

ANNUAL REPORT

2019-2020



Re-discovering Energy



**SHAHJIBAZAR
POWER CO. LTD.**

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COMPANY INFORMATION

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

Managing Director

Mr. Anis Salahuddin Ahmad

Director

Mr. A.K.M Badiul Alam

Director

Mr. Shamsuzzaman

Director

Mr. Akbor Haider

Director

Mr. Golam Nabi FCA

Independent Director

Mr. Mohammed Nurul Amin

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 48040214

E-Mail: info@youthbd.com

Website: www.youthbd.com

Auditors :

G. Kibria & CO Chartered Accountants

Sadharan Bima Sadan (5th Floor)

24-25 Dilkusha C/A, Dhaka - 1000,

Tel: +88-02-9568071

www.gkibriaandco.com

Main Bankers:

Islami Bank Bangladesh Ltd.

Eastern Bank Ltd.

Bank Asia Ltd.

PARTICULARS OF TOP EXECUTIVES/OFFICERS

Faridul Alam

Position
 Educational Qualification
 Date of Joining
 Last Five Years' Experience

Managing Director
 Business Graduate
 Since start of the Project
 Worked as 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 & Power
 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, FCGA
 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, EMBA (IBA-DU)
 02.05.2014
 Worked as Manager in different Group of companies

Hasan Imam Siddiki, FCA, ACS

Position
 Educational Qualification
 Date of Joining
 Last Five Years' Experience

DGM - Finance
 BBA, MBA (AIS), FCA, ACS
 01.03.2015
 Worked as Manager in Audit

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)

I, 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, 2020 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, 2020 and notes thereon.

Thanking You

Sincerely Yours,

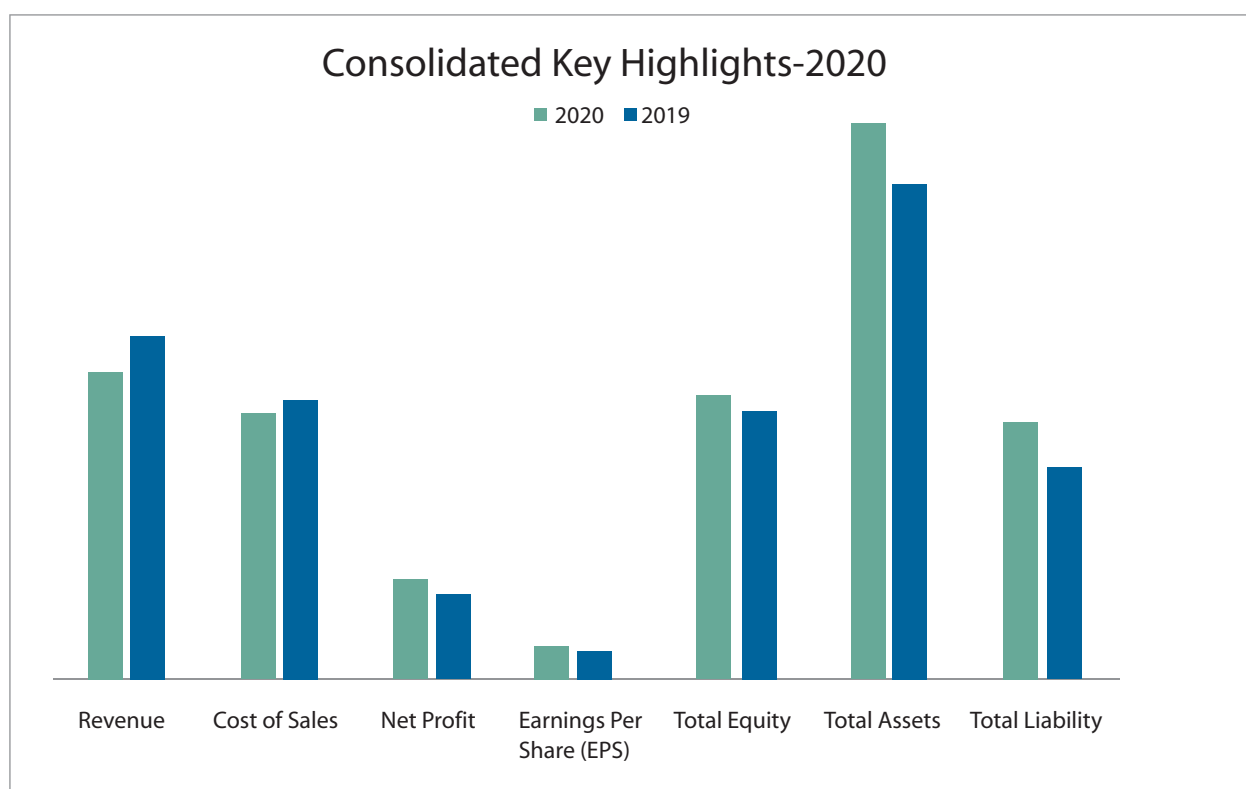


Yeasin Ahmed, ACS
Company Secretary

CONSOLIDATED KEY HIGHLIGHTS-2020

(BDT in Million)

Particulars	2020	2019	Change in %
Revenue	6332.40	7140.19	-11.31%
Cost of Sales	5146.41	5828.00	-11.70%
Net Profit	760.38	729.05	4.30%
Earnings Per Share (EPS)	4.47	4.32	3.47%
Total Equity	5911.06	5619.85	5.18%
Total Assets	11571.58	10313.16	12.20%
Total Liability	5393.02	4420.60	22.00%



CODE OF CONDUCT FOR BOARD OF DIRECTORS (BOD), CHAIRPERSON AND MANAGING DIRECTOR (MD)

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. RESPONSIBILITIES OF CHAIRPERSON

The Board shall elect a Chairman from among the Directors. Should the Board by a resolution so decide, a Director may assume the powers and duties of the Chairman when the Chairman is absent. The Chairperson is primarily responsible for the activities of the Board and its Committees. S/He shall act as the spokesman of the Board and is the principal contact for the CEO and the Management team. The CEO and the Chairman shall meet regularly. The Chairman usually presides over General Meetings. The Chairperson shall be a Non-Executive Director does not take any remuneration from the company.

6.9.1. Directors, when appointed, participate in an induction program and, as needed, additional education or training programs;

6.9.2. Directors receive all information necessary for them to perform their duties;

6.9.3. Directors have sufficient time for consultation and decision-making;

6.9.4. Committees function properly;

6.9.5. the performance of the Management team members and Directors are properly evaluated;

6.9.6. Directors have full opportunity to provide their views and opinions on Board matters and issues are discussed and vetted fully prior to taking decisions; and

6.9.7. The Board has proper contact with the Management team.

6.10. RESPONSIBILITIES OF BOARD OF DIRECTORS (BoD)

The Board is elected by and is accountable to the Shareholders. Except for decisions explicitly reserved for Shareholders (by applicable law or regulation, or by the Constitution), the Board has full authority to carry out all activities necessary to provide effective strategic guidance and sound oversight of SPCL. Its ultimate goal is to create long-term shareholder value, while taking into account the interest of its stakeholders.

6.10.1. Reviewing, approving, and monitoring the Company's long-term strategic objectives and business plans of management, including any performance indicators and targets to be used in relation to the strategy.

6.10.2. Setting the risk appetite for the Company, including specific targets, caps, or indicators related to the risk appetite.

6.10.3. Monitoring the overall performance of the Company's progress towards its strategic objectives, and in line with its defined risk appetite.

6.10.4. Establishing a framework of effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets and the steps taken by management to monitor and control such risks.

6.10.5. Overseeing and approving the risk management frame work and associated policies and procedures used by management to effectively manage risk.

6.10.6. Approving the appointment and dismissal of the internal auditor.

6.10.7. Overseeing the integrity of the financial statements, the compliance with legal and regulatory requirements, the performance, qualifications, and independence of the external auditor, and the performance of the internal audit function.

- 6.10.8. Overseeing the internal control framework used by management and ensuring it is efficient and effective.
- 6.10.9. Overseeing and approving the human resource policies and framework of the Company.
- 6.10.10. Taking decisions as per a delegation of authority matrix.
- 6.10.11. Appointing and, as necessary, dismissing the CEO.
- 6.10.12. Determining the remuneration and incentive schemes, including key performance indicators, for senior executives
- 6.10.13. Evaluating the overall performance of key senior executives and taking corrective actions as needed.
- 6.10.14. Developing succession plans and developmental objectives for senior executive positions.
- 6.10.15. Identifying, evaluating, selecting and recommending potential candidates for election as Directors by Shareholders.
- 6.10.16. Evaluating the overall performance and effectiveness of the Board and each Director, and taking corrective actions as needed.
- 6.10.17. Overseeing the Company's corporate governance framework and ensuring compliance with approved policies.
- 6.10.18. Set the Company's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met.
- 6.10.19. Ensuring stakeholder interests are considered and the Company conducts its business in a socially responsible manner to the extent practical.

6.11. POLITICAL NON ALIGNMENT

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

- 6.11.1. SPCL shall be committed to and support the constitution and governance systems of the country in which it operates.
- 6.11.2. SPCL shall not support any specific political party and not have any political affiliations.
- 6.11.3. 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.

6.12. PROTECTING COMPANY ASSETS

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

- 6.12.1. 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.

6.13. 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.

6.14. CORPORATE CITIZENSHIP

- 6.14.1. 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.

- 6.14.2. 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.

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

6.15. REGULATORY COMPLIANCE

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

- 6.15.2. 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.

6.16. 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.

- 6.16.1. 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.

- 6.16.2. 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:

- 6.16.2.1. Acquisition and divestiture of businesses or business units.
- 6.16.2.2. Financial information such as profits, earnings and dividends.
- 6.16.2.3. Announcement of new product introductions or developments.
- 6.16.2.4. Asset revaluations.
- 6.16.2.5. Investment decisions / plans.
- 6.16.2.6. Restructuring plans.
- 6.16.2.7. Major supply and delivery agreements.
- 6.16.2.8. Raising of finances.
- 6.16.2.9. 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.

6.17. ENVIRONMENT

As a good corporate citizen, SPCL assume and undertakes initiatives to promote greater environmental responsibility. Most of SPCL's businesses have plenty of impact on external environmental factors. We are highly committed to comply global

and local environmental standards. We took several steps to save on water and harness daylight to preserve energy in our business setups. We have implemented 3R i.e. Reduce, Re-use, Recycle in our value system to attain energy efficient culture within our business entities.

6.18. ANTI-CORRUPTION

SPCL has principled its business to the highest level of good governance and ethics. We have a detail anti-corruption policy written for every employees of the company. We follow zero-tolerance strategy in case of any corruption takes place within the entities of our group. We always took record of our instances of corruption and refer the same to minimize the repetition of conducting the corruption in future.

6.19. EMPLOYEE RELATIONS

SPCL 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.



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 eight (8) 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. Shamsuzzaman-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 General Manager and also the Head of Finance & Accounts of the Company. His certification on the financial statements is disclosed in [Annexure A](#).

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. GolamNabi FCA. Other members are Mr. Akbor Haider (Director) and 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. GolamNabi, FCA	- Chair
Mr. Rezakul Haider	- Member
Mr. Anis S. Ahmad	- 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. Faridul 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 13TH ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of Shahjibazar Power Company Limited will be held on Monday the 25th day of January, 2021, under digital platform <http://spcl.digitalagmbd.net> 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, 2020 together with the Auditors' Report thereon
2. To declare dividend for the year 2020 as recommended by the Board of Directors
3. To elect/Re-elect Directors
4. To approve the appointment of Managing Director
5. To approve the appointment of Directors
6. To approve the appointment of Independent Director
7. To approve the appointment of Statutory Auditors for the year 2020-2021 and to fix their remuneration
8. To approve Appointment of professional for the Certification on Corporate Governance for the year 2020-21 and fixation of their remuneration.

Dhaka, January 04, 2021

By order of the Board



(Yeasin Ahmed, ACS)
Company Secretary

Notes:

1. Shareholders whose names appeared at the record date i.e. December 3, 2020 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. Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/25 dated 8th July 2020, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by using digital platform.
3. The Members will be able to submit their questions/ comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the <http://spcl.digitalagmbd.net>.
4. 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 E-mail address: debasish@youthbd.com not less than 72 hours before the time fixed for the Annual General Meeting.
5. Pursuant to the Notification No: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th 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

Special Note: No benefit or gift in cash or kind shall be given to the Shareholders for attending the 13th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

CORPORATE ETHOS

MISSION

- RELIABLE AND UNINTERRUPTED SUPPLY OF ENERGY TO THE WHOLE COUNTRY PARTNERING WITH THE GOVERNMENT;
- OPTIMUM UTILIZATION OF RESOURCES AND INNOVATIVE TECHNOLOGY TO ACHIEVE HIGHEST GROWTH;
- TRIPLE BOTTOM LINE VIEW OF DOING BUSINESS CARING FOR PEOPLE AND PLANET WHILE GENERATING PROFIT;

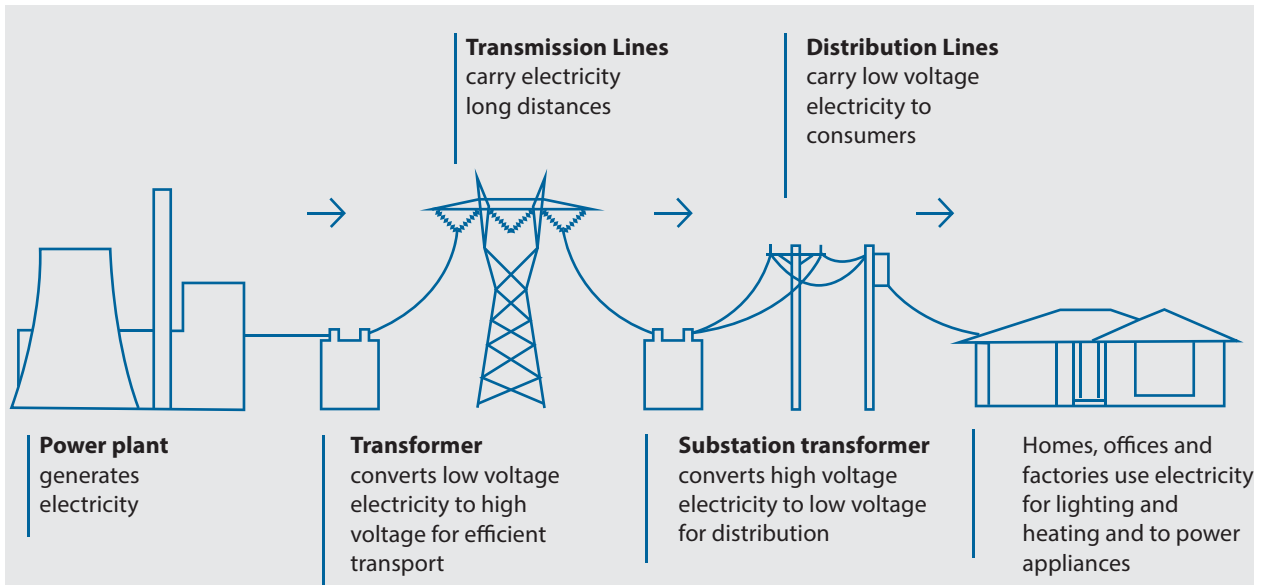
VALUES

- SUSTAINABLE RELATIONSHIP WITH OUR SHAREHOLDERS BY MAXIMIZING WEALTH, INCLUDING EMPLOYEES, AND ALL BUSINESS PARTNERS THROUGH INTEGRITY, HONESTY AND SINCERITY IN EVERY BUSINESS DEALINGS;
- PASSION TO EXCEL
- INNOVATION TO STAY UPDATED
- DIVERSIFICATION CATER FOR NEW OPPORTUNITIES

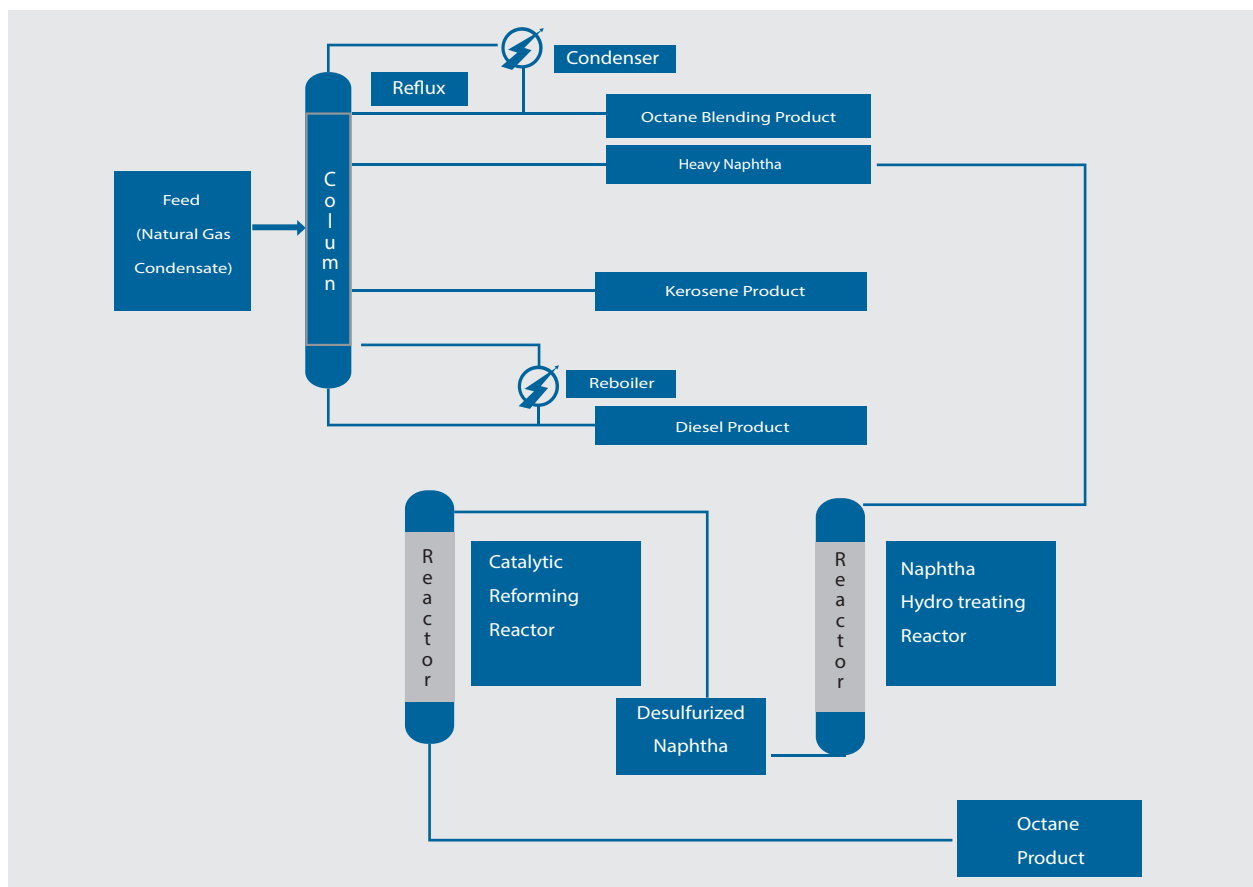
VISION

- PARTNER IN PROGRESS FOR ENERGY SELF-RELIANT BANGLADESH

TYPICAL ELECTRICITY TRANSPORT MODEL



TYPICAL OIL REFINING MODEL



LETTER FROM THE CHAIRMAN

Re-discovering Energy

"We believe that drilling is not a sustainable solution for energy and committed to continue our pursuit of Re-Discovering Energy".

Rezakul Haider
Founder Chairman

Respected Members, Shareholders and Stakeholders,

I would like to welcome you all to our 13th Annual General Meeting in such an unpleasant situation caused by the COVID-19 pandemic across the world. There is hardly a single person on this planet who is not affected by the atrocity of the virus. Millions of Lives have been lost and unprecedented disruption of businesses aggravated the darkest year of the century in terms of economic progress. Energy business across the world has also been devastated mostly due to lockdown in several regions of the world. The U.S has reported a negative Oil price first time in history following filling up all energy storage facilities. As published by IEA, global energy demand is set to drop by 5% in 2020, energy-related CO2 emissions by 7%, and energy investment by 18%. The impacts vary by fuel. The estimated falls of 8% in oil demand and 7% in coal use stand in sharp contrast to a slight rise in the contribution of renewable. The reduction in natural gas demand is around 3%, while global electricity demand looks set to be down by a relatively modest 2% for the year.

Bangladesh-economy, on the other hand, was plummeted in the wake of the pandemic following hard lockdown restrictions. Turning to FY2021, the condition seems to have been gradually increasing supported by expansionary fiscal and monetary policy. The timely announcement of the stimulus package and rollout by the government deserves the credit for the sharp bounce-back of economic activities. According to IMF publication, Bangladesh has achieved a 3.8% GDP growth for FY2020 which is the highest among South Asian economies. The world GDP has contracted by (4.4%) in FY2020. Given the COVID situation in this new normal and no further lockdown, the GDP of Bangladesh shall be extended at the rate of 4.4% in FY2021. The challenge remains in case of the resurgence of the virus and the adjustment of economic activities to the same tune.

In consistence with the last year's performance, Midland Power Co. Ltd. which is an associate of your company has contributed significantly through Midland East Power Ltd in the consolidated performance of the Company. Our continuous effort to optimize cost and getting more leverage on the existing assets of the company remains in place.

Like the last year's performance pattern, our challenge remains with the Oil Refinery segment. The lack of raw material supply, the sole supplier of which is the Government, has been causing persistent underutilization of our refining capacity. Our company still keeps the nose afloat with positive operating performance despite several others in the industry faced foreclosure.

The consolidated revenue of your company was plunged by (11.31%) generating BDT 6332.40 Million Y-o-Y. Despite this fall in revenue, the company was able to generate a higher profit of 4.30% Y-o-Y. Net Profit after Tax (NPAT) was BDT 760.38 Million (Including Minority Interest) as compared to BDT 729.05 Million as the same period last year. The underlying reason is the increase in profit sharing from Associate Company. BDT 755.59 Million was added with the appropriation account after deducting the portion of minority interest. In terms of separate performance, SPCL has grown 13.47% in terms of revenue and 3.09% in terms of NPAT Y-o-Y.

Considering challenging times ahead the Board has recommended 28% Cash and 2% Stock Dividend for the year under report subject to the approval of the Members at the 13th Annual General Meeting scheduled to be held on January 25, 2021, under the digital platform.

We always find a positive connection between our operating performances with our highly skilled Human Resources. Satisfied customers are an eventual outcome of satisfying Human Resources. We continue to recruit high standard resources, train and motivate them to make them an integral part of our strategy execution process. I take this opportunity to thank all employees for their continuous hard work and dedication to the company.

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), Rupantarita Prakritik 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. I wish and pray for humanity to get rid of this pandemic and resume normal life and business soon.

All our business models are set with giving sustainability with utmost priority. We believe that drilling is not a sustainable solution for energy and committed to continue our pursuit of Re-Discovering Energy in the coming years.



CHAIRMAN
SHAHJIBAZAR POWER CO. LTD.

THE MANAGEMENT & REPORTING

DIRECTORS PROFILE



Rezakul Haider
Chairman

Mr. Rezakul Haider aged 64 is the Chairman of the Company, has joined the Board on November 2007. Born in an eminent Muslim family of Sandwip, Chittogram Mr. Haider has laid the foundation stone of many businesses in Ready Made Garments & Textiles, Apparel, Power Generation, Oil Refinery, LP Gas Bottling and Distribution, Cylinder Manufacturing and Logistics sector. Completing his graduation from the University of Chittagong Mr. Haider has started his business career in 1982. His craving for success and prolific business acumen has brought him accomplishment in almost every step he made. Establishments, he remains a significant part, currently generating employment for 16,000 talents across the country. From that capacity, he traveled to many countries of Europe and the Far East to invigorate his learning about the trade and business with deep industry insight. The blend of business verticals ranging from Textile Trading to Energy and Power sector enables him to gain the synergy of diversification.

Mr. Haider always believes in inclusive development of people and engages himself in several philanthropic works for the society. He is the Founder Chair of Shornadip Foundation a non-profit organization for developing and serving underprivileged people. Under the foundation, a 30-bed Hospital has already been constructed and ready to start operation soon and many other development works are also in the pipeline.

Faridul Alam
Managing Director

Faridul Alam (37) has recently assumed the position of Managing Director of the Company. He has been generously admired as one of the youngest entrepreneurs within the corporate arena of the Country. His legacy starts with engaging himself in the Ready-Made Garment and textile sector. He has played a key role in the overall operation and supply chain of the business. Mr. Alam adapted himself to the business culture very quickly and starts delivering results. He stepped into the private power generation business by becoming one of the sponsors of Shahjibazar Power Co. Ltd. (SPCL) in 2007.

He becomes one of the sponsors of Petromax Refinery Ltd (PRL) the lone privately owned condensate fractionation plant of the country at the time of its inception. He, in particular, was able to harvest a lot of technical issues of the petrochemical industry due to his commitment and enthusiasm to this sector. His area of service was especially included but not limited to the selection of the appropriate type of feedstock strictly in conformity with the highest yield and calibration of all refining equipment within the stream. He has played several standout roles by speculating the energy price movement within the international market and address the issue with the Ministry of Power, Energy & Mineral Resources (MPEMR) and related government entities for sustainable energy security.

Mr. Alam has come up with the idea of production and marketing of Liquefied Petroleum Gas (LPG) manufacturing and bottling plant in Bangladesh. Considering the depleting reserve of Natural Gas and rapid economic growth resulting in a shift of living standard and urbanization, LP-gas shall be the lone alternative as fuel for domestic use. Mr. Alam worked on the consumption pattern, distribution network, and other risk factors of the industry.

Mr. Alam is the elder son of Late Mr. Feroz Alam who was the founder Managing Director of Shahjibazar Power Co. Ltd. He has completed Higher Diploma and graduation in Business Management from Malaysia.





Anis Salahuddin Ahmad

Director

Anis Salahuddin Ahmad (56) is the Director of the company. Mr. Anis received his higher diploma from Italy and Jakarta and upon return briefly joined the hospitality industry. In 1986, Mr. Ahmad joined a garments buying house and in that capacity started traveling extensively to Europe and the Far East. This helped him gain substantial experience and insight of the trade. Mr. Anis forayed into the business arena in 1996 and joined Youth Group of Companies. Over the years Mr. Anis built a prolific business career by dint of his dynamic engagement in textile trading and other manufacturing businesses. He sits on the board of Australian International School and Islamic Finance and Investment Limited. Mr. Anis is a renowned philanthropist and is associated with many social welfare organizations and activities. A strong sense of discipline and ethics are the guiding principles of Mr. Anis' business philosophy.

A.K.M Badiul Alam

Director

Mr. A.K.M. Badiul Alam, aged 59, 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 59, 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 18 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. Akbor Haider

Director

Akbor Haider, aged 42 years, has joined as the Director of the Company. He is a business graduate and completed his MBA. He has started his career with engaging himself in Ready Made Garment and textile sector. He is the proud sponsor and member of the Board of Directors of Comfit Composite Knit Ltd (CCKL) a state of the art facility exporting around 40 Million Pcs of garments per year. With the progress of his service, he encompasses himself with every functional units i.e. production, commercial, finance, marketing and other related activities of the industry. His strong aspirations drives himself engaging in power generation, oil refinery and downstream market dynamics of energy products in Bangladesh. His role was very much instrumental to reach the brand PETROMAX as an LP Gas company across the country. He continuously travel many countries across the Globe to leverage on the long standing relations with Retail Giants and identify prospect for new business opportunity. Mr. Haider is very well known for his sportsmanship and passion for culture. He has been the host of several corporate football leagues in the corporate arena of Bangladesh. He currently holds office as the member of the Board of Directors of Shahjibazar Power Co. Ltd. and member of the Audit Committee.

Mr. Faisal Alam

Mr. Faisal Alam aged 34 is a Textile Engineer. By dint of his educational background, he has engaged himself in the operation of Comfit Composite Knit Ltd (CCKL). He has profusely adapted himself to the operation of the composite textile and garments business and contributes a lot in terms of several improvements in the operation area. He also has thorough understanding of commercial, finance, marketing, and other related activities of the textile industry. Mr. Alam has also engaged himself in the LP-Gas bottling and distribution business in Bangladesh. He has played a key role in the project stage of the LPG plant by contributing in to the procurement and commissioning of critical machinery items. He also actively participates in the operation LP Gas business. He has been the sponsor of Shahjibazar Power Co. Ltd. since the inception of the project. Being eligible and as recommended by the Nomination and Remuneration Committee (NRC) to the Board, Mr. Alam is assuming the position of Director of the Company.



Mr. Asgar Haider

Asgar Haider aged 32 has been the Sponsor since the project inception stage of Shahjibazar Power Co. Ltd. He is also the proud sponsor of several other companies of the group. He is a business graduate with an MBA from the U.S.A. He has been directly engaged in the project implementation stage of Petromax LPG Ltd from the beginning. He possesses insight into the Petroleum and energy product industry of the country. He preserves a thorough understanding of the manufacturing of LP-Gas cylinders and the market modality in Bangladesh. He especially contributes to procurement and all inbound and outbound logistics of LP-Gas Cylinder manufacturing facility. Mr. Haider is an avid promoter of sports. He has been the host of several corporate sports league in the country and played in those leagues in person. Being eligible and as recommended by the Nomination and Remuneration Committee (NRC) to the Board, Mr. Haider is assuming the position of Director of the Company.

Mr. Golam Nabi FCA

Independent Director & Chair of Audit Committee

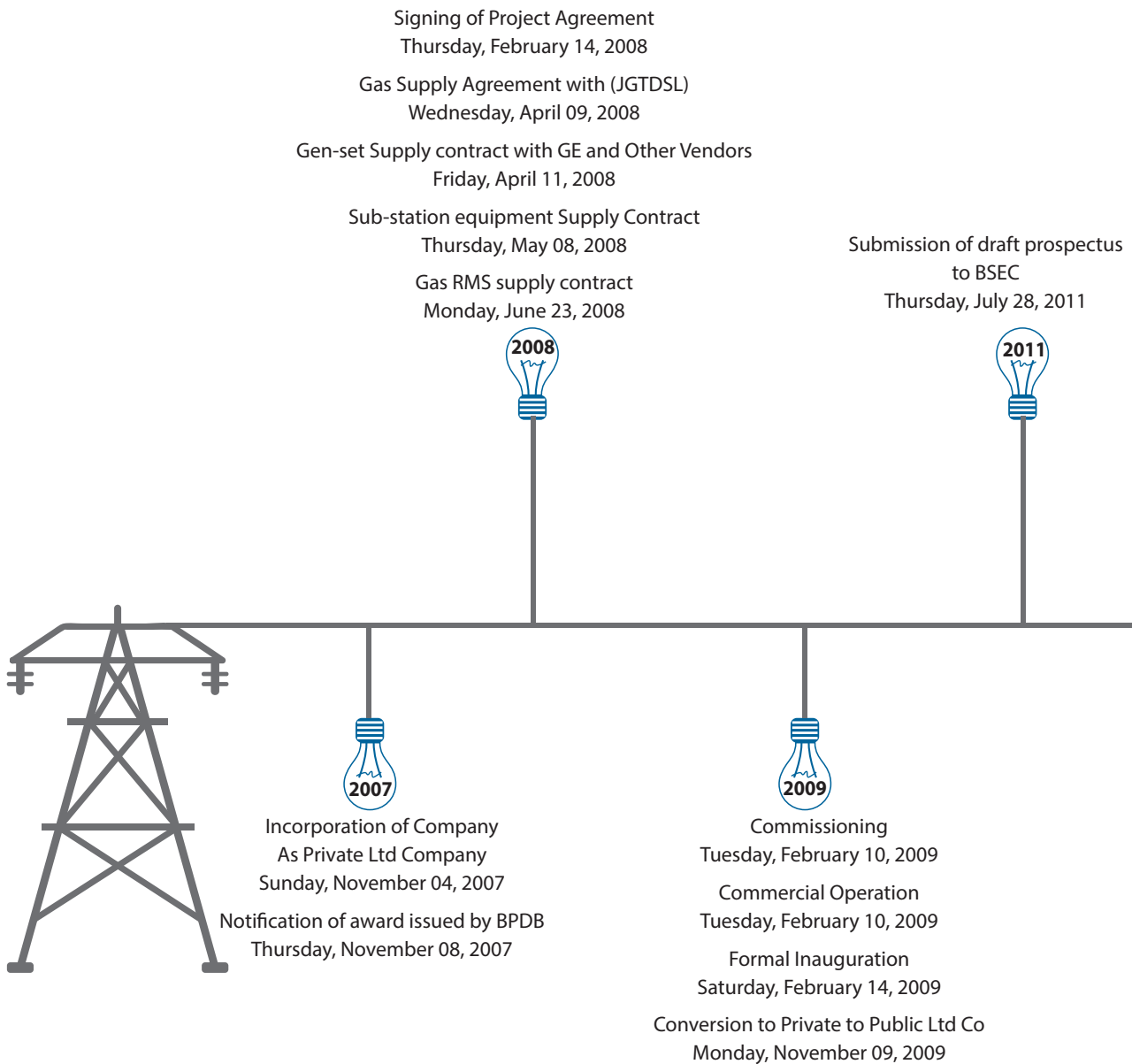
Mr. Golam Nabi FCA, aged 65 is the Independent Director of the Company. He has received his graduation from University of Dhaka back in the year 1965. He then become an Associate Member of Institute of Chartered Accountants of Bangladesh (ICAB) in 1983 and subsequently become Fellow Member of the Institute 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.

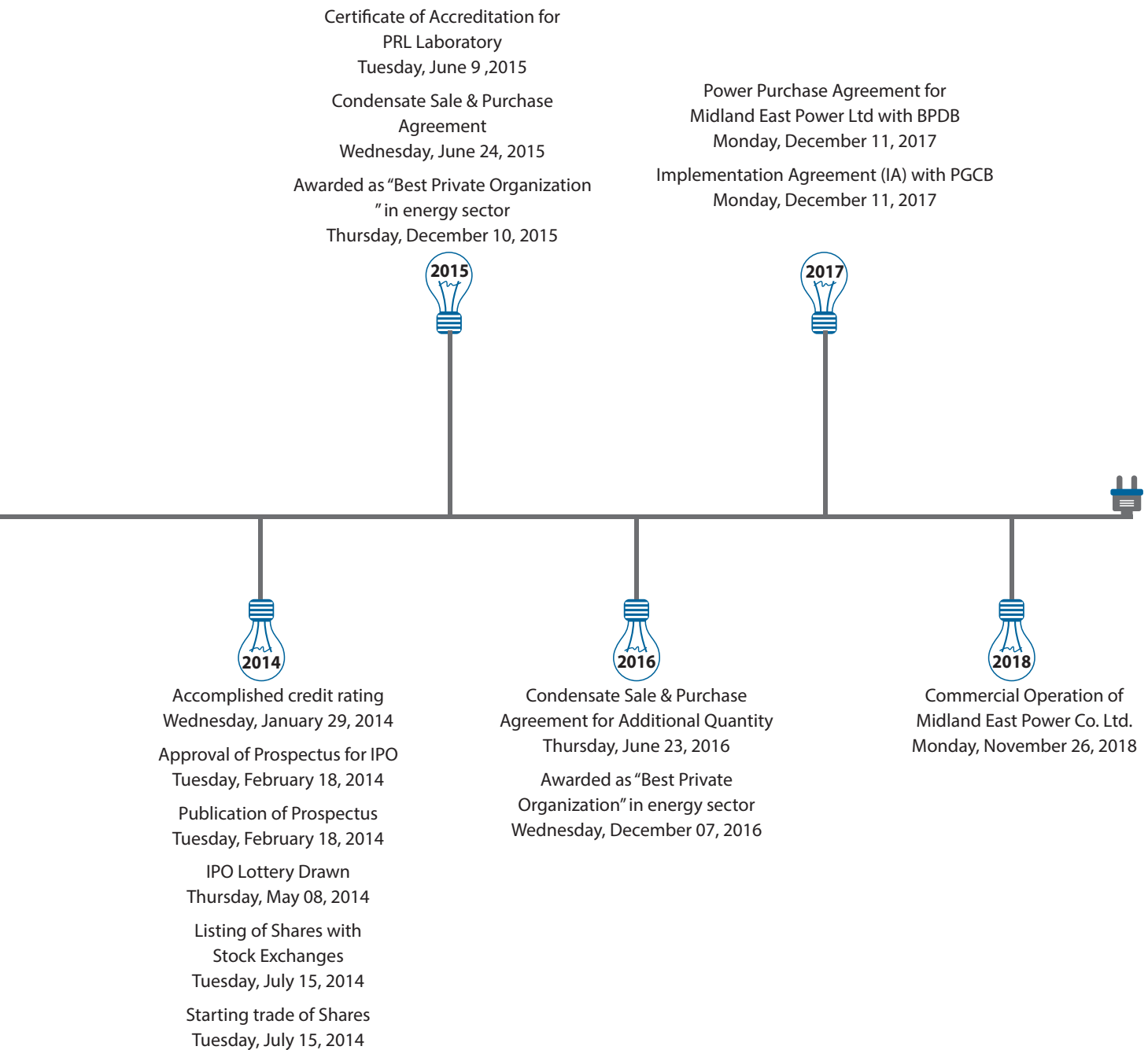
**Mr. Mohammed Nurul Amin**

Independent Director

Mohammed Nurul Amin has recently assumed the position of Independent Director of the Company. He obtained his Honors and Masters in Economics in 1973 and 1974 respectively from University of Dhaka. Besides, he received higher education and different training on banking from home and abroad. He started his career by joining Janata Bank Limited in 1977 as Senior Officer. In 1983, he joined in National Bank Limited, first Private Bank in the Country. He then joined National Credit Limited (Later NCC Bank Ltd) in 1985 and worked there for long 29 years. He was Managing Director & CEO for 9 years in NCC Bank Limited from 2005-2014. He took the responsibility of Managing Director & CEO of Meghna Bank Limited in June 2014 and served up to December, 2017. He was the Chairman of Association of Bankers Bangladesh (ABB) and Primary Dealers' Bangladesh Ltd (PDBL) and Bangladesh Foreign Exchange Dealers Association (BAFEDA). He is the only CEO of any bank who held the position of Chairman of all 3 organizations of banking professionals in the country. Mr. Amin also associated with various social activities which includes-Member of Rotary Club of Jahangir Nagar Dhaka, Senate Member of University of Dhaka from 2010 to 2013, Life member of Bangladesh Economic Association (BEA) and Dhaka University Economics Department Alumni Association (DUEA), Member of Bangladesh-China People's Friendship Association, Life member Bangladesh Red Crescent Society and a Fellow of Institute of Bankers, Bangladesh (IBB).

SUCCESS MILESTONES





DIRECTORS REPORT TO SHAREHOLDERS

Respected Members & Shareholders,
 Assalamualikum,

Perhaps we have passed through an unprecedented year in human history with a grave challenge of combating a novel coronavirus and its significant impact on business and trade across the Globe. By the grace of the Almighty, we could still make it a positive operating result for our shareholders. Authorized by the Board, I am pleased to welcome all the valued members of Shahjibazar Power Co. Ltd. in the 13th Annual General Meeting and presenting herewith the Audited Financial Statements for the year then ended June 30, 2020.

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

The world economy is slowly rebounding from which it had contracted during the Great lockdown in April 2020. Global growth is projected at -4.4 percent in 2020, a less severe contraction than forecast in the June 2020 World Economic Outlook (WEO) Update. The revision reflects better-than anticipated second quarter GDP outturns, mostly in advanced economies, where activity began to improve sooner than expected after lockdowns were scaled back in May and June, as well as indicators of a stronger recovery in the third quarter. Global growth is projected at 5.2 percent in 2021, a little lower than in the June 2020 Update, reflecting the more moderate downturn projected for 2020 and consistent with expectations of persistent social distancing.

Despite that strain in the Global growth, the economy of Bangladesh has been showing impressive progress. Where most of the countries of the world is registering record low in many cases negative growth in GDP, Bangladesh has registered a 3.8% growth in FY2020 and projected to grow at a rate of 4.4% in FY2021. For July to October incoming foreign remittance has increased by 41.52% Y-o-Y. In November 2021 the foreign exchange reserve in U.S dollar term raises to 41.07 Billion which is all time record in the history of Bangladesh. Bank lending has only grew by 13.09% which is far below the initial projection. The lower growth is directly attributed to economic slowdown caused by the Great Lockdown. The Export value in USD fall in record low during the Month of April – May 2020 and soon rebounded with timely government initiative of stimulus fund and expansionary monetary policy.

The annual inflation rate in Bangladesh eased to 5.52 percent in November of 2020 from 6.44 percent in the previous month. It was the lowest inflation rate since May, amid a slowdown in prices of food (5.73 percent vs 7.34 percent in October). In contrast, cost rose slightly faster for non-food products (5.19 percent vs 5 percent). On a monthly basis,

consumer prices fell 0.76 percent, after increasing 0.97 percent in the prior month according to the data of Bangladesh Bureau of Statistics (BBS).

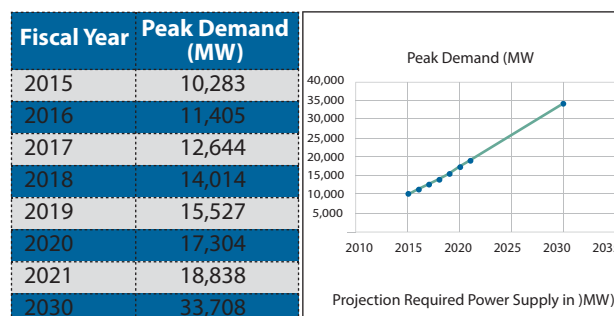
POWER SECTOR SCENARIO OF BANGLADESH

The growth of power sector has already broke all previous records in the history of Bangladesh. As of December 2020 the generation capacity has reached at 23,777 MW including Captive power and Off-Grid renewables. The fuel portfolio is re-scaling by retirement of drilled fuel (HFO+HSD) and transforming towards gas, Hydro and other renewable sources of energy.

As per the record of Bangladesh Power Development Board (BPDB), existing installed generation capacity of the country is 20,595 MW (Without Captive and SHS) of which 9,717 MW (47.00%) is being facilitated by Public Sector and rest 9,096 MW (44.00%) is being facilitated by Private Sector investment and 1,160 (6%) is being imported to leverage on transmission infrastructure.

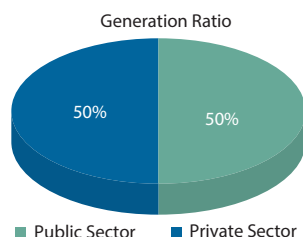
The access to electricity has been raised to 98% as compared to 94% last year and per capita electricity generation improved dramatically (from 220 kWh to 512kWh). Total consumer stands at 38.90 Million (December 2020) and System loss (distribution) reduced to 8.73%.

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



Present Installed Generation Capacity (MW) as on December 06, 2020

BPDB	5590	27.14%
APSCCL	1444	7.01%
EGCB	957	4.65%
NWPGCL	1395	6.77%
RPCL	182	0.88%
B-R Power Gen	149	0.72%
JV-NWPGCL-CMC	622	3.02%
Sub Total	10339	50.20%
IPPs	7445	36.15%
SIPPs (BPDB)	99	0.48%
SIPPs (REB)	251	1.22%
15 YR. Rental	169	0.82%
3/5 YR. Rental	1132	5.50%
Power Import	1160	5.63%
Sub Total	10256	49.80%
Total	20595	100.00%



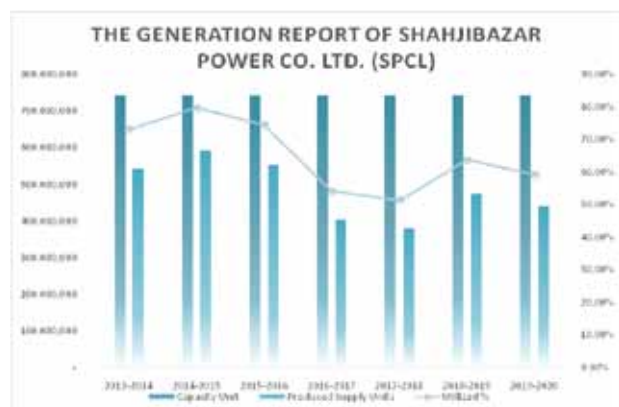
Public and private sector is contributing 50% and 50% respectively in the total generation of power as of October 2019. Amongst the public sector generation units BPDB is playing the champion role as usual.

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, 2020 the company is producing 59.29% of total capacity on an average. The operational performance of the Company is shown as hereunder:

Fiscal Year	Capacity Unit	Produced Supply Unit	Utilized %
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%
2018-2019	743,040,000	474,114,000	63.81%
2019-2020	743,040,000	440,517,096	59.29%

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



The generation report of Shahjibazar Power Co. Ltd. (SPCL) In the fiscal year 2019-2020 your company has contributed a total of 440,517,096 Kwh to the national grid as compared to 474,114,000 of the Fiscal Year 2018-2019. Only off-taker of power of your company is Bangladesh Power Development Board (BPDB). Revenue for the year under report stands at

Tk.1,740.17Million as compared to that of the previous year TK 1,533.54Million which is higher due to higher volume transmission. Consolidated revenue of Tk. 6,332.40Million was reported during the year under report as compared to Tk. 7,140.19Million. Net Profit After Tax (NPAT) with adding subsidiaries performance stands at Tk. 760.38Million. Oil refinery segment has delivered around 81.53 Million Liter of different grades of petroleum products including Octane, MS and HSD recording a revenue of Tk.4592.24Million separately.

SEGMENT WISE PERFORMANCE

Segment/Product	Quantity	Sales in Million Tk.
Power	440,517,096	Kwh 1740.17
Oil & Gas	81,537,155	Ltr 4592.24
Total		6332.40

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, 2020 your company has contributed Tk. 255.94Million as income tax and subsidiary of your company has added Tk. 688.83 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 Disclosure". The related party transactions have been taken place on arm's length basis during the year have been disclosed in the Note 45 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.

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, 2020 the total minority shareholders represent 37.00% 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 (BAS) and Bangladesh Financial Reporting Standards (BFRS). This has been completely followed to fairly present the financial position and performance of the Company. While preparing the financial statements, the following points were considered –

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

In compliance with the requirements of the SEC's Notification dated 03rd 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. Significant plans and decisions, such as corporate restructuring, business expansion and discontinuation of operations as appropriate, future prospects, risks and uncertainties surrounding the Company has been outlined under the related captions of this report;
- j. The number of Board meetings held during the year and attendance of each director has been disclosed;
- k. The pattern of shareholding has been reported in Annexure-3 to disclose the aggregate number of shares.

FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

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

Particulars	2019		2020		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	7,140.19		6,332.40		-11.31%
Cost of Sales	5,828.00	82%	5,146.41	81%	-11.70%
Gross Profit	1,312.20	18%	1,186.00	19%	-9.62%
General and Administrative Expenses	173.61	2%	146.76	2%	-15.47%
Finance Cost Net	375.66	5%	386.00	6%	2.75%
Operating Profit	762.92	11%	653.24	10%	-14.38%
Other Income Net	40.52	1%	30.60	0%	-24.49%
Share of Profit from Associate	260.24	4%	387.80	6%	49.02%
WPPF	59.22	1%	55.32	1%	-6.60%
Net Profit Before Income Tax	1004.46	14%	1016.32	16%	1.18%
Income Tax	275.41	4%	255.94	4%	-7.07%
Total Comprehensive Income	729.05	10%	760.38	12%	4.30%
Less: Minority Interest	13.06	0%	4.78	0%	-63.38%
Net Profit (After Tax & Minority Interest)	715.99	10%	755.59	12%	5.53%

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

Particulars	2019		2020		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	1,533.54		1,740.17		13.47%
Cost of Sales	805.37	53%	998.67	57%	24.00%
Gross Profit	728.17	47%	741.50	43%	1.83%
General and Administrative Expenses	64.31	4%	65.69	4%	2.14%
Finance Cost Net	57.22	4%	63.42	4%	10.84%
Operating Profit	606.64	40%	612.40	35%	0.95%
Other Income Net	192.16	13%	89.93	5%	-53.20%
Share of Profit from Associate	260.24	17%	387.80	22%	49.02%
WPPF	50.43	3%	51.91	3%	2.94%
Net Profit Before Income Tax	1008.61	66%	1038.22	60%	2.94%
Income Tax	230.14	15%	235.66	14%	2.40%
Total Comprehensive Income	778.47	51%	802.55	46%	3.09%

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	2019		2020		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	7,140.19		6,332.40		-11.31%
Cost of Sales	5,828.00	82%	5,146.41	81%	-11.70%
Gross Profit	1,312.20	18%	1,186.00	19%	-9.62%
Operating Profit	762.92	11%	653.24	10%	-14.38%
Net Profit Before Income Tax	1004.46	14%	1016.32	16%	1.18%
Total Comprehensive Income	729.05	10%	760.38	12%	4.30%
Net Profit (After Tax & Minority Interest)	715.99	10%	755.59	12%	5.53%

Consolidated

As per the consolidated summary of accounts during the year under report, the revenue of the company was decreased by -11.31% year over year and cost of sales was decreased by of

-11.70%, Gross Profit Margin was 19% as compared to 18% of the previous year and Net Profit Margin was 12% as compared to 10% of the previous year.

Particulars	2019		2020		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	1,533.54		1,740.17		13.47%
Cost of Sales	805.37	53%	998.67	57%	24.00%
Gross Profit	728.17	47%	741.50	43%	1.83%
Operating Profit	606.64	40%	612.40	35%	0.95%
Net Profit Before Income Tax	1008.61	66%	1038.22	60%	2.94%
Total Comprehensive Income	778.47	51%	802.55	46%	3.09%

Separate

As per the separate summary of accounts during the year under report, the revenue of the company has increased by 13.79% year-over-year and cost of sales was increased by 24%, Gross Profit Margin was 43% as compared to 47% of the previous year and Net Profit Margin was 46% as compared to 51% of the previous year.

PROFIT APPROPRIATION

During the year under report the consolidated Net Profit After Tax (NPAT) of your company at Tk.755.59 Million As compared to Tk. 715.99 Million year-over-year. The Company needs availability of funds for continuous progress to fight against emerging risk factors. Keeping these in mind, Directors would like to report the Company's financial result for the year that ended on June 30, 2020 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2020	755.59
Profit brought Forward	1,633.93
Profit available for appropriation	2,389.53
Appropriations:	
Proposed Stock and Cash Dividend	507.50
Transferred to Retained Earning	1,882.03
Profit available for appropriation	2,389.53

DIVIDEND

Your Board recommends a final cash dividend of 28% and 2% stock dividend for the year 2020 i.e. 2 (Two) Ordinary shares of Taka 10 each for 100 shares held on the record date, subject to approval by the shareholders at the 13th Annual General Meeting.

Dividend Type	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Cash Dividend (%)	28%	28%	25%	16%	30%
Stock Dividend (%)	2%	2%	3%	14%	3%
Total	30%	30%	28%	30%	33%

DIRECTORS' MEETING & ATTENDANCE

During the year ended June 30, 2020 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. Faridul Alam	3
Mr. Anis Salahuddin Ahmad	4
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Akbor Haider	4
Mr. Mohammad Liaquat Ali	3
Mr. Golam Nabi FCA	4



THE PATTERN OF SHAREHOLDING**Pattern of Shareholding as on June 30, 2020**

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		14,54,2843	8.60%
B. Mr. Feroz Alam	Deceased		13,18,1783	7.79%
C. Mr. AnisSalahuddin Ahmad	Director		15,07,4341	8.91%
D. Mr. A.K.M.Badiul Alam	Director		12,80,7878	7.57%
E. Mr. Md. Shamsuzzaman	Director		19,21,1818	11.36%
F. Mr. Akbor Haider	Sponsor	Son of Mr. Rezakul Haider	5,27,9797	3.12%
G. Mr. Faridul Alam	Managing Director	Son of Mr. Feroz Alam	5,04,2880	2.98%
H. Ms. Rezina Alam	Sponsor	Daughter of Mr. Feroz Alam	5,27,9797	3.12%
J. Mr. Faisal Alam	Sponsor	Son of Mr. Feroz Alam	5,80,5097	3.43%
K. Mr. Asgar Haider	Sponsor	Son of Mr. Rezakul Haider	5,069,677	3.00%
L. Ms. IsratAzim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	5,279,797	3.12%
F. Mr. GolamNabi FCA	Independent Director		Nil	Nil
G. Mr. Mohammed Nurul Amin	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		19,21,1818	11.36%

DIRECTORS' ELECTION & RE-APPOINTMENT:

As per Articles of Association Mr. Rezakul Haider and Mr. Md. Shamsuzzaman shall retire in 13th 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. GolamNabi FCA has been continuing as the nominated director in the subsidiary company.

FINANCIAL RESULT DETERIORATE AFTER IPO RPO

No such event occurred during the reporting period.

INTERIM DIVIDEND

No such event occurred during the reporting period.

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

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

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. Anis Salahuddin Ahmad	Member	4
Mr. A.K.M Badiul Alam	Member	4
Mr. Yeasin Ahmed ACS	Secretary	4

AUDITORS

M/S G. Kibria and Co. Chartered Accountants was appointed as the auditor of the Company in the 12th Annual General Meeting. They had carried out the audit for the year 2020 and will retire in the 13th Annual General Meeting. M/S G. Kibria and Co. Chartered Accountants again had expressed their willingness to become appointed as the Statutory Auditor of your company for the Financial Year 2020-2021. 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 M/S G. Kibria and Co. Chartered Accountants shall be presented at the 13th AGM for member's approval. M/S Mazumdar Sikder and Associates Cost & Management Accountants had provided Corporate Governance Code certificate for FY2019-20. For the FY2020-21 M/S A.K.M Delwer Hussain & Associates Cost & Management Accountants has expressed their willingness to provide Corporate Governance Code certificate. Being eligible the appointment of M/S A.K.M Delwer Hussain & Associates Cost & Management Accountants shall be presented in 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 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
Interest Rate Risk	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Prioritize Equity Based Financing Prefer Long Term fund over Short Term due to lower cost Continuously seeking cheap source of fund
Exchange Rate Risk	<ul style="list-style-type: none"> SPCL imports mostly spare parts (if required) against payment of foreign currency. Unfavorable volatility or currency fluctuation may affect the profitability of the Company. 	<ul style="list-style-type: none"> Justified Forward Contract agreements Purchase through L/C which is known to be less exposed method in terms of Forex Risk
Industry Risk	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Payment is guaranteed by Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB)



Market And Technology Related Risk	<ul style="list-style-type: none"> Technology is related to generation, transmission, distribution, quantity measuring and maintaining of required electricity generation. 	<ul style="list-style-type: none"> Modernization program after periodic interval
Potential Or Existing Government Regulations	<ul style="list-style-type: none"> 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 & supply and distribution is fully under the control of Government. So, Government policies in this regard may impact business operation of SPCL. 	<ul style="list-style-type: none"> Every possible effect of abrupt policy change by government is communicated with respective authority of the Government time to time Energy sector being one of the priority sector the respective authority
Potential Changes In The Global or National Policies	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Prudent Rehabilitation Scheme Insurance Coverage to all possible extents
Pricing	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 & 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. 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.
Risk Associated With Payment	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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. Petroleum Segment has been collecting payment from BPC in a regular basis. There is no history of default in payment from BPC till today.
Environmental Pollution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The operations and maintenance (O&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. Petromax Has installed state of the art technology of oil refining equipment that ensures zero emission of spill overs.

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. 9(i) 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-C](#). A certificate from Mazumdar Sikder and Associates confirming compliance of conditions of Corporate Governance Guidelines as stipulated under condition 9(i) is also annexed to this report as [Annexure-B](#).

KEY OPERATING AND FINANCIAL DATA:

The summarized key data for last five years is set out in the [page number 41](#)

ACKNOWLEDGEMENT:

In this tragic moment of human history caused by COVID-19 pandemic we express our thanks from the deep of our heart to all of you for your continuous believe and trust on us. We shall

remain committed to ensure the best utilization of your hard earned invested money in our company. We are always craving for new opportunity to diversify the business and generate more values for our shareholders.

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

Rezakul Haider
Chairman

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 Bangladesh Financial Reporting Standards (BFRS) 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 BFRSs 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 BFRS 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 40 of this annual report. As the financial highlights presented, the detailed comparative analysis thereon are as following:

- Consolidated revenue was decreased by -11.31% year-over-year.
- With the same pace as the revenue went down, Cost of Sales were also went down by -11.70 % due to the same reason.
- Net Profit after Tax increased by 4.30%.
- Total Liabilities of the Company marginally increased by 22.00%.
- Shareholders' Equity was up by 5.18%.
- Operating Profit went down by -14.38% on account of full year performance due to lower margin of Petroleum segment of the business
- The EPS was up by 3.47% over the last year's EPS due to contribution of profit from Associate Companies of the business.
- The long term liabilities has increased by 95.53% this year the reason of such significant difference can be attributed to the scheduled plant overhauling investment.

(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 20;

- 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 world economy is projected to grow at -4.4 percent in 2020 a significant drop from 2018-19 for emerging market and developing economies as well as advanced economies due to the Great Lockdown caused by COVID-19 pandemic. As rebounding of economic activities is taking place, a slightly higher growth rate is projected for 2021-24. This global growth pattern reflects a major downturn and projected recovery in a group of emerging market economies. By contrast, growth is expected to moderate into 2021 and beyond for with a hope for vaccination rollout in the whole world and resumption of normal economic activities.

Bangladesh-economy, on the other hand, was plummeted in the wake of the pandemic following hard lockdown restrictions. Turning to FY2021, the condition seems to have been gradually increasing supported by expansionary fiscal and monetary policy. The timely announcement of the stimulus package and rollout by the government deserves the credit for the sharp bounce-back of economic activities. According to IMF publication, Bangladesh has achieved a 3.8% GDP growth for FY2020 which is the highest among South Asian economies. The world GDP has contracted by (4.4%) in FY2020. Given the COVID situation in this new normal and no further lockdown, the GDP of Bangladesh shall be extended at the rate of 4.4% in FY2021. The challenge remains in case of the resurgence of the virus and the adjustment of economic activities to the same tune.

The annual inflation rate in Bangladesh eased to 5.52 percent in November of 2020 from 6.44 percent in the previous month. It was the lowest inflation rate since May, amid a slowdown in prices of food (5.73 percent vs 7.34 percent in October). In contrast, cost rose slightly faster for non-food products (5.19 percent vs 5 percent). On a monthly basis, consumer prices fell 0.76 percent, after increasing 0.97 percent in the prior month according to the data of Bangladesh Bureau of Statistics (BBS).

(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.



Faridul Alam
Managing Director
Shahjibazar Power Co. Ltd.

NOMINATION AND REMUNERATION COMMITTEE REPORT

In compliance with the Corporate Governance Code 2018, the Board of Directors constituted the Nomination and Remuneration Committee ("NRC") to assist the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for directors and top level executives. A brief of the NRC and its roles, responsibilities and functions are appended below: Composition and Meetings

The NRC of SPCL comprises of three (3) members who will exclusively be Non-Executive Directors, including one (1) Independent Director. The Committee includes:

Nomination and Remuneration Committee (NRC)

Mr. GolamNabi, FCA (Independent Director)	-Chair
Mr. Rezakul Haider	-Member
Mr. Md. Shamsuzzaman	-Member
Mr. Yeasin Ahmed ACS (Company Secretary)	-Secretary

The Independent Director, Mr. GolamNabi, FCA acts as Chair of the Committee. As per regulatory guidelines, the Company Secretary, Mr. Yeasin Ahmed, ACS acts as Secretary to the Committee. The NRC, accordingly, performs in coherence and ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC).

Permanent invitees to the meetings are the Managing Director, the CFO, and the Company Secretary. Relevant heads of divisions and other members of the Management team will also attend the meetings at occasions, as required.

Major Responsibilities of NRC

The purpose, authority, composition, duties and responsibilities of the Nomination and Remuneration Committee are delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- Recommend a policy on Board's diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors and in top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors, and top level executives;
- Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;

Evaluate that remuneration to Directors and top level executives 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;

Identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;

- Recommend and review annually the Company's human resources and training policies;

- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Managing Director of the Company.

Nomination, Election and Selection of Directors

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. The Board places great emphasis on ensuring its membership reflecting diversity in broader sense. A combination of age, gender, experience, ethnicity, educational background, nationality and other relevant personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support right decision making. Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values. Qualifications stated explicitly in SPCL's corporate governance to promote the equitable and unbiased selection.

Evaluation of the Board

The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. The evaluation process is led by the Chair of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with Management.

Top Level Executive Selection and Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The recruitment process for Top Level Executives shall be transparent, non-discriminatory, diversified and in alignment with the Codes of Conduct. Recruitment standards shall support SPCL's reputation as an attractive employer.

The objective of SPCL's remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders in accordance with the SPCL behaviour.

Remuneration for Board of Directors

Each Director shall receive reasonable remuneration from the Company for every meeting attended, plus travelling expenses from and to usual place of residence and an allowance per day for the number of days spent attending, travelling to and returning from Board meetings. The amounts will be determined by the Shareholders at the General Meeting.

For and on behalf of the Nomination and Remuneration Committee of Shahjibazar Power Co. Ltd.



Mr. Golam Nabi, FCA
Chair
Nomination and Remuneration Committee
28 October 2020

PICTURES FROM 12TH ANNUAL GENERAL MEETING



BPDB CHAIRMAN'S VISIT TO SPCL PLANT



REPORT OF THE AUDIT COMMITTEE

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 June 3, 2018 is presented in Page No. 46-56

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. A.K.M Badiul Alam (Member)
3. Mr. Akbor Haider (Member)
4. Mr. Yeasin Ahmed (Secretary)

A total of 4 (four) meetings were held since the last Annual General Meeting of SPCL. 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, 2020 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, 2021;
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

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

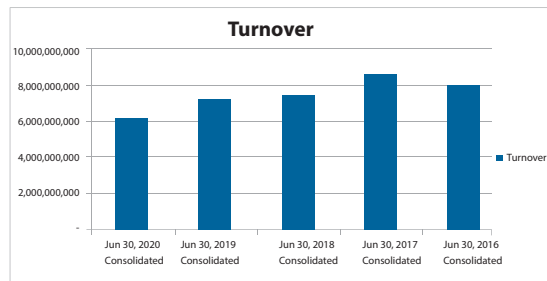
Operational Result	Jun 30,2020 Consolidated	Jun 30,2019 Consolidated	Jun 30,2018 Consolidated	Jun 30,2017 Consolidated	Jun 30,2016 Consolidated
Turnover	6,332,403,614	7,140,194,813	7,384,769,136	8,642,556,150	7,994,314,012
Cost of Sales	5,146,405,025	5,827,997,744	5,832,546,927	6,889,320,961	6,492,895,642
Gross Profit	1,185,998,589	1,312,197,068	1,552,222,209	1,753,235,189	1,501,418,370
Profit From Operation	653,242,578	762,920,143	986,158,965	1,196,353,450	842,216,138
Net Profit Before Tax	1,016,320,854	1,004,457,268	949,261,411	1,195,921,525	873,502,049
Net Profit After Tax	760,375,863	729,048,052	701,757,692	949,894,782	741,108,399
Net Cash Flow From Operation	494,805,146	1,032,587,127	407,900,650	1,922,297,991	1,125,147,220

Financial Position	Jun 30,2020 Consolidated	Jun 30,2019 Consolidated	Jun 30,2018 Consolidated	Jun 30,2017 Consolidated	Jun 30,2016 Consolidated
Non-Current Assets	7,374,335,212	6,664,344,988	6,636,245,011	6,647,548,177	6,427,200,483
Current Assets	4,197,240,580	3,648,816,197	3,332,823,782	2,795,563,575	3,883,982,475
Inventories	1,515,005,284	1,112,159,536	1,128,458,840	785,392,635	927,183,754
Shareholders' Equity	5,911,063,380	5,619,852,858	5,306,414,147	4,871,963,609	4,396,980,445
Long Term Liability	467,214,670	238,951,203	192,115,541	388,672,715	743,784,661
Current Liabilities	4,925,803,084	4,181,644,855	4,190,885,084	3,924,134,964	4,960,592,895
Total Liabilities	5,393,017,754	4,420,596,059	4,383,000,624	4,312,807,679	5,704,377,557

Key Financial Ratio	Jun 30,2020 Consolidated	Jun 30,2019 Consolidated	Jun 30,2018 Consolidated	Jun 30,2017 Consolidated	Jun 30,2016 Consolidated
Current Ratio	0.85	0.87	0.80	0.71	0.78
Quick Ratio	0.54	0.61	0.53	0.51	0.60
Debt to Equity Ratio	0.91	0.79	0.83	0.89	1.30
Net Income Ratio (%)	12%	10%	10%	11%	9%
Return on Equity (%)	13%	13%	13%	19%	17%
Earning Per Share	4.47	4.32	3.98	5.50	5.14

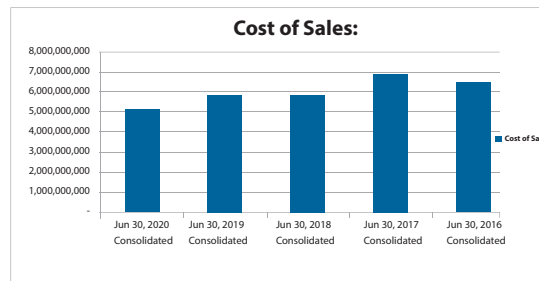
FINANCIAL REVIEW – 2020

Revenue:



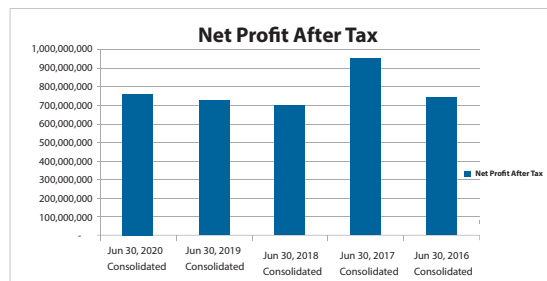
- Consolidated revenue was decreased by -11.31% year-over-year.

Cost of Sales:



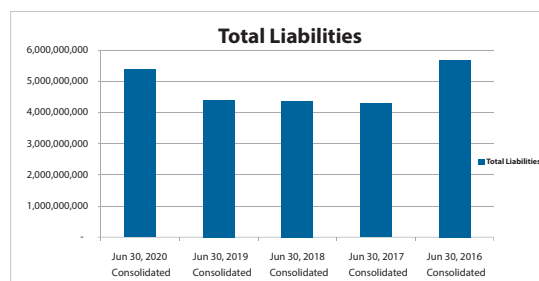
- Cost of Sales were also went down by -11.70% due to the same reason.

Net Profit after Tax:



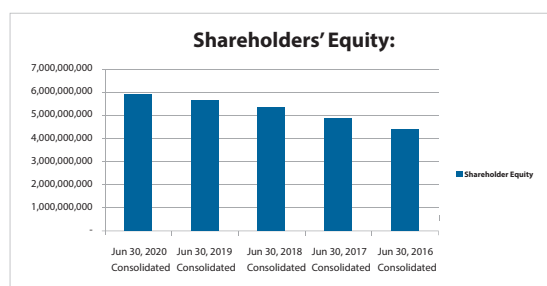
- Net Profit after Tax went up by 4.30%.

Total Liabilities



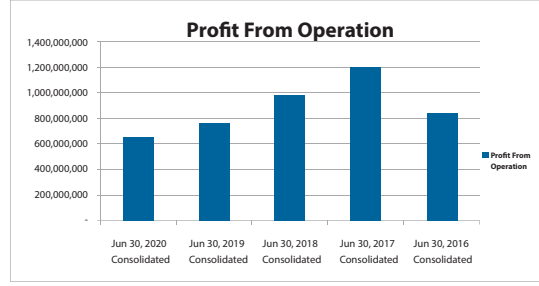
- Total Liabilities of the Company marginally increased by 22%.

Shareholders' Equity:



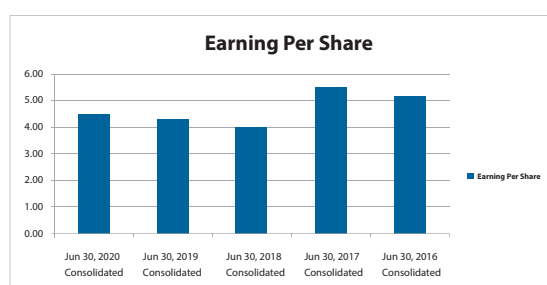
- Shareholders' Equity was up by 5.18%.

Operating Profit:



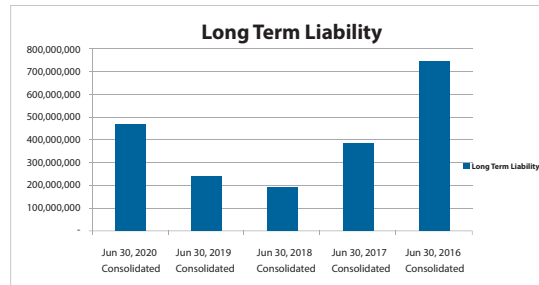
- Operating Profit went down by -14.38% on account of full year performance due to lower margin of Petroleum segment of the business.

Earnings per Share (EPS)



- The EPS was up by 3.47% over the last year's EPS due to higher contribution of Associate Companies.

Long Term Liabilities:



- The long term liabilities has increased by 95.53% this year.
- The reason of such significant difference can be attributed to the major overhauling investment of SPCL.

INVESTOR COMPLAINT REDRESSAL MECHANISM



1. The company has a designated investor grievances E-Mail id 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, 2020

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, 2020

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, 2020 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, 2020 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



Faridul 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, 2020. 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;
- (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
Cost & Management Accountants

Md. Salauddin Sikder FCMA
Senior Partner

Place - Dhaka.
Date - December 29, 2020

SHAHJIBAZAR POWER CO. LTD.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Annexure-C

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	
1.	Board of Directors:-			
1 (1)	Size of the Board of Directors 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 8 Directors.
1 (2)	Independent Directors			
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;	✓		The qualification and background of IDs justify their abilities
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.	-	-	No such issue arose
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such issue arose
1 (5)	The Directors' Report to Shareholders			
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;			The BOD Declared Dividend

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:-			
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:-			
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:			
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;	-	-	N/A
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 Annexure-A ; and	✓		Do
1(5)(xxvii)	(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		Do

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
1(6)	Meetings of the Board of Directors			
	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.	✓		Do
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		Do
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company.	✓		Do
2	Governance of Board of Directors of Subsidiary Company.			
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;	✓		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3 (1) (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;	✓		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3 (2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		In Practice
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			

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.	✓		
4	Board of Directors' Committee. For ensuring good governance in the company, the Board shall have at least following sub committees:			
4 (i)	Audit Committee;	✓		In Practice
4 (ii)	Nomination and Remuneration Committee.	✓		In Practice
5	Audit Committee			
5 (1)	Responsibility to the Board of Directors.			
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 incident arose
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		Annexure-1 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.			No Such incident arose
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;	✓		In Practice
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)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			

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.
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
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)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	N/A
5 (7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC).-			
6 (1)	Responsibility to the Board of Directors			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a 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)	Constitution of the NRC	✓		
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;	✓		
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 incident arose
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;	✓		
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.	✓		
6 (3)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
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;	✓		
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least one meeting in a 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);	✓		
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.	✓		
6 (5)	Role of the NRC			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
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:	✓		
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;	✓		
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		

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;	✓		
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
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;	✓		
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
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.	✓		
7	External or Statutory Auditors.-			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7 (1) (i)	appraisal or valuation services or fairness opinions;	✓		
7 (1) (ii)	financial information systems design and implementation;	✓		
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	Maintaining a website by the Company.-			
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	Reporting and Compliance of Corporate Governance.-			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

VARIOUS COMMITTEES

Audit Committee

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

Nomination and Remuneration Committee (NRC)

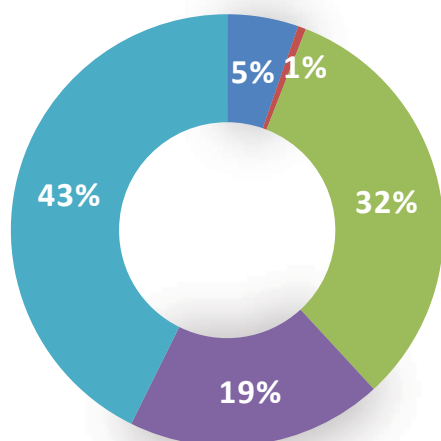
Mr. Golam Nabi, FCA (Independent Director)	-Chair
Mr. Rezakul Haider	-Member
Mr. Md. Shamsuzzaman	-Member
Mr. Yeasin Ahmed ACS (Company Secretary)	-Secretary

VALUE ADDED STATEMENT

SHAHJIBAZAR POWER CO. LTD. Consolidated Value Added Statement For the year ended June 30, 2020

Particulars	2020	2019
	Taka	Taka
Revenue	6,332,403,614	7,140,194,813
Other Income including interest income	30,598,181	40,523,698
Profit Sharing from Associate	387,796,137	260,236,290
Cost of Sales, Excluding Depreciation	(4,744,246,594)	(5,404,332,320)
Other Operating Expenses	(36,283,741)	(36,129,613)
Total Value Added	1,970,267,597	2,000,492,868
Distribution of Added Value		
To Employees as salaries and allowance	66,405,639	62,061,726
To Directors as salaries and allowances	5,550,000	7,000,000
To Banks and other lenders	385,997,588	375,662,195
To Government as Taxes	178,385,763	223,361,958
To Shareholders	507,504,213	497,553,153
	1,143,843,203	1,165,639,032
Retained for Re-investment and Future Growth		
Depreciation and amortization	402,158,431	306,056,719
Retained Profit	424,265,963	528,797,117
	826,424,394	834,853,836
Total Value Distributed	1,970,267,597	2,000,492,868

Distribution of Added Value



- To Employees as salaries and allowance
- To Directors as salaries and allowances
- To Banks and other lenders
- To Government as Taxes
- To Shareholders



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS



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

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Shahjibazar Power Company Limited and its subsidiaries (the 'Group') as well as the separate financial statements of Shahjibazar Power Company Limited (the 'Company'), which comprise the consolidated and separate statement of financial position as at 30 June 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSES THE KEY AUDIT MATTER
Revenue Recognition Revenue of BDT 633 Crore (BDT 714 Crore for the year ended June 30, 2019) is recognized in the consolidated Statement of Profit or Loss and Other Comprehensive Income of Shahjibazar Power Company Limited. The Company's revenue recognition policies and procedures are not complex and revenue is recognized at a point in time when invoices are made by survey of meter reading. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share etc. Details of the Revenue Section are summarized in Note 27 and 27a to the Financial Statements	Our audit procedures included: Understanding the process of estimating, recording and reassessing going concern. <ul style="list-style-type: none"> ● Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard. ● Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer. ● Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately ● Examine Payment documentation to ensure completion of revenue cycle is documented appropriately

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

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

Date: 28 October, 2020
Dhaka, Bangladesh

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

SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Notes	June 30, 2020 Taka	June 30, 2019 Taka
ASSETS:			
Non-Current Assets		7,374,335,212	6,664,344,988
Property, Plant and Equipment	4a	5,557,612,336	5,343,862,662
Intangible Assets	5	326,832	466,483
Investment Accounted for using the Equity Method	6a	821,075,029	433,278,893
Other Investments	8a	995,321,015	886,736,950
Current Assets		4,197,240,580	3,648,816,187
Inventories	9a	1,515,005,284	1,112,159,536
Accounts Receivables	10a	1,671,558,329	1,290,439,850
Other Receivables	11a	355,974	264,993
Advance, Deposits and Prepayments	12a	735,267,993	748,234,181
Financial Assets at fair value through profit or loss	12b	14,133,508	20,367,330
Cash and Cash Equivalents	13a	72,783,831	114,576,699
Goods in Transit	14a	188,135,660	362,773,597
TOTAL ASSETS		11,571,575,792	10,313,161,174
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		5,911,063,380	5,619,852,848
Share Capital	15	1,691,680,710	1,658,510,500
Share Premium	16	914,920,000	914,920,000
Tax Holiday Reserve	16a	914,937,337	897,720,729
Retained Earnings	17a	2,389,525,333	2,148,701,619
Non-controlling interests		267,494,659	272,712,268
Total equity		6,178,558,039	5,892,565,116
Non-Current Liabilities		467,214,670	238,951,203
Long Term Loan- Net of Current Maturity	18a	312,799,664	162,095,425
Deferred Tax Liabilities	19a	154,415,006	76,855,778
Current Liabilities		4,925,803,084	4,181,644,855
L/C Liabilities	20a	706,602,001	426,912,660
Short Term Loan	21a	3,563,288,765	3,233,290,331
IPO Application Amount	22a	6,084,318	6,084,318
Long Term Loan - Current Maturity	23a	118,025,748	179,935,756
Sundry Creditors	24a	276,028,436	203,092,460
Liabilities for Expenses	25a	19,603,334	21,479,861
Unclaimed Dividend	25b	12,012,509	9,451,872
Trade Payable	26a	224,157,975	101,397,598
Total liabilities		5,393,017,754	4,420,596,059
TOTAL EQUITY AND LIABILITIES		11,571,575,792	10,313,161,174
Net Asset Value Per Share (NAVPS)	26b	34.94	33.22
CONTINGENT LIABILITIES & COMMITMENTS	37 & 38		

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



Chairman



Director



Director



Company Secretary

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

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

Dhaka, Bangladesh
October 28, 2020


G. Kibria & Co.
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Notes	June 30, 2020 Taka	June 30, 2019 Taka
ASSETS:			
Non-Current Assets		5,077,234,373	4,285,658,876
Property, Plant and Equipment	4.00	2,901,477,112	2,492,616,862
Investment Accounted for using the Equity Method	6.00	821,075,029	433,278,892
Investment in Subsidiary	7.00	900,000,000	900,000,000
Other Investments	8.00	454,682,232	459,763,121
Current Assets		1,133,187,983	883,648,270
Inventories	9.00	290,966,565	177,156,569
Accounts Receivables	10.00	609,041,275	293,107,638
Other Receivables	11.00	355,974	264,993
Advance, Deposits and Prepayments	12.00	41,567,259	28,999,372
Cash and Cash Equivalent	13.00	55,469,480	70,783,475
Goods In Transit	14.00	135,787,429	313,336,223
TOTAL ASSETS		6,210,422,356	5,169,307,145
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		4,230,872,342	3,892,703,329
Share Capital	15.00	1,691,680,710	1,658,510,500
Share Premium	16.00	914,920,000	914,920,000
Retained Earnings	17.00	1,624,271,632	1,319,272,829
Non-Current Liabilities		467,214,670	238,951,203
Long Term Loan- Net of Current Maturity	18.00	312,799,664	162,095,425
Deferred Tax Liabilities	19.00	154,415,006	76,855,778
Current Liabilities		1,512,335,344	1,037,652,612
L/C Liabilities	20.00	706,602,001	423,381,018
Short Term Loan	21.00	179,202,760	132,775,773
IPO Application Amount	22.00	6,084,318	6,084,318
Long Term Loan - Current Maturity	23.00	118,025,748	179,935,756
Sundry Creditors	24.00	266,114,352	184,683,035
Liabilities for Expenses	25.00	5,454,927	5,858,957
Unclaimed Dividend	25b	12,012,509	9,451,872
Trade Payable	26.00	218,838,731	95,481,884
Total Liabilities		1,979,550,014	1,276,603,816
TOTAL EQUITY AND LIABILITIES		6,210,422,356	5,169,307,145
Net Asset Value Per Share (NAVPS)	26bb	25.01	23.01
CONTINGENT LIABILITIES & COMMITMENTS		37 & 38	

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

 Chairman
  Director
  Director
  Company Secretary

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

Report of the auditors to the shareholders:

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

Dhaka, Bangladesh
October 28, 2020


G. Kibria & Co.
 Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

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

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

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


Chairman


Director


Director


Company Secretary

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

Report of the auditors to the shareholders:

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

Dhaka, Bangladesh
October 28, 2020


G. Kibria & Co.
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

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

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


Chairman


Director


Director


Company Secretary

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

Report of the auditors to the shareholders:

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

Dhaka, Bangladesh
October 28, 2020


G. Kibria & Co.
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

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

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

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


Chairman


Director


Director


Company Secretary

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

Report of the auditors to the shareholders:

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

Dhaka, Bangladesh
October 28, 2020

SHAHJIBAZAR POWER COMPANY LIMITED

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

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

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


Chairman


Director


Director


Company Secretary

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

Report of the auditors to the shareholders:

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

Dhaka, Bangladesh
October 28, 2020

SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

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

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

 Chairman
 Director
 Company Secretary

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

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

Dhaka, Bangladesh
October 28, 2020

SHAHJIBAZAR POWER COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

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

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

 Chairman
 Director
 Company Secretary

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

Report of the auditors to the shareholders:

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

Dhaka, Bangladesh
 October 28, 2020

SHAHJIBAZAR POWER COMPANY LIMITED

Notes to the Financial Statements As on and for the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

1. Status of the Reporting Entity

1.1. Corporate History:

The Shahjibazar Power Company Limited is a Public Limited Company listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 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 Bangladesh Accounting Standards (IAS), Bangladesh Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2. Application of Standards

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

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

2.3. Date of authorization

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

2.4. Measurement bases used in Preparing the Financial Statements

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

2.5. Use of estimates and judgments

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

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

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

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

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

2.6. Accounting Convention and Basis

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

2.7. Functional and presentational currency and level of precision

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

2.8. Reporting period

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

2.9. Components of the Financial Statements

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

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

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

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

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

3. Principal Accounting Policies:

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

3.1. Basis of consolidation

3.1.1. Subsidiary

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

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

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

3.2. Property, Plant and Equipment

3.2.1. Recognition and Measurement

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

3.2.2. Disposal of Fixed Assets

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

3.2.3. Depreciation on Fixed Assets

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

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

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

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

3.2.4. Subsequent Costs

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

3.2.5. Capitalization of Borrowing Cost

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

3.2.6. Impairment of Assets

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

3.3. Intangibles Assets

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

3.4. Capital work in progress

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

3.5. Inventories

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

3.6. Accounts Receivables

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

3.7. Advance, Deposits and Prepayments

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

3.8. Investment in shares of listed companies

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

3.9. Cash and Cash Equivalents

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

3.10. Other Current Assets

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

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

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

3.12. Taxation

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

Current Tax

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

Deferred Tax

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

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

3.13. Provisions

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

3.14. Revenue Recognition

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

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

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

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

3.15. Foreign Currency

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

3.16. Finance Income and Expenses

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

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

3.17. Earnings Per Share (EPS)

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

Basic earnings

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

Basic earnings per share

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

Weighted average number of ordinary shares outstanding during the year

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

Diluted earnings per share

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

3.18. Cash flows statement

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

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

The company has been providing worker profit participation fund for its employees in accordance with provisions of Bangladesh Labor Act 2006. Section-232(1). The company maintains a defined contribution plan (Provident Fund) for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans (Gratuity Plan) and therefore does not record any provisions or expenses in this regard.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate

3.20. Responsibility for Preparation and Presentation of Financial Statements:

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

3.21. Risk and uncertainties for the use of estimates

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

3.22. Related Party Transactions

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

3.23. Comparative Amounts

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

3.24. Segment Reporting

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

3.24. Leases (IFRS 16)

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

3.25. Measurement of Fair Values

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

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

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

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

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

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

Ref: GKC/20-21/A/061

June 30, 2020
Taka

June 30, 2019
Taka

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.

Summarised financial information for associate

Summarised Balance Sheet:

Current:

Cash & Cash Equivalents	420,930,838	432,073,751
Other Current Assets (excluding cash)	2,171,988,609	2,915,485,085
Total Current Assets	2,592,919,447	3,347,558,836
Financial liabilities (excluding trade payables)	3,719,860,557	3,281,131,451
Other current liabilities	433,195,711	1,653,768,628
Total Current Liabilities	4,153,056,268	4,934,900,079
Non-Current:		
Assets	10,926,021,109	11,990,062,563
Total Non-Current Assets	10,926,021,109	11,990,062,563
Financial Liabilities	4,794,583,922	6,018,970,692
Other Liabilities	-	-
Total Non-Current Liabilities	4,794,583,922	6,018,970,692
Net Assets	4,571,300,366	4,383,750,629

Summarised Statement of Comprehensive Income

Revenue	4,849,345,552	3,480,319,430
Cost of Revenue	3,049,363,459	2,204,230,264
Other Expenses	890,504,746	191,595,696
Income Tax Expense	22,775,255	2,617,671
Post tax from continuing operations.	-	531,094,470
Details of Post tax from continuing operations:		
Midland Power Co. Ltd.	94,878,353	(71,932,036)
Midland East Power Ltd.	696,542,335	603,026,506
Profit Transferred to Midland Power Co. Ltd.(A+B)	791,420,687	531,094,470
A. Midland Power Company Ltd.	94,878,353	(71,932,036)
B. Midland East Power Ltd.	696,542,335	603,026,506
Net Profit of Midland East Power Ltd.	789,412,804	683,428,445
Less: Non-Controlling Interest	(92,870,469)	(80,401,939)

7.00 INVESTMENT IN SUBSIDIARY:

Petromax Refinery Limited	900,000,000	900,000,000
	900,000,000	900,000,000

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

8.00 OTHER INVESTMENTS:

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

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

8.01 Investment in Mudaraba Term Deposit

Mudaraba Term Deposit Receipt-IBBL	11,817,732	7,795,748
Mudaraba Term Deposit Receipt-IFIL	-	9,102,873
	11,817,732	16,898,621
Lien Status:		
Under Lien (Against Bank Guarantee)	11,817,732	7,795,748
Free from Lien	-	9,102,873
	11,817,732	16,898,621

	June 30, 2020 Taka	June 30, 2019 Taka
8a Consolidated Other Investment		
Shahjibazar Power Company Limited	454,682,232	459,763,121
Petromax Refinery Limited	540,638,783	426,973,829
	995,321,015	886,736,950
9.00 INVENTORIES		
Oil & Lubricant	11,118,810	6,870,952
Spare parts and others	279,847,755	170,285,617
	290,966,565	177,156,569

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

Quantity wise disclosure of inventory:

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

9a Consolidated Inventories		
Shahjibazar Power Company Limited	290,966,565	177,156,569
Petromax Refinery Limited	1,224,038,719	935,002,967
	1,515,005,284	1,112,159,536
10.00 ACCOUNTS RECEIVABLES		
Bangladesh Power Development Board (BPDB)	609,041,275	293,107,638
Ageing Status of Accounts Receivables		
Less than six months	609,041,275	293,107,638
More than six months	-	-
	609,041,275	293,107,638
10a Consolidated Accounts Receivables:		
Shahjibazar Power Company Limited	609,041,275	293,107,638
Petromax Refinery Limited	1,062,517,054	997,332,211
	1,671,558,329	1,290,439,849
11.00 OTHER RECEIVABLES:		
Interest on Mudaraba Term Deposit-IBBL	355,974	114,993
Engr. A.F.M Sarwar Jahan	-	150,000
	355,974	264,993
11a Consolidated Other Receivables:		
Shahjibazar Power Company Limited	355,974	264,993
Petromax Refinery Limited	-	-
	355,974	264,993

		June 30, 2020 Taka	June 30, 2019 Taka
12.00 ADVANCE, DEPOSITS AND PREPAYMENTS:			
Advance	12.01	442,294	315,629
Deposits	12.02	27,304,165	22,456,730
Prepayments	12.03	13,820,800	6,227,013
		41,567,259	28,999,372
12.01 Advances:			
Advance Income Tax:			
Opening Balance		-	-
Adjusted with Non-Operating Income Tax Payable (Previous Year)		-	-
Add: During this period		296,296	84,195
Adjusted with Non-Operating Income Tax Payable		(296,296)	(84,195)
		-	-
Advance to Others :			
Youth Garments Ltd.		96,101	101,101
		96,101	101,101
Advance to Staffs:			
Mr. A.F.M Sarwar Jahan		257,607	129,395
Mr. Tarekul Islam		6,978	80,362
Others		81,608	4,771
		346,193	214,528
Total Advances :		442,294	315,629
12.02 Deposits :			
Central Depository Bangladesh Ltd.(CDBL)		500,000	500,000
Power Development Board (Hobigonj)		72,660	72,660
Bank Guarantee Margin - IBBL		16,678,691	15,903,070
Letter of Credit Margin - IBBL		9,752,814	5,681,000
Trust Filling Station		300,000	300,000
Total Deposits :		27,304,165	22,456,730
12.03 Pre-Payments:			
Pre-paid Insurance		6,723,038	5,189,509
Pre-paid Interest-Bai Murabaha TR Loan		6,620,998	107,911
Pre-paid BG Commission		476,764	929,593
Total Prepayments :		13,820,800	6,227,013

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	41,567,259	28,999,372
More than One Year	-	-
	41,567,259	28,999,372
12a Consolidated Advance, Deposits and Prepayments:		
Shahjibazar Power Company Limited	41,567,259	28,999,372
Petromax Refinery Limited	770,700,734	804,234,809
Less : Loan from Petromax Refinery Limited	(77,000,000)	(85,000,000)
	735,267,993	748,234,181

	June 30, 2020 Taka	June 30, 2019 Taka
12b Consolidated Financial Assets at fair value through profit or loss		
Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	14,133,508	20,367,330
	14,133,508	20,367,330
Financial Assets at fair value through profit or loss		
Listed Equity Securities-Held for Trading		
AB Bank Ltd.	553,520	814,000
Appollo Ispat Complex Limited.	134,827	269,654
Asia Insurance Ltd. (ASIAINS)	85,000	122,000
Bay Leasing & Investment Ltd.	1,165,500	1,921,500
BBS Cables Ltd.	1,762,160	2,948,670
Bashundhara Paper Mills Ltd. (BPML)	678,300	1,200,200
Bangladesh Steel Re-Rolling Mills Limited	2,200,990	2,916,826
The City Bank Ltd.	478,706	796,887
CVO Petrochemical Refinery Limited	741,560	1,024,304
Dhaka Electric Supply Company Limited	211,932	278,313
Dhaka Bank Ltd.	1,060,500	1,428,000
Dutch-Bangla Bank Limited	78,238	94,738
EXIM Bank Limited	645,000	847,500
Far Chemicals Industries Ltd.	130,438	157,300
GPH Ispat Ltd.	294,686	398,475
IFIC Bank Limited	291,368	352,352
Lafarge Holcim Bangladesh Limited	359,000	397,000
Nahee Aluminum Composite Panel Ltd.	782,331	813,890
Nurani Dyeing & Sweater Ltd. (NURANI)	143,990	294,100
One Bank Limited	759,000	1,097,250
Premier Leasing & Finance Ltd.	102,640	190,618
RAK Ceramics (Bangladesh) Limited	173,030	224,939
Union Capital Ltd.	396,898	901,288
Uttara Bank Ltd.	903,894	877,526
	14,133,508	20,367,330

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.

13.00 CASH AND CASH EQUIVALENT:

Cash in Hand	56,976	40,333
Cash at Bank:	55,412,504	70,743,141
CD Account with Bank Asia Limited, IPO-USD	104,277	103,787
CD Account with Bank Asia Limited, IPO-GBP	32,659	33,638
CD Account with Bank Asia Limited, IPO-EURO	858	869
STD Account with Bank Asia Limited, IPO-Taka	15,837,517	15,316,857
CD Account with Islami Bank Bangladesh Ltd# 9396	2,066,736	34,272,010
CD Account with Islami Bank Bangladesh Ltd# 1250	5,531,794	3,491,341
SND Account with Islami Bank Bangladesh Ltd# 49	24,509,440	2,604,438
SND Account with Islami Bank Bangladesh Ltd# 29413	7,219,965	2,767,432
CD A/C with Standard Chartered Bank # 53917701	4,600	4,600
CD A/C with Eastern Bank Ltd. # 1041060274350	104,657	12,148,169
	55,469,480	70,783,474
13a Consolidated Cash and Cash Equivalent		
Shahjibazar Power Company Limited	55,469,480	70,783,474
Petromax Refinery Limited	17,314,351	43,793,225
	72,783,831	114,576,699

	June 30, 2020 Taka	June 30, 2019 Taka
14.00 GOODS IN TRANSIT:		
Parts of Plant & Machinery	135,787,429	313,336,223
	135,787,429	313,336,223
14a Consolidated Goods in Transit		
Shahjibazar Power Company Limited	135,787,429	313,336,223
Petromax Refinery Limited	52,348,231	49,437,374
	188,135,660	362,773,597
15.00 SHARE CAPITAL:		
Authorized :		
500,000,000 shares @ Tk.10.00 each	5,000,000,000	5,000,000,000
Issued, Subscribed and paid -up:		
16,91,68,071 shares @ Tk.10.00 each	1,691,680,710	1,658,510,500
Movement of Share Capital:		
Opening Balance	1,658,510,500	1,610,204,368
Add: Bonus Share issued (2%)	33,170,210	48,306,132
	1,691,680,710	1,658,510,500

Shareholding position was as follows:

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

Classification of Shareholders by holding:

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

	June 30, 2020 Taka	June 30, 2019 Taka
Name of the Directors and their Shareholding position:		
Name of the Directors	No. of Shareholding 30-Jun-20	No. of Shareholding 30-Jun-19
Mr. Rezakul Haider	14,542,843	14,257,690
Mr. Feroz Alam	13,181,783	12,923,317
Mr. Anis Salahuddin Ahmad	15,074,341	14,778,766
Mr. A.K.M.Badiul Alam	12,807,878	12,556,744
Md. Samsuzzaman	19,211,818	18,835,116
Mr. Akbor Haider	5,279,797	5,176,272
Mr. Faridul Alam	5,042,880	4,944,000
Total :	85,141,340	73,351,633

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

16.00 SHARE PREMIUM:

Opening Balance	914,920,000	914,920,000
	914,920,000	914,920,000

16a Consolidated Tax Holiday Reserve

Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	914,937,337	897,720,729
	914,937,337	897,720,729

17.00 RETAINED EARNING:

Opening Balance	1,319,272,829	991,664,470
Add: Net profit for this year	802,551,953	778,465,585
Less: 28% Cash Dividend	(464,382,940)	(402,551,095)
Less: 2% Stock Dividend	(33,170,210)	(48,306,131)
	1,624,271,632	1,319,272,829

17a Consolidated Retained Earning

Opening Balance	2,148,701,619	1,930,578,727
Net Profit for the period	755,593,472	715,989,805
Bonus Share/Stock Dividend	(33,170,210)	(48,306,131)
Cash Dividend Paid	(464,382,940)	(402,551,095)
Transfer to Tax Holiday Reserve	(17,216,608)	(47,009,687)
	2,389,525,333	2,148,701,619

18.00 LONG TERM LOAN - NET OF CURRENT MATURITY

Islami Bank Bangladesh Limited	312,799,664	162,095,425
	312,799,664	162,095,425

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

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

June 30, 2020
Taka

June 30, 2019
Taka

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 project land and building (Total area: 24,200 sft) & Machineries and vehicles as per Balance sheet.
Name of facility	Working Capital

18a Consolidated Long Term Loan- Net of Current Maturity

Shahjibazar Power Company Limited
Petromax Refinery Limited

312,799,664	162,095,425
-	-
312,799,664	162,095,425

18b Consolidated Loan from other than Bank

Shahjibazar Power Company Limited
Petromax Refinery Limited

-	-
-	-
-	-

19.00 DEFERRED TAX LIABILITIES:

Investment in associates carrying value
Investment in associates tax base

Taxable temporary Difference

Deferred tax liabilities at 20%

821,075,029	433,278,892
49,000,000	49,000,000
772,075,029	384,278,892
154,415,006	76,855,778

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

19a Consolidated Deferred Tax Liabilities

Shahjibazar Power Company Limited
Petromax Refinery Limited

154,415,006	76,855,778
-	-
154,415,006	76,855,778

20.00 L/C LIABILITIES:

Liabilities for Letter of Credit

706,602,001	423,381,018
706,602,001	423,381,018

20a Consolidated LC Liabilities

Shahjibazar Power Company Limited
Petromax Refinery Limited

706,602,001	423,381,018
-	3,531,642
706,602,001	426,912,660

	June 30, 2020 Taka	June 30, 2019 Taka
21.00 SHORT TERM LOAN:		
Bai Murabaha TR-IBBL	102,202,760	47,727,711
Youth Fashion Ltd.	-	48,062
Petromax Refinery Ltd.	77,000,000	85,000,000
	179,202,760	132,775,773
Short term loan from Petromax Refinery Ltd. was taken at zero profit margin basis. This loan was taken due to overcome the short time deficiencies.		
21a Consolidated Short Term Loan		
Shahjibazar Power Company Limited	179,202,760	132,775,773
Petromax Refinery Limited	3,461,086,005	3,185,514,558
Less: Intercompany Loan	(77,000,000)	(85,000,000)
	3,563,288,765	3,233,290,331
22.00 IPO APPLICATION AMOUNT:	6,084,318	6,084,318
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.		
22a Consolidated IPO Application Amount		
Shahjibazar Power Company Limited	6,084,318	6,084,318
Petromax Refinery Limited	-	-
	6,084,318	6,084,318
23.00 LONG TERM LOAN - CURRENT MATURITY:		
Islami Bank Bangladesh Limited	118,025,748	32,051,892
Eastern Bank Limited	-	147,883,864
	118,025,748	179,935,756
This represents the current portion of Long Term Loan payable with in one year from the Financial Position date.		
23a Consolidated Long Term Loan- Current Maturity		
Shahjibazar Power Company Limited	118,025,748	179,935,756
Petromax Refinery Limited	-	-
	118,025,748	179,935,756
24.00 SUNDRY CREDITORS:		
Amber IT Ltd.	-	10,812
Square Pharmaceuticals Ltd.	10,200	10,200
Inspace Atelier	-	2,000,000
CDZ Global Logistics Limited	2,490,660	969,000
Peerless Technical Services Ltd.	-	43,200
Petromaz LPG Ltd.	500,000	-
The Daily Jugantor	150,000	-
M/S Jilani Air Cargo Limited	8,010	-
Zenith Islami Life Insurance Limited	306,000	-
Provision for WPPF	68,843,120	67,362,562
Payable for Current Tax	193,806,361	114,287,261
	266,114,352	184,683,035

	June 30, 2020 Taka	June 30, 2019 Taka
24.01 Payable for Current Tax		
Sales Tax at Source @ 6%	140,121,815	139,053,397
Previous year Income Tax Payable	114,287,261	64,824,254
Tax on non-operating income	(16,801)	3,038,788
Tax on Dividend Income	18,000,000	36,000,000
Tax on Cash Dividend Payable	31,029,772	-
Total Payable	303,422,048	242,916,439
Tax paid during this period	(109,319,391)	(128,544,982)
	194,102,657	114,371,456
TDS adjustment	(296,296)	(84,195)
	193,806,361	114,287,261
24a Consolidated Sundry Creditors		
Shahjibazar Power Company Limited	266,114,352	184,683,035
Petromax Refinery Limited	9,914,084	18,409,425
	276,028,436	203,092,460
25.00 LIABILITIES FOR EXPENSES:		
Salary & Allowance	4,028,011	4,438,707
Directors Remuneration	350,000	500,000
Audit Fees	759,000	759,000
Car Allowances	94,125	30,000
Office Rent	131,250	131,250
Electricity Bill	92,541	-
	5,454,927	5,858,957
25a Consolidated Liabilities for Expenses		
Shahjibazar Power Company Limited	5,454,927	5,858,957
Petromax Refinery Limited	14,148,407	15,620,904
	19,603,334	21,479,861
25b Dividend Payable		
Dividend Payable	12,012,509	9,451,872
	12,012,509	9,451,872

Subsequent to the year end maximum portion of unclaimed dividend has been claimed and disbursed accordingly.

26.00 TRADE PAYABLE:		
A to Z Computer	6,200	-
Angelic Accessories	7,800	-
Assign Engineering Ltd.	25,300	-
Clarke Energy Bangladesh Ltd.	-	172,500
Controlware Power & Automation Engineering Ltd.	4,787,500	-
MJL Bangladesh Limited	5,201,300	15,592,200
Dglobal Digital Mart Ltd.	8,750	-
Jalalabad Gas Transmission and Distribution Systems Ltd.	208,588,021	79,469,569
Energy Plus Electric	2,000	2,000
Delcot Ltd.	76,000	243,071
New Mizan Electric	87,360	-
R & B International	48,500	-
Others	-	2,544
	218,838,731	95,481,884

		June 30, 2020 Taka	June 30, 2019 Taka
26a Consolidated Trade Payable			
Shahjibazar Power Company Limited		218,838,731	95,481,884
Petromax Refinery Limited		5,319,244	5,915,714
		224,157,975	101,397,598
26b Net Asset Value Per Share (Consolidated)			
Net Asset Value		5,911,063,380	5,619,852,848
Number of share		169,168,072	169,168,072
Net Asset Value Per Share		34.94	33.22
26bb Net Asset Value Per Share			
Net Asset Value		4,230,872,342	3,892,703,329
Number of share		169,168,072	169,168,072
Net Asset Value Per Share		25.01	23.01
		2019-2020 Taka	2018-2019 Taka
27.00 REVENUE			
Sales		1,740,166,065	1,533,537,526
		1,740,166,065	1,533,537,526
27a Consolidated Revenue			
Shahjibazar Power Company Limited		1,740,166,065	1,533,537,526
Petromax Refinery Limited		4,592,237,549	5,606,657,287
		6,332,403,614	7,140,194,813
28.00 COST OF SALES:			
Raw Material Consumed	28.01	543,203,119	446,011,283
Factory Overhead	28.02	455,462,638	359,358,385
		998,665,757	805,369,668
28.01 Raw Material Consumed			
Opening Stock		177,156,569	122,610,952
Purchase During the Year		657,013,115	500,556,900
Closing Stock		(290,966,565)	(177,156,569)
		543,203,119	446,011,283
Consumption of Raw Materials:			
		2020	2019
Natural Gas Consumption (Cubic Meter)		120,554,676	130,019,515
Lube & Other Oil (Ltrs)		167,310	170,645
28.02 Factory Overhead			
Salary & Allowance		43,697,465	43,411,071
Overtime		1,034,673	728,895
Festival Bonus		3,908,686	4,509,497
Plant & Machinery maintenance		9,570,775	10,940,790
Fuel & Lubricants for car		1,039,937	1,360,178
Diesel for Generator		139,750	116,398
Depreciation (Note-43)		396,071,352	298,291,556
		455,462,638	359,358,385
28a Consolidated Cost of Sales			
Shahjibazar Power Company Limited		998,665,757	805,369,668
Petromax Refinery Limited		4,147,739,268	5,022,628,076
		5,146,405,025	5,827,997,744

		2019-2020 Taka	2018-2019 Taka
29.00 GENERAL & ADMINISTRATIVE EXPENSES:			
Salary & Allowance		17,764,816	13,412,263
Audit Fee		759,000	816,500
Advertisement & Publicity		1,349,200	1,342,475
Secretarial Expenses		2,824,457	2,945,076
BG Commission		4,757,102	2,369,227
Credit Rating Expenses		111,194	107,811
Carrying Inwards/C&F Charges		3,127,700	6,802,821
Gift, Donation & Subscription		3,699,600	741,500
Utility Bill		1,175,362	1,056,528
Entertainment		1,726,137	2,094,603
Insurance Premium		9,113,414	7,893,846
Legal & Professional Fees		60,000	235,000
Directors Remuneration	29.01	5,550,000	7,000,000
Office Maintenance		3,090,202	3,069,333
Printing, Stationary & Supplies		804,643	738,856
Registration & Renewals		937,932	719,151
Traveling & Conveyances		1,651,079	3,281,246
Training & Workshop		10,000	63,500
Civil Works Maintenance		1,086,719	1,852,140
Depreciation (Note-43)		6,087,079	7,765,162
		65,685,636	64,307,039

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

Name	Designation	June-2020	June-2019
Late Feroz Alam	Ex-Managing Director	3,750,000	7,000,000
Anis Salahuddin Ahmad	Managing Director	1,800,000	-
Total		5,550,000	7,000,000

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

29a Consolidated General & Administrative Expenses

Shahjibazar Power Company Limited	65,685,636	64,307,039
Petromax Refinery Limited	81,072,787	109,307,692
	146,758,423	173,614,731

30.00 FINANCIAL EXPENSES

Interest on Loan - Islami Bank Bangladesh Ltd.	42,818,489	23,245,919
Interest on Loan - Eastern Bank Ltd.	9,094,004	27,818,909
Bank Charges & Commission	5,168,318	5,236,874
Charge for Delay Payment	6,335,791	915,279
	63,416,601	57,216,981

30a Consolidated Financial Expenses

Shahjibazar Power Company Limited	63,416,601	57,216,981
Petromax Refinery Limited	322,580,987	318,445,214
	385,997,588	375,662,195

	2019-2020 Taka	2018-2019 Taka
31.00 NON-OPERATING INCOME:		
Income from Bank Interest	884,641	1,063,727
Wastage Sale	2,236,993	1,069,475
Foreign Exchange Gain	-	4,965,044
Interest on Mudaraba Term Deposit	3,174,382	4,143,811
Foreign Exchange Loss	(6,363,220)	-
Gain on sale of vehicle	-	913,094
Income from Dividend- Subsidiaries	90,000,000	180,000,000
	89,932,796	192,155,150
Non-Operating income increased due to receiving of Dividend from Subsidiary Company.		
31a Consolidated Non-operating Income		
Shahjibazar Power Company Limited	89,932,796	192,155,150
Petromax Refinery Limited	30,665,386	28,368,548
Less: Inter-company Dividend	(90,000,000)	(180,000,000)
	30,598,181	40,523,698
32.00 SHARE OF PROFIT FROM ASSOCIATE:		
Net Profit of Associate company	791,420,687	531,094,470
Percentage of share holding	49%	49%
Share of profit from Associate	387,796,137	260,236,290
Profit of Midland East Power Limited	789,412,804	683,428,445
SHAREHOLDING PERCENTAGE OF MEPL:		
Midland Power Co. Limited	88.24%	88.24%
Shahjibazar Power Co. Limited	11.66%	11.66%
Faridul Alam	0.10%	0.10%
	100.00%	100.00%
MPCL's profit from MEPL	696,542,335	603,026,506
Profit of Midland Power Co. Limited	94,878,353	(71,932,036)
	791,420,687	531,094,470
32a Consolidated Share of Profit from Associate:		
Shahjibazar Power Company Limited	387,796,137	260,236,290
Petromax Refinery Limited	-	-
	387,796,137	260,236,290
33.00 WPPF IS BASED ON NET PROFIT BEFORE TAX @ 5%		
	51,910,810	50,430,251
	51,910,810	50,430,251
33a Consolidated Workers' Profit Participant Fund:		
Shahjibazar Power Company Limited	51,910,810	50,430,251
Petromax Refinery Limited	3,405,233	8,792,612
	55,316,043	59,222,863

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

	2019-2020 Taka	2018-2019 Taka
34.00 INCOME TAX EXPENSES:		
Current Tax		
Tax on Operating Income @ 25%	140,121,815	139,053,397
Tax on Non-Operating Income @ 25%	(16,801)	3,038,788
Tax on Dividend Received @ 20%	18,000,000	36,000,000
	158,105,014	178,092,184
Deferred Tax		
Deferred Tax on the Profit from Associate accounted for using Equity Method	77,559,227	52,047,258
	77,559,227	52,047,258
34a Consolidated Income Tax Expense		
Shahjibazar Power Company Limited	158,105,014	178,092,184
Petromax Refinery Limited	20,280,749	45,269,774
	178,385,763	223,361,958
35.00 EARNING PER SHARE (EPS)		
Net Profit After Tax	802,551,953	778,465,585
Number of share	169,168,072	169,168,072
Earnings Per Share	4.74	4.60
35a Consolidated Basic Earning Per Share (EPS)		
Profit/(Loss) attributable to equity holder of the parent	755,593,472	715,989,805
Number of share	169,168,072	169,168,072
Earnings Per Share	4.47	4.23
36.00 CAPACITY AND UTILIZATION:		
Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994.		
	30-Jun-20	30-Jun-19
License Capacity (Unit - Kw)	753,360,000	753,360,000
Actual Utilized (Unit - Kw)	440,517,096	474,114,000
Capacity Utilize (Unit - Kw)	58%	63%

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

37.00 CONTINGENT LIABILITIES:

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

BG Issued	Beneficiary Name	B.G No	Guarantee Value
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/51	1,897,479
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/57	839,273
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/60	127,431
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/58	648,848
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/61	509,724
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/71	4,247,697
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/75	118,935
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/80	1,136,259
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/81	4,247,696

		2019-2020 Taka	2018-2019 Taka
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 & Exports	Export-Cum-Import Permission	3,405,698
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,405,698
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	Export-Cum-Import Permission	3,436,426
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	Export-Cum-Import Permission	3,436,426
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,456,425
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,456,425
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	2,550,000
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,404,351
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,404,351
Islami Bank Bangladesh Ltd.	Rupali Insurance Co. Ltd.	Insurance Payment	1,500,000
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	Export-Cum-Import Permission	2,550,000
Islami Bank Bangladesh Ltd.	Aqua Pacific General Insurance Co. Ltd.	Insurance Payment	300,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	69,104,752
Grand Total			454,023,031

2019-2020
Taka

2018-2019
Taka

38.00 CAPITAL EXPENDITURE COMMITMENT:

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

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

39.00 CLAIM ACKNOWLEDGEMENT:

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

40.00 EVENTS AFTER THE REPORTING PERIOD:

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

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

41.00 Name of Auditors of Group Companies

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

42.00 NUMBER OF EMPLOYEES:

This is the disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994. Total number of employees is 125 in comparison to 121 in previous year. There is no employees in the company who is entitled to get annual salary below TK. 36,000.

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

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

Note: 43

SL No.	Particulars	Cost			Depreciation					Written Down Value as on 30.06.2020
		Balance as on 01.07.2019	Addition during this year	Disposal/ Impairment during the year	Balance as on 30.06.20	Rate %	Balance as on 01.07.19	Adjustment during the year	Charged During the year	Balance as on 30.06.2020
01	Land & Land Development	149,587,065	-	-	149,587,065	0.0%	-	-	-	149,587,065
02	Building & Construction	374,855,803	-	-	374,855,803	7.0%	263,581,598	-	26,239,906	289,821,504
03	Plant & Machineries	4,524,208,263	809,573,630	-	5,333,781,893	6.0%	2,307,468,318	-	368,771,511	2,676,239,829
04	Mechanical & Electrical Goods	4,167,563	64,000	-	4,231,563	10.0%	1,159,377	-	422,623	1,582,000
05	Office Equipment	4,321,654	179,460	-	4,501,114	15.0%	4,037,006	-	464,107	4,501,114
06	Computer & Computer Equipment	2,711,570	130,500	-	2,842,070	20.0%	2,711,570	-	130,500	2,842,070.33
07	Water Treatment Plant	4,170,000	94,500	-	4,264,500	15.0%	3,354,250	-	637,313	3,991,563
08	Furniture & Fixture	7,148,470	976,592	-	8,125,062	10.0%	4,420,236	-	756,822	5,177,058
09	Vehicles	23,678,250	-	-	23,678,250	20.0%	15,499,421	-	4,735,650	20,235,071
	June-2020	5,094,848,638	811,018,682	-	5,905,867,320		2,602,231,777	-	402,158,431	3,004,390,208
	June-2019	4,747,511,724	361,961,914	14,625,000	5,094,848,638		2,303,774,462	7,599,404	306,056,719	2,602,231,777
										2,492,616,862

Allocation Current Year Depreciation:

Cost of Goods Sold Portion:

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

Note: 28

General & Admin. Portion:

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

Note: 29

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

Note: 44

SL	Particulars	Cost			Depreciation				Written Down Value as on 30.06.2020	
		Balance as on 01.07.2019	Addition during the year	Disposal during the year	Balance as on 30.06.20	Rate %	Balance as on 01.07.2019	Adjustment during the year		Charged During the year
1	Land & Land Development	213,812,861	141,636		213,954,497	0.0%	-	-	-	213,954,497
2	Building & Construction	906,265,898	750,503		907,016,401	7.0%	418,357,693	-	51,946,298	436,712,410
3	Plant & Machineries	7,346,868,682	809,573,630	-	8,156,442,312	6.0%	3,103,780,337	-	487,619,363	4,565,042,612
4	Mechanical & Electrical Goods	4,167,563	64,000		4,231,563	10.0%	1,159,376	-	422,623	2,649,564
5	Office/factory Equipment	14,750,826	9,400,208		24,151,034	15.0%	8,447,995	-	1,547,446	14,155,593
6	Computer & Computer Equipments	4,833,983	203,700		5,037,683	20.0%	3,594,848	-	310,776	1,132,059
7	Water Treatment Plant	8,552,645	94,500		8,647,145	15.0%	5,746,296	-	919,523	1,981,326
8	Furniture & Fixture	14,681,118	1,062,992		15,744,110	10.0%	8,247,999	-	1,346,670	6,149,441
9	Vehicles	59,962,165	-	-	59,962,165	20.0%	25,506,115	-	9,609,911	24,846,139
10	Electric Installation	35,794,236	-	-	35,794,236	15.0%	19,813,169	-	2,265,659	13,715,408
11	Fire Extinguisher/Equipments	2,405,810	-	-	2,405,810	15.0%	418,697	-	281,716	1,705,397
12	Lab Equipments	2,791,179	-	-	2,791,179	15.0%	1,430,958	-	192,839	1,167,382
13	Refrigerator	28,299	-	-	28,298	15.0%	16,112	-	1,728	10,458
14	Air Conditioner	6,531,490	-	-	6,531,490	15.0%	3,026,309	-	496,934	3,008,247
15	Jetty	9,047,777	-	-	9,047,777	15.0%	4,949,747	-	580,984	3,517,046
16	Cylindrical Vertical Steel Tank	111,594,038	-	-	111,594,038	15.0%	61,779,199	-	7,062,321	42,752,518
17	Generator	20,300,278	-	-	20,300,278	15.0%	11,518,082	-	1,245,065	7,537,131
18	Ship	355,753,863	-	-	355,753,863	20.0%	167,808,783	-	34,862,638	153,082,442
19	Helicopter	90,285,623	-	-	90,285,623	10.0%	20,191,957	-	6,750,869	63,342,797
20	Solar Power System	560,000	-	-	560,000	15.0%	318,820	-	34,193	206,987
21	Telephone Installation	1,702,088	99,700		1,801,788	15.0%	855,839	-	123,712	822,237
22	Water Line Installation	326,395	-	-	326,395	15.0%	185,824	-	19,928	120,643
	June 30, 2020	9,211,016,817	821,390,869	-	10,032,407,685		3,867,154,155	-	607,641,195	5,557,612,336
	June 30, 2019	8,867,009,531	381,023,284	37,015,998	9,211,016,817		3,349,279,831	13,611,618	531,485,942	5,343,862,662

Note: 45

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

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

Key Management Personnel Compensation:

Particulars	Transaction During the period ended	
	30-June-20	30-June-19
Salary & Allowances	21,304,584	226,96,906
Total =	21,304,584	226,96,906

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

Note: 46**Financial risk management**

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

- Credit risk
- Liquidity risk
- Market risk

Credit risk

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

a) Exposure to credit risk

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

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

b) Ageing of Receivables

Accounts receivable were aged as below:

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

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:

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

Market risk

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

a) Currency risk/foreign exchange rate risk

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

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

b) Interest rate risk

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

Variable Rate instruments

Financial Assets
 Financial Liabilities

Note: 47

Reporting under BSEC Notification of Financial Reporting and Disclosure dated 20 June 2018.

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

June 30, 2020
Taka

A CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	760,375,863
Adjustments to reconcile net income to net cash provided by operating activities	
(+) Depreciation	607,641,194
(+) Amortization of Intangible Assets	139,652
(-) Increase in Inventory	(402,845,749)
(-) Increase in Accounts Receivable	(381,118,480)
(-) Increase in Other Receivable	(90,981)
(+) Decrease in Prepaid Expenses	20,966,187
(+) Decrease in Financial Assets	6,233,822
(-) Increase in Goods Intransit	(2,910,858)
(+) Increase in Sundry Creditors	81,431,316
(+) Increased in Trade Payable	122,760,381
(-) Decrease in Other Payable	(8,495,341)
(-) Decrease in L/C Liabilities	(3,531,642)
(-) Decrease in Liabilities for Expenses	(1,876,527)
(-) Increase in Investment in equity Methods	(387,796,137)
(+) Provision for Deferred Tax	77,559,227
(+) Exchange Gain or Loss	6,363,219
Net Cash flows from operating activities	494,805,146

B	Number of Share for Calculation of NOCFPS	169,168,072
	Net Operating Cash Flow Per Share (NOCFPS) [A/B]	2.92

Note: 48

Reporting under BSEC Notification of Financial Reporting and Disclosure dated 20 June 2018.

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

	June 30, 2020 Taka
A CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	802,551,953
Adjustments to reconcile net income to net cash provided by operating activities	
(+) Depreciation	402,158,431
(-) Increase in Inventory	(113,809,996)
(-) Increase in Accounts Receivable	(315,933,637)
(-) Increase in Other Receivable	(90,981)
(-) Increase in Prepaid Expenses	(12,567,888)
(+) Decrease in Goods Intransit	-
(+) Increase in Sundry Creditors	81,431,316
(+) Increased in Trade Payable	123,356,847
(+) Increase in L/C Liabilities	-
(-) Decrease in Liabilities for Expenses	(404,030)
(-) Increase in Investment in equity Methods	(387,796,137)
(+) Provision for Deferred Tax	77,559,227
(+) Exchange Gain or Loss	6,363,220
Net Cash flows from operating activities	662,818,325
Calculation of Net Operating Cash Flow Per Share:	
B Number of Share for Calculation of NOCFPS	169,168,072
Net Operating Cash Flow Per Share (NOCFPS) [A/B]	3.92

Note: 49

Reporting under Company Act 1994, section 186(6)

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

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 the 15th 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, 2020.

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

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. But the COVID-19 pandemic has entirely changed all economic forecasts of the world. Still Bangladesh economy was able to register a 3.5% growth in GDP and projected to achieve 4.4% in FY2021.

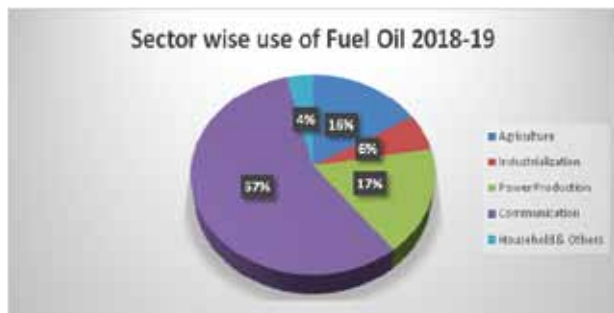
Foreign Exchange Reserve has reached a record USD 41.07 Billion and GDP Per capita has reached at USD 1855.74 showcasing unprecedented growth.

Petrochemical Sector Scenario of Bangladesh

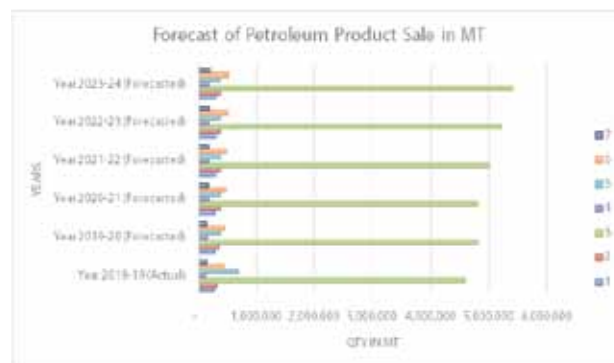
Business of Petrochemical sector has been lone prerogative of Government of Bangladesh since the inception of the Country. Bangladesh Petroleum Corporation (BPC) a statutory corporation under an ordinance effective from the year 1977 has been given with the only right of Petroleum Import, Collection, 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 manifolds to all branches of economy which includes Agriculture, Industrialization, Power Production, Communication, Households and so forth.

For the period of 2018-19 total consumption of petroleum product was 65.49 Lac MT out of which more than 73.80% was consumed by communication and power production sector.



Around 46.00 Lac MT refined oil are imported from abroad and the rest 19.49 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 191 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 65.95 Lac MT.



Current oil consumption portfolio shows the dominant use of Diesel. Almost 70.13% 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 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. 4,592.24 Million as compared to Tk. 5,606.66 Million in FY 2018-19 which is -18.09% lower.

Particulars	FY 2019-20	FY 2018-19
Capacity (In liter Per day)	397500	3,97,500
Capacity Utilization (%)	56.98	69.15
Revenue (In Million Taka)	4,592.24	5606.66
Gross Profit (In Million Taka)	444.50	584.03
Profit from Operation (In Million Taka)	363.43	474.72
Profit Before Tax (In Million Taka)	68.10	175.85
Profit After Tax (In Million Taka)	47.82	130.58
Gross Profit Margin (%)	9.68%	10.42%
Operating Profit Margin (%)	7.91%	8.47%
Net Profit Margin (%)	1.04%	2.33%

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).

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.

Product	Year 2018-19	%	Year 2019-20	%
HOBC	4,794.46	86%	3,681.92	80%
Petrol	149.43	3%	353.82	8%
Diesel	444.57	8%	349.21	8%
Kerosene	218.20	4%	207.29	5%
Others	-	0%	-	0%
Total	5,606.66	100%	4,592.24	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. For FY2019-20 your company has added a total of Tk. 20.28 Million as Income Tax and Tk. 688.35 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 –

- Selection of suitable accounting policies and then applying them consistently,
- Making judgments and estimates that are reasonable and prudent,
- Ensuring that the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS),
- 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

Particulars	2019		2020		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	5,606.66		4,592.24		-18.09%
Cost of Sales	5,022.63	89.58%	4,147.74	90.32%	-17.42%
Gross Profit	584.03	10.42%	444.50	9.68%	-23.89%
Other Income Net	28.37	0.51%	30.67	0.67%	8.10%
General and Administrative Expenses	109.31	1.95%	81.07	1.77%	-25.83%
Operating Profit	474.72	8.47%	363.43	7.91%	-23.44%
Finance Costs Net	318.45	5.68%	322.58	7.02%	1.30%
WPPF	8.79	0.16%	3.41	0.07%	-61.27%
Net Profit Before Income Tax	175.85	3.14%	68.10	1.48%	-61.27%
Income Tax	45.27	0.81%	20.28	0.44%	-55.20%
Net Profit After Income Tax	130.58	2.33%	47.82	1.04%	-63.38%

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

Gross revenue has decreased by around -18.09% due to under capacity production and Cost of Sales was also decreased in the same ratio and the company lose -23.89% on Gross Margin. General and Administrative expenses has also fell -25.83%, due to increase in sales and distribution expenses. 1.30% increase in Net Finance Cost can be attributed to increase in interest on working capital finance.

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 -55.20% due to lesser income.

Profit Appropriation

During the year under report the net profit of your company stands at Tk. 47.82 Million as compared to Tk.130.58 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, 2020 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2020	47.82
Profit brought Forward	811.55
Less: Tax Holiday Reserve (19.13)	
Profit available for appropriation	840.23
Appropriations:	
Proposed Stock and Cash Dividend	100.00
Transferred to Retained Earning	740.23
Profit available for appropriation	840.23

Dividend

Your company has just started commercial operation from October 2013. Due to lack of raw material, the Company is passing through a toughest phase of operation since its commercial operation. Therefore the management decided for 10% cash dividend for the year under report and keep strict observation on the operation of the project.

Dividend Type	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Cash Dividend (%)	10%	10%	25%	20%	15%
Stock Dividend (%)	0%	0%	0%	0%	0%
Total	10%	10%	25%	20%	15%

Directors' Meeting & Attendance

During the year ended June 30, 2020 The Board of Directors held 4 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Rezakul Haider	4
Mr. AnisSalahuddin Ahmad	4
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Faridul Alam	4
Mr. GolamNabi FCA	4

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

The Pattern of Shareholding

Pattern of Shareholding as on June 30, 2020

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. Rezakul Haider	Chairman	1,700,000	1.70%	
B. Mr. Feroz Alam	Deceased	1,800,000	1.80%	
C. Mr. AnisSalahuddin Ahmad	Managing Director	1,000,000	1.00%	
D. Mr. A.K.M.Badiul Alam	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. Rezakul 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. Rezakul Haider	500,000	0.50%
K. Ms. IsratAzim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	500,000	0.50%
M. Mr. GolamNabi 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. Rezakul Haider and Mr. Faridul Alam shall retire in 15th 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 Knit 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. Rezakul Haider	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓										
Mr. AnisSalahuddin 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 15th 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), PetroBangla, Rupantari-Prakritic Gas Company Ltd (RPGCL), Registrar of Joint Stock Companies & Firms, and various government authorities, individual and agencies.

SHAHJIBAZAR POWER COMPANY LIMITED

CORPORATE OBJECTIVES, VALUES & STRUCTURE
THE MANAGEMENT & REPORTING
COMPLIANCES AND DISCLOSURES
FINANCIAL STATEMENTS
DIRECTORS' REPORTS AND FINANCIAL STATEMENTS OF SUBSIDIARY

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



Rezakul Haider
Chairman



INDEPENDENT AUDITOR'S REPORT To the Shareholders of Petromax Refinery Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Petromax Refinery Ltd. which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and the applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements, section of our report. We are independent of the Company in accordance with the ethical requirement that is relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements that gives a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the financial statements dealt with by the report, are in agreement with the book of accounts.

Dhaka
28 October, 2020



Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited

Statement of Financial Position

As at June 30, 2020

	Notes	June 30, 2020	June 30, 2019
Assets			
Non-Current Assets		3,197,100,838	3,278,686,112
Property, Plant and Equipment	4.00	2,656,135,224	2,851,245,800
Intangible Assets	5.00	326,832	466,483
Other Investment	6.00	540,638,783	426,973,829
Current Assets		3,141,052,598	2,850,167,916
Inventories	7.00	1,224,038,719	935,002,967
Accounts Receivable	8.00	1,062,517,054	997,332,211
Advance, Deposits and Prepayments	9.00	770,700,734	804,234,809
Financial Assets at fair value through profit or loss	10.00	14,133,508	20,367,330
Goods In-transit	11.00	52,348,231	49,437,374
Cash & Bank Balance	12.00	17,314,351	43,793,225
Total Assets		6,338,153,436	6,128,854,028
Shareholders Equity and Liabilities			
Shareholder's Equity		2,847,685,697	2,899,861,786
Share Capital	13.00	1,000,000,000	1,000,000,000
Tax Holiday Reserve	14.00	1,007,441,713	988,312,149
Retained Earnings	15.00	840,243,983	911,549,637
Current Liabilities		3,490,467,740	3,228,992,242
Accounts Payable	16.00	5,319,244	5,915,714
Other Payables	17.00	9,914,084	18,409,425
L/C Liabilities	18.00	-	3,531,642
Short Term Loan	19.00	3,461,086,005	3,185,514,558
Liabilities for Expenses	20.00	14,148,407	15,620,904
Total Liabilities		3,490,467,740	3,228,992,242
Total Shareholders Equity and Liabilities		6,338,153,436	6,128,854,028
Net Assets Value Per Share (NAV)		28.48	29.00
Number of Shares used to compute NAV		100,000,000	100,000,000

The accompanying notes 1 to 32 form an integral part of these financial statements.


Managing Director


Director


Chairman

Dhaka
28 October 2020


Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited
Statement of Profit or Loss and other Comprehensive Income
 For the Year Ended June 30, 2020

	Notes	For the Year Ended	
		July' 2019 to June'2020	July' 2018 to June'2019
Revenue	21.00	4,592,237,549	5,606,657,287
Cost of Sales	22.00	4,147,739,268	5,022,628,077
Gross Profit		444,498,281	584,029,210
General and Admin. Expenses	23.00	81,072,787	109,307,692
Profit/(Loss) from Operation		363,425,494	474,721,519
Non-Operating Income	25.00	30,665,386	28,368,548
Financial Expenses	24.00	322,580,987	318,445,214
Worker's Profit Participation Fund (WPPF)	26.00	3,405,233	8,792,612
Net Profit/(Loss) Before Tax		68,104,660	175,852,240
Current Tax	27.00	20,280,749	45,269,774
Net Profit/(Loss) After Tax		47,823,911	130,582,466
Other Comprehensive Income		-	-
Total Comprehensive Income		47,823,911	130,582,466
Earnings Per Share (EPS)	28.00	0.48	1.31
Number of Shares used to compute EPS		100,000,000	100,000,000

The accompanying notes 1 to 32 form an integral part of these financial statements.


Managing Director


Director


Chairman

Dhaka
 28 October 2020


Aziz Halim Khair Choudhury
 Chartered Accountants

Petromax Refinery Limited
Statement of Changes in Equity
 For the Year Ended June 30, 2020

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2019	1,000,000,000	988,312,149	911,549,637	2,899,861,786
Dividend Payment	-	-	(100,000,000)	(100,000,000)
Net profit for the period	-	-	47,823,911	47,823,911
Tax Holiday Reserve	-	19,129,564	(19,129,564)	-
Balance as at June 30, 2020	1,000,000,000	1,007,441,713	840,243,983	2,847,685,697

Statement of Changes in Equity
 For the Year ended June 30, 2019

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2018	1,000,000,000	936,079,162	1,033,200,157	2,969,279,320
Net profit for the period	-	-	130,582,466	130,582,466
Transfer for the period	-	52,232,986	(52,232,986)	-
Dividend Payment	-	-	(200,000,000)	(200,000,000)
Balance as at June 30, 2019	1,000,000,000	988,312,149	911,549,637	2,899,861,786

The accompanying notes 1 to 32 form an integral part of these financial statements.


Managing Director


Director


Chairman

Dhaka
 28 October 2020

Petromax Refinery Limited
Statement of Cash Flows
 For the year ended June 30, 2020

	June 30, 2020	June 30, 2019
Cash Flows from Operating Activities		
Cash receipt from customers	4,527,052,706	5,746,809,798
Cash paid to suppliers, service providers and employees	(4,233,108,638)	(4,721,066,018)
Cash (used)/Generated from operations	(50,260,340)	(290,179,043)
Tax (Paid)/Deducted	(20,280,749)	(45,269,774)
Cash paid Worker's Profit Participation Fund (WPPF)	(17,500,559)	(20,000,000)
Cash received from Non-Operating Activities	30,665,386	28,368,548
Financial Charges	(322,580,987)	(318,445,214)
Net Cash Provided/(Used) from Operating Activities	(86,013,180)	380,218,296
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(10,372,187)	(19,483,007)
Sales of property, plant and equipment	-	12,380,100
Other Investment	(113,664,954)	(21,957,726)
Net Cash Provided/(Used) in Investing Activities	(124,037,141)	(29,060,633)
Cash Flows from Financing Activities		
Loan other than Bank and Financial Institutes	-	(89,364)
Short term Loan	275,571,447	(206,348,442)
Dividend Paid	(100,000,000)	(200,000,000)
Loan and Advance (Shahjibazar Power Co. Ltd. (Parent Co.))	8,000,000	133,000,000
Long Term Loan	-	(40,513,579)
Net Cash Provided/(Used) in Financing Activities	183,571,447	(313,951,386)
Net cash increased/(decreased) during the period	(26,478,874)	37,206,277
Cash and Cash Equivalent as at July 01, 2019	43,793,225	6,586,948
Cash and Cash Equivalent as at June 30, 2020	17,314,351	43,793,225

The accompanying notes 1 to 32 form an integral part of these financial statements.


 Managing Director


 Director


 Chairman

Dhaka
 28 October 2020

Petromax Refinery Limited **Notes to the Financial Statements** As at and for the year ended 30 June 2020

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 International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as much as practicable. The statement of financial position and statement of comprehensive income have been prepared according to IAS 1 Presentation of Financial Statements on accrual basis of accounting and statement of cash flows is prepared according to "IAS 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 2012

The Value Added Tax Rules 2012

The Customs Act 1969

Bangladesh Labor Law 2006

Securities and Exchange Rules 1987

Other applicable regulations

2.03 Application of Standards

The following IASs and IFRSs are applicable for the financial statements 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	33	Earnings Per Share
IAS	37	Provisions, Contingent Liabilities and Contingent Assets
IAS	38	Intangible Assets
IFRS	9	Financial Instruments

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 2019 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 2019 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant IAS.

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 28 October, 2020.

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 "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 IAS-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 IAS 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 IAS-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 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 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 IAS-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 IAS 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 25% and 10%. Moreover, tax on remaining 75% and 90% 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 IAS-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 IAS-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 IAS 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 IAS-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 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".

3.15 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 ICAB.

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

Preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements 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 PerShare (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 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 Worker's 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 IAS 24.

		Amount in BDT	
		June 30, 2020	June 30, 2019
4.00	Property, Plant & Equipment		
	Cost		
	Opening Balance	4,116,589,816	4,119,497,807
	Addition During The Year	10,372,187	19,483,007
	Less: Disposal During The Year	-	(22,390,998)
	Cost at June 30, 2020	4,126,962,003	4,116,589,816
	Accumulated Depreciation		
	As at July 01, 2019	1,265,344,016	1,045,505,369
	Charged during the Year	205,482,763	225,850,860
	Less: Disposal During The Year	-	(6,012,214)
	At June 30, 2020	1,470,826,779	1,265,344,016
	Written Down Value at June 30, 2020	2,656,135,224	2,851,245,800
All assets are freehold to the company and there is no leasehold property presented in the head "Property, Plant & Equipment".			
For details please refer to Annexure A			
5.00	Intangible Assets		
	Cost		
	Opening Balance	931,000	931,000
	Addition During the Period	-	-
	Closing Balance	931,000	931,000
	Amortization		
	Opening Balance	464,517	324,866
	Amortization During the Period	139,652	139,652
	Closing Balance	604,169	464,517
	Written Down Value	326,832	466,483
Intangible assets are amortizing @ 15% on cost as per the Company's policy.			
6.00	Other Investment		
	Fixed Deposit Receipt		
	Islami Bank Bangladesh Limited (A/C No. 3074816)	279,976,099	266,766,263
	Islami Bank Bangladesh Limited (A/C No. 3142812)	135,562,211	127,219,736
	Islami Bank Bangladesh Limited (A/C No. 3217512)	27,294,953	25,616,854
	Islami Bank Bangladesh Limited (A/C No. 333674)	5,477,700	5,137,275
	Islami Bank Bangladesh Limited (A/C No. 35985)	49,988,000	-
	Islami Bank Bangladesh Limited (A/C No. 35998)	29,988,000	-
	Islami Bank Bangladesh Limited (A/C No. 36328)	9,997,500	-
	Exim Bank Limited (MTDR A/C No:272671)	2,354,321	2,233,701
		540,638,783	426,973,829
7.00	Inventories		
	Raw materials(Condensate)	854,079,448	512,852,993
	Work-in-progress	4,098,020	4,450,530
	Finished Goods	325,484,391	380,605,438
	General Stores	40,376,859	37,094,006
		1,224,038,719	935,002,967

At the ending of June,30 2020 the Raw materials (condensate) show higher balance because during COVID-19 lockdown factory was not in production but received condensate from Rupantarito Prakitik Gas Ltd. (RPGCL).

		Amount in BDT	
		June 30, 2020	June 30, 2019
8.00 Accounts Receivables			
Bangladesh Petroleum Corporation		1,054,767,562	993,090,605
Jamuna Spacetechnology Joint Venture Ltd.		63,389	63,389
Interest Receivable		7,686,103	4,178,216
		1,062,517,054	997,332,211
Age Analysis of Accounts Receivables			
Less than One Year		787,459,238	722,274,395
More than One Year		275,057,816	275,057,816
		1,062,517,054	997,332,211
As stated in note no. 32.00 the receivables for more than one year was realised after the reporting period.			
9.00 Advance, Deposits and Prepayments			
Advances		706,649,277	740,183,352
Deposits		64,051,457	64,051,457
		770,700,734	804,234,809
Advance			
Advance to Different Suppliers	9.01	221,580,431	345,631,836
Advance for Operational Activities	9.02	2,700,750	4,762,832
AIT (Advance Income Tax)	9.03	212,819,429	115,890,149
VAT Current A/C		7,662,383	15,428,679
Interest Charges in Advance by IBBL for MTR Loan		184,886,284	173,469,857
Advance to Shahjibazar Power Co. Ltd. (Parent Co.)		77,000,000	85,000,000
		706,649,277	740,183,352
9.01 Advance to Different Suppliers			
Alam Tyre's & Battery		44,000	69,800
Fishers Shipyard Ltd.		100,000	-
Inspace Atelier		-	7,000,000
Mirzapur Green City		27,000	27,000
Nadia Electronic		25,200	-
MJL Bangladesh Ltd.		53,670	630
M/s. MDM Traders		168,600	-
Petromax LPG Ltd.		-	11,109
Petromax Cylinders Ltd.		1,702,378	1,702,378
Midland East Power Ltd.		3,560	178,961,170
Youth Garments Ltd. (Khulna- C & F Division)		-	12,750
Rupantarita Prakritik Gas Company Ltd.		216,003,572	152,193,656
EBL Investments Limited		500,000	500,000
South Asian Airlines Limited		500,000	500,000
Talukder Trade International		21,250	-
UMS Centre		8,000	-
Advance Insurance Premium		2,423,201	4,653,343
		221,580,431	345,631,836
9.02 Advance for Operational Activities			
Hasan Imam Siddiki		1,200,000	1,560,000
Lutfun Nahar		146,000	202,000
Redwanul Bari		80,000	320,000
Advance to Different Individual for Official Work		1,258,659	129,117
Comfit Composite Knit Ltd.		16,091	2,551,715
		2,700,750	4,762,832

9.03 AIT (Advance Income Tax)

AIT (Advance Income Tax)
 Adjusted with current tax payable

Deposits

Security Deposit with Pally Biddut Samitee
 Security Deposit To MPA for Pipeline
 Security Deposit against Bank Guarantee
 Electricity Connection
 BTRC Demand Note

Ageing Status of Advance, Deposit and Prepayments

Less than one year
 More than one year

10.00 Financial Assets at Fair Value through Profit or Loss

AB Bank Ltd.
 Appollo Ispat Complex Limited.
 Asia Insurance Ltd. (ASIANS)
 Bay Leasing & Investment Ltd.
 BBS Cables Ltd.
 Bashundhara Paper Mills Ltd. (BPML)
 Bangladesh Steel Re-Rolling Mills Limited
 The City Bank Ltd.
 CVO Petrochemical Refinery Limited
 Dhaka Electric Supply Company Limited
 Dhaka Bank Ltd.
 Dutch-Bangla Bank Limited
 EXIM Bank Limited
 Far Chemicals Industries Ltd.
 GPH Ispat Ltd.
 IFIC Bank Limited
 Lafarge Holcim Bangladesh Limited
 Nahee Aluminum Composite Panel Ltd.
 Nurani Dyeing & Sweater Ltd. (NURANI)
 One Bank Limited
 Premier Leasing & Finance Ltd.
 RAK Ceramics (Bangladesh) Limited
 Union Capital Ltd.
 Uttara Bank Ltd.

11.00 Goods In Transit

Goods In Transit- Condensate
 Goods In Transit- Machinery/Parts

12.00 Cash and Cash Equivalents

Cash in Hand
 Islami Bank Bangladesh Limited (A/C No:9766)
 Bank Asia Limited (A/C No:333006320)
 Exim Bank Limited (A/C No:125161)
 Bank Asia Ltd. (A/C No:60533000478)
 Prime Bank Ltd. (A/C No:2118117019682)
 Prime Bank Ltd. (A/C No:2118754019795)

Amount in BDT	
June 30, 2020	June 30, 2019
233,100,178	161,159,924
20,280,749	45,269,774
212,819,429	115,890,149
35,616	35,616
938,979	938,979
63,039,462	63,039,462
20,840	20,840
16,560	16,560
64,051,457	64,051,457
653,737,568	762,999,799
116,963,166	41,235,010
770,700,734	804,234,809
553,520	814,000
134,827	269,654
85,000	122,000
1,165,500	1,921,500
1,762,160	2,948,670
678,300	1,200,200
2,200,990	2,916,826
478,706	796,887
741,560	1,024,304
211,932	278,313
1,060,500	1,428,000
78,238	94,738
645,000	847,500
130,438	157,300
294,686	398,475
291,368	352,352
359,000	397,000
782,331	813,890
143,990	294,100
759,000	1,097,250
102,640	190,618
173,030	224,939
396,898	901,288
903,894	877,526
14,133,508	20,367,330
52,348,231	45,905,732
-	3,531,642
52,348,231	49,437,374
75,675	109,621
575,866	36,841,652
2	2
7,057	8,427
860	1,550
206,158	397,294
55	-

Standard Chartered Bank (A/C No.-01-1308664-01)
Islami Bank Bangladesh Limited (A/C No:46-IDB Br.)
Islami Bank Bangladesh Limited (L/C Margin)
Islami Bank Bangladesh Limited (A/C No:560)
Revolving A/C (Mongla Port Authority)
Ledger Balance of BO Account

Amount in BDT	
June 30, 2020	June 30, 2019
202,351	221,021
15,764,681	4,798,854
151,551	370,774
318,801	1,032,186
10,000	10,000
1,295	1,845
17,314,351	43,793,225
3,000,000,000	3,000,000,000
1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000
-	-
1,000,000,000	1,000,000,000
No. of shares held	Percentage
1,800,000	1.80%
1,700,000	1.70%
1,000,000	1.00%
500,000	0.50%
500,000	0.50%
500,000	0.50%
500,000	0.50%
500,000	0.50%
500,000	0.50%
1,000,000	1.00%
1,500,000	1.50%
90,000,000	90.00%
100,000,000	100%

13.00 Share Capital

Authorized Capital :

300,000,000 shares @ Tk.10.00 each

Issued, Subscribed and Paid-up Capital

10,00,00,000 shares @ Tk.10.00 each

Movement of Share Capital:

Opening Balance

Allotment During the Period

SHARE HOLDING POSITION:

Name of the Share Holder

Feroz Alam
Rezakul Haider
Anis Salahuddin Ahmad
Akbor Haider
Asgar Haider
Faridul Alam
Faisal Alam
Shahida Alam
Israt Azim Ahmad
A.K.M.Badiul Alam
Shamsuzzaman
Shahjibazar Power Co. Ltd.

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

14.00 Tax Holiday Reserve

Balance as at July 01, 2019

Addition during the Period

Balance as at June 30, 2020

988,312,149	936,079,162
19,129,564	52,232,986
1,007,441,713	988,312,149
911,549,637	1,033,200,157
(100,000,000)	(200,000,000)
47,823,911	130,582,466
(19,129,564)	(52,232,986)
840,243,983	911,549,637

15.00 Retained Earnings

Balance as at July 01, 2019

Less: Dividend

Add: Net profit/(Loss) for the Period

Less: Transferred to Tax Holiday Reserve

Balance as at June 30, 2020

16.00 Accounts Payable

AKH Fashion Ltd.
Angelic Accessories
Ali Tyre Corporation
Angelic Trims Printing
Angira Electronics
A to Z Computer
Berger Paints Bangladesh Ptv. Ltd.
Bata Shoe Company Bangladesh Ltd.
Blue Star Communications
DHL Worldwide Express (Bangladesh) Pvt. Ltd.
Impexsol Pte. Ltd.
Clearing and forwarding agency
EMI Engineering Ltd.
F T Mill Store
Euro-Tex International
Integrated Design
Islami Insurance Bangladesh Ltd.
JR Automation
JTZ Engineering & Trading Inn.
Linde Bangladesh Ltd.
Monico Ltd.
Mayer Doa Tripal House
Omera Petroleum Ltd.
Omni Solutions Ltd.
Rupali Insurance Co. Ltd.
Metro Police Store
Micro Tools & Machineries
Powerbreeze Electromech Services Ltd.
MSI Corporation
M.M. Rubber & Plastic
Navana Toyota 3S Center
R & B International
Reliance Engineering
Rizwan Transport Agency Ltd.
Science Museum
Smart Printing Solutions Ltd.
S.M. Nurul Haque
Youth Fashion Ltd.
Tanveer Marine Services
Zenith Islami Life Insurance Ltd.
Trust Filling Station

Age Analysis of Accounts Payable

Less Than One Year
More Than One Year

Amount in BDT	
June 30, 2020	June 30, 2019
17,128	18,861
-	10,000
24,600	-
3,700	-
80,000	-
5,600	-
151,700	-
621	621
12,000	-
-	14,465
38,500	-
72,876	289,590
896,706	896,706
841	841
50,254	371,040
240,000	240,000
335,044	335,044
11,000	-
57,800	-
445,103	469,502
178,645	178,645
360	360
2,250	2,250
65,000	65,000
908,912	943,690
75,600	-
16,200	-
280,600	108,208
100,000	-
3,000	-
105,000	-
80	13,400
-	47,500
-	34,200
11,260	12,700
-	8,627
360,000	-
-	105,255
-	1,629,060
721,650	-
47,215	120,150
5,319,244	5,915,714
3,668,849	4,505,320
1,650,394	1,410,395
5,319,244	5,915,714

		Amount in BDT	
		June 30, 2020	June 30, 2019
17.00 Other Payable			
Sahara Trading	54,011	54,011	
Shahjibazar Power Co. Ltd.	-	100,000	
Petromax LPG Ltd.	4,998,660	-	
Audit Fee	402,500	402,500	
Raaj Fuel Agency	143	143	
Worker's Profit Participation Fund	3,405,233	17,500,559	
Danlop Enterprise	17,000	17,000	
Feroz Alam	826,875	-	
Md. Saydure Rahman	4,381	-	
Md. Asadullah	62,329	90,125	
Md. Shofiul Islam	85,952	81,146	
Md. Arafat Hossain	-	85,952	
Mr. Khair Ahmed	-	24,200	
Asif Ahmed Chowdhury	57,000	53,790	
	9,914,084	18,409,425	
18.00 L/C Liabilities			
Islami Bank Bangladesh Ltd.	-	3,531,642	
	-	3,531,642	
19.00 Short Term Loan			
MTR Loan (Murabaha Term Loan-IBBL)	3,310,881,477	2,692,255,266	
QTDR Loan (Term Loan-IBBL)	150,204,528	-	
TR Loan (Time Loan-PBL)	-	492,906,000	
OD Loan (Over Draft-PBL)	-	353,292	
	3,461,086,005	3,185,514,558	
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.			
20.00 Liabilities for Expenses			
Remuneration	420,000	500,000	
Salary & Allowance - H/O	640,568	1,330,101	
Salary & Wages - Factory	9,966,679	9,731,086	
Electricity Bill- Factory	3,053,351	4,021,125	
Electricity Bill- H/O	15,534	-	
Telephone Bill	2,414	2,222	
Internet Bill	10,500	10,500	
Security Service Charge-H/O	39,361	25,871	
	14,148,407	15,620,904	

			Amount in BDT	
			July 2019 - June' 2020	July 2018 - June '2019
21.00 Revenue				
High Speed Diesel (HSD)			349,207,457	444,568,650
Superior Kerosene Oil (SKO)			207,294,752	218,200,728
Motor Spirit (MS)			353,817,371	149,426,600
High Octane Blending Component (HOBC)			3,681,917,969	4,794,461,309
			4,592,237,549	5,606,657,287
22.00 Cost of Sales				
Raw Materials Consumed	22.01		3,736,674,528	4,539,411,253
Factory Overhead	22.02		411,064,741	483,216,824
			4,147,739,268	5,022,628,077
22.01 Raw Materials Consumed				
Opening Stock			935,002,967	1,005,847,888
Purchased & Manufactured During the Period			4,025,710,280	4,468,566,331
Less: Closing Stock			(1,224,038,719)	(935,002,967)
			3,736,674,528	4,539,411,253
22.02 Factory Overhead				
Insurance Premium			9,148,821	16,438,468
Rent & Rates			4,786,959	23,732,279
Electricity, Gas & Water			39,968,343	45,740,047
Wages, Salary & Allowance - Factory			123,995,384	128,740,532
Repair & Maintenance - Factory			24,243,217	42,435,703
Tiffin & Refreshment - Factory			1,091,449	1,612,576
Medical Expenses			2,543,820	951,262
Government Taxes & License Fee			1,411,588	812,591
Office Expenses-Factory			544,493	596,711
Uniform & Liveries			354,818	27,589
Lab Test Fees			151,767	153,284
LPG for Operation			3,028,113	3,244,370
Labour Bill			612,618	45,820
Safety Items Expenses			200,065	305,086
Exchange (Gain)/Loss			251,390	-
Depreciation			198,731,895	218,380,506
			411,064,741	483,216,824
23.00 General and Administrative Expenses				
Rent & Rates			2,018,897	2,075,748
Carriage Outward			1,414,911	1,189,709
Repair & Maintenance			277,014	585,104
Vehicles Running & Maintenance			2,797,815	3,231,146
Tiffin & Refreshment			2,660,763	4,152,226
Fees & Subscription			2,676,094	5,485,425
Postage, Telephone, Fax & Telex			422,627	483,819
Govt. Taxes, Stamp Duty & License Fee			177,308	1,686,195
Advertisement Expenses			200,000	15,124
Audit Fees			402,500	402,500
Insurance Premium of Helicopter			2,004,283	1,657,920
BO Account Charge			550	550
Electricity Bill- Office			195,211	141,801

	Amount in BDT	
	July 2019 - June' 2020	July 2018 - June '2019
Internet Bill	69,892	71,260
Survey Bill	322,517	338,017
Traning & Development	28,750	273,126
Stationary	448,509	551,814
Overseas Travelling	163,058	462,000
Remuneration	6,210,000	4,800,000
Papers, Books & Periodicals	2,177	8,339
Selling & Distribution Expenses	22,226,109	36,469,992
Salary & Allowance	15,519,425	18,613,379
Security Charge	334,980	317,339
Amortization of Intangible Assets	139,652	139,652
Provision for Unrealised loss on holding shares	6,233,828	2,848,819
Operational, Maintenance & Other Charges (Helicopter)	1,090,220	7,197,160
Tree Plantation	105,719	185,627
Calibration Fees	360,000	-
Capital Gain / (Loss)	-	3,998,684
Write off of Receivables	3,758,243	2,419,654
Depreciation of Helicopter	6,750,869	7,470,355
Fuel & Lubricant- Helicopter	1,068,000	1,236,000
Travelling & Conveyance bill	992,867	799,210
	81,072,787	109,307,692
24.00 Financial Expenses		
Interest / Profit Charge	319,409,755	311,982,314
Bank Charge	3,171,232	6,462,900
	322,580,987	318,445,214
25.00 Non-Operating Income		
Wastage Sales	523,055	414,213
Dividend Income	224,797	280,920
Lab Test Income	-	31,350
Interest / Profit Income	29,917,528	24,469,869
Exchange (Gain)/Loss	-	169,859
Unrealised Gain/Loss on Sale of Share	-	1,633,074
Realised Gain on Sale of Share	6	1,369,263
	30,665,386	28,368,548
26.00 Worker's Profit Participation Fund (WPPF)		
Net Profit Before Tax	68,104,660	175,852,240
WPPF @ 5% of Net Profit Before Tax	3,405,233	8,792,612
	3,405,233	8,792,612
27.00 Income Tax Expenses		
Current Tax (Annexure -T)	20,280,749	45,269,774
Deferred Tax	-	-
	20,280,749	45,269,774
28.00 Earning Per Share		
Net Profit after Tax	47,899,789	130,582,466
Number of Shares Outstanding	100,000,000	100,000,000
Earning Per Share (EPS)	0.48	1.31

29.00 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 exchanges 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-20	30-Jun-19
Term loan	-	-
Short term loan- MTR	3,310,881,477	3,185,514,558
Short term loan- QTDR	150,204,528	-
	3,461,086,005	3,185,514,558

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.

30. Related Party Transaction

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

Particulars	30.06.2020		30.06.2019	
	Directors	All Managers	Directors	All Managers
Board Meeting Fee	-	-	-	-
Remuneration & Allowances	6,210,000	25,605,192	4,800,000	22,732,104
Bonus	850,000	1,231,668	160,000	1,470,945
Total	7,060,000	26,836,860	4,960,000	24,203,049

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:

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

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2019	Addition during the period	Adjustment during the period	Balance as at June 30, 2019
Shahjibazar Power Co. Ltd.	Parent-Subsidiary	Advance	85,000,000	56,200,000	64,200,000	77,000,000
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	2,551,715	208,262	2,743,886	16,091
Midland Power Co. Ltd.	Common Directorship	Short Term Loan	-	-	-	-
Midland East Power Ltd.	Common Directorship	Short Term Loan	178,961,170	5,379,520	184,337,130	3,560
Petromax LPG Ltd.	Common Directorship	Short Term Loan	11,109	75,047,201	80,056,970	(4,998,660)
Petromax Cylinders Ltd.	Common Directorship	Short Term Loan	1,702,338	-	-	1,702,338
Feroz Alam	Managing Director	Office Rent	-	643,125	1,470,000	(826,875)
Rezakul Haider	Chairman	Office Rent	-	105,000	105,000	-

31.00 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 20

528,084,260

3,000,000

5,088,238

536,172,498

30 June 19

528,084,260

3,000,000

5,088,238

536,172,498

32.00 Other disclosures

32.01 Number of employees

As at 30 June 2020, number of regular employees receiving salary & allowance above Tk. 30,000.00 per month were 104 persons.

32.02 Comparatives

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

32.03 Events after the reporting period

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

a) Out of total receivable of the Company, an amount of Taka: 275,057,816.28 was 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 writ petition no. 2597 of 2015 through Honorable High Court dated on March 16, 2015. The verdict of such writ is in favor of Petromax Refinery Ltd. However, the amount has been received by Petromax Refinery Ltd. after the reporting period vide memo no. 28.00.0000.026.34.001.20.107 of the Ministry of Power, Energy, and Mineral Resources.

Petromax Refinery Limited

Fixed Assets Schedule

As at June 30, 2020

Annexure A

SL	Name of Assets	Cost			Depreciation					Written down Value at June 30, 2020
		Balance at July 01, 2019	Addition during the period	Disposal During the Period	Balance at June 30, 2020	Rate %	Balance at July 01, 2019	Charged During the Period	Adjustment During the Period	Balance at June 30, 2020
01	Land & Land Development	64,225,796	141,636	-	64,367,432	-	-	-	-	64,367,432
02	Building & Construction	531,410,096	750,503	-	532,160,599	7%	154,776,097	25,706,392	-	180,482,488
03	Electric Installation	35,794,236	-	-	35,794,236	15%	19,813,170	2,265,659	-	22,078,829
04	Computer	2,122,413	73,200	-	2,195,613	15%	883,277	180,276	-	1,063,553
05	Jetty	9,047,777	-	-	9,047,777	15%	4,949,747	580,984	-	5,530,731
06	Factory Equipments	9,277,331	27,200	-	9,304,531	15%	3,801,578	776,598	-	4,578,176
07	Lab Equipment	2,791,179	-	-	2,791,179	15%	1,430,959	192,839	-	1,623,798
08	Fire Fighting Equipments	2,405,810	-	-	2,405,810	15%	418,697	281,716	-	700,413
09	Plant & Machineries	2,822,660,419	-	-	2,822,660,419	6%	796,733,659	118,847,852	-	915,581,511
10	Cylindrical Vertical Steel Tank	111,594,037	-	-	111,594,037	15%	61,779,198	7,062,321	-	68,841,519
11	Generator	20,300,278	-	-	20,300,278	15%	11,518,080	1,245,065	-	12,763,145
12	Office Equipment	1,151,841	-	-	1,151,841	15%	609,411	76,902	-	686,313
13	Office Renovation	-	9,193,548	-	9,193,548	10%	-	229,839	-	229,839
14	Refrigerator	28,300	-	-	28,300	15%	16,113	1,728	-	17,841
15	Solar Power System	560,000	-	-	560,000	15%	318,820	34,193	-	353,012
16	Telephone Installation	1,702,089	99,700	-	1,801,789	15%	855,839	123,712	-	979,552
17	Ship	355,753,862	-	-	355,753,862	20%	167,808,782	34,862,638	-	202,671,419
18	Helicopter	90,285,623	-	-	90,285,623	10%	20,191,956	6,750,869	-	26,942,825
19	Vehicle	36,283,915	-	-	36,283,915	20%	10,006,693	4,874,261	-	14,880,954
20	Air Condition	6,531,490	-	-	6,531,490	15%	3,026,308	496,934	-	3,523,242
21	Water Line Installation	326,395	-	-	326,395	15%	185,823	19,928	-	205,752
22	Water Treatment Plant	4,382,645	-	-	4,382,645	15%	2,392,045	282,210	-	2,674,256
23	Furniture & Fixture	7,954,285	86,400	-	8,040,685	15%	3,827,763	589,848	-	4,417,611
	June 30, 2020	4,116,589,816	10,372,187	-	4,126,962,003		1,265,344,016	205,482,763	-	1,470,826,779
	June 30, 2019	4,119,497,807	19,483,007	22,390,998	4,116,589,816		1,045,505,369	225,850,860	6,012,214	1,265,344,016
										2,851,245,800

Depreciation Expenses:

Factory Overhead	198,731,895
General and Administrative	6,750,869
Total	205,482,763

Petromax Refinery Limited

Schedule of Tax Calculation

For the Year Ended June 30, 2020

Annexure-T	
Particulars	Amount in BDT
Net profit before tax	68,104,660
Non Operating income	
Dividend	224,797
Wastage Sales	523,055
Realized gain on sale of share	6
Income from MTDR	29,917,528
	30,665,386
Operating Income	
Operating Income of 1st Four months	12,479,758
Operating Income of last Eight months	24,959,516
	37,439,274
A. Tax on Operating Income:	
Tax on 1st 4 months income @ (32.5-8.125)%	3,041,941
Tax on last 8 months income @ (32.5-3.25)%	7,300,658
	10,342,599
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 25% and 10%.	
B. Tax on non Operating income:	
Dividend @ 20%	44,959.40
Tax on gain on sale of share @ 10% (Realized)	0.55
Wastage Sales @ 32.5%	169,993
Tax on income from MTDR@32.5%	9,723,197
	9,938,149
Income Tax Expenses (A+B)	20,280,749

SHAHJIBAZAR POWER CO. LTD.

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

Fax: 88-02-9032436, E-mail: info@youthbd.com, Web: www.youthbd.com

Plant: Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

Affix
Tk. 20
Revenue
Stamp

PROXY FORM

I/We.....of.....being a shareholder of
Shahjibazar Power Company Limited and entitled to vote hereby appoint Mr. / Mrs. / Miss.
..... as my / our proxy to attend and vote for me / us and on my / our behalf at the 13th Annual
General Meeting of the Company to be held on Monday the 25th day of January, 2021, at under digital platform
<http://spcl.digitalagmbd.net> at 10.30 A.M. As witness my/our hand this
day of.....2021.

.....
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, Web: www.youthbd.com

Plant: Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

ATTENDANCE SLIP

I/we hereby record my/our attendance at the 13th Annual General Meeting of the Company being held on Monday the 25th day of January, 2021, at under digital platform <http://spcl.digitalagmbd.net> 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.



SHAHJIBAZAR POWER CO. LTD.

Corporate Office : Youth Tower, 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh
Tel : 88-02-9025401-2, Fax : 88-02-48040214

Plant : Fatepur, Shahjibazar, Madhabpur, Hobigonj, Bangladesh
E-mail : info@youthbd.com, Web : www.youthbd.com