Tax deducted at source. Again, Tax on Non-operating income has been calculated properly and provision made accordingly.

#### 3.10.2 Deferred Tax

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

### 3.11 Creditors and Accrued Expenses

#### 3.11.1 Trade and Other Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company.

#### 3.11.2 Provisions

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

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

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

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

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

### 3.12 Contingent Liabilities and Assets

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

### 3.13 Revenue Recognition

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

### 3.14 Cash flows statement

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

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

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

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

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

### 3.17 Earnings Per Share (EPS)

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

#### 3.17.1 Basic earnings

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

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

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

#### 3.17.3 Basic earnings per share

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

### 3.18 Workers Profit Participation Fund

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

### 3.19 Related Party Transaction

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

	June 30, 2018	June 30, 2017
<b>4.00 Property, Plant &amp; Equipment Cost</b>		
Opening Balance	4,040,320,864	3,834,202,013
Addition During The Year	94,533,678	206,118,852
Less: Disposal During The Year	(15,356,735)	-
<b>Cost at 30 June , 2018</b>	<b>4,119,497,807</b>	<b>4,040,320,864</b>
<b>Accumulated Depreciation</b>		
As at July 01, 2017	815,478,650	582,511,029
Charged during the Year	235,414,308	232,967,622
Less: Disposal During The Year	(5,387,589)	-
At 30 June, 2018	1,045,505,369	815,478,650
<b>Written Down Value at 30 June, 2018</b>	<b>3,073,992,438</b>	<b>3,224,842,214</b>
All assets are freehold to the company and there is no leasehold property presented in the head "Property, Plant & Equipment".		
<b>For details please refer to Annexure A</b>		
<b>5.00 Intangible Assets Cost</b>		
Opening Balance	931,000	681,000
Addition During the Period	-	250,000
<b>Closing Balance</b>	<b>931,000</b>	<b>931,000</b>
<b>Amortization</b>		
Opening Balance	185,214	73,688
Amortization During the Period	139,652	111,526
<b>Closing Balance</b>	<b>324,866</b>	<b>185,214</b>
<b>Written Down Value</b>	<b>606,135</b>	<b>745,787</b>
Intangible assets are amortizing @ 15% on cost as per the Company's policy.		
<b>6.00 Inventories</b>		
Raw materials(Condensate)	532,839,581	426,999,679
Work-in-progress	4,514,025	4,639,710
Finished Goods	433,761,060	196,139,154
General Stores	34,733,222	25,405,938
	<b>1,005,847,888</b>	<b>653,184,480</b>
<b>7.00 Accounts Receivables</b>		
Bangladesh Petroleum Corporation	1,133,166,129	682,358,467
Jamuna Spacetech Joint Venture Ltd.	63,389	252,430
Interest Receivable	4,255,203	3,539,172
	<b>1,137,484,722</b>	<b>686,150,070</b>
Out of total receivable of the Company an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.		
<b>Age Analysis of Accounts Receivables</b>		
Less than One Year	862,426,906	411,092,253
More than One Year	275,057,816	275,057,816
	<b>1,137,484,722</b>	<b>686,150,070</b>
<b>8.00 Advance, Deposits and Prepayments</b>		
Advances	679,505,576	700,379,545
Deposits	1,011,995	1,011,995
Prepayments	-	-
	<b>680,517,571</b>	<b>701,391,539</b>



		June 30, 2018	June 30, 2017
<b>Advance</b>			
Advance to Different Suppliers	<b>8.01</b>	254,829,312	211,570,337
Advance for Operational Activities	<b>8.02</b>	2,371,550	624,149
AIT (Advance Income Tax)	<b>8.03</b>	40,592,194	45,706,101
VAT Current A/C		22,290,583	13,513,764
Interest Charges in Advance by IBBL for MPI Loan		-	21,457,532
Interest Charges in Advance by IBBL for MTR Loan		141,421,937	173,589,103
Advance to Shahjibazar Power Co. Ltd. (Parent Co.)		218,000,000	233,918,559
		<b>679,505,576</b>	<b>700,379,544</b>
<b>8.01 Advance to Different Suppliers</b>			
Guraba Engineering Ltd.		-	2,000
Bhai Bhai Refrigeration		8,000	-
Inspace Atelier		7,000,000	3,000,000
Index Power & Energy Ltd.		52,626	-
H.R.S Trading Corporation		32,700	-
Janata Mechineries		-	13,400
LAUGFS Gas (Bangladesh) Ltd.		19,085	-
Linde Bangladesh Ltd.		273,589	-
Mirzapur Green City		80,000	10,000
Mission Scientific Company		-	10,000
MJL Bangladesh Ltd.		13,520	-
Omera Petroleum Ltd.		26,355	310,695
Petromax LPG Ltd.		27,401,669	28,248,650
Petromax Cylinders Ltd.		1,290	-
Rupantarita Prakritik Gas Company Ltd.		215,438,022	175,523,890
S.P. Engineer's		-	1,000
Advance Insurance Premium		4,482,457	4,450,703
		<b>254,829,312</b>	<b>211,570,337</b>
<b>8.02 Advance for Operational Activities</b>			
Advance to Different Individual for Official Work		2,371,550	351,819
Comfit Composite Knit Ltd.		-	272,330
		<b>2,371,550</b>	<b>624,149</b>
<b>Deposits</b>			
Security Deposit with Pally Biddut Samitee		35,616	35,616
Security Deposit To MPA for Pipeline		938,979	938,979
Electricity Connection		20,840	20,840
BTRC Demand Note		16,560	16,560
		<b>1,011,995</b>	<b>1,011,995</b>
<b>8.03 AIT (Advance Income Tax)</b>			
AIT (Advance Income Tax)		143,575,976	153,666,011
Adjusted with current tax payable		102,983,782	107,959,911
		<b>40,592,194</b>	<b>45,706,101</b>
<b>Ageing Status of Advance, Deposit and Prepayments</b>			
Less than one year		634,738,454	673,835,963
More than one year		45,779,117	27,555,576
		<b>680,517,571</b>	<b>701,391,539</b>
<b>9.00 Financial Assets at Fair Value through Profit or Loss</b>			
ACI Limited		-	684,363
AB Bank Ltd.		967,200	233,888
Active Fine Chemicals Limited		252,000	354,900
Aman Feed Ltd.		1,108,800	370,000
Appollo Ispat Complex Limited.		462,000	721,000
Bay Leasing & Investment Ltd.		2,152,500	2,490,000

	June 30, 2018	June 30, 2017
Bangladesh Thai Aluminium Ltd	-	697,500
BBS Cables Ltd.	1,386,240	-
Bangladesh Steel Re-Rolling Mills Limited	1,401,400	1,749,800
CVO Petrochemical Refinery Limited	1,332,752	1,662,570
The City Bank Ltd.	917,280	935,000
City General Insurance Company Ltd.	-	360,800
Dhaka Electric Supply Company Limited	256,389	303,891
Dutch-Bangla Bank Limited	607,000	-
Evince Textiles Ltd.	-	345,780
EXIM Bank Limited	696,150	-
Far Chemicals Industries Ltd.	173,800	257,000
GPH Ispat Ltd.	385,350	443,000
Ifad Autos Ltd.	-	2,023,500
Islamic Finance & Investment Ltd.	-	159,250
IFIC Bank Limited	391,160	-
KDS Accessories Ltd.	-	190,250
Jamuna Bank Limited	1,472,979	-
Lafarge Surma Cement Limited	-	629,000
Lafarge Holcim Bangladesh Limited	564,000	-
Lankabangla Finance Ltd.	-	557,000
MJL Bangladesh Ltd.	-	607,500
Nahee Aluminum Composite Panel Ltd.	604,500	-
National Polymar Industries Ltd.	1,955,923	1,924,930
One Bank Limited	866,250	-
Premier Leasing & Finance Ltd .	213,465	477,500
RAK Ceramics (Bangladesh) Limited	260,150	316,800
Saiham Cotton Mills Ltd.	-	352,000
Shahjalal Islami Bank Ltd.	-	422,625
Shepherd Industries Ltd.	-	710,630
Union Capital Ltd.	1,023,750	894,080
Uttara Bank Ltd.	750,880	-
Western Marine Shipyard Ltd.	-	3,900,000
	<b>20,201,919</b>	<b>24,774,556</b>
<b>10.00 Goods In Transit</b>		
Goods In Transit- Condensate	61,224,552	43,865,930
Goods In Transit- Machinery/Parts	7,667,947	6,986,396
	<b>68,892,499</b>	<b>50,852,326</b>
<b>11.00 Cash and Cash Equivalents</b>		
Cash in Hand	88,111	86,295
Islami Bank Bangladesh Limited (A/C No:9766)	801,879	12,688,892
Bank Asia Limited (A/C No:333006320)	2	2
Exim Bank Limited (A/C No:125161)	401,877	95,699
Bank Asia Ltd. (A/C No:60533000478)	3,505	-
Prime Bank Ltd. (A/C No:2118117019682)	785,712	-
Islami Bank Bangladesh Limited (A/C No:46-IDB Br.)	1,529,844	212,558
Islami Bank Bangladesh Limited (L/C Margin)	379,050	342,100
Islami Bank Bangladesh Limited (A/C No:560)	2,572,680	1,925,712
Islami Bank Bangladesh Limited (A/C No. 3074816)	254,661,726	242,351,856
Islami Bank Bangladesh Limited (A/C No. 3142812)	119,372,685	112,827,672
Islami Bank Bangladesh Limited (A/C No. 3217512)	24,026,053	22,507,079
Islami Bank Bangladesh Limited (A/C No. 333674)	4,845,388	4,579,000
Exim Bank Limited (MTDR A/C No:272671)	2,110,251	2,002,178
Revolving A/C (Mongla Port Authority)	10,000	10,000
Ledger Balance of BO Account	14,288	3,011
Security Deposit against Bank Guarantee	63,039,462	63,039,462
	<b>474,642,512</b>	<b>462,671,516</b>

	June 30, 2018	June 30, 2017
<b>12.00 Share Capital</b>		
<b>Authorized Capital :</b>		
300,000,000 shares @ Tk.10.00 each	3,000,000,000	3,000,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
10,00,00,000 shares @ Tk.10.00 each	1,000,000,000	1,000,000,000
<b>Movement of Share Capital:</b>		
Opening Balance	1,000,000,000	1,000,000,000
Allotment During the Period	-	-
	<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>SHARE HOLDING POSITION:</b>		
<b>Name of the Share Holder</b>	<b>No. of shares held</b>	<b>Percentage</b>
Feroz Alam	1,800,000	1.80%
Rezakul Haider	1,700,000	1.70%
Anis Salahuddin Ahmad	1,000,000	1.00%
Akbor Haider	500,000	0.50%
Asgar Haider	500,000	0.50%
Faridul Alam	500,000	0.50%
Faisal Alam	500,000	0.50%
Shahida Alam	500,000	0.50%
Israt Azim Ahmad	500,000	0.50%
A.K.M.Badiul Alam	1,000,000	1.00%
Shamsuzzaman	1,500,000	1.50%
Shahjibazar Power Co. Ltd.	90,000,000	90.00%
	<b>100,000,000</b>	<b>100%</b>
<b>13.00 Tax Holiday Reserve</b>		
Balance as at 01 July 2017	770,824,933	516,762,906
Addition during the Period	165,254,230	254,062,026
Balance as at 30 June 2018	<b>936,079,162</b>	<b>770,824,933</b>
<b>14.00 Retained Earnings</b>		
Balance as at 01 July 2017	985,318,813	754,225,773
Less: Dividend	(200,000,000)	(150,000,000)
Add: Net profit/(Loss) for the Period	413,135,574	635,155,066
Less: Transferred to Tax Holiday Reserve	(165,254,230)	(254,062,026)
Balance as at 30 June 2018	<b>1,033,200,157</b>	<b>985,318,813</b>
<b>15.00 Loan Other Than Bank</b>		
Comfit Composite Knit Ltd.	89,364	-
Midland Knitwear Ltd.	-	12,500,000
	<b>89,364</b>	<b>12,500,000</b>
<b>16.00 Long Term Loan - Net of Current Maturity</b>		
Islami Bank Bangladesh Ltd.	28,011,253	66,156,487
	<b>28,011,253</b>	<b>66,156,487</b>

- The Company is paying installments against term loan as per schedule.
- The term loan are fully secured to IBBL- Local Office Branch, against registered mortgage on the following:
  - 711.50 Decimal project land at Industrial Plot No.- 15, Mongla Port, Bagherhat.
  - Project Building.
  - Machineries of the project.
- Personal Guarantee of all Directors of the company.

## 17.00 Accounts Payable

AKH Fashion Ltd.	12,113	14,261
A to Z Computer	-	3,600
Alpana Tyre Corporation	12,400	-
Amber IT Limited	6,666	-
Bata Shoe Company Bangladesh Ltd.	621	621
B.K. Instruments & Chemicals	-	2,180
Confidence Design & Construction (CDC) Ltd.	479,368	479,368
DHL Worldwide Express (Bangladesh) Pvt. Ltd.	-	9,953
Dhaka Metal & Machinery Stores	19,920	-
Clearing and forwarding agency	180,730	83,523
EMI Engineering Ltd.	896,706	896,706
Global Digital Mart Ltd.	-	8,750
H.R.S. Trading Corporation	-	11,900
Integrated Design	240,000	240,000
Islami Insurance Bangladesh Ltd.	335,044	335,044
JTZ Engineering & Trading Inn.	-	57,750
Lubricants Asia Ltd.	57,000	56,000
Linde Bangladesh Ltd.	-	198,542
Masum Trade International	2,357,381	-
Maisha Enterprise Ltd.	1,139,205	2,500,000
Monico Ltd.	178,645	178,645
Mayer Doa Tripal House	360	360
Metro Police Store	-	45,600
Offshore & marine Engineering Ltd.	650,000	-
Omni Solutions Ltd.	71,000	66,000
Rupali Insurance Co. Ltd.	908,912	1,100,319
Pioneer Scientific Stores	-	15,086
Pole-Star Engineering Co.	3,600	-
Rabeya Nur Enterprise	-	19,000
RINA Bangladesh Ltd.	1,437,164	-
Science Museum	-	4,350
Smart Printing Solutions Ltd.	6,877	-
S.S. Computer Center-2	4,960	-
Shuvo Boiler & Tools Traders	-	155,400
TG Logistics (BD) Ltd.	-	145,000

June 30, 2018

June 30, 2017

### Age Analysis of Accounts Payable

Less Than One Year	7,588,277	5,217,563
More Than One Year	1,410,395	1,410,395

## 18.00 Other Payable

Sahara Trading	54,011	54,011
Audit Fee	402,500	402,500
Raaj Fuel Agency	143	143
Worker's Profit Participation Fund	28,707,947	42,901,979
Danlop Enterprise	17,000	17,000
Faridul Alam	-	1,061
Md. Asadullah	180,250	-
Md. Arafat Hossain	64,681	-
Asif Ahmed Chowdhury	63,755	22,040

## 19.00 L/C Liabilities

Islami Bank Bangladesh Ltd.	7,667,947	6,986,396
-----------------------------	-----------	-----------

	12,113	14,261
	-	3,600
	12,400	-
	6,666	-
	621	621
	-	2,180
	479,368	479,368
	-	9,953
	19,920	-
	180,730	83,523
	896,706	896,706
	-	8,750
	-	11,900
	240,000	240,000
	335,044	335,044
	-	57,750
	57,000	56,000
	-	198,542
	2,357,381	-
	1,139,205	2,500,000
	178,645	178,645
	360	360
	-	45,600
	650,000	-
	71,000	66,000
	908,912	1,100,319
	-	15,086
	3,600	-
	-	19,000
	1,437,164	-
	-	4,350
	6,877	-
	4,960	-
	-	155,400
	-	145,000
	<b>8,998,671</b>	<b>6,627,957</b>
	7,588,277	5,217,563
	1,410,395	1,410,395
	<b>8,998,671</b>	<b>6,627,957</b>
	54,011	54,011
	402,500	402,500
	143	143
	28,707,947	42,901,979
	17,000	17,000
	-	1,061
	180,250	-
	64,681	-
	63,755	22,040
	<b>29,490,286</b>	<b>43,398,733</b>
	7,667,947	6,986,396
	<b>7,667,947</b>	<b>6,986,396</b>

	June 30, 2018	June 30, 2017
<b>20.00 Short Term Loan</b>		
MPI Loan (Mura Post Import-IBBL)	-	209,210,043
MTR Loan (Murabaha Term Loan-IBBL)	1,960,416,562	2,530,344,234
TR Loan (Time Loan-PBL)	1,378,392,000	-
OD Loan (Over Draft-PBL)	53,054,438	-
SOD Loan (Secured Over Draft-EBL)	-	68,115,666
	<b>3,391,863,000</b>	<b>2,807,669,943</b>
Short term loan has increased due to increase in receivable and stock in compare to previous year. Another reason is hike in interest rate of short term loan.		
<b>21.00 Long Term Loan - Current Maturity</b>		
Islami Bank Bangladesh Ltd.	12,502,326	97,070,442
	<b>12,502,326</b>	<b>97,070,442</b>
<b>22.00 Liabilities for Expenses</b>		
Remuneration	300,000	300,000
Salary & Allowance - H/O	1,661,411	450,000
Salary & Wages - Factory	8,791,020	3,428,809
Electricity Bill	3,406,337	3,780,593
Water Bill	51,734	31,980
Telephone Bill	4,353	925
Internet Bill	13,513	12,513
Security Service Charge-H/O	55,149	53,963
	<b>14,283,517</b>	<b>8,058,783</b>
<b>23.00 Revenue</b>		
Liquid Petroleum Gas (LPG)	-	562,501
High Speed Diesel (HSD)	664,735,178	1,027,382,151
Superior Kerosene Oil (SKO)	299,484,329	283,750,514
Motor Spirit (MS)	237,340,577	1,068,783,538
High Octane Blending Component (HOBC)	4,835,476,961	4,947,904,186
	<b>6,037,037,045</b>	<b>7,328,382,889</b>
<b>24.00 Cost of Sales</b>		
Raw Materials Consumed	24.01 4,584,471,871	5,626,200,458
Factory Overhead	24.02 509,082,981	544,684,122
	<b>5,093,554,853</b>	<b>6,170,884,579</b>
<b>24.01 Raw Materials Consumed</b>		
Opening Stock	653,184,480	820,047,270
Purchased & Manufactured During the Period	4,937,135,280	5,459,337,668
Less: Closing Stock	(1,005,847,888)	(653,184,480)
	<b>4,584,471,871</b>	<b>5,626,200,458</b>
<b>24.02 Factory Overhead</b>		
Insurance Premium	16,350,695	13,792,959
Rent & Rates	42,510,612	116,551,130
Electricity, Gas & Water	44,711,473	45,142,725
Wages, Salary & Allowance - Factory	112,705,763	89,937,707
Repair & Maintenance - Factory	56,908,615	37,787,189
Tiffin & Refreshment - Factory	1,429,465	1,356,061
Medical Expenses	23,270	14,915
Government Taxes & License Fee	1,262,086	733,778
Office Expenses-Factory	617,890	557,698
Uniform & Liveries	417,404	24,569
Lab Test Fees	272,801	149,658
LPG for Operation	4,108,654	2,225,673
Labour Bill	106,090	1,376,035
Safety Items Expenses	391,400	450,100
Exchange (Gain)/Loss	118,976	6,071,386
Depreciation	227,147,788	228,512,540
	<b>509,082,981</b>	<b>544,684,122</b>



**25.00 General and Administrative Expenses**

	June 30, 2018	June 30, 2017
Rent & Rates	2,216,020	1,754,031
Consultancy Fee	-	600,000
Carriage Outward	1,697,177	3,523,900
Repair & Maintenance	979,650	597,548
Vehicles Running & Maintenance	3,513,710	3,147,451
Tiffin & Refreshment	3,771,459	3,179,551
Fees & Subscription	11,920,470	14,977,568
Postage, Telephone, Fax & Telex	548,840	648,943
Govt. Taxes, Stamp Duty & License Fee	1,319,243	1,666,424
Advertisement Expenses	130,692	328,692
Audit Fees	402,500	402,500
Insurance Premium of Helicopter	1,477,702	1,154,102
BO Account Charge	550	660
Electricity Bill- Office	11,179	10,169
Internet Bill	73,387	77,131
Survey Bill	160,816	64,661
Traning & Development	200,110	307,131
Stationary	503,506	494,055
Overseas Travelling	988,360	980,800
Remuneration	6,600,000	6,000,000
Papers, Books & Periodicals	11,225	8,060
Selling & Distribution Expenses	53,562,981	35,651,442
Salary & Allowance	21,653,789	17,450,218
Security Charge	273,878	262,872
Amortization of Intangible Assets	139,652	111,526
Provision for Unrealised loss on holding shares	7,418,820	-
Operational, Maintenance & Other Charges (Helicopter)	8,211,592	5,493,400
Tree Plantation	177,409	223,631
Surveillance Aeseement Fees	82,000	-
Capital Gain / (Loss)	3,687,100	-
Write off of Receivables	-	25,067
Depreciation of Helicopter	8,266,520	4,455,082
Travelling & Conveyance bill	1,273,902	1,325,610
	<b>141,274,236</b>	<b>104,922,225</b>

**26.00 Financial Expenses**

Interest / Profit Charge	282,748,163	288,804,626
Bank Charge	5,335,263	6,524,966
	<b>288,083,427</b>	<b>295,329,592</b>

**27.00 Non-Operating Income**

Wastage Sales	692,719	444,636
Dividend Income	422,112	157,882
Lab Test Income	12,600	54,000
Interest / Profit Income	23,935,354	18,817,344
Unrealised Gain/Loss on Sale of Share	-	463,144
Realised Gain on Sale of Share	2,738,010	3,087,226
	<b>27,800,795</b>	<b>23,024,233</b>

**28.00 Worker's Profit Participation Fund (WPPF)**

Net Profit Before Tax	516,119,356	743,114,977
WPPF @ 5% of Net Profit Before Tax	25,805,968	37,155,749
	<b>25,805,968</b>	<b>37,155,749</b>

	June 30, 2018	June 30, 2017
<b>29.00 Income Tax Expenses</b>		
Current Tax	102,983,782	107,959,911
Deferred Tax	-	-
	<b>102,983,782</b>	<b>107,959,911</b>
<b>30.00 Earning Per Share</b>		
<b>30.01 Basic Earning Per Share (EPS)</b>		
Net Profit after Tax	413,135,574	635,155,066
Number of Shares Outstanding	100,000,000	100,000,000
<b>Earning Per Share (EPS)</b>	<b>4.13</b>	<b>6.35</b>

### 31.00 Financial risk management

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

- a) Credit risk
- b) Market risk
- c) Liquidity risk

#### a) Credit risk

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

#### b) Market risk

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

#### i) Foreign currency risk

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

#### ii) Interest rate risk

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

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

Financial Liabilities	30-Jun-18	30-Jun-17
Term loan	40,513,579	163,226,929
Short term loan	3,391,863,000	2,807,669,943
	<b>3,432,376,579</b>	<b>2,970,896,872</b>

Including the current portion of long term loan.

#### c) Liquidity risk

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

### 32.00 Related Party Transactions

a) Key Management Personnel Compensation:  
 Short Term Employee Benefits (Salary & Allowances etc.)

	30.06.2018		30.06.2017	
	Directors	All Managers	Directors	All Managers
Board Meeting Fee	-	-	-	-
Remuneration & Allowances	6,600,000	28,684,457	6,000,000	22,021,871
Bonus	120,000	1,952,008	120,000	1,636,365
<b>Total</b>	<b>6,720,000</b>	<b>30,636,465</b>	<b>6,120,000</b>	<b>23,658,236</b>

Transport and Other Facilities Provided to Managing Directors, Directors, GM, DGM, Managers and Deputy Managers:

Designation	Facilities Provided
Managing Director	Mobile Bill & Transport Facility
Directors	Mobile Bill & Transport Facility
GM & DGM	Mobile Bill & Transport Facility
Manager & Deputy Manager	Mobile Bill & Transport Facility

b) Other Related Party Transactions:

Name of the related party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2017	Amount of Transaction		Balance as at June 30, 2018
				Debit	Credit	
Shahjibazar Power Co. Ltd.	Parent- Subsidiary	Advance	233,918,559	-	15,918,559	218,000,000
Garments Export Village Ltd.	Common Directorship	Short Term Loan	-	-	-	-
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	272,330	14,714,090	14,352,396	(89,364)
Youth Garments Ltd.	Common Directorship	Short Term Loan	-	25,000,000	25,000,000	-
Youth Fashion Ltd.	Common Directorship	Short Term Loan	-	10,000,000	10,000,000	-
Midland Knitwear Ltd.	Common Directorship	Short Term Loan	12,500,000	-	12,500,000	-
Petromax LPG Limited	Common Directorship	Advance	-	85,548,483	58,146,814	27,401,669
Petromax Cylinders Limited	Common Directorship	Advance	-	251,250	250,000	1,250
Mr. Feroz Alam	Directorship	Office Rent	-	1,205,625	1,205,625	-
Mr. Rezakul Haider	Directorship	Office Rent	-	378,750	378,750	-

June 30, 2018

June 30, 2017

**33.00 Commitments and Contingencies**

- A) Capital expenditure commitments  
 B) Bank guarantees

In favor of:

The Commissioner of Customs, Mongla Custom House, Khulna  
 RupantaritaPrakritik Gas Company Limited  
 The Commissioner of Customs, Custom House, Chittagong

30 June 18	30 June 17
528,084,260	528,084,260
3,000,000	3,000,000
5,088,238	5,088,238
<b>536,172,498</b>	<b>536,172,498</b>

**34.00 Other disclosures****34.01 Number of employees**

As at 30 June 2018, number of regular employees receiving salary& allowance above Tk. 30,000.00 per month were 100 persons.

**34.02 Comparatives**

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

**34.03 Events after the reporting period**

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

**Petromax Refinery Limited**  
**Fixed Assets Schedule**  
As at June 30, 2018

SL	Name of Assets	Cost			Rate %	Depreciation				Written down Value at June 30, 2018
		Balance at July 01, 2017	Addition during the period	Disposal During the Period		Balance at June 30, 2018	Balance at July 01, 2017	Charged During the Period	Adjustment During the Period	
01	Land & Land Development	60,771,220	2,389,281	606,735	-	62,553,766	-	-	-	62,553,766
02	Building & Construction	524,017,678	-	-	7%	524,017,678	98,586,484	29,007,534	-	396,423,660
03	Electric Installation	35,456,026	338,210	-	15%	35,794,236	14,153,096	3,020,148	-	18,620,991
04	Computer	1,608,813	415,000	-	15%	2,023,813	505,028	180,093	-	1,338,692
05	Fork LIFT	1,750,000	-	1,750,000	15%	-	726,734	110,854	837,589	-
06	Jetty	9,047,777	-	-	15%	9,047,777	3,484,007	788,784	-	4,774,986
07	Factory Equipments	6,695,594	2,261,331	-	15%	8,956,925	2,305,244	623,056	-	6,028,625
08	Lab Equipment	2,791,179	-	-	15%	2,791,179	944,448	261,813	-	1,584,917
09	Fire Fighting Equipments	644,810	36,000	-	15%	680,810	239,982	60,043	-	380,785
10	Plant & Machineries	2,836,660,419	-	-	6%	2,836,660,419	535,027,948	135,021,700	-	2,166,610,772
11	Cylindrical Vertical Steel Tank	111,594,037	-	-	15%	111,594,037	43,961,944	9,588,301	-	58,043,792
12	Generator	20,300,278	-	-	15%	20,300,278	8,376,954	1,690,387	-	10,232,938
13	Office Equipment	1,151,841	-	-	15%	1,151,841	415,399	104,406	-	632,035
14	Refrigerator	28,300	-	-	15%	28,300	11,753	2,346	-	14,201
15	Solar Power System	560,000	-	-	15%	560,000	232,556	46,422	-	281,022
16	Telephone Installation	1,702,089	-	-	15%	1,702,089	553,162	162,885	-	986,042
17	Ship	284,927,706	70,826,156	-	20%	355,753,862	84,238,754	40,767,854	-	230,747,254
18	Helicopter	90,285,623	-	-	10%	90,285,623	4,455,082	8,266,520	-	77,564,021
19	Vehicle	33,011,297	16,985,000	13,000,000	20%	36,996,297	11,045,976	4,074,430	4,550,000	26,425,891
20	Air Condition	5,642,540	714,650	-	15%	6,357,190	1,883,234	577,896	-	3,896,060
21	Water Line Installation	326,395	-	-	15%	326,395	135,544	27,057	-	163,793
22	Water Treatment Plant	4,382,645	-	-	15%	4,382,645	1,680,069	383,148	-	2,319,428
23	Furniture & Fixture	6,964,598	568,050	-	15%	7,532,648	2,515,251	648,630	-	4,368,767
	<b>June 30, 2018</b>	<b>4,040,320,864</b>	<b>94,533,678</b>	<b>15,356,735</b>		<b>4,119,497,807</b>	<b>815,478,650</b>	<b>235,414,308</b>	<b>5,387,589</b>	<b>3,073,992,438</b>
	<b>June 30, 2017</b>	<b>3,834,202,013</b>	<b>206,118,852</b>	<b>-</b>		<b>4,040,320,864</b>	<b>582,511,029</b>	<b>232,967,622</b>	<b>-</b>	<b>3,224,842,214</b>

**Dpreciation Expenses:**  
Factory Overhead 227,147,788  
General and Administrative 8,266,520  
**Total** 235,414,307



**SHAHJIBAZAR POWER CO. LTD.**

**Head Office:** 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh, Tel: 88-02-9025401

Fax: 88-02-9032436, E-mail: [info@youthbd.com](mailto:info@youthbd.com), Web: [www.youthbd.com](http://www.youthbd.com)

**Plant:** Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

Affix  
Tk. 20  
Revenue  
Stamp

# PROXY FORM

I/We.....of.....being a shareholder of  
Shahjibazar Power Company Limited and entitled to vote hereby appoint Mr. / Mrs. / Miss. ....  
..... as my / our proxy to attend and vote for me / us and on my / our behalf at the 11<sup>th</sup> Annual  
General Meeting of the Company to be held on Sunday the 27<sup>th</sup> day of January, 2019, at KIB Complex Auditorium, Krishi  
Khamar Road, Farmgate, Dhaka-1215 at 10.30 A.M. As witness my/our hand this ..... day  
of.....2019.

Signature Shareholder

.....  
Signature of Proxy

BO ID No.

[illegible]

No. of Shares held ..... Dated .....

Notes :

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

**SHAHJIBAZAR POWER CO. LTD.**

**Head Office:** 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh, Tel: 88-02-9025401

Fax: 88-02-9032436, E-mail: [info@youthbd.com](mailto:info@youthbd.com), Web: [www.youthbd.com](http://www.youthbd.com)

**Plant:** Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

# ATTENDANCE SLIP

I/we hereby record my/our attendance at the 11<sup>th</sup> Annual General Meeting of the Company being held on Sunday the 27<sup>th</sup> day of January, 2019, at KIB Complex Auditorium, Krishi Khamar Road, Farmgate, Dhaka-1215 at 10.30 A.M.

Name of Member / Proxy : .....

BO ID No.

[illegible]

No. of Shares held .....

Signature Shareholder

Signature of Proxy

Date : .....

- Note: i) Shareholders attending the meeting in person or by proxy are requested to complete Attendance slip and deposit the same at the entrance of the meeting hall.
- ii) No gift or benefit in cash or kind shall be paid / offered to the Shareholders as per Circular No. SEC/CMRRCD/2009. 193/154 dated 24 October 2013 of BSEC for attending the AGM.



## POWER GENERATION

## REFINERY



### **SHAHJIBAZAR POWER CO. LTD.**

**Corporate Office :** Youth Tower, 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh

Tel : 88-02-9025401-2, Fax : 88-02-9032436

**Plant :** Fatepur, Shahjibazar, Madhabpur, Hobigonj, Bangladesh

E-mail : [info@youthbd.com](mailto:info@youthbd.com), Web : [www.youthbd.com](http://www.youthbd.com)