



**SHAHJIBAZAR POWER CO. LTD.**

**ANNUAL REPORT  
2022-2023**



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## FINANCIAL STATEMENTS

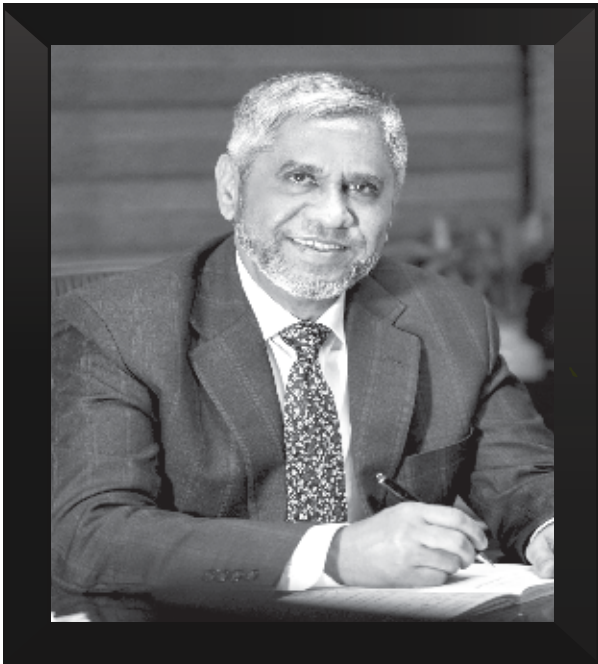
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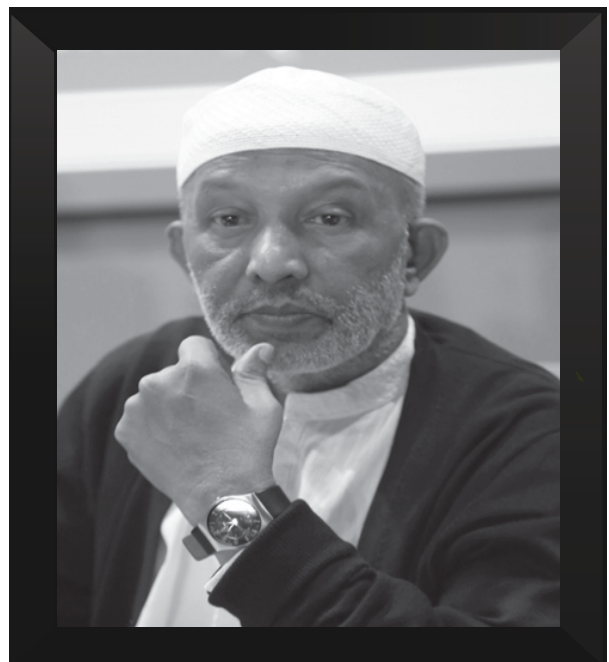


## REMEMBERING OUR FOUNDERS



(01 February 1954 – 23 April 2021)

**Late Mr. Rezakul Haider**  
Founder Chairman



(30 April 1956 – 5 October 2019)

**Late Mr. Feroz Alam**  
Founder Managing Director

## CONTRACT SIGNING



Petromax Refinery Ltd (PRL) the subsidiary of SPCL has signed a contract with Mongla Port Authority (MPA) to use land under Long Term Lease. Rear Admiral Mir Ershad Ali, OSP, NPP, ndc, psc Chairman, MPA, Md. Shaheenur Alam (Deputy Secretary), Director Admin, MPA and Asgar Haider Director of Petromax Refinery Ltd was present during the occasion.



## COMPANY INFORMATION

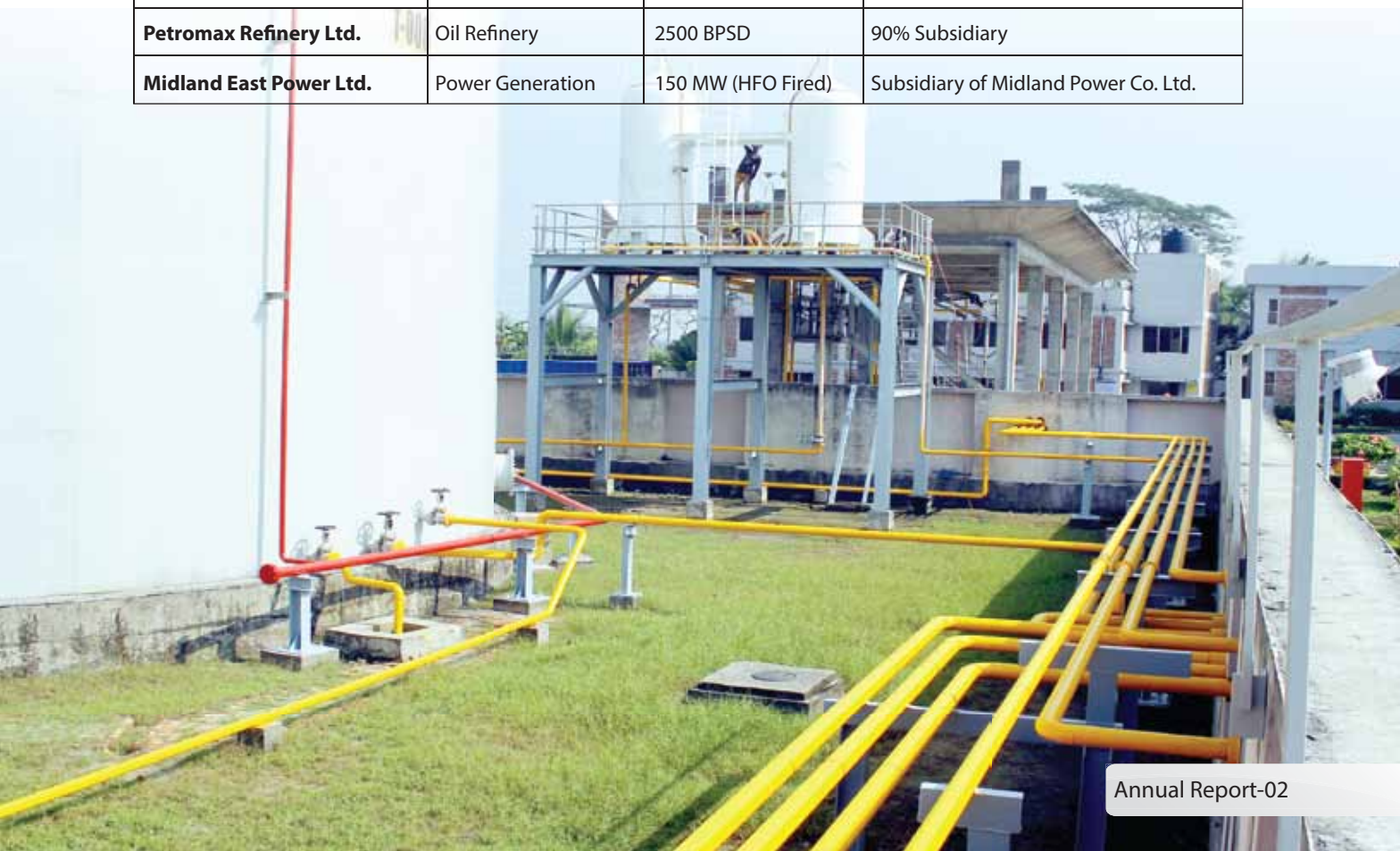
Shahjibazar Power Co. Ltd., is a Public Limited Company, registered under The Companies Act, 1994. The Company was incorporated in Bangladesh as a private limited company on 4th November 2007 vide registration no. C-68888(1400)/07 and subsequently converted into public limited company on 28th September 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.

Plant Name	Nature of Business	Capacity Details	Ownership Structure
<b>Shahjibazar Power Co. Ltd.</b>	Power Generation	86 MW (Gas Fired)	100% Controlling Interest
<b>Midland Power Co. Ltd.</b>	Power Generation	51 MW (Gas Fired)	49% Associate
<b>Petromax Refinery Ltd.</b>	Oil Refinery	2500 BPSD	90% Subsidiary
<b>Midland East Power Ltd.</b>	Power Generation	150 MW (HFO Fired)	Subsidiary of Midland Power Co. Ltd.



## CORPORATE DIRECTORY

### Board of Directors:

Mr. Anis Salahuddin Ahmad

Chairperson

Mr. Faridul Alam

Managing Director

Mr. A.K.M Badiul Alam

Director

Mr. Md. Shamsuzzaman

Director

Mr. Akbor Haider

Director

Mr. Faisal Alam

Director

Mr. Asgar Haider

Director

Mr. Mohammed Nurul Amin

Independent Director

Mr. Sharif Wadud , FCA

Independent Director

### Company Secretariat:

**Mr. Bhulon Kumar Bhowmik**

Chief Financial Officer

**Mr. Yeasin Ahmed, FCS**

Company Secretary

### Registered Office:

822/2 Rokeya Sarani, Mirpur

Dhaka-1216

Tel: + 09678221177

Fax- + 88-02 48040214

E-Mail: info@youthbd.com

Website: www.youthbd.com

### Auditors :

ACNABIN Chartered Accountants

BDBL Bhaban (Level 13 & 15)

12 Kawran Bazar C/A, Dhaka - 1215,

Tel: (+88-02) 410 20030 to 35

www.acnabin.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

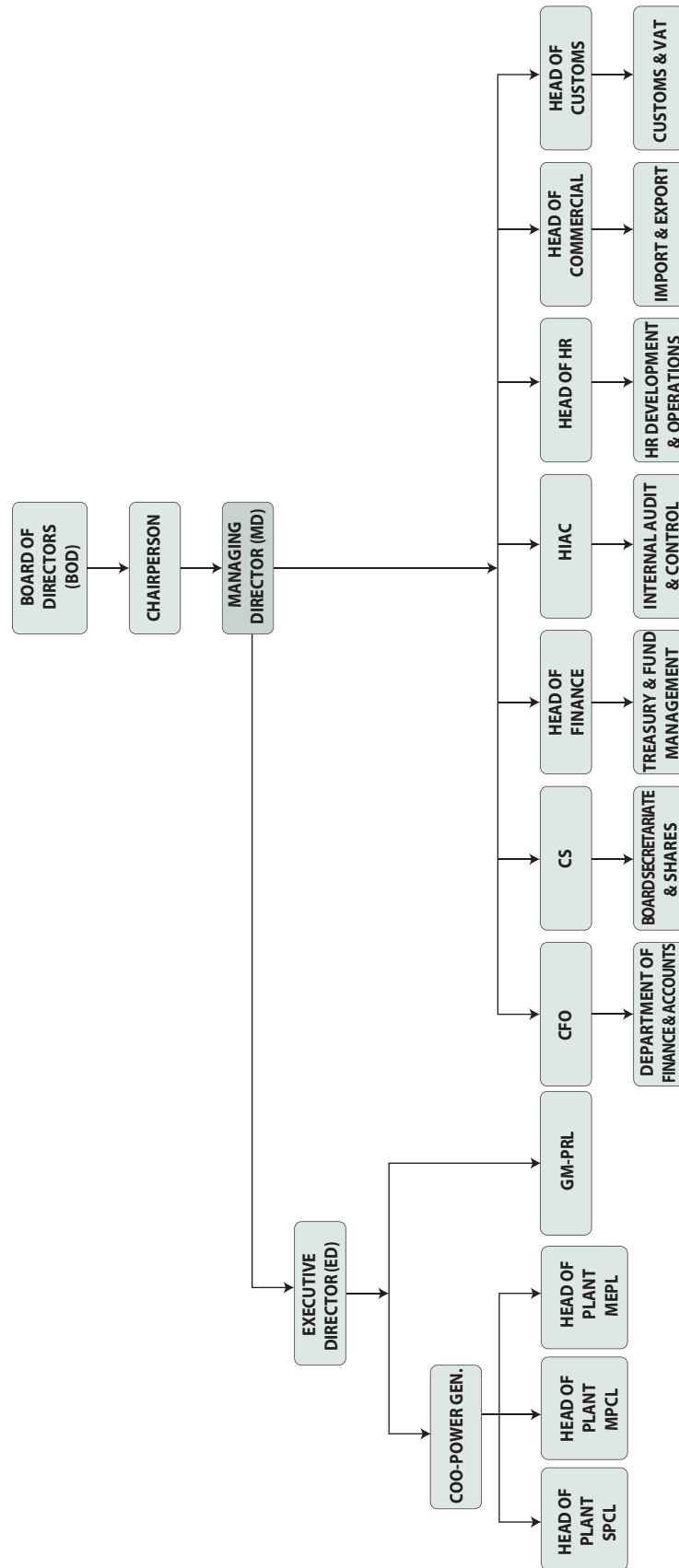
### Yeasin Ahmed, FCS

Position  
Educational Qualification  
Date of Joining  
Last Five Years' Experience

Company Secretary  
BBA, MBA (Finance), FCS, EMBA (IBA-DU)  
02.05.2014  
Worked as Manager in different Group of companies

## CORPORATE MANAGEMENT STRUCTURE

At SPCL we have a very highly skilled set of Technical and business management experts across different departments. Led by the Managing Director who is also the Chief Executive of the Company. Under the Managing Director an Executive Director has been leading all four plants under direct or shared control of SPCL. All department heads report to the Managing Director and the Managing Director is accountable to the Board for all affairs of the Company.





## CREDIT RATING REPORT

2023



## CRAB Corporate Rating Portrayal

### Credit Rating Report (11<sup>th</sup> Surveillance) SHAHJIBAZAR POWER CO. LTD.

## ANALYSTS

Mohammed Nazrul Islam Bhuiyan  
nazrul@crab.com.bd

Mohd. Asifur Rahman  
asif.rahman@crabrating.com

Entity Rating	Long Term Loan Rating	Short Term Loan Rating	Rating Outlook
AA <sub>1</sub>	AA <sub>1</sub> (Lr)	ST-1	Stable

Note: Details of the Rating and Credit facilities are exhibited in Appendix-1 & 2.

Methodology: CRAB's Corporate Rating Methodology ([www.crab.com.bd](http://www.crab.com.bd))

## FINANCIAL HIGHLIGHTS &amp; GRAPHS



## Financial Highlights

(Mil. BDT)	--Year Ended June 30--		
	2023	2022	2021
Revenue	2,751.97	2,235.24	2,146.71
CoGS as % of Sales	68.5%	64.7%	63.1%
EBITDA	1,118.90	1,483.37	1,762.75
EBITDA Margin	40.7%	66.4%	82.1%
Net Profit After Tax	368.66	672.13	924.82
Net Profit Margin	13.4%	30.1%	43.1%
Return on Avg. Asset	5.2%	10.1%	14.5%
Current Ratio (x)	1.47	1.39	0.93
Quick Ratio (x)	1.25	1.02	0.56
Total Assets	7,326.81	6,777.31	6,522.03
Total Equity	4,952.55	4,871.02	4,682.02
Total Liability/Equity (x)	0.48	0.39	0.39
Borrowed Fund/Equity (x)	0.16	0.26	0.26
Borrowed Fund/EBITDA (x)	0.70	0.87	0.70
Cash Flow from Operation	881.75	705.77	1,336.04
EBIT/Financial Expenses (x)	7.00	8.18	14.97

Source: The Company and CRAB Analysis

Date of Rating	Valid Till
06 December 2023	31 December 2024

## RATING BASED ON:

Audited Financial Statement as on 30 June 2022, Bank Liability position as on 14 November 2023 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

## BRIEF PROFILE

Shahjibazar Power Co. Ltd. (hereinafter referred as 'SPCL' or 'the Power Plant' or 'the Company'), a Public Limited Company listed in both DSE and CSE, was incorporated in November 2007 and came into operation on 10 February 2009. SPCL is engaged in generating and supplying of electricity by setting up 86 MW (contracted capacity) gas fired power generation plant for a period of 15 years. SPCL supplies its generated electricity to Bangladesh Power Development Board (BPDB). The registered office of the Company is at Youth Tower, 822/2 Rokeya Sarani, Dhaka and the plant is located at Fatehpur, Madhobpur, Habiganj.

## RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has retained the entity rating of Shahjibazar Power Co. Ltd. at AA<sub>1</sub> (Double A One) and assigned AA<sub>1</sub>(Lr) loan rating to BDT 462.4 million long term outstanding. CRAB has also assigned ST-1 rating to BDT 300.0 million funded limit and BDT 1,331.1 million non-funded limit of the Company in the short term. CRAB has also assigned Stable outlook to the Company.

Shahjibazar Power Co. Ltd.



## LETTER OF TRANSMITTAL

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

Dear Sir(s)

The undersigned on behalf of the Board of Directors of Shahjibazar Power Co. Ltd. is pleased to present herewith the Annual Report together with the Audited Financial Statements which includes Statement of Financial Position as of June 30, 2023, 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, 2023 and notes thereon.

Thanking You

Sincerely Yours,



Yeasin Ahmed, FCS  
Company Secretary

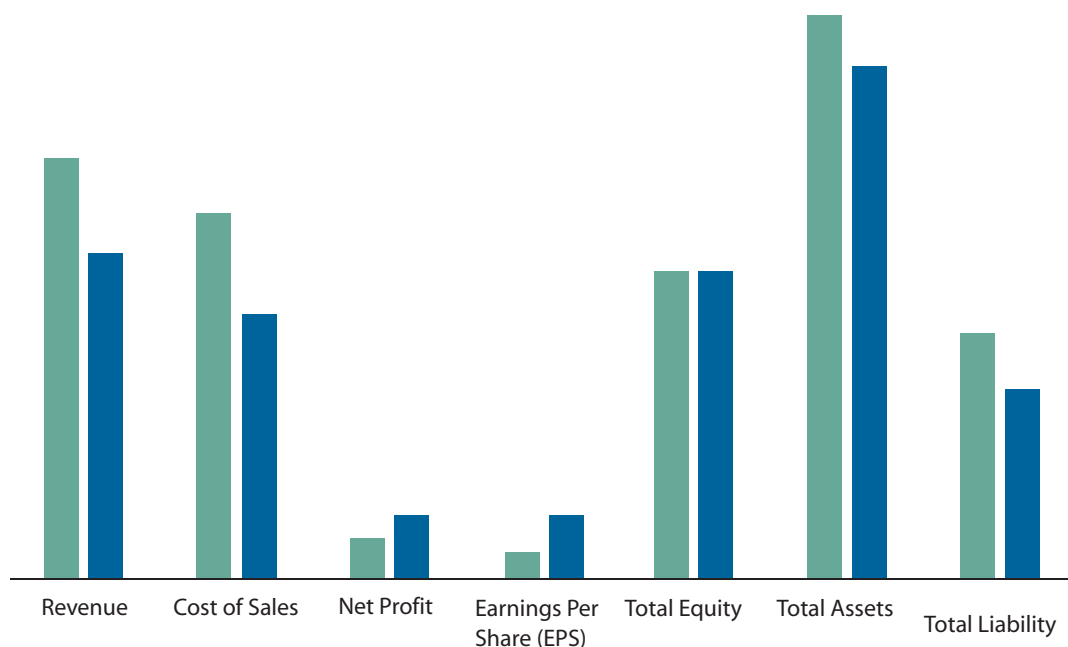
## BUSINESS SCORECARD – 2023

(BDT in Million)

Particulars	2023	2022	Change in %
Revenue	9385.70	7249.02	29.48%
Cost of Sales	8179.43	5943.69	37.62%
Net Profit	284.05	795.64	-64.30%
Earnings Per Share (EPS)	1.52	4.14	-63.29%
Total Equity	6850.49	6854.10	-0.05%
Total Assets	12629.47	11417.46	10.62%
Total Liability	5487.29	4262.21	28.74%

### Consolidated Key Highlights-2023

■ 2023 ■ 2022



## CORE VALUES & CODE OF CONDUCTS

### 3.1. ETHICS:

Ethics deals 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.

### 3.2. 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.

- 3.2.1. 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.
- 3.2.2. 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.
- 3.2.3. Shall not direct business to a supplier managed by a relative or close friend.
- 3.2.4. Shall not solicit subcontractors and vendors for donation/ advertisements to a charity, in which the employee is involved.
- 3.2.5. Using company facilities for personal purposes or for spouse's / relatives' business.
- 3.2.6. Shall not treat personal expenses/trips as business expenses / trips.
- 3.2.7. Shall not take part-time job requiring the employee to spend time, during normal working hours or using office equipment in meeting personal responsibilities.
- 3.2.8. Shall not be in a position to influence career decision about a spouse or relative.
- 3.2.9. 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.

### 3.3. 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.

### 3.4. GIFTS

- 3.4.1. Buying equipment from suppliers for personal use at high discounts is absolutely prohibited.
- 3.4.2. Accepting free trips / holidays within Bangladesh and/ or abroad and / or members of employees family, from suppliers is also absolutely prohibited.
- 3.4.3. 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.
- 3.4.4. 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 concerned management.

### 3.5. 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, Stockbrokers, 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.

- 3.5.1. Financial Information.
- 3.5.2. Tax Planning Measures.
- 3.5.3. Potential Joint Venture deals being negotiated.
- 3.5.4. New Product Introductions.
- 3.5.5. Manufacturing Process and Recipe for Products.

Employees should maintain total confidentiality with any such classified information.



### 3.6. 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.

### 3.7. 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.

- 3.7.1. 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

- 3.7.1.1. Physical contact and advances;
- 3.7.1.2. A demand or request for sexual favors;
- 3.7.1.3. Sexually colored remarks;
- 3.7.1.4. Showing pornography;
- 3.7.1.5. 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.

### 3.8. PROHIBITION OF CHILD LABOR

The Company practice zero tolerance of forced labor, child labor, modern slavery, and human trafficking.

### 3.9. CODE OF CONDUCT:

- 3.9.1. Every employee of SPCL shall devote their whole time and attention and always use their best skills and care in the business and affairs of the Company and faithfully and diligently perform such duties assigned to them by the Company.
- 3.9.2. They shall not at any time during the continuance of the employment hereunder solicit, seek, engage, or be interested or concerned either directly or

alone or jointly in any other office, trade, business, or occupation without the prior permission in writing of the Company.

- 3.9.3. 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.

- 3.9.4. 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.

- 3.9.5. 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.

- 3.9.6. 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.
- 3.9.7. 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.
- 3.9.8. 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.
- 3.9.9. 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.

### 3.10. 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.

- 3.10.1. Directors, when appointed, participate in an induction program and, as needed, additional education or training programs;
- 3.10.2. Directors receive all information necessary for them to perform their duties;
- 3.10.3. Directors have sufficient time for consultation and decision-making;
- 3.10.4. Committees function properly;
- 3.10.5. the performance of the Management team members and Directors are properly evaluated;
- 3.10.6. 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
- 3.10.7. The Board has proper contact with the Management team.

### 3.11. 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.

- 3.11.1. 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.
- 3.11.2. Setting the risk appetite for the Company, including specific targets, caps, or indicators related to the risk appetite.
- 3.11.3. Monitoring the overall performance of the Company's progress towards its strategic objectives, and in line with its defined risk appetite.
- 3.11.4. 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.
- 3.11.5. Overseeing and approving the risk management framework and associated policies and procedures used by management to effectively manage risk.
- 3.11.6. Approving the appointment and dismissal of the internal auditor.
- 3.11.7. 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.

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

### 3.12. POLITICAL NON ALIGNMENT

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

- 3.12.1. SPCL shall be committed to and support the constitution and governance systems of the country in which it operates.
- 3.12.2. SPCL shall not support any specific political party and not have any political affiliations.
- 3.12.3. 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.

### 3.13. PROTECTING COMPANY ASSETS

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

- 3.13.1. 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.

### 3.14. 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.

### 3.15. CORPORATE CITIZENSHIP

- 3.15.1. 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.
- 3.15.2. 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.
- 3.15.3. SPCL shall not treat these activities as optional, but should strive to incorporate them as an integral part of its business plan.

### 3.16. REGULATORY COMPLIANCE

- 3.16.1. Employees of SPCL, in their business conduct, shall comply with all applicable laws and regulations, in letter and spirit.
- 3.16.2. 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.

### 3.17. 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.

- 3.17.1. 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.
- 3.17.2. 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:
  - 3.17.2.1. Acquisition and divestiture of businesses or business units.
  - 3.17.2.2. Financial information such as profits, earnings and dividends.



- 33.17.2.1. Acquisition and divestiture of businesses or business units.
- 3.17.2.2. Financial information such as profits, earnings and dividends.
- 3.17.2.3. Announcement of new product introductions or developments.
- 3.17.2.4. Asset revaluations.
- 3.17.2.5. Investment decisions / plans.
- 3.17.2.6. Restructuring plans.
- 3.17.2.7. Major supply and delivery agreements.
- 3.17.2.8. Raising of finances.
- 3.17.2.9. 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.

### 3.18. ENVIRONMENT

As a good corporate citizen, SPCL assumes 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 complying with global and local environmental standards. We took several steps to save 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.

### 3.19. 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.

### 3.20. 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 accountability and 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 nine (9) Directors including the Chairperson of the Company and 2 (two) Independent Directors. The Chairperson of the Board is a Non-Executive Director. 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 Managing Director 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.

### Bangladesh Secretarial Standards (BSS)

The Company conducts its Board meetings, records the minutes of the meetings, as well as maintains the 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).

### 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. Faisal Alam and Mr. Md. Shamsuzaman 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 FCS 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 Senior 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. Mohammed Nurul Amin. 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. Mohammed Nurul Amin	- Chair
Mr. Akbor Haider	- Member
Mr. Md. Shamsuzzaman	- Member
Mr. Yeasin Ahmed FCS	- 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 Chairperson and Chief Executive Officer

Mr. Anis Salahuddin Ahmad is the Chairperson and Mr. Faridul Alam is the Chief Executive Officer of the Company. The separation of the position of CEO from that of the Chairperson 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.

## DIVIDEND DISTRIBUTION POLICY

### 1. BACKGROUND

This policy of Dividend Distribution of Shahjibazar Power CO. LTD (Hereinafter "SPCL") has been prepared in a view to comply with the Directive no: BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC). The general scope of this policy shall formulate policy in regards to dividend declaration, pay off, disbursement and compliance.

The Board of Directors of SPCL shall consider this policy as a framework to ensure governance and accountability. However, this policy is not an alternative to the decision of the Board regarding Dividend declaration.

### 2. DEFINITIONS/INTERPRETATIONS

"the Act" means Companies Act 1994

"the Company" means Shahjibazar Power Co. Ltd.

"AGM" means Annual General Meeting

"Board" means Board of Directors of Shahjibazar Power Co. Ltd.

"Shareholders" means Members whose name is registered in the Member Register of the Company.

"Shares" means Ordinary Equity Shares.

### 3. THEORY AND CONCEPT OF DIVIDEND

A dividend is the distribution of some of a company's earnings in the form of Cash/Stock to a class of its shareholders, as determined by the company's board of directors. Common shareholders of dividend-paying companies are typically eligible as long as they own the stock on record/book closure date. The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

### 4. TYPES OF DIVIDEND

The Act has allowed registered companies to declare Interim and Final Dividend.

**Interim Dividend:** Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

**Final Dividend:** Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

### 5. DECLARATION METHODOLOGY

Subject to the compliance of the Act and Directives issued by Bangladesh Securities and Exchange Commission (BSEC) time to time dividend shall be declared and paid out of:

- Profit after Tax after netting off minority interest (if any) and setting off losses from previous year(s) if any.
- Retained Earnings from previous financial years which remains undistributed.
- Out of both a and b

Before declaration of dividend, the Company may transfer a portion of its profits to as retained earnings of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

### 6. FACTORS INFLUENCING DIVIDEND DECLARATION

The decision of dividend payout is a very challenging task for the Board. Strategic intent and future business trajectory of the company may influence the dividend payout decision.

Broadly circumstances can be sub divided in External and Internal factors as elaborated hereunder:

#### a) External Factors:

- Adverse economic condition triggered by any extra-ordinary event like Covid-19 pandemic and any such crisis in future.
- Transformation to new technology may require additional fund to stay updated which may affect the dividend decision.
- Any restriction imposed by the Act or by regulators.
- Force Majeure event.

#### b) Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

### 7. REVIEW OF FINANCIAL STATEMENTS FOR DECLARING DIVIDEND

The board of the Company is a steward to its shareholders and committed to deliver superior value. The company always strives for an optimum and appropriate level of dividend to its shareholders in the form of dividend.

To retain investors the company is in a continuous pursuit of making the investment attractive to the existing and potential investors in the form of Dividend Yield and capital appreciation. Over the years the consistency of Dividend payout is also a very important parameter for the company to consider.

The Board aligning with the industry scenario and internal financial strength shall endeavor to retain a consistent dividend payout to the respected shareholders.

## 8. UTILIZATION OF RETAINED EARNINGS

Pursuant to the compliance of all provisions and acts the retained earnings of the Company may be utilized under the following areas:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Utilization to finance the working capital
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

## 9. CLASSES OF SHARES

The company currently has only one class of share which is Common Stock.

## 10. EVENTS MAY IMPACT DIVIDEND DECISION

The company has been successfully paying out a consistent dividend for the last several years since its listing with the Stock Exchanges and shall continue the endeavor to sustain the trend.

However, some circumstance may trigger the shareholders may or may not expect dividends from the company.

10.1. May Expect Dividend: Availability of profits and liquidity, Profits are not being utilized in any other purposes.

10.2. May not Expect Dividend: Non-availability of profit, Funds to be retained for business expansion, adverse economic/market scenario, to be utilized for internal resources.

## 11. DISCLOSURE

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.youthbd.com](http://www.youthbd.com).

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

## 12. EFFECTIVE DATE

This Policy has been approved by the Board of Directors of the Company at its meeting held on 11th March, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

## 13. REVIEW/AMENDMENT

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.



## NOTICE OF THE 16<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting of the Shareholders of Shahjibazar Power Company Limited will be held on Tuesday the 9<sup>th</sup> day of January, 2024, under digital platform <http://spcl.digitalagmbd.net> at 11.00 A.M to transact the following businesses:

### AGENDA(S)

#### ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended June 30, 2023 together with the Auditors' Report thereon
2. To declare dividend for the year 2023 as recommended by the Board of Directors
3. To elect/Re-elect Directors
4. To consider approval of term extension of the Independent Director for a further term of 3 (three) years
5. To approve the appointment of Statutory Auditors for the year 2023-2024 and to fix their remuneration
6. To approve Appointment of professional for the Certification on Corporate Governance for the year 2023-24 and fixation of their remuneration

#### SPECIAL BUSINESSES:

1. To adopt change in clause 82 of the Articles of Association (AoA) and in this regard to consider and if thought fit, pass the following resolution as "Special Resolution":

**RESOLVED THAT** pursuant to the relevant provisions of Companies Act 1994 the existing text under the clause 82 of the Articles of Association of the company shall be deleted and replaced with "5 (Five) members present in person entitled to vote will form the quorum in any General Meeting or Extra-Ordinary General Meeting of the Company."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board



(Yeasin Ahmed, FCS)  
Company Secretary

Dhaka, December 19, 2023

#### Notes:

1. Shareholders whose names appeared at the record date i.e. December 3, 2023 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 8<sup>th</sup> 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. The members are requested to log-in into the system at least one hour before the start of the A.G.M i.e. 10:00 A.M. Bangladesh Standard Time (BST) to allow sufficient time for establish connectivity. The webcast shall start at 11:00 A.M. (BST) sharp. For any assistance members may dial +88 01734612190 for instant support.
5. 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](mailto:debasish@youthbd.com) not less than 72 hours before the time fixed for the Annual General Meeting.
6. Pursuant to the Notification No: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20<sup>th</sup> June, 2018 of Bangladesh Securities and Exchange Commission (BSEC), soft copy of the Annual Report has been sent to the e-mail addresses of the Honorable Shareholders as found recorded in their respective Beneficial Owner (BO) accounts maintained with the depository. Soft copy of the Annual Report is available in investor relation section of Company's website – [www.Youthbd.com](http://www.Youthbd.com)
7. All concerned TREC Holders/Brokerage Houses who have extended margin loan facilities to the members of the Company and their name found on record date are requested to provide us with the statement containing shareholder name, BO ID Number, Client-wise breakdown of shareholding position, gross dividend receivable, applicable tax rate and deduction and net dividend receivable along with name and cell number of the contact person to the Corporate office of the company address: Youth Tower, 822/2 Rokeya Sarani, Dhaka – 1216 and/or by the way of e-mail at [debasish@youthbd.com](mailto:debasish@youthbd.com) on or before February 01, 2024.

**Special Note:** No benefit or gift in cash or kind shall be given to the Shareholders for attending the 16<sup>th</sup> Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013

## CORPORATE ETHOS

### VISION

- PARTNER IN PROGRESS FOR ENERGY SELF-RELIANT BANGLADESH

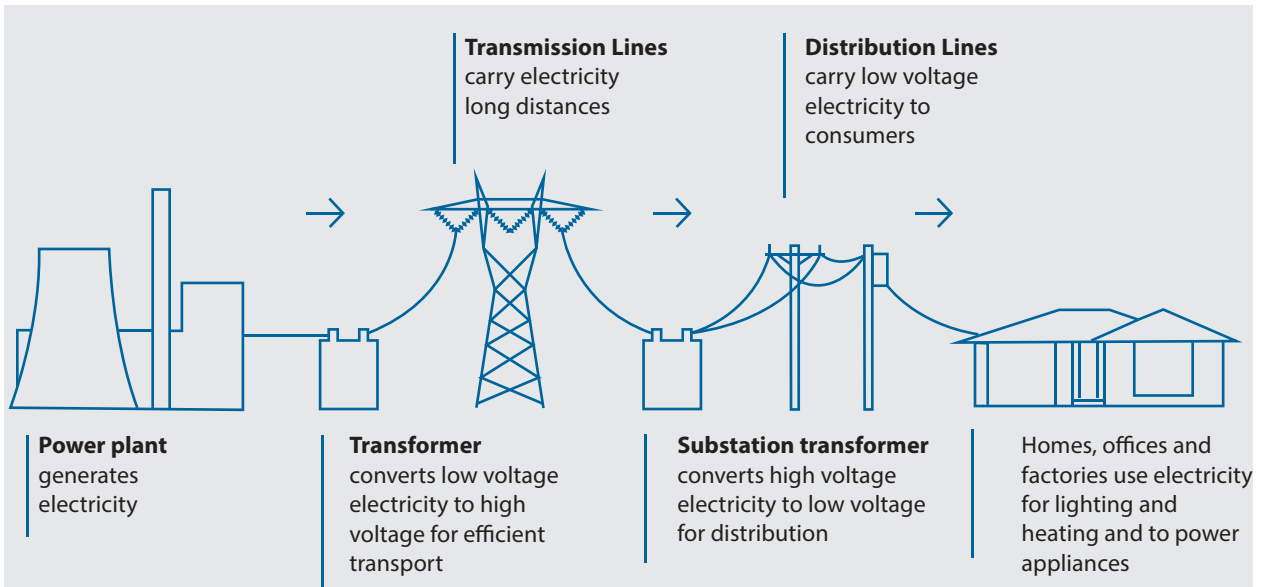
### MISSION

- 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;

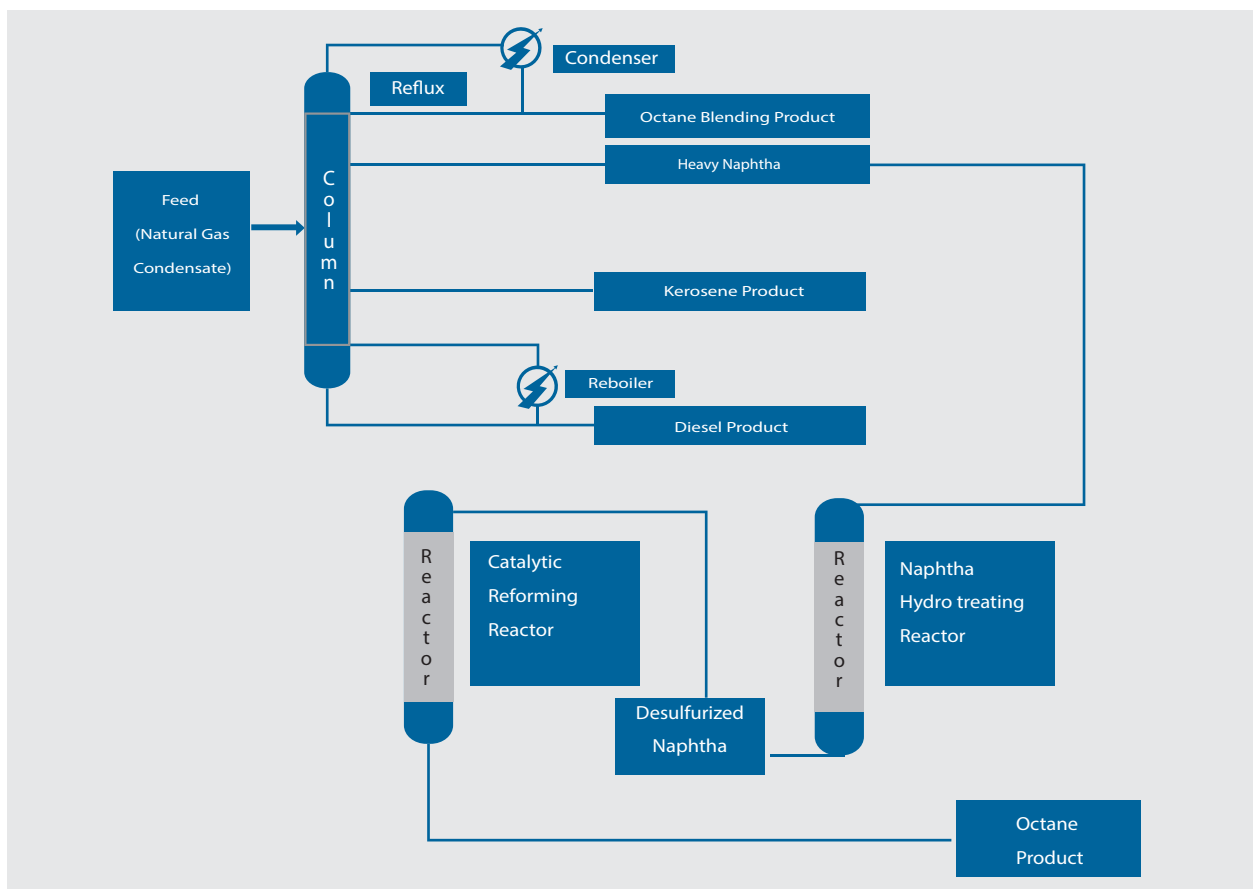
### OUR VALUES

- 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

## TYPICAL ELECTRICITY TRANSPORT MODEL



## TYPICAL OIL REFINING MODEL





## LETTER FROM THE CHAIRPERSON

"Fueling Growth"

*"Working backward  
to fuel the momen-  
tum of growth."*

Anis Salahuddin Ahmad  
(Chairperson)



**Dear Fellow Owners,**

It makes me feel privileged and humbled to welcome you all to our 16th Annual General Meeting. The run of headwinds is continuing in the shorter-term economic outlook across the globe. The IMF projected global economic growth of 2.8 percent in 2023 compared to 3.4 percent in 2022. The surge in commodity prices coupled with supply chain disruptions and denting investor's confidence was the key among several other reasons. Global inflation is fueling commodity prices and to battle against inflation central banks of several developed economies including the US Fed increased policy interest rates several times to fight inflation causing the US Dollar to appreciate a lot globally. Eventually, the current account balance fell critically in several import-dependent countries. The economy of Bangladesh is no exception and facing with acute balance of payment deficit and falling foreign exchange reserve. During the year under report, both the oil refinery and HFO-fired power generation businesses were affected by foreign exchange risk.

The economy of Bangladesh is almost in the same shape as I discussed last year. The core components of this growth machine are rising domestic demand, increasing medium & affluent class population, and the younger labor market. As per earlier statistics by BBS for FY2022-23 the GDP growth will be 6.03 percent while the global average is only 2.8 percent as per IMF. The average inflation rate in FY 2021-22 stood at 6.15 percent, which is 0.59 percentage points higher than in FY 2020-21. Of this, food inflation is 6.05 percent and non-food inflation is 6.31 percent. On a point-to-point basis, inflation stood at 9.24 percent in April 2023, as against 6.29 percent in April 2022. To keep inflation at a tolerable level, the government has taken various measures under fiscal and monetary policy.

Both segments of your business have been gravely shaken by the macroeconomic situation of the country last year. The ever-stronger USD against BDT has drained a lot in the HFO-fired power generation business and due to a substantial portion of import of foreign raw materials in the refinery business, this segment was also affected during the year under report. The collection status from BPDB has made no progress from the last year and is still due for 6-7 months on average. Your treasury management team is on their toes to find workaround solutions by enhancing the locus of short-term financial support from lenders, which again comes with an additional cost to the company.

The oil refinery segment faced a major setback during the year under report registering a huge slump in profit. The segment contributed a mere BDT 5.40 Million as compared to BDT 231.50 Million last year.

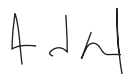
Consolidated revenue was increased by 29.48 percent Y-o-Y reporting an amount of BDT 9385.70 Million in FY 2022-23 as compared to BDT 7249.02 in FY 2021-22. Net profit after tax (NPAT) has seen a major fall of (64.30) percent registering BDT 284 Million (Including Minority interest) as compared to BDT 795.64 same time last year. The solo performance of SPCL is affected due to the underperformance of Associate companies. Net profit after Tax (NPAT) of SPCL was BDT 368.68 Million which is (45.15) percent lower than the last year reported.

As you all know the power purchase agreement with BPDB is going to expire in February 2024 which poses a going concern tension among many stakeholders. I will take this opportunity to let you know that we take this matter as the highest priority and pursuing it with all relevant stakeholders of the Government including the Ministry of Power Energy and Mineral Resources (MPEMR) and Bangladesh Power Development Board (BPDB) to assure further renewal of our plant for another 5 (Five) years term under no-electricity no-payment basis.

Considering this very tight liquidity situation of the Company your board has recommended 11% cash i.e. BDT 1.10 per share for the period under report subject to the approval of the same by the members present in the 16th Annual General Meeting.

As always, we keep our commitment to our winning team of people our most important capital, we put in the business to sustain and grow. Our pursuit is to ensure a good working environment with equal opportunity to thrive and grow together.

With these few words, I will take this opportunity to express my profound gratitude to our customers, shareholders, regulators, lenders, suppliers, employees, insurers, legal counsel, and all other business partners for their continuous support towards us. We will continue to work backward to fuel the momentum of the economic growth of Bangladesh.



**CHAIRPERSON**  
SHAHJIBAZAR POWER CO. LTD.



# THE MANAGEMENT & REPORTING

## DIRECTORS PROFILE



**Anis Salahuddin Ahmad**  
Chairperson

Anis Salahuddin Ahmad (59) is the Non-Executive Chairperson 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.

**Faridul Alam**  
Managing Director

Faridul Alam (40) is the Managing Director of the Company. He has been generously admired as one of the youngest entrepreneurs within the corporate fraternity 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 started 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 became one of the Directors of Petromax Refinery Ltd (PRL), the lone privately-owned condensate fractionation plant of the country at the time of its inception. He 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 ratio and maintain standard 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 addressing the issue with related government entities for sustainable national energy security. Under his valiant leadership Petromax Refinery Ltd has secured the award as Best Private Sector Organization under the category of Energy from the Honorable Prime Minister through the Ministry of Power Energy and Mineral Resources (MPEMR) for two terms in a row.

Mr. Alam is also known for his altruism and generosity to the deprived corner of society. He, along with some other members institutionalize their philanthropic pursuit by establishing a voluntary foundation known as "Shornadip Foundation" to render medical and health services to the impoverished dwellers of the remote island Sandwip. Under that foundation, a general hospital is already operational in this remote island to serve the great cause of reaching emergency medical and health care services to the destitute families.







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

Mr. A.K.M. Badiul Alam, aged 62, is the Director of the Company. He has received a master's 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 Amtranet Group with 22 years of legacy. Mr. Alam is associated with and a donor to 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 62, 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 businessman 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 consisting 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 28 years of business career. He is also associated with and donor of many schools, colleges and different social welfare organizations. He traveled to many countries of America, Europe and Asia to enrich his knowledge and experience in his career.



**Mr. Akbor Haider**  
 Director

Akbor Haider, aged 45 years, has joined as the Director of the Company. He is a business graduate and completed his MBA. He started his career by engaging himself in Ready Made Garment and textile sector. He is the proud sponsor and Vice-Chairman of the Board of Directors of Comfit Composite Knit Ltd (CCKL) a state-of-the-art facility exporting around 70 million Pcs of garments per year. With the progress of his service, he encompasses himself with every functional unit i.e. production, commercial, finance, marketing and other related activities of the industry. His strong aspirations drive himself engaging in power generation, oil refinery and downstream market dynamics of energy products in Bangladesh. He continuously travels to many countries across the Globe to leverage on the long-standing relations with Retail Giants and identify prospects 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 a member of the Board of Directors of Shahjibazar Power Co. Ltd. and member of the Audit and NRC Committee.



**Mr. Faisal Alam**  
 Director

Mr. Faisal Alam, aged 37, 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 has contributed a lot in terms of several improvements in the operation area. He also has a 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 to the procurement and commissioning of critical machinery items. He also actively participated in the operation of the LP Gas business. He has been the sponsor of Shahjibazar Power Co. Ltd. since the inception of the project and inducted as Director.

**Mr. Asgar Haider**  
 Director

Asgar Haider is known as an entrepreneur, philanthropist, and sportsperson among contemporaries. He sits on the Board of the Company. Mr. Haider involved himself in the business with the lone composite textile business of Youth Group. He became seasoned with the entire value creation process of the industry ranging from grabbing orders from customers around the globe, planning for sourcing materials, engaging labor and workmanships, and addressing all the hurdle of outbound logistics to ensure the delivery. With the pace of the diversified investment strategy of Youth Group, Mr. Haider parts with several Power & Energy projects. His service was instrumental at the engineering and commissioning stage of around 150 MW gas-fired and 150 MW HFO-fired power plants. He continuously flourishes his knowledge of energy business prospects in the Country and engaged himself in the Oil & Gas sector. He gained a thorough knowledge of fractionation of hydrocarbon to produce premium-grade gasoline upon embarking himself with the fractionation investment of the group. Mr. Haider has been very generous to the underprivileged people of his community. He is one of the members of a social organization in Sandwip. Under that organization, a 20-bed general hospital is already operational in his hometown. Mr. Haider is an avid promoter of sports. He has been the host of several corporate sports leagues in the country and played in those leagues in person. Mr. Haider graduated with an MBA from the USA. He is a Chartered Member of the Chartered Institute of Logistics and Transport and a Life Member of the American Alumni Association. He was awarded the Business Leader of South Asian Leadership Awards Bangladesh in 2019.



**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 master's in economics in 1973 and 1974 respectively from the University of Dhaka. Besides, he received higher education and different training in banking from home and abroad. He started his career by joining Janata Bank Limited in 1977 as Senior Officer. In 1983, he joined National Bank Limited, the first Private Bank in the Country. He then joined National Credit Limited (Later NCC Bank Ltd) in 1985 and worked there for 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 (DUECAA), Member of Bangladesh-China People's Friendship Association, Life member Bangladesh Red Crescent Society and a Fellow of Institute of Bankers, Bangladesh (IBB). He is also the sitting chair of Audit and NRC committee of the Company.



**Mr. Sharif Wadud, FCA**  
Independent Director

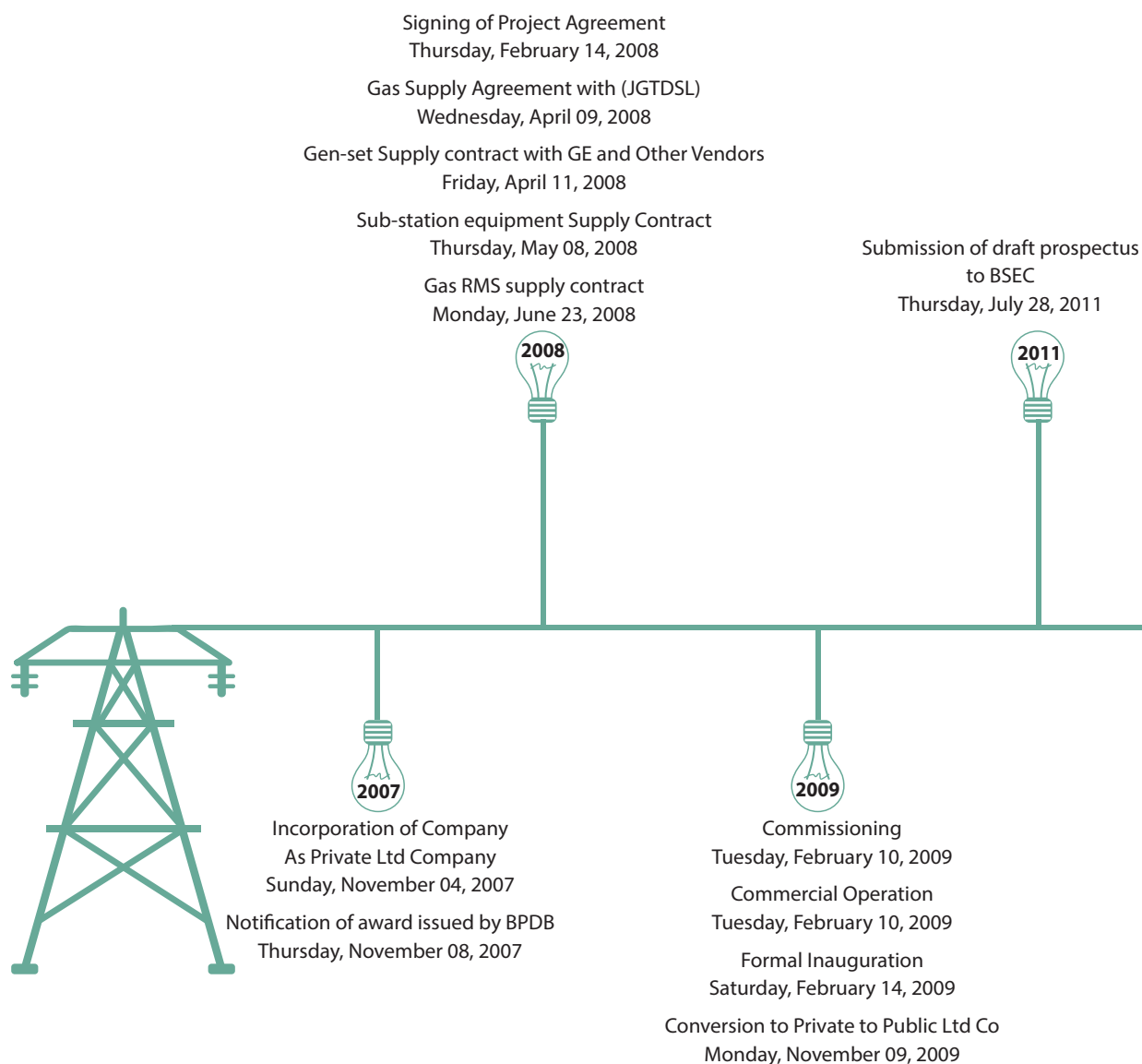
Mr. Sharif Wadud is the new addition to the Board of Directors of the Company. To ensure proper diversity in the Board, the NRC Committee has recommended Mr. Wadud's name as one of the youngest persons equipped with latest developments in the field of business and commerce in both academic and profession perspectives. He has worked in the capacity of Group Financial Controller in Teledata UK Limited a Manchester base technology company providing data centers, colocation and cloud hosting services in United Kingdom. Prior to that he has worked for Reddy Siddiqui LLP as Audit & Tax Manager. He has a decade-long experience in the area of Tax, Audit and Advisory services in different global as well as local companies. Mr. Wadud is the Fellow Member of the Institute of Chartered Accountants of England & Wales (ICAEW) and Institute of Chartered Accountants of Bangladesh (ICAB). He is the Winner of London Society of Chartered Accountants (LSCA) Small Firm Exam Prize due to his outstanding results. Currently he is working as a Partner at G. Nabi & Co. Chartered Accountants.

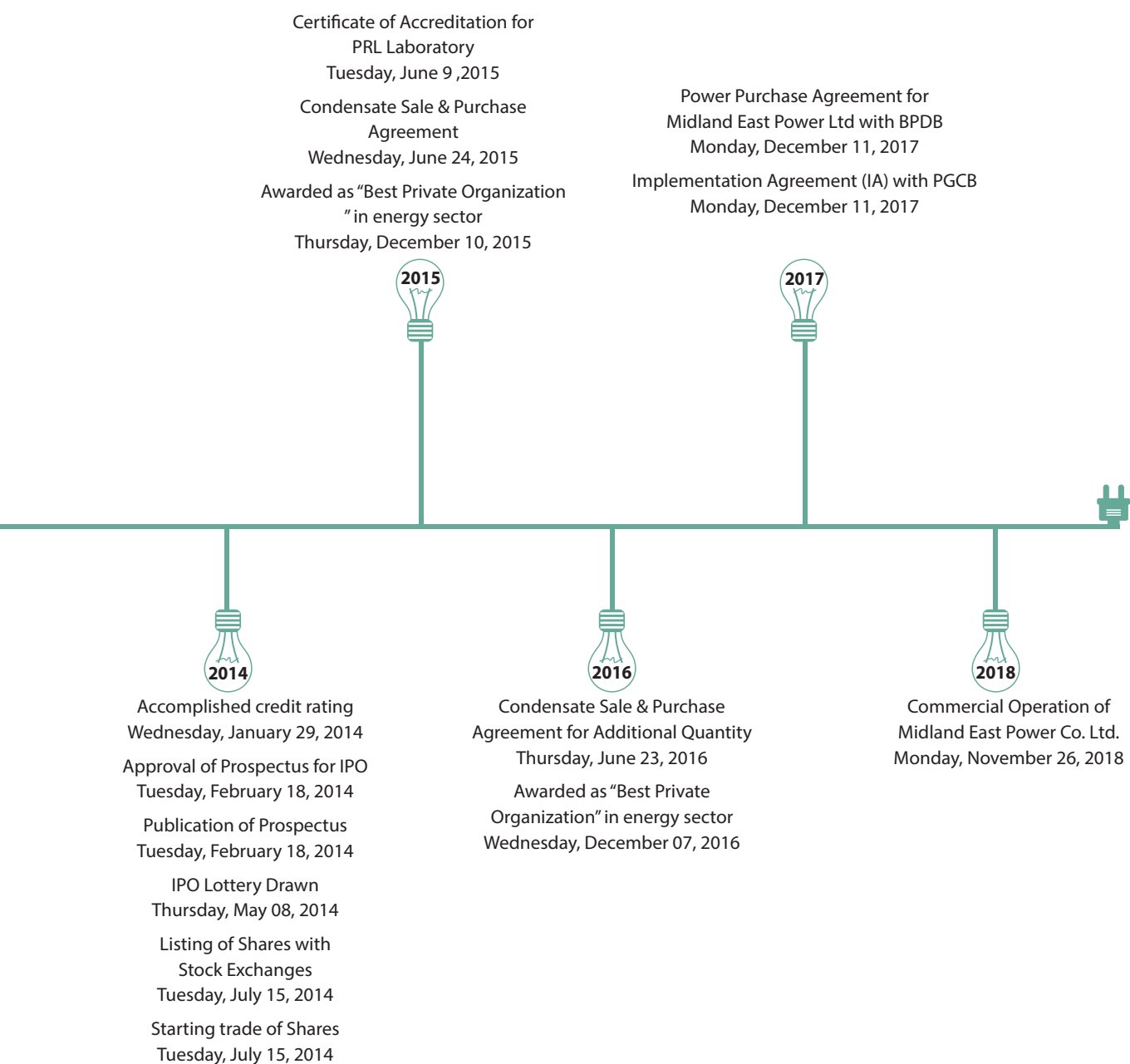






## SUCCESS MILESTONES







## DIRECTORS REPORT TO SHAREHOLDERS

**Dear Owners of Shahjibazar Power Co. Ltd.**

**Assalamualikum,**

Navigating through another very challenging time of operation, we have completed another year with strained operating results. Being authorized by the Board, I would like to welcome you all in the 16th Annual General Meeting and presenting herewith the Audited Financial Statements for the year then ended June 30, 2023.

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 and other directive and regulations published by the Commission time to time.

### 15.14 ECONOMY AT A GLANCE

The global economic slowdown is still underway like last year. Growing adverse effect of Russia-Ukraine war, unprecedented inflation and interest rate hike, disrupting supply chain still dragging the momentum of global growth. All central banks around the globe including the US Fed are grappling to face off the pressure and tweaking their monetary policy to stay relevant. Growth in advanced economies is expected to decline from 2.7 percent in 2022 to 1.3 percent in 2023 and rebound 1.4 percent in 2024. In emerging markets and developing economies, however, growth is expected to drop from 4.0 percent in 2022 to 3.9 percent in 2023 and rebound to 4.2 percent in 2024. Global inflation is estimated at 8.8 percent in 2022 (annual average), which will decrease to 6.6 percent in 2023 and 4.5 percent in 2024. However, this rate of inflation is higher than the pre-pandemic inflation rate.

The economy of Bangladesh has been in the rebound phase post-covid, but unfortunately bumped with geo-political tensions. The US dollar is continuing to become stronger as compared to any time in the horizon causing a significant dent in the forex reserve. The entire economy is still running on the shoulders of RMG and Foreign Remittance earners without making any progress on export diversification. Economic growth in the pre-COVID-19 fiscal year (FY 2018-19) was 7.88 percent. During the COVID-19 period, this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23.

Per capita GDP and per capita national income stood at US\$ 2,657 and US\$ 2,765 respectively in FY 2022-23 compared to US\$ 2,687 and US\$ 2,793 respectively in the previous fiscal year. The per capita national income in dollar terms has declined slightly in FY 2022-23 due to the appreciation of US dollar.

The private sector credit growth and implementation of various government mega projects, which reflect the national investment landscape, have remained fairly well in H2FY23. Private sector credit growth reached 11.10 percent (YoY) in May 2023, compared to 12.94 percent in the same month of the previous year. Additionally, the output of medium and large-scale manufacturing, a significant component of Gross Domestic Product (GDP), has increased by 8.8 percent (PoP) during the July-January period of FY23. According to the provisional estimate from the Bangladesh Bureau of Statistics (BBS), the real GDP Growth for FY23 is expected to be 6.03%, which fall short of the government's revised target of 6.5 percent.

### 15.15 POWER SECTOR SCENARIO OF BANGLADESH

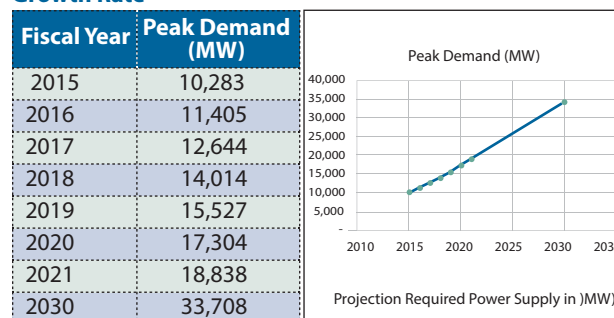
After independence of Bangladesh the Power sector has witnessed a glorified decade of transformation. The last decade alone has contributed 90 percent of all progress made in this sector since the time of liberation of the country. Total generation capacity 25,951 MW. With captive and renewable energy, the generation capacity stood at 26,700 MW. The sector is highly dependent on gas for primary fuel followed by HFO. The pursuit of transformation in renewables as primary source is underway.

As per the publication of the Bangladesh Power Development Board (BPDB) total installed capacity is 25,951 MW (Without captive and SHS) of which both private and public sector contributes 43.50 percent each, 4.94% power import and remaining 7.93 percent under JV with foreign counterparts.

Per capita power generation has increased to 609 kWh. The power distribution line has increased to 6.29 lakh km and the number of consumers has increased to 4.45 crore. The system loss has come down to 9.30 percent till December of FY 2022-23 which was 14.73 percent in FY 2010-11.

In the short run power demand shall increase in a consistent pattern over the years. Key drivers behind will be Digitization of services in several sectors, More use of Digital Financial Services, Mechanized Agriculture technologies transforming the way of farming, Change of lifestyles in the rural areas, the demography of rising population, several infrastructural mega projects like Padma Bridge, Dhaka Metrorail, Airport Terminal – 3, One Hundred economic zones and Matarbari Moheshkhali Integrated Development Initiative (MIDI).

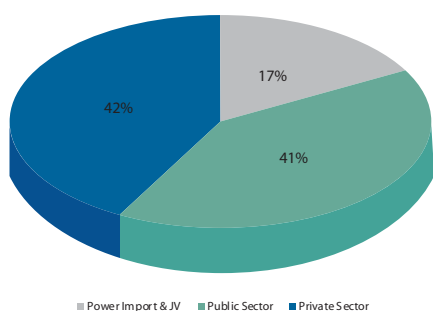
### Power System Master Plan by BPDB Assuming 7% GDP Growth Rate



### Present Installed Generation Capacity (MW) as on October 31, 2023

BPDB	6349	24.47%
APSC	1394	5.37%
EGCB	957	3.69%
NWPGCL	1401	5.40%
RPCL	182	0.70%
B-R Power Gen	312	1.20%
JV-NWPGCL-CMC	1244	4.79%
JV-NTPC-BPDB	617	2.38%
Sub Total	12456	48.00%
IPPs	9418	36.29%
SIIPs (BPDB)	99	0.38%
SIIPs (REB)	251	0.97%
15 YR. Rental	169	0.65%
3/5 YR. Rental	105	0.40%
Rental No E No P	797	3.07%
Power Import	2656	10.23%
Sub Total	13495	52.00%
Total	25951	100.00%

Generation Ratio



Public and private sector is contributing 41% and 42% respectively followed by Import & JV 17% in the total generation of power as of October 31, 2023. Amongst the public sector generation units BPDB is playing the champion role as usual.

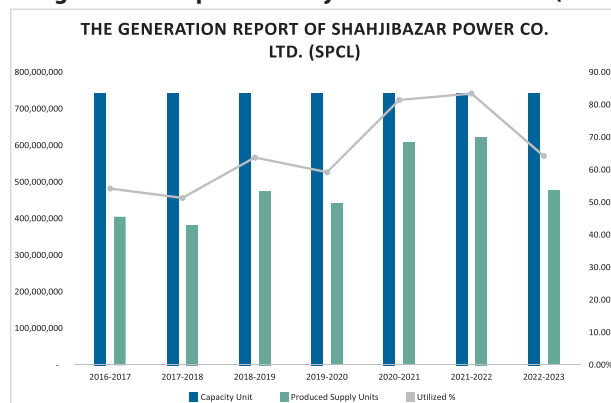
### 15.16 BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

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, 2023 the company is producing 64.21% of total capacity on an average. The operational performance of the Company is shown as hereunder:

Fiscal Year	Capacity Unit	Produced Supply Unit	Utilized %
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%
2020-2021	743,040,000	605,484,672	81.49%
2021-2022	743,040,000	619,934,136	83.43%
2022-2023	743,040,000	477,095,952	64.21%

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

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



During FY20-23 your company has generated 477,095,952 Kwh as compared to 619,934,136 Kwh in FY21-22 to supply the national grid. As always the only off-taker is Bangladesh Power Development Board (BPDB). Revenue for the year under report stands at BDT 2,751.97 Million as compared to the previous year of BDT 2,235.24 Million growing 23.12% Y-o-Y. Consolidated Revenue was ramped up 29.48% Y-o-Y scoring BDT 9,385.70 Million in FY22-23 and BDT 7,249.02 Million in FY21-22. Consolidated Net Profit after Tax (NPAT) after adding the contribution from subsidiary and associate entities stands at BDT 284.04 in FY22-23 as compared to BDT 795.66 Million on FY21-22 which has shown a fall of (64.30)%. Oil Refinery segment has delivered around 104.07 Million liters of petroleum products with a revenue of Tk. 6,633.73 Million.

### 15.17 SEGMENT WISE PERFORMANCE

Segment/Product	Quantity	Sales in Million Tk.
Power	477,095,952	Kwh 2,751.97
Oil & Gas	104,073,540	Ltr 6,633.73
Total		9,385.70

### 15.18 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, 2023 your company has contributed Tk. 168.22 Million as income tax and subsidiary of your company has added Tk. 942.55 Million in the form VAT to the national exchequer.

### 15.19 EXTRA-ORDINARY GAIN OR LOSS

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

### 15.20 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 **Annexure - B** to the financial statements.

### 15.21 SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

The underlying reasons for that significant deviation can be attributed to the fall in profits of subsidiary and associate companies. 90% of the subsidiary of refinery business had to book raw materials from foreign sources at a higher price to streamline the pricing formula of finished oil refined from imported source by the Ministry. While finalizing the pricing formula the raw material price of imported source has fall significantly in the international market and the pricing formula has considered the spot price of raw materials instead of the purchase price of the Subsidiary company. Subsequently, this individual consignment has suffered significant loss during the period under report. Moreover, the associate business of 150 MW HFO fired power plant had several HFO import consignments booked at the USD exchange rate of BDT 90-95 during the period, those import consignments matured for payment and USD rate was by the time hits as high as up to BDT 110 per USD causing a huge currency exchange loss reflected in the profitability of this power generation business.

### 15.22 REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of managing director is disclosed in **Note 30.01** Other directors are not entitled to remuneration and other facilities for their directorship except the Board Meeting Fee.

### 15.23 MINORITY SHAREHOLDERS:

As of June 30, 2023 the total minority shareholders represent 40.79% 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.

### 15.24 CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

In compliance with the requirements of the BSEC's Notification No- BSEC/CMRRCD/2006-158/207/Admin/80 dated: June 3, 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.

### 15.25 FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

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

Particulars	2022		2023		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	7,249.02		9,385.70		29.48%
Cost of Sales	5,943.69	82%	8,179.43	87%	37.62%
Gross Profit	1,305.33	18%	1,206.27	13%	-7.59%
General and Administrative Expenses	170.69	2%	246.99	3%	44.70%
Finance Cost Net	263.54	4%	311.29	3%	18.12%
Operating Profit	871.10	12%	647.99	7%	-25.61%
Other Income Net	50.21	1%	41.04	0%	-18.26%
Share of Profit from Associate	178.28	2%	-199.68	-2%	-212.00%
WPPF	49.01	1%	37.09	0%	-24.32%
Net Profit Before Income Tax	1050.58	14%	452.26	5%	-56.95%
Income Tax	254.92	4%	168.22	2%	-34.01%
Total Comprehensive Income	795.66	11%	284.04	3%	-64.30%
Less: Minority Interest	23.17	0%	0.54	0%	-97.67%
Net Profit (After Tax & Minority Interest)	772.49	11%	283.51	3%	-63.30%

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

Particulars	2022		2023		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	2,235.24		2,751.97		23.12%
Cost of Sales	1,446.73	65%	1,885.90	69%	30.36%
Gross Profit	788.51	35%	866.07	31%	9.84%
General and Administrative Expenses	89.63	4%	148.22	5%	65.37%
Finance Cost Net	121.65	5%	88.13	3%	-27.55%
Operating Profit	577.23	26%	629.72	23%	9.09%
Other Income Net	117.77	5%	98.49	4%	-16.37%
Share of Profit from Associate	178.28	8%	-199.68	-7%	-212.00%
WPPF	33.09	1%	34.67	1%	4.77%
Net Profit Before Income Tax	840.19	38%	493.86	18%	-41.22%
Income Tax	168.03	8%	125.18	5%	-25.50%
Total Comprehensive Income	672.16	30%	368.68	13%	-45.15%

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

### 15.26 SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

The underlying reasons for that significant deviation can be attributed to the fall in profits of subsidiary and associate companies. 90% of the subsidiary of refinery business had to book raw materials from foreign sources at a higher price to streamline the pricing formula of finished oil refined from imported source by the Ministry. While finalizing the pricing formula the raw material price of imported source has fall significantly in the international market and the pricing formula has considered the spot price of raw materials instead of the purchase price of the Subsidiary company. Subsequently, this individual consignment has suffered significant loss during the period under report. Moreover, the associate business of 150 MW HFO fired power plant had several HFO import consignments booked at the USD exchange rate of BDT 90-95 during the period, those import consignments matured for payment and USD rate was by the time hits as high as up to BDT 110 per USD causing a huge currency exchange loss reflected in the profitability of this power generation business.

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

Particulars	2022		2023		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	7,249.02		9,385.70		29.48%
Cost of Sales	5,943.69	82%	8,179.43	87%	37.62%
Gross Profit	1,305.33	18%	1,206.27	13%	-7.59%
Operating Profit	871.10	12%	647.99	7%	-25.61%
Net Profit Before Income Tax	1050.58	14%	452.26	5%	-56.95%
Total Comprehensive Income	795.66	11%	284.04	3%	-64.30%
Net Profit (After Tax & Minority Interest)	772.49	11%	283.51	3%	-63.30%

#### Consolidated

Revenue rose 29.48% as compared to the previous year and Gross Profit slipped by -7.59% Operating profit also decreased by -25.61%. Net profit (After Tax & Minority Interest) has experienced a sharp fall of -63.30% as compared to last year. GP Margin was 13% of sales as compared to the 18% of the previous year and Net Profit Margin was 3% as compared to 11% of the previous year.

Particulars	2022		2023		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	2,235.24		2,751.97		23.12%
Cost of Sales	1,446.73	65%	1,885.90	69%	30.36%
Gross Profit	788.51	35%	866.07	31%	9.84%
Operating Profit	577.23	26%	629.72	23%	9.09%
Net Profit Before Income Tax	840.19	38%	493.86	18%	-41.22%
Total Comprehensive Income	672.16	30%	368.68	13%	-45.15%

### Separate

Revenue was up by 23.12% as compared to the previous year. Gross Profit slightly increases by 9.84% due to several cost optimization projects in the plant site across the year. Gross Profit Margin as compared to revenue was 31% as compared to 35% of the previous year due to the same reason. Net Profit Margin has a big fall and set for 13% as compared to 30% of the previous year due to accounting for performance of the associate companies under equity method.

### 15.28 PROFIT APPROPRIATION

Consolidated Net Profit after Tax (NPAT) of your company stands BDT 283.51 million as against BDT 772.49 Million Year-Over-Year. Current liquidity position of the company is very highly strained due to non-payment of Bills by BPDB for long time. Considering the practical situation, the Board would like to report the Company's financial result for the year than ended on June 30, 2023 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2023	283.51
Profit brought Forward	3,785.73
Profit available for appropriation	4,069.24
Appropriations:	
Proposed Cash Dividend @ 11%	205.29
Transferred to Retained Earning	3,863.95
Profit available for appropriation	4,069.24

### 15.29 DIVIDEND

Your Board recommends a final cash dividend of 11% cash dividend for the year 2023 i.e. Taka 1.10 for each Ordinary shares held of Taka 10 on the record date, subject to approval by the shareholders at the 16th Annual General Meeting.

Dividend Type	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Cash Dividend (%)	11%	16%	28%	28%	28%	25%
Stock Dividend (%)	-	4%	4%	2%	2%	3%
<b>Total</b>	<b>11%</b>	<b>20%</b>	<b>32%</b>	<b>30%</b>	<b>30%</b>	<b>28%</b>

### 15.30 DIRECTORS' MEETING & ATTENDANCE

During the year ended June 30, 2023 The Board of Directors has attended 4 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Anis Salahuddin Ahmad	4
Mr. Faridul Alam	4
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Akbor Haider	4
Mr. Faisal Alam	4
Mr. Asgar Haider	4
Mr. Mohammed Nurul Amin	4
Mr. Sharif Wadud	4



## THE PATTERN OF SHAREHOLDING

### Pattern of Shareholding as on June 30, 2023

Annexure -3

Name of Shareholders	Status	Relation	Share Held	Percentage (%)
i) Parent/Subsidiary/Associated Companies and other related parties				
ii) Directors				
A. Mr. Anis Salahuddin Ahmad	Chairperson		16,630,494	8.91%
B. Mr. A.K.M. Badiul Alam	Director		10,885,259	5.83%
C. Mr. Md. Shamsuzzaman	Director		21,195,091	11.36%
D. Mr. Akbor Haider	Director	Son of Mr. Rezakul Haider	12,844,144	6.88%
E. Mr. Faridul Alam	Managing Director		10,653,363	5.71%
F. Mr. Faisal Alam	Director		11,494,265	6.16%
G. Mr. Asgar Haider	Director	Son of Mr. Rezakul Haider	12,612,333	6.76%
H. Ms. Rezina Alam	Sponsor		8,369,788	4.48%
I. Ms. Israt Azim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	5,824,839	3.12%
J. Mr. Mohammed Nurul Amin	Independent Director		Nil	Nil
K. Mr. Sharif Wadud	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. Md. Shakhawat Hossain	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		20,379,896	11.36%

### 15.32 DIRECTORS' ELECTION & RE-APPOINTMENT:

As per the Articles of Association Mr. Faisal Alam and Mr. Md. Shamsuzzaman shall retire in 16th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

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

Described in Directors Profile

### 15.34 INDEPENDENT DIRECTOR TO THE BOARD OF SUBSIDIARY COMPANY

Mr. Mohammed Nurul Amin has been continuing as the nominated director in the subsidiary company.

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

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

Companies >>						
Name of Directors						
Mr. Anis Salahuddin Ahmad	✓					Petromax Refinery Ltd.
						Midland Power Company Ltd.
						Midland East Power Ltd.
	✓					Comfit Composite Knit Ltd.
						Youth Fashion Ltd.
						Youth Garments Ltd.
Mr. A.K.M Badiul Alam	✓					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.
Mr. Shamsuzzaman	✓					Orient Chem-Tex Ltd.
						Micro Fiber Ltd.
Mr. Faridul Alam	✓					Liberty Knitwear Ltd
						Midland Knitwear Ltd.
Mr. Akbor Haider						A-One Polar Ltd.
Mr. Faisal Alam						Midland Bank Limited
Mr. Asgar Haider						

### 15.36 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. Mohammed Nurul Amin	Chair	4
Mr. Akbor Haider	Member	4
Mr. A.K.M Badiul Alam	Member	4
Mr. Yeasin Ahmed FCS	Secretary	4

### 15.37 AUDITORS

M/S ACNABIN Chartered Accountants was appointed as the auditor of the Company in the 15th Annual General Meeting. They carried out the audit for the year ending June 30, 2023, and will retire in the 16th Annual General Meeting. They have shown their willingness to conduct the statutory audit for the company for the ensuing year i.e. FY 2023-24. Being eligible as per section 212 of the Company Act 1994 and a member of the list of Panel Auditors by Bangladesh Securities and Exchange Commission (BSEC), the appointment of ACNABIN Chartered Accountants shall be presented in the 16th AGM for member's approval.

M/S Suraiya Parveen & Associates Chartered Secretaries had provided Corporate Governance Code certificate for FY2022-23. For the FY2023-24 M/S Suraiya Parveen & Associates Chartered Secretaries has expressed their willingness to

provide Corporate Governance Code certificate. Being eligible, the appointment of M/S Suraiya Parveen & Associates Chartered Secretaries shall be presented in the 16th AGM for member's approval.



### 15.38 BUSINESS RISK & UNCERTAINTIES

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

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

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

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



### 15.39 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.

### 15.40 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.

### 15.41 CORPORATE SOCIAL RESPONSIBILITY

As a part of our ongoing commitment to the society and environment in which the company conducts its business, your company continues to fulfil 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

### 15.42 HUMAN RESOURCE MANAGEMENT

Your company recognizes that people are the most important resource and key to the 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.

### 15.43 STATUS OF COMPLIANCE

In accordance with the requirement stipulated as per condition No. 1(5) (xxvii) of the Securities & Exchange Commission's notification no-SEC/CMRRCD/2006-158/207/Admin/80 dated 07 June 3, 2018 issued under section 2CC of the Ordinance 1969 the Corporate Governance Compliance Report is shown in **Annexure-C**. A certificate from M/S Suraiya Parveen & Associates Chartered Secretaries confirming compliance of conditions of Corporate Governance Codes as stipulated under condition 9 is also annexed to this report as **Annexure-B**.

### 15.44 KEY OPERATING AND FINANCIAL DATA:

The summarized key data for last five years is set out in the page number 46.

### 15.45 ACKNOWLEDGEMENT:

Going forward, we always remain grateful to our shareholders for their unwavering support towards us. I firmly believe that you all are resilient enough to withstand this challenging episode of the global economic crisis and its effect. Surely all our lives are going to be affected more or less due to the rapid change in top-line policies by the government as well as regulators to keep the country stable and responsive against the looming crisis.

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

  
**Anis Salahuddin Ahmad**  
 Chairman

## COMPLIANCES AND DISCLOSURES

## 16 MANAGEMENT DISCUSSION AND ANALYSIS

A Management's Discussion and Analysis (MD&A) presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, described as provided hereunder: (a) Accounting policies and estimation: We have applied accounting policies consistently to all periods presented while preparing the financial statements. We have applied International Financial Reporting Standards (IFRS) to transactions, other events or conditions to their full extent as applicable. The applicable significant accounting policies and estimation are well elaborated in note 3 of the financial statements. In the absence of applicable IFRSs to any particular transactions, other events or conditions, we have used our best judgment in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users and is reliable.

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

(c) Comparative analysis of financial performance and financial position as well as cash flows for current year with immediate preceding five years explain the reasons thereof: We have presented a comprehensive financial highlights for all the relevant periods containing financial performance, financial position, cash flows and important financial ratio in the Page 46 of this annual report. As the financial highlights presented, the detailed comparative analysis thereon are as following:

- ◆ Consolidated revenue rose by 29.48% year-over-year.
- ◆ With the same range as the revenue went up, Cost of Sales also went up by 37.62% due to the same reason.
- ◆ Net Profit after Tax plummeted by -64.30%.
- ◆ Total Liabilities of the Company increased by 28.74%.
- ◆ Shareholders' Equity was down by -0.05%.
- ◆ Operating Profit went down by -25.61% on account of full year performance due to lower contribution from oil refinery segment and associated undertakings.
- ◆ The EPS decreased by -64.65% over last year's EPS due to lesser contribution of profit from Associate Companies and subsidiary of the business.
- ◆ The long-term liabilities fell by -22.38% this year the reason of such difference can be attributed to the scheduled plant overhauling investment last year.

(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

Company	SPCL		Baraka Power		Doreen Power		Industry Average	
Year	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22
EPS (Tk.)	1.52	4.14	0.56	2.13	3.56	9.21	1.88	5.16
NAVPS (Tk.)	36.71	36.73	21.99	22.43	50.47	47.46	36.39	35.54
Dividend (%)	11.00	20.00	5.00	10.00	11.00	30.00	9.00	20.00
NOCFPS (Tk.)	3.23	6.58	-0.11	-0.59	17.98	-28.77	7.03	-7.59
No of Shares (in Million)	186.00	172.00	235.00	235.00	181.00	161.00	200.67	189.33
Net Profit (Tk. In Million)	284.00	796.00	131.56	501.36	648.00	1677.00	354.52	991.45

It has been observed that Dividend of the company is more than the industry average. However, the key limitation of this analysis lies with the different investment portfolios of each of the companies analyzed in the table.

**(e) Financial and economic scenario of the country and the world:** As stated in the Directors' Report, the global economic slowdown is still underway like last year. Growing adverse effect of Russia-Ukraine war, unprecedented inflation, and interest rate hike, disrupting supply chain still dragging the momentum of global growth. All central banks around the globe including the US Fed are grappling to face off the pressure and tweaking their monetary policy to stay relevant. Growth in advanced economies is expected to decline from 2.7 percent in 2022 to 1.3 percent in 2023 and rebound 1.4 percent in 2024. In emerging markets and developing economies, however, growth is expected to drop from 4.0 percent in 2022 to 3.9 percent in 2023 and rebound to 4.2 percent in 2024. Global inflation is estimated at 8.8 percent in 2022 (annual average), which will decrease to 6.6 percent in 2023 and 4.5 percent in 2024. However, this rate of inflation is higher than the pre-pandemic inflation rate.

The economy of Bangladesh has been in the rebound phase post-covid, but unfortunately bumped with geo-political tensions. The US dollar is continuing to become stronger as compared to any time in the horizon causing a significant dent in the forex reserve. The entire economy is still running on the shoulders of RMG and Foreign Remittance earners without making any progress on export diversification. Economic growth in the pre-COVID-19 fiscal year (FY 2018-19) was 7.88 percent. During the COVID-19 period, this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23.

Per capita GDP and per capita national income stood at US\$ 2,657 and US\$ 2,765 respectively in FY 2022-23 compared to US\$ 2,687 and US\$ 2,793 respectively in the previous fiscal year. The per capita national income in dollar terms has declined slightly in FY 2022-23 due to the appreciation of US dollar.

The private sector credit growth and implementation of various government mega projects, which reflect the national investment landscape, have remained fairly well in H2FY23. Private sector credit growth reached 11.10 percent (YoY) in May 2023, compared to 12.94 percent in the same month of the previous year. Additionally, the output of medium and



large-scale manufacturing, a significant component of Gross Domestic Product (GDP), has increased by 8.8 percent (PoP) during the July-January period of FY23. According to the provisional estimate from the Bangladesh Bureau of Statistics (BBS), the real GDP Growth for FY23 is expected to be 6.03%, which fall short of the government's revised target of 6.5 percent.

**(f) Risks and concerns issues related to the financial statements:** Within the context of changes in the 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 issues 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 systems including the Internal Audit team under the guidance of Audit Committee and under the direct consultation with competent external auditors. A talented pool of employees is aware of the risk concerns, and they are nominated for training and workshop programs for skill development in 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 power plants partnering with the government. Aside from this the company is also tracking possibilities to invest in diversified fields in the coming days.



**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. Mohammed Nurul Amin (Independent Director)	-Chair
Mr. Akbor Haider	-Member
Mr. Md. Shamsuzzaman	-Member
Mr. Yeasin Ahmed FCS (Company Secretary)	-Secretary

The Independent Director, Mr. Mohammed Nurul Amin acts as Chair of the Committee. As per regulatory guidelines, the Company Secretary, Mr. Yeasin Ahmed, FCS 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. During the year under report 1 (one) meeting of the Committee was held and all the members were duly present and their attendance was recorded accordingly.

### 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 for ensuring that the procedures for appointing new Directors are transparent and rigorous. The Board places great emphasis on ensuring its membership reflects diversity in a 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 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.

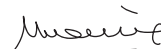
The recruitment process for Top Level Executives shall be transparent, non-discriminatory, diversified and in alignment with the Codes of Conduct. Recruitment standards shall support SPCL's reputation as an attractive employer.

The objective of SPCL's remuneration policy is to ensure that rewards 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 behavior.

### 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. Mohammed Nurul Amin**

Chair

Nomination and Remuneration Committee  
 26 October 2023

## SNAPSHOTS FROM 15<sup>th</sup> AGM



15<sup>th</sup> Annual General Meeting (AGM) of Shahjibazar Power Co. Ltd. was held through Digital Platform, on (Sunday) January 29, 2023 at 11:00 A.M. Among others Mr. Anis Salahuddin Ahmad (Chairperson), Mr. Faridul Alam (Managing Director), Mr. A.K.M Badiul Alam (Director), Mr. Md. Shamsuzzaman (Director), Mr. Akbor Haider (Director), Mr. Faisal Alam (Director), Mr. Asgar Haider (Director), Mr. Mohammed Nurul Amin (Independent Director & Chair of Audit and NRC) Mr. Yeasin Ahmed, ACS Company Secretary, Mr. Bhulon Bhowmik (CFO) and Mr. Hasan Imam Siddiki, FCA, ACS, (Financial Advisor) was present on the occasion.

## 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 07 June 3, 2018 is presented in Page No52-65

### 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. Mohammed Nurul Amin (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 have been held since the last Annual General Meeting of SPCL. Besides the 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 the 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 with 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, 2023 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. ACNABIN Chartered Accountants, for appointment as the external auditors of the Company for the year ending on June 30, 2024;
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. Mohammed Nurul Amin**  
Chairman of the Audit Committee

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

Operational Result	Jun 30,2023 Consolidated	Jun 30,2022 Consolidated	Jun 30,2021 Consolidated	Jun 30,2020 Consolidated	Jun 30,2019 Consolidated
Turnover	9,385,704,986	7,249,018,396	9,152,947,633	6,332,403,614	7,140,194,813
Cost of Sales	8,179,430,280	5,943,690,577	7,569,246,367	5,146,405,025	5,827,997,744
Gross Profit	1,206,274,706	1,305,327,819	1,583,701,265	1,185,998,589	1,312,197,068
Profit From Operation	648,016,714	871,081,855	1,061,683,399	653,242,578	762,920,143
Net Profit Before Tax	452,280,313	1,050,561,884	1,540,846,418	1,016,320,854	1,004,457,268
Net Profit After Tax	284,052,990	795,636,927	1,159,870,053	760,375,863	729,048,052
Net Cash Flow From Operation	602,283,520	1,228,824,377	2,265,679,564	494,805,146	1,032,587,127

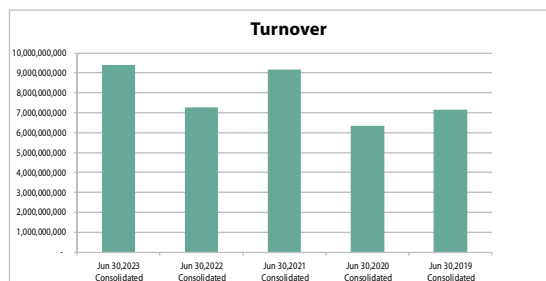
Financial Position	Jun 30,2023 Consolidated	Jun 30,2022 Consolidated	Jun 30,2021 Consolidated	Jun 30,2020 Consolidated	Jun 30,2019 Consolidated
Non-Current Assets	6,671,611,273	7,179,588,507	7,504,461,539	7,374,335,212	6,664,344,988
Current Assets	5,957,854,670	4,237,875,711	3,661,430,643	4,197,240,580	3,648,816,197
Inventories	1,528,724,984	997,271,830	1,146,413,070	1,515,005,284	1,112,159,536
Shareholders' Equity	6,850,488,810	6,854,101,039	6,564,757,458	5,911,063,380	5,619,852,858
Long Term Liability	654,433,698	843,093,653	713,409,783	467,214,670	238,951,203
Current Liabilities	4,828,786,503	3,419,120,153	3,597,724,906	4,925,803,084	4,181,644,855
Total Liabilities	5,487,288,125	4,262,213,806	4,311,134,688	5,393,017,754	4,420,596,059

Key Financial Ratio	Jun 30,2023 Consolidated	Jun 30,2022 Consolidated	Jun 30,2021 Consolidated	Jun 30,2020 Consolidated	Jun 30,2019 Consolidated
Current Ratio	1.23	1.24	1.02	0.85	0.87
Quick Ratio	0.92	0.95	0.70	0.54	0.61
Leverage Ratio	0.80	0.62	0.66	0.91	0.79
Net Profit Margin Ratio (%)	3%	11%	13%	12%	10%
Return on Equity (%)	4%	12%	18%	13%	13%
Earning Per Share	1.52	4.14	6.28	4.38	4.32
Return on Average Asset (ROAA) %	2.36%	7.05%	10.20%	6.95%	7.19%
Return on Average Equity (ROAE) %	4.15%	7.85%	12.18%	8.72%	8.81%
Operating Cash Flow to Sales	6.42%	16.95%	24.75%	7.81%	14.46%



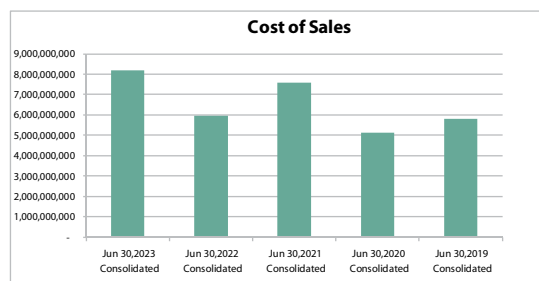
## FINANCIAL REVIEW – 2023

### Revenue:



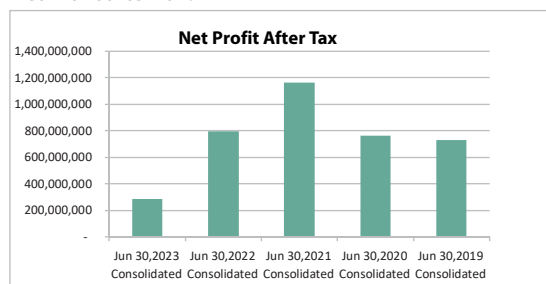
▪ Consolidated revenue rose by 29.48% year-over-year due to higher contributions from Oil Refinery business.

### Cost of Sales:



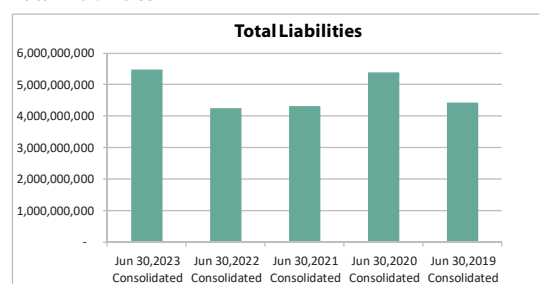
▪ Cost of Sales ramped up by 37.62% with almost the same ratio of increase revenue.

### Net Profit after Tax:



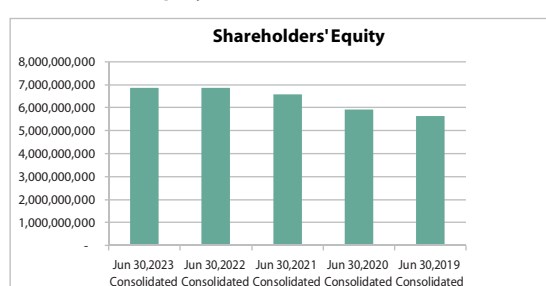
▪ Net Profit after Tax went down by -64.30%.

### Total Liabilities



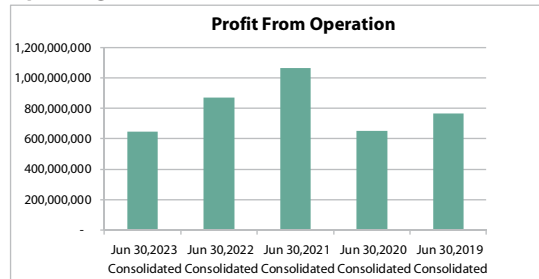
▪ Total Liabilities of the Company significantly increased by 28.74% due to land acquisition plan of subsidiary company.

### Shareholders' Equity:



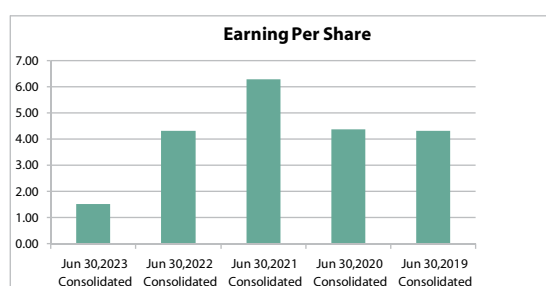
▪ Shareholders' Equity fell slightly by -0.05% due to lower retention of profit during the year.

### Operating Profit:



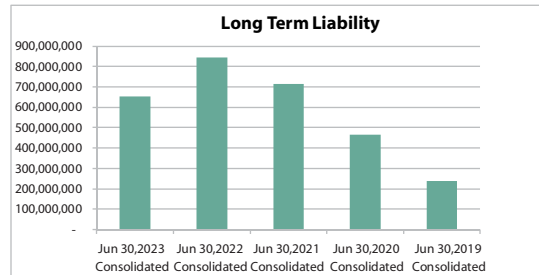
▪ Operating Profit went down by (25.61%) on account of the full year's performance due to lesser margin from the Oil Refinery segment of the business.

### Earnings per Share (EPS)



▪ The EPS was down by -64.65% over the last year's EPS due to lesser contribution of Subsidiary and Associate Companies.

### Long Term Liabilities:



▪ The long-term liabilities have decreased by -22.38% this year due to major engine overhauling expenses of last year and absence of this expense this year.

## INVESTOR COMPLAINT REDRESSAL MECHANISM



1. The company has a designated investor grievances E-Mail id [debasish@youthbd.com](mailto:debasish@youthbd.com) on which the client or investor can make their complaints. Apart from that Investors are allowed to call directly to concerned officer of Investor Relation Department through Telephone Numbers.
2. An Investor can make a written complaint through letter addressing to "The Company Secretary, Shahjibazar Power Co. Ltd, 822/2 Rokeya Sarani, Dhaka – 1216" as well.
3. The Company maintains investor grievance register in which full detail of every written complaint shall be entered.
4. The full detail of the written complaint must be passed to the concerned department and inform the compliance officer of the company as soon as it is received.
5. A letter or mail must be written to all the investor who has submitted written complaints by the designated person or Compliance Officer acknowledging receipt of the complaint and informing them it will be dealt with.
6. Compliance Department will obtain all information available on the complaint which is considered necessary for a proper investigation. Look into all the necessary information and resolve them as soon as possible.
7. There is standing policy of the company to resolve the investor complaint within seven days of the receipt of the same expect 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.

## DECLARATION OF STATUS OF UNCLAIMED DIVIDEND

Pursuant to Capital Market Stabilization Fund Rules, 2021 issued by Bangladesh Securities and Exchange Commission (BSEC), one month's Notice has been circulated through newspaper on May 04, 2023 and till June 3, 2023 several shareholders claimed their dividend. We disbursed Tk. 5,45,121.58 (Five Lac Forty-Five Thousand One Hundred Twenty-one and ps fifty eight only) only to the nominated bank account of Capital Market Stabilization Fund afterwards.



## CEO AND CFO'S DECLARATION TO THE BOARD

Dated: October 26, 2023

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, 2023

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, 2023 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, 2023 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





# Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

## Report to the Shareholders of Shahjibazar Power Company Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Shahjibazar Power Company Limited for the year ended on 30 June 2023. 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 a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

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

- 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;
- 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;
- 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
- The Governance of the company is satisfactory.

Dhaka, Dated  
December 12, 2023



For Suraiya Parveen & Associates  
Chartered Secretaries

Suraiya Parveen, FCS  
Chief Executive Officer

Alim Sky Castle (2nd floor), Flat-B3, 3/8 Asad Avenue, Block-A, Mohammadpur, Dhaka-1207.  
Phone : 02 41023157 (Off), Mob : 01911 421998, 01713 110408  
Email : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

## 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/2006-158/207/Admin/80, dated 3 June 2018 and subsequent amendment on dated: November 20, 2023 under notification no BSEC/CMRRCD/2009-193/66/PRD/148 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
<b>1.</b>	<b>Board of Directors:-</b>			
<b>1 (1)</b>	<b>Size of the Board of Directors</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The SPCL Board is comprised of 9 Directors.
<b>1 (2)</b>	<b>Independent Directors</b>			
1 (2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, 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	✓		Do

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	holder of stock exchange or an intermediary of the capital market			
1 (2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		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 reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; 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): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		Do
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;	✓		
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 registered 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;	✓		Do
1 (3) (b) (iii)	Former or existing official of government or statutory or			

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	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: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		Do
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
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
<b>1 (4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-</b>			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose
<b>1 (5)</b>	<b>The Directors' Report to Shareholders</b>			
1 (5) (i)	An industry outlook and possible future developments in the industry;	✓		The Director's Report compliance with the guidelines
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	✓		Do



Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	environment, if any;			
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		-	No such event occurred during the period
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	✓		The Director's Report compliance

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	concern, the fact along with reasons there of shall be disclosed;			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
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 compliance 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:-	✓		Do
1(5)(xxiv)(a)	a brief resume of the director	✓		Do
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	✓		Do
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Do
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
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	-	-	N/A

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	absolute figure for such changes;			
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		The Director's Report compliance with the guidelines.
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Do
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		Do
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Do
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		Do
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure-A</b> ;	✓		Do
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure-B</b> and <b>Annexure-C</b> ;	✓		Do
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		Do
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		Do
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		Do
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company.	✓		Do
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company.</b>			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the	✓		

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	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.	✓		
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		Do
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	✓		
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)	<b>Requirement to attend Board of Directors' Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		In Practice
3 (3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that	✓		



Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	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	<b>Board of Directors' Committee. For ensuring good governance in the company, the Board shall have at least following sub committees:</b>			
4 (i)	Audit Committee;	✓		In Practice
4 (ii)	Nomination and Remuneration Committee.	✓		In Practice
5	<b>Audit Committee</b>			
5 (1)	<b>Responsibility to the Board of Directors.</b>			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		Already in place
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		In Practice
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		In Practice
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		Do
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the			No Such incident arose

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		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;	✓		
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

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Complied	
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)	<b>Reporting of the Audit Committee</b>			
5 (6) (a)	<b>Reporting to the Board of Directors</b>			
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)	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>			
5 (6) (a) (ii) (a)	report on conflicts of interests;	-	-	N/A
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	N/A
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	N/A
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	N/A
5 (6) (b)	<b>Reporting to the Authorities</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	N/A
5 (7)	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee,	✓		

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	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	<b>Nomination and Remuneration Committee (NRC).-</b>			
6 (1)	<b>Responsibility to the Board of Directors</b>			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		
6 (2)	<b>Constitution of the NRC</b>			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	✓		
6 (2) (b)	At least 02 (two) 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;	✓		
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)	<b>Chairperson of the NRC</b>			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		



Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
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 incident arose
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
6 (4)	<b>Meeting of the NRC</b>			
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)	<b>Role of the NRC</b>			
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	✓		
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	✓		

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	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	<b>External or Statutory Auditors.-</b>			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7 (1) (i)	appraisal or valuation services or fairness opinions;	✓		
7 (1) (ii)	financial information systems design and implementation;	✓		
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7 (1) (iv)	broker-dealer services;	✓		
7 (1) (v)	actuarial services;	✓		
7 (1) (vi)	internal audit services or special audit services;	✓		
7 (1) (vii)	any service that the Audit Committee determines;	✓		
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7 (1) (ix)	any other service that creates conflict of interest.	✓		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	<b>Maintaining a website by the Company.-</b>			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8 (2)	The company shall keep the website functional from the date of listing.	✓		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	<b>Reporting and Compliance of Corporate Governance.-</b>			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of	✓		

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Complied	
	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 <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these conditions or not.	✓		



**Faridul Alam**  
**Managing Director**

## VARIOUS COMMITTEES

### Audit Committee

Mr. Mohammed Nurul Amin (Independent Director)	Chair
Mr. A.K.M Badiul Alam (Director)	Member
Mr. Akbor Haider (Director)	Member
Mr. Yeasin Ahmed, FCS (Company Secretary)	Secretary

### Nomination and Remuneration Committee (NRC)

Mr. Mohammed Nurul Amin (Independent Director)	-Chair
Mr. Akbor Haider (Director)	-Member
Mr. Md. Shamsuzzaman (Director)	-Member
Mr. Yeasin Ahmed FCS (Company Secretary)	-Secretary

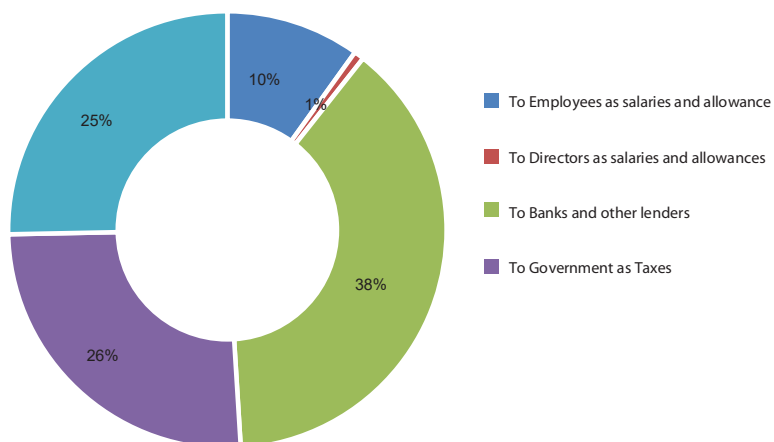


## VALUE ADDED STATEMENT

### SHAHJIBAZAR POWER CO. LTD. Consolidated Value Added Statement For the year ended June 30, 2023

Particulars	2023	2022
	Taka	Taka
Revenue	9,385,704,986	7,249,018,396
Other Income including interest income	41,045,933	50,213,958
Profit Sharing from Associate	(199,684,112)	178,280,157
Cost of Sales, Excluding Depreciation	(7,615,485,470)	(5,405,976,136)
Other Operating Expenses	(244,268,577)	(169,694,978)
<b>Total Value Added</b>	<b>1,367,312,760</b>	<b>1,901,841,397</b>
<b>Distribution of Added Value</b>		
To Employees as salaries and allowance	80,280,177	69,617,526
To Directors as salaries and allowances	6,000,000	6,000,000
To Banks and other lenders	311,294,179	263,548,314
To Government as Taxes	208,164,146	219,268,925
To Shareholders	205,294,792	358,906,979
	<b>811,033,294</b>	<b>917,341,744</b>
<b>Retained for Re-investment and Future Growth</b>		
Depreciation and amortization	502,249,138	488,445,036
Retained Profit	54,030,327	496,054,617
	<b>556,279,466</b>	<b>984,499,653</b>
<b>Total Value Distributed</b>	<b>1,367,312,760</b>	<b>1,901,841,397</b>

Distribution of Added Value





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**Independent Auditors' Report  
 To The Shareholders of  
 Shahjibazar Power Company Limited  
 Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the consolidated financial statements of Shahjibazar Power Co. Ltd. and its subsidiary ("the Group"), as well as the separate financial statements of Shahjibazar Power Co. Ltd. ("the Company"), which comprise of the consolidated and separate statement of financial position as at 30 June 2023 and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and separate financial position of the Company as at 30 June 2023, and of its consolidated and separate financial performance and its consolidated and separate 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 the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2.06 in the consolidated financial statements, which indicates that the Company's sales contract with its sole customer, BPDB, will expire in February 2024. The Company has applied for an extension of 5 years after expiry which is yet to be approved by Ministry of Power, Energy and Mineral Resource as of reporting date. As stated in Note 2.06, this event or condition indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year and include the most significant assessed risk of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the significant effect on the overall audit strategy, allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Revenue recognition</b>	
Refer to notes no. 3.14, 28.00 and 29a to the financial statements	
During the year 2022-2023, the Group has earned revenue of BDT 9,385.74 million (7,249.02 million for the year ended 30 June 2022). The revenue of the Group mainly comes from production and supply of electricity, which contributes 29%, and production & supply of petroleum products, which contributes 71% of total revenue.	<b>Our audit procedures for revenue recognition included the following:</b> <ul style="list-style-type: none"> <li>understanding the policy of revenue and the contracts with the customer;</li> <li>reviewing the segregations of duties in relation to creation, review and approval of invoices;</li> </ul>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Shahjibazar Power Company Limited, the parent, earns revenue by supplying electricity to BPDB as per Power Purchase Agreement (PPA) amounting to BDT 2,751.97 million and supply of petroleum products to various customers amounting to BDT 6,633.73 million through its subsidiary (Petromax Refinery Limited).</p> <p>Shahjibazar Power Company Limited recognizes revenue at the end of every month for electricity supply over the month and Petromax Refinery Limited does for petroleum products when the goods are handed over to customers at a point in time.</p>	<ul style="list-style-type: none"> <li>● cut off testing, which involves testing of the revenue recognized shortly before and after the date of the statement of financial position.</li> <li>● assessing whether revenue recognition policies are applied following terms of relevant accounting standards and industry practice;</li> <li>● evaluating the calculations of revenue claimed.</li> <li>● reviewing collectability of the credit sales to customers, including subsequent period collections;</li> <li>● assessing the disclosure of revenue recognition and receivable provisioning policies.</li> </ul>
<b>Valuation and recognition of Property, plant and equipment (PPE)</b>	
Refer to notes no. 3.2, 4 & 4a to the financial statements	
<p>The Group required significant investment in property, plant, and equipment to operate the business and for the initial setup of plants. The PPE mainly consists of land, building, plant &amp; machinery, vehicles, and other equipment. Most of the assets are used for production of electricity and manufacturing/refining of oil for sales.</p> <p>The net book value of the PPE is BDT 4,311.45 million among which Plant and machinery consist of 82%. Shahjibazar Power Company Limited has substantial addition to its PPE to keep the plant operational to its required capacity. The addition to the current year totaled at BDT 209.88 million. Most of the addition of assets are to plant and machineries which valued to BDT 199.92 million.</p>	<p>Our audit procedures for PPE include the followings:</p> <ul style="list-style-type: none"> <li>● Review of the processes and controls used to ensure that the assets are properly recorded, managed, and valued.</li> <li>● Physical verification of assets to confirm the existence and operating effectiveness of assets.</li> <li>● Perform substantive test to evaluate the accuracy and completeness of the measurement of assets at initial and subsequent stages.</li> <li>● Evaluation of useful life estimation base and judgement applied.</li> <li>● Review of appropriateness of calculation and charging of depreciation on the assets.</li> <li>● Read and analyzed the disclosures made in the Consolidated and Separate financial statements.</li> </ul>
<b>Measurement of Income tax and deferred tax</b>	
Refer to notes no. 3.12, 25.01, 35 & 36a to the financial statements	
<p>The Group reported income tax expense of BDT 208.16 million in the current year and measured deferred tax of BDT 39.93 million. As of 30 June 2023, Group income tax provision accumulated to BDT 149.37 million and Deferred tax liability is BDT 247.98 million.</p> <p>With the enactment of new Income Tax Act 2023, the impact on Group's tax position is immaterial considering no changes to its operation and relevant changes to business income provisions in the law.</p>	<p>Our audit procedures for income tax and deferred tax measurement include the followings:</p> <ul style="list-style-type: none"> <li>● Obtain understanding of procedure followed in measurement of tax.</li> <li>● Inquiry to management regarding applicability of the new law and its implementation.</li> <li>● Review the calculation and evaluate the accuracy of provisions.</li> <li>● Review the compliance with applicable IFRS.</li> <li>● Read and analyze the disclosures made in consolidated financial statements.</li> </ul>

#### Other Matter

Financial Statements of the subsidiary company, Petromax Refinery Limited, were not audited by ACNABIN Chartered Accountants. Till the issuance of the audit report, the balance incorporated to the consolidated financial statements are from unaudited financial statements of subsidiary. The financial statements of Petromax Refinery Limited show total assets of BDT 6,202.78 million as at 30 June 2023 and total revenue of BDT 6,633.73 million for the year then ended.

The financial year of the subsidiary is 01 July to 30 June. Aziz Halim Khair Choudhury Chartered Accountants is the appointed auditor for the financial statement of Petromax Refinery Limited for the year ended 30 June 2023. Our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based on the unaudited financial statements of the subsidiary.

The balances from the associate's financial statement incorporated to consolidated financial statements are unaudited for the year ended 30 June 2023.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's 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 consolidated and separate financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

#### 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 consolidated and separate financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bangladesh Securities and Exchange Commission rules and regulations together with other applicable regulations require the Management to ensure effective internal audit, internal control, and risk management functions of the Group.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 consolidated and separate 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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated and separate financial statements of the current year and are therefore the Key Audit Matters as reported in the respective section of the report above. We describe these matters in our auditors' 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 and the Securities and Exchange Rules 1987, we also report the following:

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

Dhaka, Bangladesh  
Date: 26 October 2023

**ACNABIN Chartered Accountants**  
Enlistment No. CAF-001-012



**Md. Rokonzaman FCA**  
Partner  
Enrollment No.: 0739  
DVC : 2310290739AS875415

# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Notes	June 30, 2023 Taka	June 30, 2022 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>6,671,611,273</b>	<b>7,179,588,507</b>
Property, Plant and Equipment	4a	4,311,447,495	4,740,686,408
Intangible Assets	5.00	-	47,529
Investment Accounted for using the Equity Method	6a	1,720,077,281	1,919,761,393
Other Investments	8a	640,086,498	519,093,178
<b>Current Assets</b>		<b>5,957,854,670</b>	<b>4,237,875,712</b>
Inventories	9a	1,528,724,984	997,271,830
Accounts Receivables	10a	3,196,727,746	1,288,324,597
Other Receivables	11a	1,507,906	50,332
Advance, Deposits and Prepayments	12a	790,799,672	556,244,794
Financial Assets at fair value through profit or loss	12b	20,407,183	15,363,084
Cash and Cash Equivalents	13a	344,090,397	284,492,330
Goods in Transit	14a	75,596,783	1,096,128,745
<b>TOTAL ASSETS</b>		<b>12,629,465,943</b>	<b>11,417,464,220</b>
<b>SHARE HOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>6,850,488,810</b>	<b>6,854,101,040</b>
Share Capital	15.00	1,866,316,290	1,794,534,897
Share Premium	16.00	914,920,000	914,920,000
Retained Earnings	17a	4,069,252,520	4,144,646,143
<b>Non-controlling interests</b>	17b	<b>291,689,009</b>	<b>301,149,374</b>
<b>Total equity</b>		<b>7,142,177,819</b>	<b>7,155,250,414</b>
<b>Non-Current Liabilities</b>		<b>658,501,622</b>	<b>843,093,653</b>
Long Term Loan- Net of Current Maturity	18a	406,456,383	555,180,914
Lease Liabilities	21	4,067,924	-
Deferred Tax Liabilities	19a	247,977,315	287,912,739
<b>Current Liabilities</b>		<b>4,828,786,503</b>	<b>3,419,120,153</b>
L/C Liabilities	20a	804,204,936	1,278,708,074
Lease Liabilities	21.00	1,093,892	-
Short Term Loan	22a	2,470,400,354	1,464,228,833
IPO Application Amount	23a	1,173,818	1,173,818
Long Term Loan - Current Maturity	24a	164,822,840	291,019,392
Sundry Creditors	25a	260,421,943	201,343,416
Liabilities for Expenses	26a	6,521,480	25,357,822
Unclaimed Dividend	26b	10,461,391	9,173,446
Trade Payable	27a	1,109,685,849	148,115,352
<b>Total liabilities</b>		<b>5,487,288,125</b>	<b>4,262,213,806</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,629,465,943</b>	<b>11,417,464,220</b>
Net Asset Value Per Share (NAVPS)	27b	<b>36.71</b>	<b>36.73</b>

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

### Report of the Auditors to the Shareholders:

This is the statement of consolidated financial position referred to in our report of even date.  
 The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
 Date: 26 October 2023

**ACNABIN Chartered Accountants**  
 Enlistment No. CAF-001-012

  
**Md. Rokunuzzaman FCA**  
 Partner  
 Enrollment No.: 0739  
 DVC : 2310290739AS875415

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Notes	June 30, 2023 Taka	June 30, 2022 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>4,808,129,110</b>	<b>5,298,482,804</b>
Property, Plant and Equipment	4.00	2,146,104,565	2,441,668,154
Investment Accounted for using the Equity Method	6.00	1,720,077,281	1,919,761,393
Investment in Subsidiary	7.00	900,000,000	900,000,000
Other Investments	8.00	41,947,264	37,053,257
<b>Current Assets</b>		<b>2,518,685,776</b>	<b>1,478,828,078</b>
Inventories	9.00	367,839,060	289,005,540
Accounts Receivables	10.00	2,017,621,039	984,624,410
Other Receivables	11.00	1,507,906	50,332
Advance, Deposits and Prepayments	12.00	29,811,668	36,474,963
Cash and Cash Equivalent	13.00	101,906,103	58,514,658
Goods In Transit	14.00	-	110,158,175
<b>TOTAL ASSETS</b>		<b>7,326,814,886</b>	<b>6,777,310,883</b>
<b>SHARE HOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>4,952,548,626</b>	<b>4,871,017,565</b>
Share Capital	15.00	1,866,316,290	1,794,534,897
Share Premium	16.00	914,920,000	914,920,000
Retained Earnings	17.00	2,171,312,336	2,161,562,668
<b>Non-Current Liabilities</b>		<b>658,499,763</b>	<b>843,093,193</b>
Long Term Loan- Net of Current Maturity	18.00	406,456,383	555,180,914
Lease Liabilities	21.00	4,067,924	-
Deferred Tax Liabilities	19.00	247,975,456	287,912,279
<b>Current Liabilities</b>		<b>1,715,766,496</b>	<b>1,063,200,125</b>
L/C Liabilities	20.00	208,794,248	362,592,360
Lease Liabilities	21.00	1,093,892	-
Short Term Loan	22.00	-	77,133,898
IPO Application Amount	23.00	1,173,818	1,173,818
Long Term Loan - Current Maturity	24.00	164,822,840	291,019,392
Sundry Creditors	25.00	226,081,201	172,682,932
Liabilities for Expenses	26.00	1,273,937	7,479,393
Unclaimed Dividend	26b	10,461,391	9,173,446
Trade Payable	27.00	1,102,065,170	141,944,886
<b>Total Liabilities</b>		<b>2,374,266,260</b>	<b>1,906,293,318</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,326,814,886</b>	<b>6,777,310,883</b>
Net Asset Value Per Share (NAVPS)	27bb	<b>26.54</b>	<b>26.10</b>

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

### Report of the Auditors to the Shareholders:

This is the statement of financial position referred to in our report of even date.  
The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
Date: 26 October 2023

**ACNABIN Chartered Accountants**  
Enlistment No. CAF-001-012

  
**Md. Rokunuzzaman FCA**  
Partner  
Enrollment No.: 0739  
DVC : 2310290739AS875415

# SHAHJIBAZAR POWER COMPANY LIMITED

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

### FOR THE YEAR ENDED JUNE 30, 2023

	Notes	For the Year Ended	
		June 30, 2023 Taka	June 30, 2022 Taka
<b>Revenue</b>	<b>28a</b>	9,385,704,986	7,249,018,396
Cost of Sales	<b>29a</b>	8,179,430,280	5,943,690,577
<b>Gross Profit</b>		<b>1,206,274,706</b>	<b>1,305,327,819</b>
<b>Operating Expenses:</b>			
General and Administrative Expenses	<b>30a</b>	246,963,813	170,697,651
Financial Expenses	<b>31a</b>	311,294,179	263,548,314
<b>Operating Profit</b>		<b>648,016,714</b>	<b>871,081,853</b>
Non-Operating Income	<b>32a</b>	41,045,933	50,213,958
Share of Profit From Associate	<b>33a</b>	(199,684,112)	178,280,157
<b>Net Profit before Tax and WPPF</b>		<b>489,378,535</b>	<b>1,099,575,968</b>
Workers' Profit Participation Fund	<b>34a</b>	37,098,222	49,014,086
<b>Net Profit before Tax</b>		<b>452,280,313</b>	<b>1,050,561,882</b>
<b>Income Tax Expenses:</b>		<b>168,227,323</b>	<b>254,924,956</b>
Current Tax	<b>35a</b>	208,164,146	219,268,925
Deferred Tax	<b>35.00</b>	(39,936,823)	35,656,031
<b>Net profit after Tax</b>		<b>284,052,990</b>	<b>795,636,926</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>284,052,990</b>	<b>795,636,926</b>
<b>Profit Attributable to</b>			
Equity holders' of the parent		283,513,356	772,487,589
Non Controlling Interest		539,634	23,149,338
		<b>284,052,990</b>	<b>795,636,927</b>
<b>Total Comprehensive Income Attributable to:</b>			
Equity holders' of the parent		283,513,356	772,487,589
Non Controlling Interest		539,634	23,149,338
		<b>284,052,990</b>	<b>795,636,927</b>
<b>Earnings Per Share (EPS)</b>	<b>36a</b>	<b>1.52</b>	<b>4.14</b>

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

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

This is the statement of consolidated comprehensive income referred to in our report of even date.  
The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
Date: 26 October 2023

**ACNABIN Chartered Accountants**  
Enlistment No. CAF-001-012

  
**Md. Rokonzaman FCA**  
Partner  
Enrollment No.: 0739  
DVC : 2310290739AS875415



**SHAHJIBAZAR POWER COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Notes	For the Year Ended	
		June 30, 2023 Taka	June 30, 2022 Taka
<b>Revenue from Sales</b>	<b>28.00</b>	<b>2,751,972,582</b>	<b>2,235,240,468</b>
Cost of Sales	29.00	1,885,906,444	1,446,733,392
<b>Gross Profit</b>		<b>866,066,138</b>	<b>788,507,076</b>
<b>Operating Expenses:</b>			
General and Administrative Expenses	30.00	148,225,996	89,637,476
Financial Expenses	31.00	88,132,029	121,654,566
<b>Operating Profit</b>		<b>629,708,113</b>	<b>577,215,034</b>
Non-Operating Income	32.00	98,490,292	117,779,200
Share of Profit of Investment Accounted for using Equity Method	33.00	(199,684,112)	178,280,157
<b>Net Profit before Tax and WPPF</b>		<b>528,514,293</b>	<b>873,274,391</b>
Workers' Profit Participation Fund	34.00	34,676,115	33,094,964
<b>Net Profit before Tax</b>		<b>493,838,179</b>	<b>840,179,427</b>
<b>Income Tax Expenses:</b>	<b>35.00</b>	<b>125,181,532</b>	<b>168,035,885</b>
Current Tax		165,118,355	132,379,854
Deferred Tax		(39,936,823)	35,656,031
<b>Net profit after Tax</b>		<b>368,656,646</b>	<b>672,143,542</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>368,656,646</b>	<b>672,143,542</b>
<b>Earnings Per Share (EPS)</b>	<b>36.00</b>	<b>1.98</b>	<b>3.60</b>

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

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

This is the statement of Comprehensive Income referred to in our report of even date.  
The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
Date: 26 October 2023

**ACNABIN Chartered Accountants**  
Enlistment No. CAF-001-012

  
**Md. Rokonzaman FCA**  
Partner  
Enrollment No.: 0739  
DVC : 2310290739AS875415

# SHAHJIBAZAR POWER COMPANY LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
<b>Balance as at July 01, 2022</b>	1,794,534,897	-	914,920,000	4,144,646,140	6,854,101,037	301,149,374	7,155,250,411
Net profit (After Tax) for the period	-	-	-	283,513,356	283,513,356	539,634	284,052,990
Bonus Share/Stock Dividend	71,781,396	-	-	(71,781,396)	-	-	-
Cash Dividend Paid	-	-	-	(287,125,582)	(287,125,582)	(10,000,000)	(297,125,582)
Tax Holiday Reserve	-	-	-	-	-	-	-
<b>Balance as at June 30, 2023</b>	<b>1,866,316,293</b>	<b>-</b>	<b>914,920,000</b>	<b>4,069,252,517</b>	<b>6,850,488,811</b>	<b>291,689,008</b>	<b>7,142,177,819</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
<b>Balance as at July 01, 2021</b>	1,725,514,324	-	914,920,000	3,924,323,134	6,564,757,458	290,000,036	6,854,757,495
Net profit (After Tax) for the year	-	-	-	772,487,589	772,487,589	23,149,338	795,636,928
Bonus Share/Stock Dividend	69,020,573	-	-	(69,020,573)	-	-	-
Cash Dividend Paid	-	-	-	(483,144,010)	(483,144,010)	(12,000,000)	(495,144,010)
Tax Holiday Reserve	-	-	-	-	-	-	-
<b>Balance as at June 30, 2022</b>	<b>1,794,534,897</b>	<b>-</b>	<b>914,920,000</b>	<b>4,144,646,140</b>	<b>6,854,101,038</b>	<b>301,149,374</b>	<b>7,155,250,414</b>

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

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

This is the statement of consolidated changes in equity referred to in our report of even date. The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
Date: 26 October 2023

**ACNABIN Chartered Accountants**  
Enlistment No. CAF-001-012

**Md. Rokunuzzaman FCA**  
Partner  
Enrollment No.: 0739  
DVC : 2310290739AS875415

# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2023


Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
<b>Balance as at July 01, 2022</b>				
Net profit for the year	1,794,534,894	914,920,000	2,161,562,669	4,871,017,564
Bonus Share/Stock Dividend	-	-	368,656,646	368,656,646
Cash Dividend	71,781,396	-	(71,781,396)	-
	-	-	(287,125,583)	(287,125,583)
<b>Balance as at June 30, 2023</b>	<b>1,866,316,290</b>	<b>914,920,000</b>	<b>2,171,312,336</b>	<b>4,952,548,626</b>

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
<b>Balance as at July 01, 2021</b>				
Net profit for the year	1,725,514,324	914,920,000	2,041,583,706	4,682,018,031
Bonus Share/Stock Dividend	-	-	672,143,543	672,143,543
Cash Dividend	69,020,570	-	(69,020,570)	-
	-	-	(483,144,010)	(483,144,010)
<b>Balance as at June 30, 2022</b>	<b>1,794,534,894</b>	<b>914,920,000</b>	<b>2,161,562,669</b>	<b>4,871,017,565</b>

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

## Report of the Auditors to the Shareholders:

This is the statement of changes in equity referred to in our report of even date. The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
Date: 26 October 2023

**ACNABIN Chartered Accountants**  
Enrollment No. CAF-001-012

  
**Md. Rokunuzzaman FCA**  
Partner  
Enrollment No.: 0739  
DVC : 2310290739AS875415

## SHAHJIBAZAR POWER COMPANY LIMITED

### CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023 Taka	JUNE 30, 2022 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	7,477,301,837	7,069,567,885
Cash paid to suppliers, employees	(6,010,350,314)	(4,194,541,800)
Cash Paid for operational Expenses	(324,701,918)	(1,071,552,208)
Cash received from Other Activities	38,722,883	50,236,954
Cash paid for Workers Profit Participation Fund	(49,014,087)	(57,082,011)
Income Tax Paid	(218,380,702)	(304,256,128)
Cash payment for Financial Expenses	(311,294,179)	(263,548,314)
<b>Net Cash flows from operating activities</b>	<b>602,283,520</b>	<b>1,228,824,377</b>
<b>B CASH FLOWS IN INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(209,883,705)	(237,840,955)
Disposal of Fixed Assets	1,400,000	-
Other Investment	(120,993,320)	81,449,603
Financial Assets at Fair Value	(5,044,099)	7,222,013
<b>Net cash used in investing activities</b>	<b>(334,521,124)</b>	<b>(149,169,339)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Loan (Short Term )	879,974,969	(940,721,334)
Payment of Dividend	(297,125,582)	(495,975,076)
Refund of IPO Application	-	(4,910,500)
Unclaimed Dividend	1,287,945	-
Payment of Liabilities(Letter of Credit)	(474,503,137)	(177,031,065)
Payment of Lease Liabilities	(984,331)	-
Advance Income Tax	(168,089,663)	-
Bank Loan (Long Term )	(148,724,531)	170,507,849
<b>Net cash used in financing activities</b>	<b>(208,164,329)</b>	<b>(1,448,130,126)</b>
<b>D Net Cash for the year (A+B+C)</b>	<b>59,598,067</b>	<b>(368,475,088)</b>
<b>E Opening cash and bank balance</b>	<b>284,492,330</b>	<b>652,967,418</b>
<b>F Closing cash and cash equivalents (D+E)</b>	<b>344,090,397</b>	<b>284,492,330</b>
<b>G Net Operating Cash Flow per share [Note-49]</b>	<b>3.23</b>	<b>6.58</b>
<b>Effect of Exchange Rate:</b>	<b>27,477</b>	<b>491</b>

Net Operating Cash Flow per Share reduced due to significant increase in consolidated receivable caused by irregular payment from the Government. Moreover, significant inventory has accumulated due to addition of foreign source of raw materials along with local raw materials of the subsidiary company as compared to the earlier period.

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director


  
Company Secretary

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

This is the statement of Consolidated cash flow referred to in our report of even date.  
 The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
 Date: 26 October 2023

**ACNABIN Chartered Accountants**  
 Enlistment No. CAF-001-012

  
**Md. Rokonzaman FCA**  
 Partner  
 Enrollment No.: 0739  
 DVC : 2310290739AS875415



# SHAHJIBAZAR POWER COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023 Taka	June 30, 2022 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipt from customers	1,718,975,953	1,780,026,117
Cash paid to suppliers, employees	(332,872,529)	(873,364,098)
Cash Paid for operational Expenses	(145,072,921)	(88,014,582)
Cash received from Other Activities	97,032,718	117,802,196
Cash paid for Workers Profit Participation Fund	(33,094,964)	(34,271,053)
Income Tax Paid	(175,336,310)	(217,368,207)
Cash Paid for Financial Expenses	(88,132,029)	(121,654,566)
<b>Net Cash flows from operating activities</b>	<b>1,041,499,918</b>	<b>563,155,807</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(200,539,405)	(237,729,455)
Other Investment	(4,894,007)	99,133,573
<b>Net cash flow from investing activities</b>	<b>(205,433,412)</b>	<b>(138,595,882)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Loan (Short Term)	(203,330,450)	55,732,802
Dividend Paid	(287,125,582)	(483,975,076)
Refund of IPO Application	-	(4,910,500)
Payment of Liabilities(Letter of Credit)	(153,798,112)	(177,031,065)
Payment of Lease Liabilities	(984,331)	-
Unclaimed Dividend	1,287,945	-
Bank Loan (Long Term)	(148,724,531)	170,507,849
<b>Net cash used financing activities</b>	<b>(792,675,061)</b>	<b>(439,675,990)</b>
<b>D Net Cash inflow/(outflow) for the year (A+B+C)</b>	<b>43,391,445</b>	<b>(15,116,065)</b>
<b>E Opening Cash &amp; Cash Equivalent</b>	<b>58,514,658</b>	<b>73,630,723</b>
<b>F Closing Cash &amp; Cash Equivalent</b>	<b>101,906,103</b>	<b>58,514,658</b>
<b>G Net Operating Cash Flow per share [Note-48]</b>	<b>5.58</b>	<b>3.02</b>
<b>Effect of Exchange Rate:</b>	<b>27,477</b>	<b>491</b>

The significant increase in Net Operating Cash Flow per Share (NOCFPS) has occurred due to increase in Trade Payable with Key Supplier Jalalabad Gas T & D Systems Ltd compared to the earlier period.

The financial statements were authorised for issuance by the Board of Directors on October 26, 2023

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

### Report of the Auditors to the Shareholders:

This is the statement of Cash flow referred to in our report of even date.  
The annexed notes 1 to 50 form an integral part of these financial statements.

Dhaka, Bangladesh  
Date: 26 October 2023

**ACNABIN Chartered Accountants**  
Enlistment No. CAF-001-012

  
**Md. Rokunuzzaman FCA**  
Partner  
Enrollment No.: 0739  
DVC : 2310290739AS875415

# SHAHJIBAZAR POWER COMPANY LIMITED

## Notes to the Financial Statements As on and for the year ended June 30, 2023

### 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 (PRL) 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:  
Conceptual Framework for Financial Reporting

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 27	Separate Financial Statements
IAS 28	Investment in Associates and Joint Ventures
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 3	Business Combinations
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segment
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
IFRS 16	Leases

## 2.3. Date of authorization

The consolidated financial statements as well as separate financial statements were authorized by the Board of Directors on 26 October 2023 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

Basis for Consolidation: Management has to use their judgment to determine whether their investment in subsidiary Petromax Refinery meets the criteria for consolidation.

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 25.01 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 for using Going concern

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.

The PPA of the project has been in the verge of expiry on February 2024. Considering this fact, an application for renewal of the project has been submitted to the Bangladesh Power Development Board (BPDB) and the Ministry of Power Energy and Mineral Resources (MPEMR) for renewal of the PPA for another 5 (Five) years term. Taking the evidence from the same nature of Power Plants in recent past all such projects gets the renewal nod from BPDB under No Electricity No Payment Basis. Therefore, there is a very high possibility of getting the renewal of the project from BPDB and the Ministry for next 5 (Five) years.

## 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

## 3. Principal Accounting Policies:

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

### 3.1. Accounting policy for Subsidiary and Associate

#### 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.

When Shahjibazar Power Company Ltd. loses control over its subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of the equity. Any resulting gain or loss is recognized in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interest (NCI) is the equity interest in Petromax Refinery Limited not attributable to Shahjibazar Power Company Ltd. NCI is measured at PRL's proportionate share of identifiable net assets at the date of acquisition as per para 19 of IFRS 3: Business Combinations. The Company presents the non-controlling interests in the consolidated statement of financial position within equity, separately from the equity of the owners of parent as per Para 22 of IFRS 10: Consolidated Financial Statements.

Changes in Company's interest in PRL that do not result in a loss of control are accounted for as equity transaction as per Para 23 of IFRS 10: Consolidated Financial Statements.

### 3.1.2 Investment in Associate

In line with IAS 28, The Company's investment in its associates over which the Company has significant influence are accounted for using the equity method in the Consolidated and Separate Financial Statements. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

## 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%
Right of Use of Assets	20%

#### 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, 2023 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 20%.

**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, 2023, 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 37 & 37a

**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 nonoperation items and for the net changes in operating accruals. A reconciliation of Cash flow related to operating activities is also provided in Note 49 and 50.

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

The company has been providing worker profit participation fund for its employees in accordance with provisions of Bangladesh Labor Act 2006. Section-232(1). The Company has a termination benefits plan (gratuity plan) against which it has made provision.

### **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 generates revenue from only power generation. There is 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 IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

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

### 3.26. Materiality, aggregation and off-setting

Each material item as considered by management significant, has been presented separately in the financial statements. No amount has been set off unless the Group has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the period.

### 3.27. Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. Assets and liabilities are classified as current when they are expected to be realized, settled, sold or consumed in a normal accounting cycle or within twelve months after the reporting period. Assets and liabilities that are held primarily for trading are also considered current.

### 3.28. Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items including a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

#### i. Classification – financial assets

IFRS 9 contains a classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

#### ii. Impairment

IFRS 9 introduces a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability weighted basis. The new impairment model will apply to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments, and to contract assets.



Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-months ECLs: these are ECLs which result from possible default events within the 12 months after the reporting date; and
- 12-Lifetime ECLs: these are ECLs which result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; the group has a choice to also apply this policy for trade receivables and contract assets with a significant financing component.

The estimated ECL will be calculated based on actual credit loss experience. The group will perform the calculation of ECL rates separately for different types of customers including related parties.

Actual credit losses will be adjusted to reflect differences between economic conditions during the period over which the historical data will be collected, prevalent conditions and the Group's view of economic conditions over the expected lives of the receivables and related party balances.

**4.00 PROPERTY, PLANT AND EQUIPMENT:****Cost**

Cost at July 01, 2022

Addition during the period

Cost at June 30, 2023

**Accumulated Depreciation**

Balance at July 01, 2022

Charged during the year

Adjustment during the year

At June 30, 2023

**Carrying Value at June 30, 2023****LEASEHOLD/FREEHOLD STATUS (at carrying value)**

Land, Building, Plant &amp; Machinery, Furniture fixtures &amp; Others

Leasehold

Freehold

For details breakup please refer to Annexure - A

**4a Consolidated Property, Plant and Equipment**

Shahjibazar Power Company Limited

Petromax Refinery Limited

**5.00 Consolidated Intangible Assets**

Shahjibazar Power Company Limited

Petromax Refinery Limited

**6.00 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**

Investment in Midland Power Co. Ltd.

Share of Post Acquisition Change in Net Asset 6.01

**6.01 Share of Post Acquisition Changes in Net Asset**

Opening Balance

Share of Net Profit/(Loss) for this Period

**6a Consolidated Investment Accounted for using the Equity Method**

Investment in Midland Power Co. Ltd.

Share of Post Acquisition Changes in Net Asset

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

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

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

	June 30, 2023 Taka	June 30, 2022 Taka
<b>Summarised financial information for associate</b>		
<b>Summarised Balance Sheet:</b>		
	June 30, 2023	June 30, 2022
Current:		
Cash & Cash Equivalents	1,422,103,979	20,851,724
Other Current Assets (excluding cash)	13,423,160,832	692,068,672
<b>Total Current Assets</b>	<b>14,845,264,812</b>	<b>712,920,396</b>
Financial liabilities (excluding trade payables)	8,903,328,203	779,861,921
Other current liabilities	673,427,151	155,756,346
<b>Total Current Liabilities</b>	<b>9,576,755,354</b>	<b>935,618,267</b>
Non-Current:		
Assets	8,164,829,112	2,440,550,659
<b>Total Non-Current Assets</b>	<b>8,164,829,112</b>	<b>2,440,550,659</b>
Financial Liabilities	1,144,859,989	519,567,481
Other Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>1,144,859,989</b>	<b>519,567,481</b>
<b>Net Assets</b>	<b>12,288,478,581</b>	<b>1,698,285,307</b>
<b>Summarised Statement of Comprehensive Income</b>		
Revenue	12,511,328,960	1,113,143,226
Cost of Revenue	10,463,757,108	817,179,338
Other Expenses	2,505,292,183	133,210,635
Income Tax Expense	12,703,865	454,280
Post tax profit from continuing operations.	(470,424,196)	162,753,254
<b>Details of Post tax profit from continuing operations:</b>		
Midland Power Co. Ltd.	64,739,189	162,298,974
Midland East Power Ltd.	(534,706,952)	201,538,082
<b>Profit Transferred to Midland Power Co. Ltd.(A+B)</b>	<b>(407,518,597)</b>	<b>364,291,336</b>
A. Midland Power Company Ltd.	64,282,756	162,753,254
B. Midland East Power Ltd.	(471,801,352)	201,538,082
Net Profit of Midland East Power Ltd.	(534,706,952)	228,409,293
Less: Non-Controlling Interest	62,905,599	(26,871,211)
<b>7.00 INVESTMENT IN SUBSIDIARY:</b>		
Petromax Refinery Limited	900,000,000	900,000,000
	<b>900,000,000</b>	<b>900,000,000</b>
Petromax Refinery Limited is 90% owned subsidiary company of Shahjibazar Power Co. Ltd.		
<b>8.00 OTHER INVESTMENTS:</b>		
Investment In Mudaraba Term Deposit	30,282,764	25,388,757
Midland East Power Ltd.	11,664,500	11,664,500
	<b>41,947,264</b>	<b>37,053,257</b>
Shahjibazar Power Co. Ltd. has invested in Midland East Power Ltd's equity share for 11,64,450 shares @ Tk. 10/- each.		
<b>8.01 Investment in Mudaraba Term Deposit</b>		
Mudaraba Term Deposit Receipt-IBBL	30,282,764	25,388,757
	<b>30,282,764</b>	<b>25,388,757</b>

**Lien Status:**

Under Lien (Against Bank Guarantee)

Free from Lien

**8a Consolidated Other Investment**

Shahjibazar Power Company Limited

Petromax Refinery Limited

**9.00 INVENTORIES**

Oil & Lubricant

Spare parts and others

	June 30, 2023 Taka	June 30, 2022 Taka
	16,843,052	13,388,757
	13,439,712	12,000,000
	<b>30,282,764</b>	<b>25,388,757</b>
	41,947,264	37,053,257
	598,139,234	482,039,921
	<b>640,086,498</b>	<b>519,093,178</b>
	11,667,138	9,008,488
	356,171,922	279,997,052
	<b>367,839,060</b>	<b>289,005,540</b>

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

**Quantity wise disclosure of inventory:**

Items	Measurement Unit	Quantity	Value (BDT)
Oil & Lubricant	Liter	38703	11,386,325
	Drum	6	143,679
	Kgs	547	128,630
	Can	25	8,505
Spare parts & Others	Pices	137217	319,861,490
	Packet	189	1,190,784
	Set	179	6,146,255
	Roll	23	48,251
	Rim	1	460
	Rft	15802	9,145,942
	Pair	245	16,410,832
	Book	191	18,670
	Box	15	41,571
	Kg	506.35	3,128,149
	Lbs	0	-
	Mtr	10	2,800
	Can	132	176,718
<b>Total</b>			<b>367,839,060</b>

**9a Consolidated Inventories**

Shahjibazar Power Company Limited

Petromax Refinery Limited

	367,839,060	289,005,540
	1,160,885,924	708,266,290
	<b>1,528,724,984</b>	<b>997,271,830</b>
	<b>2,017,621,039</b>	<b>984,624,410</b>
	2,017,621,039	984,624,410
	-	-
	<b>2,017,621,039</b>	<b>984,624,410</b>
	2,017,621,039	984,624,410
	1,179,106,707	303,700,187
	<b>3,196,727,746</b>	<b>1,288,324,597</b>

**10.00 ACCOUNTS RECEIVABLES**

Bangladesh Power Development Board (BPDB)

**Ageing Status of Accounts Receivables**

Less than six months

More than six months

**10a Consolidated Accounts Receivables:**

Shahjibazar Power Company Limited

Petromax Refinery Limited

		June 30, 2023 Taka	June 30, 2022 Taka
<b>11.00 OTHER RECEIVABLES:</b>			
Interest on Mudaraba Term Deposit-IBBL		1,507,906	50,332
		<b>1,507,906</b>	<b>50,332</b>
<b>11a Consolidated Other Receivables:</b>			
Shahjibazar Power Company Limited		1,507,906	50,332
Petromax Refinery Limited		-	-
		<b>1,507,906</b>	<b>50,332</b>
<b>12.00 ADVANCE, DEPOSITS AND PREPAYMENTS:</b>			
Advance	12.01	260,458	1,605,952
Deposits	12.02	23,260,262	25,745,659
Prepayments	12.03	6,290,948	9,123,352
		<b>29,811,668</b>	<b>36,474,963</b>
<b>12.01 Advances:</b>			
<b>Advance Income Tax:</b>			
Opening Balance		-	-
Add: During this period		4,551,617	343,131
Adjusted with Non-Operating Income Tax Payable		(4,551,617)	(343,131)
		-	-
<b>Advance to Others :</b>			
Youth Garments Ltd.		-	130,000
Alanoor Electric Store		-	104,657
Bangladesh Corporation		-	33,200
Cool N Fresh International		1,300	86,200
M/S Shuvo Enterprise		-	450,000
Rabeya Nur Enterprise		-	41,400
S.T Corporation		-	21,600
United Corporate Advisory Services Ltd.		-	100,000
CSL Software Resources Ltd.		140,000	-
		<b>141,300</b>	<b>967,057</b>
<b>Advance to Staffs:</b>			
Mr. A.F.M Sarwar Jahan		19,451	113,247
Mr. Tarekul Islam		23,243	50,711
Others		76,464	474,937
		<b>119,158</b>	<b>638,895</b>
<b>Total Advances :</b>		<b>260,458</b>	<b>1,605,952</b>
<b>12.02 Deposits :</b>			
Central Depository Bangladesh Ltd.(CDBL)		500,000	500,000
Power Development Board (Hobigonj)		72,660	72,660
Bank Guarantee Margin - IBBL		11,372,644	12,438,144
Letter of Credit Margin - IBBL		10,978,108	12,434,855
Trust Filling Station		300,000	300,000
G4S Secure Solutions Bangladesh (P) Ltd.		36,850	-
<b>Total Deposits :</b>		<b>23,260,262</b>	<b>25,745,659</b>



**12.03 Pre-Payments:**

Pre-paid Insurance
Pre-paid Interest-Bai Murabaha TR Loan
Pre-paid Interest-Bai Murabaha MPI Loan
Pre-paid BG Commission
<b>Total Prepayments :</b>

June 30, 2023 Taka	June 30, 2022 Taka
4,924,318	7,900,722
-	726,474
-	496,156
1,366,630	-
<b>6,290,948</b>	<b>9,123,352</b>

Islami 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
More than One Year

29,811,668	36,474,963
-	-
<b>29,811,668</b>	<b>36,474,963</b>

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

Shahjibazar Power Company Limited
Petromax Refinery Limited
Less : Loan from Petromax Refinery Limited

29,811,668	36,474,963
761,118,904	519,786,818
(130,900)	(16,987)
<b>790,799,672</b>	<b>556,244,794</b>

**12b Consolidated Financial Assets at fair value through profit or loss**

Shahjibazar Power Company Limited
Petromax Refinery Limited

-	-
20,407,183	15,363,084
<b>20,407,183</b>	<b>15,363,084</b>

**Financial Assets at fair value through profit or loss****Listed Equity Securities-Held for Trading**

AB Bank Ltd.	1,273,853	1,312,500
Appollo Ispat Complex Limited.	325,171	344,999
BBS Cables Ltd.	1,895,252	1,960,577
Bashundhara Paper Mills Ltd. (BPML)	-	918,000
The City Bank Ltd.	1,254,768	1,322,155
CVO Petrochemical Refinery Limited	1,340,093	1,320,302
Dhaka Electric Supply Company Limited	222,894	236,292
Dhaka Bank Ltd.	1,548,450	1,601,051
Eastland Insurance Company Ltd. (EASTLAND)	164,480	181,760
Eastern Housing Limited	2,064,000	-
EXIM Bank Limited	1,066,000	1,117,250
NCC Bank Ltd.	357,630	374,400
Far Chemicals Industries Ltd.	145,079	149,072
JMI Hospital Requisite Manufacturing Ltd. (JHRML)	4,105,000	-
Lafarge Holcim Bangladesh Limited (LHBL)	1,033,500	1,026,000
Lankabangla Finance Ltd. (LANKABAFIN)	1,794,000	1,966,500
Nurani Dyeing & Sweater Ltd. (NURANI)	143,990	135,762
Premier Leasing & Finance Ltd .	144,534	136,156
Ratanpur Steel Re-Rolling Mills Ltd. (RSRMSTEEL)	522,500	440,000
Union Capital Ltd.	768,989	578,809
United Finance Ltd. (UNITEDFIN)	237,000	241,500
	<b>20,407,183</b>	<b>15,363,084</b>

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

### 13.00 CASH AND CASH EQUIVALENT:

#### Cash in Hand

#### Cash at Bank:

CD Account with Bank Asia Limited, IPO-USD  
 CD Account with Bank Asia Limited, IPO-GBP  
 CD Account with Bank Asia Limited, IPO-EURO  
 STD Account with Bank Asia Limited, IPO-Taka  
 CD Account with Islami Bank Bangladesh Ltd# 9396  
 CD Account with Islami Bank Bangladesh Ltd# 1250  
 CD Account with Islami Bank Bangladesh Ltd# 12506308  
 SND Account with Islami Bank Bangladesh Ltd# 49  
 SND Account with Islami Bank Bangladesh Ltd# 29413  
 CD A/C with Standard Chartered Bank # 53917701  
 CD A/C with Eastern Bank Ltd. # 1041060274350

### 13a Consolidated Cash and Cash Equivalent

Shahjibazar Power Company Limited  
 Petromax Refinery Limited

### 14.00 GOODS IN TRANSIT:

Parts of Plant & Machinery

### 14a Consolidated Goods in Transit

Shahjibazar Power Company Limited  
 Petromax Refinery Limited

### 15.00 SHARE CAPITAL:

#### Authorized :

500,000,000 shares @ Tk.10.00 each

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

18,66,31,629 shares @ Tk.10.00 each

#### Movement of Share Capital:

Opening Balance

Add: Bonus Share issued (4%)

#### Shareholding position was as follows:

Name of Shareholders
Mr. Anis Salahuddin Ahmad
Mr. A.K.M.Badiul Alam
Md. Samsuzzaman
Ms. Shahida Alam
Md. Akbor Haider
Mr. Faridul Alam
Mr. Rezina Alam
Mr. Faisal Alam
Mr. Asgar Haider
Ms. Israt Azim Ahmad
General Public

June 30, 2023 Taka	June 30, 2022 Taka
52,118	113,879
101,853,985	58,400,779
134,179	114,847
44,367	36,412
1,093	903
11,482,336	11,299,302
12,454,358	9,490,938
1,539,027	6,714,019
274,466	13,325
69,818,732	29,188,761
5,975,489	1,411,493
4,600	4,600
125,339	126,179
101,906,103	58,514,658
101,906,103	58,514,658
242,184,294	225,977,672
344,090,397	284,492,330
-	110,158,175
-	110,158,175
-	110,158,175
75,596,783	985,970,570
75,596,783	1,096,128,745
5,000,000,000	5,000,000,000
1,866,316,290	1,794,534,897
1,794,534,894	1,725,514,324
71,781,396	69,020,573
1,866,316,290	1,794,534,897

% of Shareholding 30-Jun-23	% of Shareholding 30-Jun-23
16,630,494	8.91%
10,885,259	5.83%
21,195,091	11.36%
3,820,228	2.05%
12,844,144	6.88%
10,653,363	5.71%
8,369,788	4.48%
11,494,265	6.16%
12,612,333	6.76%
5,824,839	3.12%
72,301,825	38.74%
186,631,629	100%

June 30, 2023  
Taka

June 30, 2022  
Taka

**Classification of Shareholders by holding:**

Class by number of shares	Number of Shareholders		Percentage of Shareholding	Percentage of Shareholding
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Less than 500 Shares	5796	6,151	46.38%	52.88%
501 to 5,000 shares	5087	4,134	40.71%	35.54%
5,001 to 10,000 shares	734	630	5.87%	5.42%
10,001 to 20,000 Shares	432	317	3.46%	2.73%
20,001 to 30,000 Shares	159	123	1.27%	1.06%
30,001 to 40,000 Shares	67	54	0.54%	0.46%
40,001 to 50,000 Shares	35	31	0.28%	0.27%
50,001 to 100,000 Shares	85	81	0.68%	0.70%
100,001 to 1,000,000 Shares	82	93	0.66%	0.80%
Over 1,000,000 Shares	19	18	0.15%	0.15%
	<b>12,496</b>	<b>11,632</b>	<b>100%</b>	<b>100%</b>

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

Name of the Directors	No. of Shareholding 30-Jun-23	No. of Shareholding 30-Jun-22
Mr. Rezakul Haider (Deceased)	-	15,427,046
Mr. Anis Salahuddin Ahmad	16,630,494	15,990,860
Mr. A.K.M.Badiul Alam	10,885,259	10,466,596
Md. Samsuzzaman	21,195,091	20,379,896
Mr. Akbor Haider	12,844,144	5,600,807
Mr. Faridul Alam	10,653,363	10,243,619
Mr. Faisal Alam	11,494,265	11,052,178
Mr. Asgar Haider	12,612,333	5,377,912
<b>Total :</b>	<b>96,314,949</b>	<b>94,538,914</b>

**16.00 SHARE PREMIUM:**

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

**17.00 RETAINED EARNING:**

Opening Balance	2,161,562,668	2,041,583,706
Add: Net profit for this year	368,656,646	672,143,542
Less: 16% Cash Dividend	(287,125,582)	(483,144,010)
Less: 4% Stock Dividend	(71,781,396)	(69,020,570)
	<b>2,171,312,336</b>	<b>2,161,562,668</b>

**17a Consolidated Retained Earning**

Opening Balance	4,144,646,143	3,924,323,134
Net Profit for the period	283,513,356	772,487,589
Bonus Share/Stock Dividend	(71,781,396)	(69,020,570)
Cash Dividend Paid	(287,125,582)	(483,144,010)
	<b>4,069,252,520</b>	<b>4,144,646,143</b>

	June 30, 2023 Taka	June 30, 2022 Taka
<b>17b Non-controlling interests</b>		
Opening Balance	301,149,374	290,000,036
NCI share of total comprehensive income	539,634	23,149,338
Dividend	(10,000,000)	(12,000,000)
	<b>291,689,009</b>	<b>301,149,374</b>
<b>18.00 LONG TERM LOAN - NET OF CURRENT MATURITY</b>		
Islami Bank Bangladesh Limited	406,456,383	555,180,914
	<b>406,456,383</b>	<b>555,180,914</b>

Facility arrangement for bank over draft, 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	402.49	912.00	936.70
<b>Total</b>	<b>350.00</b>	<b>402.49</b>	<b>912.00</b>	<b>936.70</b>

**Islami Bank Bangladesh Limited**

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

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

**Mode of Repayment:** Monthly installment

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

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

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

406,456,383	555,180,914
-	-
<b>406,456,383</b>	<b>555,180,914</b>
1,720,077,281	1,488,561,393
480,200,000	49,000,000
<b>1,239,877,281</b>	<b>1,439,561,393</b>
<b>247,975,456</b>	<b>287,912,279</b>

**19.00 DEFERRED TAX LIABILITIES:**

Investment in associates carrying value

Investment in associates tax base

**Taxable temporary Difference**

**Deferred tax liabilities at 20%**

	June 30, 2023 Taka	June 30, 2022 Taka
<b>19a Consolidated Deferred Tax Liabilities</b>		
Shahjibazar Power Company Limited	247,975,456	287,912,279
Petromax Refinery Limited	1,859	460
	<b>247,977,315</b>	<b>287,912,739</b>
<b>20.00 L/C LIABILITIES:</b>		
Liabilities for Letter of Credit	208,794,248	362,592,360
	<b>208,794,248</b>	<b>362,592,360</b>
<b>20a Consolidated LC Liabilities</b>		
Shahjibazar Power Company Limited	208,794,248	362,592,360
Petromax Refinery Limited	595,410,689	916,115,714
	<b>804,204,936</b>	<b>1,278,708,074</b>
<b>21.00 Lease Liabilities</b>		
Current Lease Liability	1,093,892	-
Non-current Lease Liability	4,067,924	-
	<b>5,161,817</b>	<b>-</b>

Year	Opening Balance	Payment	Interest	Decrease in lease liabilities	Closing Balance
2022-23	6,146,148	(1,575,000)	590,668	(984,332)	5,161,817
2023-24	5,161,817	(1,575,000)	481,108	(1,093,892)	4,067,924
2024-25	4,067,924	(1,575,000)	359,352	(1,215,648)	2,852,277
2025-26	2,852,277	(1,575,000)	224,045	(1,350,955)	1,501,322
2026-27	1,501,322	(1,575,000)	73,678	(1,501,322)	0

**22.00 SHORT TERM LOAN:**

Bai Murabaha TR- IBBL  
Bai Murabaha MPI- IBBL

-	71,237,566
-	5,896,332
<b>-</b>	<b>77,133,898</b>

**22a Consolidated Short Term Loan**

Shahjibazar Power Company Limited  
Petromax Refinery Limited  
Less: Intercompany Loan

-	77,133,898
2,470,400,354	1,387,094,935
-	-
<b>2,470,400,354</b>	<b>1,464,228,833</b>

**23.00 IPO APPLICATION AMOUNT:**

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.

**23a Consolidated IPO Application Amount**

Shahjibazar Power Company Limited  
Petromax Refinery Limited

1,173,818	1,173,818
-	-
<b>1,173,818</b>	<b>1,173,818</b>

According to the instruction of BSEC Shahjibazar Power Co. Ltd. has transferred Tk. 4,910,500.00 from Unclaimed IPO fund to the Capital Market Stabilization Fund subsequent to the year end.

**24.00 LONG TERM LOAN - CURRENT MATURITY:**

Islami Bank Bangladesh Limited

164,822,840	291,019,392
<b>164,822,840</b>	<b>291,019,392</b>

This represents the current portion of Long Term Loan payable with in one year from the Financial Position date.



**24a Consolidated Long Term Loan- Current Maturity**

Shahjibazar Power Company Limited  
 Petromax Refinery Limited

June 30, 2023 Taka	June 30, 2022 Taka
164,822,840	291,019,392
-	-
<b>164,822,840</b>	<b>291,019,392</b>

**25.00SUNDRY CREDITORS:**

Paramount insurance Company Limited.  
 Provision for Termination Benefits  
 Aamra Networks Limited  
 Amber IT Limited  
 Business Eye Bangladesh  
 G4S Secure Solutions Bangladesh (P) Ltd.  
 Sharebazarnews Dot Com  
 Smart Printing Solutions Ltd.  
 SS IT Dwip  
 Stock Market BD  
 Youth Garments Ltd.  
 Zenith Islami Life Insurance Limited  
 Provision for WPPF  
 Payable for Current Tax

**25.01**

-	22,157
41,638,761	10,000,000
9,000	-
10,812	-
5,000	-
13,561	-
5,000	-
7,160	-
8,750	-
5,000	-
58,693	-
272,850	-
34,676,115	33,094,964
149,370,500	129,565,812
<b>226,081,201</b>	<b>172,682,932</b>

**25.01Payable for Current Tax**

Tax on Operating Income  
 Previous year Tax Payable  
 Minimum Tax  
 Tax on Non-operating income  
 Tax on Dividend Income  
 Tax on Cash Dividend Payable  
 Total Payable  
 Tax paid during this period  
 TDS adjustment

-	108,824,014
129,565,812	150,779,922
165,118,355	-
-	1,955,840
-	21,600,000
34,574,260	64,117,373
329,258,426	347,277,149
(175,336,310)	(217,368,207)
153,922,117	129,908,942
(4,551,617)	(343,131)
<b>149,370,500</b>	<b>129,565,812</b>

**25a Consolidated Sundry Creditors**

Shahjibazar Power Company Limited  
 Petromax Refinery Limited

226,081,201	172,682,932
34,340,742	28,660,485
<b>260,421,943</b>	<b>201,343,416</b>

**26.00LIABILITIES FOR EXPENSES:**

Salary & Allowance  
 Directors Remuneration  
 Audit Fees  
 Office Rent  
 Electricity Bill

-	4,768,918
-	500,000
759,000	759,000
438,834	1,373,216
76,103	78,259
<b>1,273,937</b>	<b>7,479,393</b>

**26a Consolidated Liabilities for Expenses**

Shahjibazar Power Company Limited  
 Petromax Refinery Limited

1,273,937	7,479,393
5,247,543	17,878,429
<b>6,521,480</b>	<b>25,357,822</b>

	June 30, 2023 Taka	June 30, 2022 Taka
<b>26b Dividend Payable</b>		
Dividend Payable	10,461,391	9,173,446
	<b>10,461,391</b>	<b>9,173,446</b>
Subsequent to the year end maximum portion of unclaimed dividend has been claimed and disbursed accordingly.		
According to the instruction of BSEC Shahjibazar Power Co. Ltd. has transferred Tk. 36,81,822.34 from Unclaimed Dividend to the Capital Market Stabilization Fund subsequent to the year end.		
<b>27.00 TRADE PAYABLE:</b>		
Manikgonj Engineering	-	1,439,904
Pulse Engineering Ltd.	-	67,050
MJL Bangladesh Limited	15,104,735	5,639,436
Jalalabad Gas Transmission and Distribution Systems Ltd.	1,082,142,729	134,780,973
Petromax Refinery Limited	130,900	16,987
Alanoor Electric Store	132,946	-
Aqua Care Trading	122,250	-
Assign Trade & Engineering Co. Ltd.	43,000	-
Clarke Energy Bangladesh Ltd.	4,200,000	-
Delcot Ltd.	147,750	-
Lubricants Asia Ltd.	6,000	-
Raha Harware & Tools	34,860	-
Others	-	536
	<b>1,102,065,170</b>	<b>141,944,886</b>
<b>27a Consolidated Trade Payable</b>		
Shahjibazar Power Company Limited	1,102,065,170	141,944,886
Petromax Refinery Limited	7,751,579	6,187,453
Less: Inter-Company	(130,900)	(16,987)
	<b>1,109,685,849</b>	<b>148,115,352</b>
<b>27b Net Asset Value Per Share (Consolidated)</b>		
Net Asset Value	6,850,488,810	6,854,101,040
Number of share	186,631,629	186,631,629
Net Asset Value Per Share	<b>36.71</b>	<b>36.73</b>
<b>27bb Net Asset Value Per Share</b>		
Net Asset Value	4,952,548,626	4,871,017,565
Number of share	186,631,629	186,631,629
Net Asset Value Per Share	<b>26.54</b>	<b>26.10</b>

		2022- 2023 Taka	2021- 2022 Taka
<b>28.00 REVENUE</b>			
Sales		2,751,972,582	2,235,240,468
		<b>2,751,972,582</b>	<b>2,235,240,468</b>
<b>28a Consolidated Revenue</b>			
Shahjibazar Power Company Limited		2,751,972,582	2,235,240,468
Petromax Refinery Limited		6,633,732,404	5,013,777,928
		<b>9,385,704,986</b>	<b>7,249,018,396</b>
<b>29.00 COST OF SALES:</b>			
Raw Material Consumed	29.01	1,304,426,311	895,583,181
Factory Overhead	29.02	581,480,133	551,150,211
		<b>1,885,906,444</b>	<b>1,446,733,392</b>
<b>29.01 Raw Material Consumed</b>			
Opening Stock		289,005,540	317,082,743
Purchase During the Year		1,383,259,831	867,505,978
Closing Stock as on 30th June-2023		(367,839,060)	(289,005,540)
		<b>1,304,426,311</b>	<b>895,583,181</b>
<b>Purchase during the Year:</b>			
Gas Consumption		1,352,715,961	813,455,556
Grease, Spare Parts		1,316,315	20,138,578
Chemical Purchase		572,875	413,000
Lube & Other Oil Purchase		28,654,680	33,498,844
		<b>1,383,259,831</b>	<b>867,505,978</b>
<b>29.02 Factory Overhead</b>			
Salary & Allowance		56,281,050	45,206,841
Overtime		833,832	605,067
Festival Bonus		7,276,026	4,460,170
Plant & Machinery maintenance		15,896,762	12,147,728
Fuel & Lubricants for car		1,260,298	1,181,042
Diesel for Generator		378,263	107,000
Depreciation		499,553,902	487,442,363
		<b>581,480,133</b>	<b>551,150,211</b>
<b>29a Consolidated Cost of Sales</b>			
Shahjibazar Power Company Limited		1,885,906,444	1,446,733,392
Petromax Refinery Limited		6,293,523,836	4,496,957,185
		<b>8,179,430,280</b>	<b>5,943,690,577</b>
<b>30.00 GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>			
Salary & Allowance		15,889,269	19,345,448
Audit Fee		950,667	759,000
Advertisement & Publicity		1,582,392	2,300,504
Secretarial Expenses		3,931,133	2,368,652
BG Commission		3,638,597	4,020,464
Credit Rating Expenses		136,501	146,425
Carrying Inwards/C&F Charges		-	1,273,796
Gift, Donation & Subscription		-	621,000

		2022- 2023 Taka	2021- 2022 Taka
Utility Bill		1,187,349	1,251,866
Entertainment		2,364,483	2,706,353
Insurance Premium		9,189,595	9,965,077
Directors Remuneration	30.01	6,000,000	6,000,000
Termination Benefits		31,638,761	10,000,000
Office Maintenance		1,708,132	3,162,715
Printing, Stationary & Supplies		724,734	938,244
Registration & Renewals		656,950	2,179,222
Traveling & Conveyances		2,835,622	1,725,754
Civil Works Maintenance		181,745	1,647,167
Realized Exchange Loss		31,072,908	18,223,116
Un-realized Exchange Loss		31,841,922	-
Depreciation Expenses		2,695,236	1,002,673
		<b>148,225,996</b>	<b>89,637,476</b>

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

Name	Designation	June-2023	June-2022
Faridul Alam	Managing Director	6,000,000	6,000,000
<b>Total</b>		<b>6,000,000</b>	<b>6,000,000</b>

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

**30a Consolidated General & Administrative Expenses**

Shahjibazar Power Company Limited	148,225,996	89,637,476
Petromax Refinery Limited	98,737,818	81,060,175
	<b>246,963,813</b>	<b>170,697,651</b>

**31.00 FINANCIAL EXPENSES**

Interest on Loan - Islami Bank Bangladesh Ltd.	73,244,230	110,682,209
Bank Charges & Commission	5,971,428	8,159,643
Charge for Delay Payment	8,325,703	2,812,714
Finance Expense (Lease)	590,668	-
	<b>88,132,029</b>	<b>121,654,566</b>

**31a Consolidated Financial Expenses**

Shahjibazar Power Company Limited	88,132,029	121,654,566
Petromax Refinery Limited	223,162,150	141,893,748
	<b>311,294,179</b>	<b>263,548,314</b>

**32.00 NON-OPERATING INCOME:**

Income from Bank Interest	3,170,492	2,006,974
Income from Wastage Sale	2,255,948	2,147,517
Foreign Exchange Gain	27,477	32,975
Income from Term Deposit	3,036,376	5,591,734
Income from Dividend- Subsidiaries	90,000,000	108,000,000
	<b>98,490,292</b>	<b>117,779,200</b>

Non-Operating income increased due to receiving of Dividend from Subsidiary Company.

**32a Consolidated Non-operating Income**

Shahjibazar Power Company Limited	98,490,292	117,779,200
Petromax Refinery Limited	32,555,641	40,434,758
Less: Inter-company Dividend	(90,000,000)	(108,000,000)
	<b>41,045,933</b>	<b>50,213,958</b>

### 33.00 SHARE OF PROFIT FROM ASSOCIATE:

Net Profit of Associate company

Percentage of share holding

**Share of profit from Associate**

Profit of Midland East Power Limited

#### SHAREHOLDING PERCENTAGE OF MEPL:

Midland Power Co. Limited

Shahjibazar Power Co. Limited

Faridul Alam

MPCL's profit from MEPL

Profit of Midland Power Co. Limited

### 33a Consolidated Share of Profit from Associate:

Shahjibazar Power Company Limited

Petromax Refinery Limited

### 34.00 WPPF IS BASED ON NET PROFIT BEFORE TAX @ 5%

### 34a Consolidated Workers' Profit Participant Fund:

Shahjibazar Power Company Limited

Petromax Refinery Limited

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.

### 35.00 INCOME TAX EXPENSES:

#### Current Tax

Tax on Operating Income @ 20%

Tax on Non-Operating Income @ 20%

Tax on Dividend Received @ 20%

Minimum Tax

#### Deferred Tax

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

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

### 35a Consolidated Income Tax Expenses

Shahjibazar Power Company Limited

Petromax Refinery Limited

	2022- 2023 Taka	2021- 2022 Taka
(407,518,597)		363,837,056
49%		49%
(199,684,112)		178,280,157
(534,706,952)		228,409,293
88.24%		88.24%
11.66%		11.66%
0.10%		0.10%
100.00%		100.00%
(471,801,352)		201,538,082
64,282,756		162,298,974
(407,518,597)		363,837,056
(199,684,112)		178,280,157
-		-
(199,684,112)		178,280,157
34,676,115		33,094,964
34,676,115		33,094,964
37,098,222		49,014,086
119,006,400		108,824,014
1,698,058		1,955,840
18,000,000		21,600,000
138,704,458		132,379,854
165,118,355		-
165,118,355		-
(39,936,823)		35,656,031
(39,936,823)		35,656,031
165,118,355		132,379,854
43,045,791		86,889,071
208,164,146		219,268,925



	2022- 2023 Taka	2021- 2022 Taka
<b>36.00 EARNING PER SHARE (EPS)</b>		
Net Profit After Tax	368,656,646	672,143,543
Number of share	186,631,629	186,631,629
Earnings Per Share	<b>1.98</b>	<b>3.60</b>
<b>36a Consolidated Basic Earning Per Share (EPS)</b>		
Profit/(Loss) attributable to equity holder of the parent	283,513,356	772,487,588
Number of share	186,631,629	186,631,629
Earnings Per Share	<b>1.52</b>	<b>4.14</b>

The underlying reasons for that significant deviation can be attributed to fall in profits of subsidiary and associate companies. The 90% subsidiary of refinery business had to book raw materials from foreign source at a higher price to streamline the pricing formula of finished oil refined from imported source by the Ministry. While finalizing the pricing formula the raw material price of imported source has fall significantly in the international market and the pricing formula has considered the spot price of raw materials instead of the purchase price of the Subsidiary company. Sonsequently, this individual consignment has suffered significant loss during the period under report. Moreover, the associate business of 150 MW HFO fired power plant had several HFO import consignments booked at the USD exchange rate of BDT 90-95 during the period, those import consignments matured for payment and USD rate was by the time hits as high as upto BDT 110 per USD causing a huge currency exchange loss reflected in the profitability of this power generation business.

### 37.00 CAPACITY AND UTILIZATION:

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

	30-Jun-23	30-Jun-22
License Capacity (Unit - Kw)	753,360,000	753,360,000
Actual Utilized (Unit - Kw)	477,095,952	619,934,136
Capacity Utilize (Unit - Kw)	<b>63%</b>	<b>82%</b>

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

### 38.00 CONTINGENT LIABILITIES:

The Company has also Contingent Liabilities of an amount Tk. 45,07,24,040/- which was issued by Shahjibazar Power Company Limited infavour of BPDB, Commissioner of Customs, Chittagong and Jalalabad Gas Transmission & Distribution Systems Ltd, The Chief Controller of Import and Export, The Commissioner of Customs, Benapole. These contingent liabilities created due to released of capital goods from customs authority, guarantee of power sell and gas bill List of contingent liabilities are as follows:

BG Issued	Beneficiary Name	B.G No	Guarantee Value
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/51	1,897,479
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/57	839,273
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/60	127,431
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/58	648,848
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/61	509,724
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/71	4,247,697
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/75	118,935
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/80	1,136,259
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/81	4,247,696
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/82	4,183,981
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/85	95,572
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/86	1,018,152
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/87	4,183,981
Islami Bank Bangladesh Ltd.	Jalalabad Gas T&D Systems Ltd.	BG/08/91	139,816,591
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/94	4,041,046

		2022- 2023 Taka	2021- 2022 Taka
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 T&D Systems Ltd.	Gas Purchase	11,249,611
Islami Bank Bangladesh Ltd.	Jalalabad Gas T&D Systems Ltd.	Gas Purchase	18,213,655
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,404,350
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Exports	Export-Cum-Import Permission	3,407,400
Islami Bank Bangladesh Ltd.	Rupali Insurance Co. Ltd.	Insurance Payment	1,500,000
Islami Bank Bangladesh Ltd.	Asua Pacific General Insurance Co. Ltd.	Insurance Payment	300,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas T&D Systems Ltd.	Gas Purchase	69,104,752
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG for Repairing Works	5,490,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas T&D Systems Ltd.	Gas Purchase	30,534,658
<b>Grand Total</b>			<b>450,724,040</b>

#### 39.00 CAPITAL EXPENDITURE COMMITMENT:

No capital expenditure contracted or incurred provided for as at 30th June, 2023.

There was no material capital expenditure authorized by the Board or contracted for as at 30th June, 2023.

#### 40.00 CLAIM ACKNOWLEDGEMENT:

There was no claim against the Company not acknowledged as debt as on June 30, 2023.

#### 41.00 EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors at the Board Meeting held on 26th October 2023, has recommended to the shareholders a cash dividend @ 11 % Cash i.e. Tk. 1.10 per share (amounting to Tk. 20,529,479). This will be considered for approval by the shareholders at the 16th Annual General Meeting (AGM) to be held on 09 January 2024.

"The financial statements for the year ended 30 June 2023 do not include the effect of these dividends which will be counted for the period when shareholder's right to received 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."

#### 42.00 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	Aziz Halim Khair Choudhury

#### 43.00 NUMBER OF EMPLOYEES:

	30-Jun-23	30-Jun-22
Head Office Staff	30	25
Plant Staff/Employees	90	97
<b>Total</b>	<b>120</b>	<b>122</b>

SHAHJIBAZAR POWER COMPANY LIMITED  
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED JUNE 30, 2023

Annexure - A

Note-44

SL No.	Particulars	Cost			Rate %	Depreciation				Written Down Value as on 30.06.2023
		Balance as on 01.07.2022	Addition during this year	Disposal/ Impairment during the year		Balance as on 01.07.2022	Adjustment during the year	Charged During the year	Balance as on 30.06.2023	
01	Land & Land Development	149,587,065	-	-	0.0%	-	-	-	-	149,587,065
02	Building & Construction	374,855,803	-	-	7.0%	342,301,316	-	26,239,906	368,541,223	6,314,581
03	Plant & Machineries	5,828,831,316	199,918,405	-	6.0%	3,572,775,632	-	472,881,770	4,045,657,402	1,983,092,319
04	Mechanical & Electrical Goods	4,322,263	-	-	10.0%	2,442,673	-	432,226	2,874,899	1,447,364
05	Office Equipment	4,630,250	-	-	15.0%	4,630,250	-	-	4,630,250	-
06	Computer & Computer Equipment	3,198,070	621,000	-	20.0%	3,198,070	-	621,000	3,819,070	-
07	Water Treatment Plant	4,264,500	-	-	15.0%	4,264,500	-	-	4,264,500	-
08	Furniture & Fixture	8,450,062	-	-	10.0%	6,858,737	-	845,006	7,703,744	746,319
09	Vehicles	22,378,250	-	-	20.0%	22,378,250	-	-	22,378,250	-
10	Right of Use of Assets	-	6,146,148	-	20.0%	-	-	1,229,230	1,229,230	4,916,918
	<b>June-2023</b>	<b>6,400,517,580</b>	<b>206,685,553</b>	<b>-</b>		<b>3,958,849,429</b>	<b>-</b>	<b>502,249,138</b>	<b>4,461,098,567</b>	<b>2,146,104,565</b>
	<b>June-2022</b>	<b>6,162,788,125</b>	<b>237,729,455</b>	<b>-</b>		<b>3,470,404,390</b>	<b>-</b>	<b>488,445,036</b>	<b>3,958,849,426</b>	<b>2,441,668,154</b>

Allocation of Current Year Depreciation:

<b>Cost of Goods Sold Portion:-</b>	Taka
Building & Construction	26,239,906
Plant & Machineries	472,881,770
Mechanical & Electrical Goods	432,226
Water Treatment Plant	-
<b>Total</b>	<b>Note: 28</b>
	<b>499,553,902</b>
<b>General &amp; Admin. Portion:-</b>	
Office Equipment	-
Computer & Computer Equipment	621,000
Furniture & Fixture	845,006
Vehicles	-
Right of Use of Assets	1,229,230
<b>Total</b>	<b>Note: 29</b>
	<b>2,695,236</b>
<b>Grand Total :</b>	<b>502,249,138</b>

SHAHJIBAZAR POWER COMPANY LIMITED  
CONSOLIDATED SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED JUNE 30, 2023

Note-45

SL	Particulars	Cost			Balance as on 30.06.23	Rate %	Depreciation			Written Down Value as on 30.06.2023
		Balance as on 01.07.2022	Addition during the year	Disposal during the year			Balance as on 01.07.2022	Adjustment during the year	Charged During the year	
1	Land & Land Development	213,954,497	-	-	213,954,497	0.0%	-	-	-	213,954,497
2	Building & Construction	907,016,401	-	-	907,016,401	7.0%	569,106,370	-	47,060,221	290,849,810
3	Plant & Machineries	8,651,491,736	199,918,405	-	8,851,410,141	6.0%	4,705,545,773	-	572,016,563	3,573,847,805
4	Mechanical & Electrical Goods	4,322,263	-	-	4,322,263	10.0%	2,442,672	-	432,226	1,447,365
5	Office/factory Equipment	25,247,850	-	-	25,247,850	15.0%	13,358,164	-	1,352,846	10,536,840
6	Computer & Computer Equipments	5,831,183	764,800	-	6,595,983	20.0%	4,628,737	-	811,860	1,155,386
7	Water Treatment Plant	8,647,145	-	-	8,647,145	15.0%	7,388,821	-	178,394	1,079,930
8	Furniture & Fixture	16,597,047	-	-	16,597,047	10.0%	12,254,681	-	1,235,025	3,107,341
9	Vehides	58,662,165	9,176,000	3,486,299	64,351,866	20.0%	44,695,342	2,951,775	2,875,243	19,733,056
10	Electric Installation	35,794,236	-	-	35,794,236	15.0%	25,692,066	-	1,432,199	8,669,971
11	Fire Extinguisher/Equipments	2,405,810	-	-	2,405,810	15.0%	1,149,689	-	178,082	1,078,039
12	Lab Equipments	2,791,179	-	-	2,791,179	15.0%	1,931,336	-	121,901	737,942
13	Refrigerator	97,708	24,500	-	122,208	15.0%	36,064	-	12,213	73,930
14	Air Conditioner	6,626,490	-	-	6,626,490	15.0%	4,335,216	-	324,837	1,966,437
15	Jetty	9,047,777	-	-	9,047,777	15.0%	6,457,274	-	367,259	2,223,244
16	Cylindrical Vertical Steel Tank	111,594,038	-	-	111,594,038	15.0%	80,104,404	-	4,464,331	27,025,303
17	Generator	20,300,278	-	-	20,300,278	15.0%	14,748,757	-	787,047	4,764,473
18	Ship	355,753,863	-	-	355,753,863	20.0%	254,195,843	-	4,752,558	96,805,462
19	Helicopter	90,285,623	-	-	90,285,623	10.0%	38,556,614	-	4,982,130	46,746,879
20	Solar Power System	560,000	-	-	560,000	15.0%	407,543	-	21,614	130,843
21	Telephone Installation	1,801,788	-	-	1,801,788	15.0%	1,196,165	-	85,860	519,763
22	Water Line Installation	326,395	-	-	326,395	15.0%	237,534	-	12,598	76,263
23	Right of Use of Assets	6,146,148	-	-	6,146,148	20.0%	-	-	1,229,230	4,916,918
	June 30, 2023	10,535,301,621	209,883,705	3,486,299	10,741,699,026		5,788,469,065	2,951,775	644,734,238	4,311,447,495
	June 30, 2022	10,292,192,880	237,840,956	-	10,530,033,836		5,129,942,539	-	659,404,890	4,740,686,408

**Note-46: Related Party Disclosure**

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, 2022	Addition during the period	Adjustment during the period	Balance as at June 30, 2023	Nature of Balance
Comfit Composite Knit Ltd.	Common Directorship	Intercompany Transaction	-	160,350	160,350	-	-
Petromax Refinery Limited	Parent - Subsidiary	Intercompany Transaction	16,987	173,598	59,685	130,900	Credit
Youth Garments Limited	Common Directorship	Intercompany Transaction	(130,000)	2,436,392	2,247,699	58,693	Credit
Midland Power Co. Ltd.	Associate Company	Investment	480,200,000	-	-	480,200,000	Debit
Midland East Power Limited	Common Directorship	Investment	11,664,500	-	-	11,664,500	Debit
Islamic Finance & Inv. Ltd.	Common Directorship	MTDR	-	-	-	-	-
Faridul Alam	Managing Director	Remuneration	500,000	6,000,000	6,500,000	-	-
Yeastin Ahmed	Company Secretary	Salaries and other benefit	93,840	1,126,080	1,219,920	-	-
Fazle Elahi	Head of Internal Audit	Salaries and other benefit	27,950	335,400	363,350	-	-

**Key Management Personnel Compensation:**

	Transaction During the period ended	
	30 June, 2023	30 June, 2022
Particulars		
Salary & Allowances	25,564,860	24,904,584
<b>Total =</b>	<b>25,564,860</b>	<b>24,904,584</b>

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 - 47

### 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).

### 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-Jun-23	30-Jun-22
	Taka	Taka
Accounts Receivable	3,196,727,746	1,288,324,597
Advance, Deposit & Prepayments	790,799,672	556,244,794
Other Receivable	1,507,906	50,332
	<b>3,989,035,324</b>	<b>1,844,619,722</b>

### Ageing of Receivables

Accounts receivable were aged as below:

Less than six months	3,196,727,746	644,162,298
More than six months	-	-
	<b>3,196,727,746</b>	<b>644,162,298</b>

### 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
As at 30 June 2023	Taka	Taka	Taka	Taka
Short Term interest bearing loans	2,470,400,354	2,470,400,354	2,470,400,354	-
Long Term interest bearing loans	571,279,223	571,279,223	164,822,840	406,456,383
Lease Liabilities	5,161,817	6,300,000	1,093,892	4,067,925
Trade creditors/Payable	1,109,685,849	1,109,685,849	1,109,685,849	-
Sundry creditors	260,421,943	260,421,943	260,421,943	-
L/C Liabilities	804,204,936	804,204,936	804,204,936	-
Other liabilities	6,521,480	6,521,480	6,521,480	-
	<b>5,227,675,601</b>	<b>5,228,813,784</b>	<b>4,817,151,293</b>	<b>410,524,308</b>

**As at 30 June 2022**

Short Term interest bearing loans	1,464,228,833	1,464,228,833	1,464,228,833	-
Long Term interest bearing loans	846,200,306	846,200,306	291,019,392	555,180,914
Trade creditors/Payable	148,115,352	148,115,352	148,115,352	-
Sundry creditors	201,343,417	201,343,417	201,343,417	-
L/C Liabilities	1,278,708,074	1,278,708,074	1,278,708,074	-
Other liabilities	25,357,822	25,357,822	25,357,822	-
	<u>3,963,953,803</u>	<u>3,963,953,803</u>	<u>3,408,772,889</u>	<u>555,180,914</u>

**Market Risk:**

**Currency risk/foreign exchange rate risk**

The Company's exposure to foreign currency risk at June 30, 2023 are as follows:

	<b>30-Jun-23</b>	<b>30-Jun-22</b>
	<b>Taka</b>	<b>Taka</b>
Deferred L/C for Import of Spare Parts (USD)	-	-
Deferred L/C for Import of Spare Parts (EURO)	1,718,819.18	3,564,612.26
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

**Interest rate risk**

		<b>30-Jun-23</b>	<b>30-Jun-22</b>
		<b>Taka</b>	<b>Taka</b>
<b><u>Fixed Rate instruments</u></b>	<b><u>Rate of Interest</u></b>		
Financial Assets	5%-9.50%	3,562,733,231	1,588,230,342
Financial Liabilities	9.00%-11.50%	8,939,492,008	7,127,823,859
<b><u>Variable Rate instruments</u></b>			
Financial Assets		-	-
Financial Liabilities		-	-

**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, 2023**

	June 30, 2023 Taka	June 30, 2022 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	368,656,646	672,143,542
Adjustments to reconcile net income to net cash provided by operating activities		
(+) Depreciation	502,249,138	488,445,036
(+) Gain from Disposal of FA	-	-
(-) Increased in Inventory	(78,833,520)	28,077,203
(-) Increased in Accounts Receivable	(1,032,996,629)	(455,214,351)
(-) Increased in Other Receivable	(1,457,574)	22,996
(+) Decreased in Prepaid Expenses	6,663,295	(10,785,896)
(+) Decreased in Goods In Transit	110,158,175	(4,063,171)
(+) Increased in Sundry Creditors	53,398,270	(13,073,033)
(+) Increased in Trade Payable	960,120,284	(1,178,512)
(-) Decreased in Liabilities for Expenses	(6,205,456)	1,406,116
(+) Decreased in Investment in equity Methods	199,684,112	(178,280,157)
(-) Provision for Deferred Tax	(39,936,823)	35,656,032
<b>Net Cash flows from operating activities</b>	<b>1,041,499,918</b>	<b>563,155,807</b>
	-	
<b>B Number of Share for Calculation of NOCFPS</b>	186,631,629	186,631,629
<b>Net Operating Cash Flow Per Share (NOCFPS) [A/B]</b>	<b>5.58</b>	<b>3.02</b>

**Note-49:** 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, 2023**

	June 30, 2023 Taka	June 30, 2022 Taka
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	284,052,990	795,636,927
Adjustments to reconcile net income to net cash provided by operating activities		
(+) Depreciation	644,734,238	659,404,889
(+) Amortization of Intangible Assets	47,529	139,652
(-) Increased in Inventory	(531,453,154)	149,141,240
(-) Increased in Accounts Receivable	(1,908,403,149)	(179,450,511)
(-) Increased in Other Receivable	(1,457,574)	22,996
(-) Increased in Prepaid Expenses	(66,579,128)	(902,460)
(-) Increased in Goods In Transit	1,020,531,962	(920,953,434)
(+) Increased in Sundry Creditors	54,962,396	(44,540,058)
(+) Increased in Trade Payable	965,800,541	167,720
(-) Decreased in L/C Liabilities	-	912,480,674
(-) Capital Gain-Vehicles	(865,476)	-
(-) Decreased in Liabilities for Expenses	(18,836,342)	299,717
(+) Decreased in Investment in equity Methods	199,684,112	(178,280,157)
(-) Provision for Deferred Tax	(39,935,424)	35,657,182
<b>Net Cash flows from operating activities</b>	<b>602,283,520</b>	<b>1,228,824,377</b>
<b>B</b>		
Number of Share for Calculation of NOCFPS	186,631,629	186,631,629
Net Operating Cash Flow per Share (NOCFPS) [A/B]	<b>3.23</b>	<b>6.58</b>

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

**Note: 50**

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 2023							
Petromax Refinery Limited	3,439,168,894	1,863,482,164	5,302,651,058	3,113,020,006	1,859	3,113,021,865	2,189,629,193
30 June 2022							
Petromax Refinery Limited	2,759,064,620	2,781,105,703	5,540,170,323	2,355,937,015	460	2,355,937,475	3,184,232,848
Share of Net Profit & Loss	Reporting Date	Nature of Investment Controlling Power	Income	Expenses	Tax Expenses	Profit After tax	Share of Profit
30 June 2023							
Petromax Refinery Limited	26-October-2023	Subsidiary	6,666,288,045	6,617,845,911	43,045,791	5,396,343	4,856,709
30 June 2022							
Petromax Refinery Limited	27-October-2022	Subsidiary	5,054,212,686	4,735,830,231	86,889,071	231,493,385	208,344,046



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 operation since October, 2013.



## DIRECTORS REPORT TO SHAREHOLDERS

Dear Fellow Shareholders,

On behalf of the Board, I would like to welcome you all to the 18th Annual General Meeting of the Company. I would like to take this privilege to present you all the Audited Financial Statements for the year then ended June 30, 2023.

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

### 2.1 Economy at a Glance

The economy of Bangladesh has been in the rebound phase post-covid, but unfortunately bumped with geo-political tensions. The US dollar is continuing to become stronger as compared to any time in the horizon causing a significant dent in the forex reserve. The entire economy is still running on the shoulders of RMG and Foreign Remittance earners without making any progress on export diversification. Economic growth in the pre-COVID-19 fiscal year (FY 2018-19) was 7.88 percent. During the COVID-19 period, this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23.

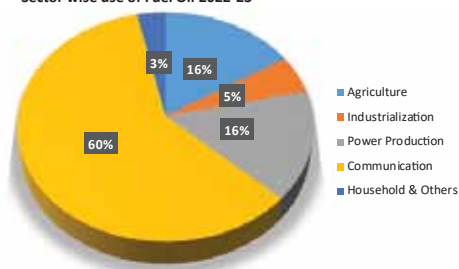
### Petrochemical Sector Scenario of Bangladesh

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.

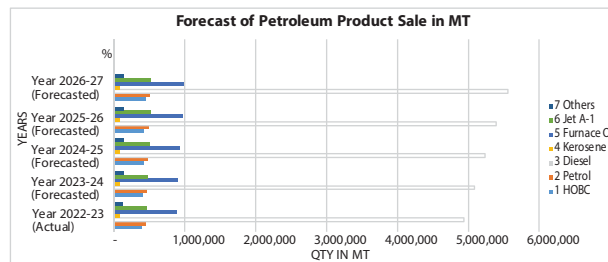
Energy is the driving force of economic development. Each dollar investment in energy will return in manifolds to all branches of economy which includes Agriculture, Industrialization, Power Production, Communication, Households and so forth.

For the period of 2022-23 total consumption of petroleum product was 73.46 Lac MT out of which around 75.16% was consumed by communication and power generation sector.

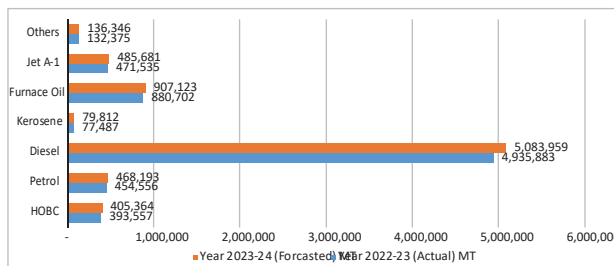
Sector wise use of Fuel Oil 2022-23



Around 51.41 Lac MT refined oil are imported from abroad and the rest around 22.05 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 2023-24 the total size of the market will be around 75.66 Lac MT.



Current oil consumption portfolio shows the dominant use of Diesel. Almost 67.19% of total oil consumption is covered by Diesel use, most of which are imported from overseas markets. Existing storage capacity for Petroleum product is somewhere between 13.69 Lac MT in aggregate of both floating and fixed storage capacity.

The sector enjoys subsidies from the Government for a long time. Recent rise of price in petroleum products throughout the world market compelled the government to adjust the price causing an adjustment of 23% increase in the price of HSD.

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.

Several projects with the investment from both public and private sectors are underway to shape the future of energy market of Bangladesh. BPC has taken the initiative to set up a new unit of existing refinery named ERL Unit-2 and total crude oil processing capacity will be 45 lakh metric tonnes of both units. Construction of the project Installation of Single Point Mooring (SPM) with double pipelines is going on. It will be

possible to discharge annually 90 lakh metric tonnes crude and refined petroleum through pipeline directly for mother tanker. A project is going to construct pipeline for transporting diesel from Chattogram to Dhaka. Another pipeline construction is in progress to transport aviation fuel from Pitolganj to Kurmitola Aviation Depot, Dhaka. A pipeline about 131.50 km will be constructed from Shiliguri, India to Parbotipur depot, Bangladesh to import diesel from India to ensure fast, smooth and uninterrupted supply of petroleum to northern region of Bangladesh.

## 2.2 Business Activities Including Its Operating Performance

During the year under report, your company has managed to generate a revenue of Tk. 6,633.73 Million as compared to Tk. 5,013.77 Million in FY 2021-22 which is 32.31% higher.

Particulars	FY 2021-22	FY 2022-23
Capacity (In liter Per day)	397500	397500
Capacity Utilization (%)	61.85%	72.73%
Revenue (In Million Taka)	5,013.77	6,633.73
Gross Profit (In Million Taka)	516.82	340.21
Profit from Operation (In Million Taka)	435.76	241.48
Profit Before Tax (In Million Taka)	318.38	48.44
Profit After Tax (In Million Taka)	231.50	5.40
Gross Profit Margin (%)	10.31%	5.13%
Operating Profit Margin (%)	8.69%	3.64%
Net Profit Margin (%)	4.62%	0.08%

To ensure the availability of NGC (Natural Gas Condensate) which is the only feedstock of the plant; there is an agreement between Rupantarita Prakritik Gas Company Ltd (RPGCL) and the window to import from global oil market has also opened by BPC.

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.

## 2.3 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 FY2022-23 your company has added a total of Tk. 43.04 Million as Income Tax and Tk. 942.55 Million in the form of VAT. Your company was awarded by the National Board Revenue (NBR) as highest taxpayer for year 2022-23 under the category of energy companies.

## 2.4 Extra-Ordinary Gain or Loss

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

## 2.5 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.

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

There was no such issues.

## 2.7 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.

## 2.8 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.

## 2.9 Financial Results and Performance of the Company

Particulars	2022		2023		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	5,013.77		6,633.73		32.31%
Cost of Sales	4,496.95	89.69%	6,293.52	94.87%	39.95%
Gross Profit	516.82	10.31%	340.21	5.13%	-34.17%
Other Income Net	40.43	0.81%	32.55	0.49%	-19.49%
General and Administrative Expenses	81.06	1.62%	98.73	1.49%	21.80%
Operating Profit	435.76	8.69%	241.48	3.64%	-44.58%
Finance Costs Net	141.89	2.83%	223.16	3.36%	57.28%
WPPF	159.19	3.18%	2.42	0.04%	-98.48%
Net Profit Before Income Tax	318.38	6.35%	48.44	0.73%	-84.79%
Income Tax	86.88	1.73%	43.04	0.65%	-50.46%
Net Profit After Income Tax	231.50	4.62%	5.40	0.08%	-97.67%

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

Gross revenue was increased by around 32.31 % due to higher capacity production and Cost of Sales was also increased in the same ratio and the company lost -34.17% on Gross Margin. General and Administrative expenses rose by 21.80%, due to an increase in sales and distribution expenses. 57.28% rise in Net Finance Cost can be attributed to higher interest rates and increase of debt caused by deferred import payments.



## 2.11 Profit Appropriation

During the year under report the net profit of your company stands at Tk. 5.40 Million as compared to Tk. 231.50 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 recommended no dividend for the year that ended on June 30, 2023 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2023	5.40
Profit brought Forward	2084.23
Profit available for appropriation	2089.62
Appropriations:	
Proposed Dividend	
Transferred to Retained Earning	2089.62
Profit available for appropriation	2089.62

## 2.12 Dividend

Your company has just started commercial operation from October 2013. Due to uneven allocation of raw material by the government, the Company is passing through a toughest phase of operation since its commercial operation. Therefore the management has recommended no dividend for the year under report and keep strict observation on the operation of the project subject to the approval of members in 18th Annual General Meeting.

Dividend Type	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Cash Dividend (%)	-	10%	12%	10%	10%
Stock Dividend (%)	-	0%	0%	0%	0%
Total	-	10%	12%	10%	10%

## 2.13 Directors' Meeting & Attendance

During the year ended June 30, 2023 The Board of Directors held 4 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Anis Salahuddin Ahmad	4
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Faridul Alam	4
Mr. Mohammed Nurul Amin	4
Mr. Akbor Haider	4
Mr. Asgar Haider	4
Mr. Faisal Alam	4

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

## 2.14 The Pattern of Shareholding

Pattern of Shareholding as on June 30, 2023				
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. Anis Salahuddin Ahmad	Chairman		1,000,000	1.00%
B. Mr. A.K.M. Badiul Alam	Director		1,000,000	1.00%
C. Mr. Md. Shamsuzzaman	Director		1,500,000	1.50%
D. Ms. Shahida Alam	Sponsor	Spouse of Mr. A.K.M. Badiul Alam	500,000	0.50%
E. Mr. Akbor Haider	Sponsor	Son of Mr. Rezakul Haider	1,243,750	1.24%
F. Mr. Faridul Alam	Managing Director		1,130,000	1.13%
G. Mr. Faisal Alam	Director		1,130,000	1.13%
H. Mr. Asgar Haider	Director	Son of Mr. Rezakul Haider	1,243,750	1.24%
I. Ms. Israt Azim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	500,000	0.50%
J. Ms. Rezina Alam	Shareholder		315,000	0.32%
K. Ms. Farida Akter	Shareholder		225,000	0.23%
L. Mr. Mohammed Nurul Amin	Nominee Director		Nil	Nil
M. Sofura Haider	Shareholder	Wife of Late Rezakul Haider	212,500	0.21%
v. Shareholders Holding 10% or more voting interest in the company:				
Shahjibazar Power Co. Ltd.	Public Listed Company	Parent	90,000,000	90%

## 2.15 Directors' election & re-appointment

As per Articles of Association Mr. A.K.M Badiul Alam and Mr. Anis Salahuddin Ahmad shall retire in 18th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

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

Companies >>	Petromax Refinery Ltd.	Midland Power Company Ltd.	Midland East Power Ltd.	Comit Composite Knt 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.	Edon 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. Anis Salahuddin Ahmad	✓			✓			✓														
Mr. A.K.M Badiul Alam	✓					✓		✓	✓	✓	✓	✓	✓	✓							✓
Mr. Shamsuzzaman	✓															✓	✓	✓	✓	✓	
Mr. Faridul Alam	✓	✓	✓	✓	✓	✓															
Mr. Akbor Haider	✓			✓	✓	✓	✓	✓													
Mr. Asgar Haider	✓			✓	✓	✓	✓														
Mr. Faisal Alam	✓			✓	✓	✓															

## 2.17 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 18th AGM for member's approval.

## 2.18 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.

## 2.19 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.

## 2.20 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.

## 2.21 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.

## 2.22 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, Rupantarita Prakritik Gas Compay Ltd (RPGCL), Registrar of Joint Stock Companies & Firms, and various government authorities, individual and agencies.

The Board of Directors would like to acknowledge the effort of its employees to the Business of the Company. Their commitment, passion and teamwork towards the dream of the Company has helped to stand the company where it is today. Looking forward for a better future and sustainable growth.

For and On Behalf of the Board



**Anis Salahuddin Ahmad**  
Chairperson



**AZIZ HALIM KHAIR CHOUDHURY**  
**CHARTERED ACCOUNTANTS**

EXCLUSIVE CORRESPONDENT FIRM OF **PKF** INTERNATIONAL

**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 2023, and the statement of profit or loss and other comprehensive income, the 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 2023, 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 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 concerned 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.

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

### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report 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.

Place: Dhaka  
 Dated: 25 October, 2023

**Aziz Halim Khair Choudhury**  
 Chartered Accountants  
  
**Khairul Basher FCA**  
 Senior Partner  
 ICAB Enrollment # 617  
 DVC No.: 2311020617AS245348

**Petromax Refinery Limited**  
**Statement of Financial Position**

As at June 30, 2023

	Notes	June 30, 2023	June 30, 2022
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>2,763,482,163</b>	<b>2,781,105,703</b>
Property, Plant and Equipment	4.00	2,165,342,930	2,299,018,254
Intangible Assets	5.00	-	47,529
Other Investment	6.00	598,139,233	482,039,921
<b>Current Assets</b>		<b>3,439,299,795</b>	<b>2,759,064,621</b>
Inventories	8.00	1,160,885,924	708,266,290
Accounts Receivable	9.00	1,179,106,707	303,700,187
Advance, Deposits and Prepayments	10.00	761,118,904	519,786,818
Financial Assets at fair value through profit or loss	11.00	20,407,183	15,363,084
Goods In-transit	12.00	75,596,783	985,970,570
Cash & Bank Balances	13.00	242,184,294	225,977,672
<b>Total Assets</b>		<b>6,202,781,959</b>	<b>5,540,170,323</b>
<b>Shareholders Equity and Liabilities</b>			
<b>Shareholder's Equity</b>		<b>3,089,629,191</b>	<b>3,184,232,847</b>
Share Capital	14.00	1,000,000,000	1,000,000,000
Retained Earnings	15.00	2,089,629,191	2,184,232,847
<b>Non-Current Liabilities</b>		<b>1,859</b>	<b>460</b>
Deferred Tax Liability	7.00	1,859	460
<b>Current Liabilities</b>		<b>3,113,150,908</b>	<b>2,355,937,016</b>
Accounts Payable	16.00	7,751,580	6,187,453
Other Payables	17.00	34,340,742	28,660,485
L/C Liabilities	18.00	595,410,689	916,115,714
Short Term Loan	19.00	2,470,400,354	1,387,094,935
Liabilities for Expenses	20.00	5,247,543	17,878,429
<b>Total Liabilities</b>		<b>3,113,152,767</b>	<b>2,355,937,016</b>
<b>Total Shareholders Equity and Liabilities</b>		<b>6,202,781,959</b>	<b>5,540,170,323</b>
<b>Net Assets Value Per Share (NAV)</b>		<b>30.90</b>	<b>31.84</b>
Number of Shares used to compute NAV		100,000,000	100,000,000

The accompanying notes 1 to 31 form an integral part of these financial statements.

  
**Managing Director**

  
**Director**

  
**Chairman**

Signed in terms of our separate report of even date annexed.

Place: Dhaka  
Dated: 25 October, 2023

**Aziz Halim Khair Choudhury**  
Chartered Accountants

  
**Khairul Basher FCA**  
Senior Partner

ICAB Enrollment # 617  
DVC No.: 2311020617AS245348

**Petromax Refinery Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
 For the Year Ended June 30, 2023

Particulars	Notes	July 2022 to June'2023	July 2021 to June'2022
Revenue	21.00	6,633,732,404	5,013,777,928
Cost of Sales	22.00	(6,293,523,836)	(4,496,957,185)
<b>Gross Profit</b>		<b>340,208,568</b>	<b>516,820,743</b>
General and Admin. Expenses	24.00	(98,737,818)	(81,060,175)
<b>Profit/(Loss) from Operation</b>		<b>241,470,750</b>	<b>435,760,569</b>
Non-Operating Income	26.00	32,555,641	40,434,758
Financial Expenses	25.00	(223,162,150)	(141,893,748)
Workers' Profit Participation Fund (WPPF)	27.00	(2,422,107)	(15,919,123)
<b>Net Profit/(Loss) Before Tax</b>		<b>48,442,135</b>	<b>318,382,456</b>
Current Tax	28.00	(43,044,392)	(86,887,921)
Deferred Tax	28.00	(1,399)	(1,150)
<b>Net Profit/(Loss) After Tax</b>		<b>5,396,344</b>	<b>231,493,385</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>5,396,344</b>	<b>231,493,385</b>
<b>Earnings Per Share (EPS)</b>	29.00	<b>0.05</b>	<b>2.31</b>
Number of Shares used to compute EPS		100,000,000	100,000,000

The accompanying notes 1 to 31 form an integral part of these financial statements.



**Managing Director**



**Director**



**Chairman**

Signed in terms of our separate report of even date annexed.

Place: Dhaka  
 Dated: 25 October, 2023

**Aziz Halim Khair Choudhury**  
 Chartered Accountants



**Khairul Basher FCA**

Senior Partner

ICAB Enrollment # 617

DVC No.: 2311020617AS245348



**Petromax Refinery Limited**  
**Statement of Changes in Equity**  
 For the Year Ended June 30, 2023

Particulars	Share Capital	Retained Earnings	Total Equity
<b>Balance as at July 01, 2022</b>	1,000,000,000	2,184,232,848	<b>3,184,232,848</b>
Net profit for the period	-	5,396,344	<b>5,396,344</b>
Dividend Payment	-	(100,000,000)	<b>(100,000,000)</b>
<b>Balance as at June 30, 2023</b>	<b>1,000,000,000</b>	<b>2,089,629,191</b>	<b>3,089,629,191</b>

**Statement of Changes in Equity**  
 For the Year Ended June 30, 2023

Particulars	Share Capital	Retained Earnings	Total Equity
<b>Balance as at July 01, 2021</b>	1,000,000,000	2,072,739,463	<b>3,072,739,463</b>
Net profit for the period	-	231,493,385	<b>231,493,385</b>
Dividend Payment	-	(120,000,000)	<b>(120,000,000)</b>
<b>Balance as at June 30, 2022</b>	<b>1,000,000,000</b>	<b>2,184,232,848</b>	<b>3,184,232,848</b>

The accompanying notes 1 to 31 form an integral part of these financial statements.



**Managing Director**



**Director**



**Chairman**

Place: Dhaka

Dated: 25 October, 2023

**Petromax Refinery Limited**  
**Statement of Cash Flows**  
For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
<b>Cash Flows from Operating Activities</b>		
Cash receipt from customers	5,758,325,884	5,289,541,768
Cash paid to suppliers, service providers and employees	(5,677,477,785)	(3,321,177,702)
Cash (used)/Generated from operations	(179,628,997)	(983,537,626)
Tax (Paid)/Deducted	(43,044,392)	(86,887,921)
Cash paid Workers' Profit Participation Fund (WPPF)	(15,919,123)	(22,810,958)
Cash received from Non-Operating Activities	31,690,165	40,434,758
Financial Charges	(223,162,150)	(141,893,748)
<b>Net Cash Provided/(Used) from Operating Activities</b>	<b>(349,216,398)</b>	<b>773,668,571</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(9,344,300)	(111,500)
Sale of Vehicle	1,400,000	-
Financial Assets at Fair Value	(5,044,099)	7,222,013
Other Investment	(116,099,312)	(17,683,970)
<b>Net Cash Provided/(Used) in Investing Activities</b>	<b>(129,087,711)</b>	<b>(10,573,457)</b>
<b>Cash Flows from Financing Activities</b>		
Short term Loan	1,083,305,419	(996,454,136)
Dividend Paid	(100,000,000)	(120,000,000)
L/C Liabilities payment	(320,705,025)	-
Advance Income Tax	(168,089,664)	-
<b>Net Cash Provided/(Used) in Financing Activities</b>	<b>494,510,730</b>	<b>(1,116,454,136)</b>
Net cash increased/(decreased) during the period	16,206,621	(353,359,022)
Cash and Cash Equivalent as at July 01, 2022	225,977,672	579,336,694
<b>Cash and Cash Equivalent as at June 30, 2023</b>	<b>242,184,294</b>	<b>225,977,672</b>

The accompanying notes 1 to 31 form an integral part of these financial statements.

Managing Director

Director

Chairman

Place: Dhaka

Dated: 25 October, 2023

## Petromax Refinery Limited Notes to the Financial Statements As at and for the year ended 30 June 2023

### 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 the 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 the 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 regulations in addition to:

The Companies Act 1994:

The Income Tax Act-2023

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	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	8	Operating Segments
IFRS	9	Financial Instruments
IFRS	13	Fair Value Measurement
IFRS	15	Revenue from contracts with customers

#### 2.04 Going Concern Assumption

The company has adequate resources to continue its operation for the foreseeable future and the Directors are of 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 the "Historical Cost" convention except for those which is measured under the revaluation model including land, financial instrument, biological assets, etc. which is one of the most commonly adopted bases 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 the 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 2022 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding the current year's financial statements. Certain figures for the year ended 30 June 2023 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 is also followed by a 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 October 26, 2023.

## 2.12 Reporting period

The financial period of the company covers one year from 1 July to 30 June and is 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 the preparation 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 take an average of 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 costs 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 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 the 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 the 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 another account. Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the 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

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.

#### 3.10.1 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 27.5%.

#### 3.10.2 Deferred Tax

Deferred income tax is provided in full, using the liability method, on deductible 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.

### 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 a 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 the statement of financial position.

Other provisions are valued by 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 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; and 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 has been presented under the 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 International Accounting Standards requires management to make estimates and assumptions that affect 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 results could differ from those estimates. Estimates are used for accounting for certain items such as depreciation and amortization, taxes, reserves, and contingencies.

### 3.17 Earnings per share (EPS)

The Company calculates Earning per Share (EPS) in accordance with IAS 33: Earning per Share, which has been shown on the face of the Statement of Comprehensive Income account, and the computation of EPS is stated in the 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 number 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 the 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, the nature of transactions, their total value, and closing balance have been set out in accordance with the provisions of IAS 24.

**4.00 Property, Plant & Equipment Cost**

Opening Balance  
Addition During The Year  
Less: Disposal During The Year

Amount in BDT	
June 30, 2023	June 30, 2022
4,128,637,893	4,128,526,393
9,344,300	111,500
(3,486,299)	-
<b>4,134,495,894</b>	<b>4,128,637,893</b>
<b>Accumulated Depreciation</b>	
As at July 01, 2022	1,829,619,639
Charged during the Year	142,485,100
	(2,951,775)
At June 30, 2023	1,969,152,964
<b>Written Down Value at June 30, 2023</b>	<b>2,165,342,930</b>
	<b>2,299,018,254</b>

All assets are freehold and mortgaged to Prime Bank Limited to the company and there is no leasehold property presented in the head "Property, Plant & Equipment".

As our ships are in very well condition and expected to serve many years ahead, management has decided to charge depreciation at lower rate than initially estimated.

**For details please refer to Annexure A**

**5.00 Intangible Assets Cost**

Opening Balance  
Addition During the Period  
**Closing Balance**

931,000	931,000
-	-
<b>931,000</b>	<b>931,000</b>
<b>Amortization</b>	
Opening Balance	883,472
Amortization During the Period	47,529
<b>Closing Balance</b>	<b>931,000</b>
<b>Written Down Value</b>	<b>931,000</b>
-	<b>47,529</b>

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. 30748)  
Islami Bank Bangladesh Limited (A/C No. 31428)  
Islami Bank Bangladesh Limited (A/C No. 32175)  
Islami Bank Bangladesh Limited (A/C No. 33674)  
Islami Bank Bangladesh Limited (A/C No. 38876)  
Islami Bank Bangladesh Limited (A/C No. 38877)  
Exim Bank Limited (MTDR A/C No:272671)

304,281,349	294,323,424
156,734,117	149,189,221
31,517,549	29,867,713
6,296,053	5,988,277
36,222,142	
60,307,544	
2,780,479	2,671,285
<b>598,139,233</b>	<b>482,039,921</b>

**7.00 Deferred Tax Assets / (Liabilities)**

Opening Balance  
Addition During the Period

(460)	690
(1,399)	(1,150)
<b>(1,859)</b>	<b>(460)</b>

Amount in BDT	
June 30, 2023	June 30, 2022

Since our Tax Holiday Period is over, we are hereby complying IAS 12 and keeping Deferred Tax Assets/Liabilities arising out of Taxable/Deductible temporary difference on accounting depreciation and tax depreciation on fixed asset addition now onwards.

#### 8.00 Inventories

Raw materials(Condensate)	781,784,732	446,566,950
Work-in-progress	4,052,735	4,002,735
Finished Goods	327,487,391	219,287,422
General Stores	47,561,066	38,409,183
	<b>1,160,885,924</b>	<b>708,266,290</b>

#### 9.00 Accounts Receivables

Bangladesh Petroleum Corporation	1,173,068,498	295,765,683
Jamuna Spacetech Joint Venture Ltd.	-	63,389
Interest Receivable	6,038,209	7,871,114
	<b>1,179,106,707</b>	<b>303,700,187</b>

#### Age Analysis of Accounts Receivables

Less than One Year	1,179,106,707	303,700,187
More than One Year	-	-
	<b>1,179,106,707</b>	<b>303,700,187</b>

#### 10.00 Advance, Deposits and Prepayments

Advances	698,043,826	456,674,340
Deposits	63,075,078	63,112,478
Prepayments	-	-
	<b>761,118,904</b>	<b>519,786,818</b>

#### Advance

Advance to Different Suppliers	10.01	151,234,282	77,254,703
Advance for Operational Activities	10.02	1,670,729	2,370,485
AIT (Advance Income Tax)	10.03	545,138,815	377,049,152
		<b>698,043,826</b>	<b>456,674,340</b>

#### 10.01 Advance to Different Suppliers

Biplob Enterprise	-	12,800
Nadia Electronic	-	25,200
CSL Software Resources Ltd.	87,500	-
Euro Tex International	-	185,744
Ifad Motors Limited	-	64,200
Petromax Cylinders Ltd	-	54,630
Great western energy bd ltd	-	28,350
Petromax LPG Ltd	-	136,897
G4S Secure Solutions Bangladesh Ltd	36,850	-
Shahjibazar Power Company Ltd.	130,900	16,987
Surgineer Power Technologies	162,000	-
Midland East Power Ltd.	88,661	1,522,649
Rupantarita Prakritik Gas Company Ltd.	148,779,729	71,487,104
South Asian Airlines Limited	354,112	500,000
EBL Investments Limited	500,000	500,000
Advance Insurance Premium	1,094,530	2,720,142
	<b>151,234,282</b>	<b>77,254,703</b>



		Amount in BDT	
		June 30, 2023	June 30, 2022
<b>10.02 Advance for Operational Activities</b>			
Al Amin (Driver)	1,590	6,000	
Lutfun Nahar	-	66,000	
Hasan Imam Siddiki	-	360,000	
Jashim Uddin Bhuiyan	-	137,500	
Factory Petty Cash	1,264,321	805,044	
Md Sha Enamul Haque (Jewel)	325,000	625,000	
Md Salman Pasha	-	19,129	
Md Saydure Rahman	154	3,178	
Md Abdul Zaher	24,500	34,500	
Kamal (Driver)	4,908	2,438	
Salek (Driver)	11,315	2,720	
Rafiu Islam	-	5,056	
Nijam Uddin	-	6,000	
Refat Hasan Khan	2,915	-	
Faridur Rahman	-	1,566	
Shahajada	1,740	2,000	
Zakirul	236	2,106	
Advance to Different Individual for Official Work	<b>1,636,679</b>	<b>2,012,237</b>	
Comfit Composite Knit Ltd.	34,050	358,248	
	<b>1,670,729</b>	<b>2,370,485</b>	
<b>10.03 AIT (Advance Income Tax)</b>			
AIT (Advance Income Tax)	588,183,207	463,937,073	
Adjusted with current year income tax expenses	43,044,392	86,887,921	
	<b>545,138,815</b>	<b>377,049,152</b>	
<b>10.04 Deposits</b>			
Security Deposit with Pally Biddut Samitee	35,616	35,616	
Security Deposit against Bank Guarantee	63,039,462	63,039,462	
Electricity Connection	-	20,840	
BTRC Demand Note	-	16,560	
	<b>63,075,078</b>	<b>63,112,478</b>	
<b>Ageing Status of Advance, Deposit and Prepayments</b>			
Less than one year	383,680,024	364,383,460	
More than one year	377,438,880	155,403,358	
	<b>761,118,904</b>	<b>519,786,818</b>	
<b>11.00 Financial Assets at Fair Value through Profit or Loss</b>			
AB Bank Ltd.	1,273,853	1,312,500	
Appollo Ispat Complex Limited.	325,171	344,999	
BBS Cables Ltd.	1,895,252	1,960,577	
Bashundhara Paper Mills Ltd. (BPML)	-	918,000	
The City Bank Ltd.	1,254,768	1,322,155	
CVO Petrochemical Refinery Limited	1,340,093	1,320,302	
Dhaka Electric Supply Company Limited	222,894	236,292	
Dhaka Bank Ltd.	1,548,450	1,601,051	
Eastland Insurance Company Ltd. (EASTLAND)	164,480	181,760	
EHL	2,064,000	-	
EXIM Bank Limited	1,066,000	1,117,250	

NCC Bank Limited
Far Chemicals Industries Ltd.
JMI Hospital Requisite Manufacturing Ltd. (JHRML)
Lafarge Holcim Bangladesh Limited
Lankabangla Finance Ltd. (LANKABAFIN)
Nurani Dyeing & Sweater Ltd. (NURANI)
Premier Leasing & Finance Ltd .
Ratanpur Steel Re-Rolling Mills Ltd. (RSRMSTEEL)
Union Capital Ltd.
United Finance Ltd. (UNITEDFIN)

Amount in BDT	
June 30, 2023	June 30, 2022
357,630	374,400
145,079	149,072
4,105,000	-
1,033,500	1,026,000
1,794,000	1,966,500
143,990	135,762
144,534	136,156
522,500	440,000
768,989	578,809
237,000	241,500
<b>20,407,183</b>	<b>15,363,084</b>

## 12.00 Goods In-Transit

Goods In Transit- Condensate (Local)
Goods In Transit- Condensate (Import)
Goods In Transit- Machinery/Parts

75,596,783	69,854,856
-	915,174,540
-	941,174
<b>75,596,783</b>	<b>985,970,570</b>

## 13.00 Cash and Cash Equivalents

Cash in Hand
Islami Bank Bangladesh Limited (A/C No:9766)
Exim Bank Limited (A/C No:125161)
Prime Bank Ltd. (A/C No:2118117019682)
Prime Bank Ltd. (A/C No:2118754019795)
Standard Chartered Bank (A/C No.-01-1308664-01)
Standard Chartered Bank (A/C No.-01-8423425-01)
Islami Bank Bangladesh Limited (A/C No:46-IDB Br.)
Islami Bank Bangladesh Limited (L/C Margin)
Al-Arafah Islami Bank Limited (A/C No: 9237)
Mutual Trust Bank Ltd. (A/C No: 1301010132904)
Prime Bank Limited (L/C Margin)
Islami Bank Bangladesh Limited (A/C No.-MDA-689)
Islami Bank Bangladesh Limited (A/C No:560)
Islami Bank Bangladesh Limited (A/C No. 35985)
Islami Bank Bangladesh Limited (A/C No. 35998)
Revolving A/C (Mongla Port Authority)
Ledger Balance of BO Account

129,467	131,852
1,986,411	3,944,774
4,818	6,157
12,105,487	19,819,163
4,295	-
2,995,040	422,981
105,089,107	6,004,172
2,864,991	4,762,172
148,873	196,873
4,080	-
112,464,740	-
-	90,600,000
554	1,554
924,520	706,593
-	55,304,882
-	33,187,141
-	10,000
3,461,911	10,879,357
<b>242,184,294</b>	<b>225,977,672</b>

## 14.00 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

3,000,000,000	3,000,000,000
1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000
-	-
<b>1,000,000,000</b>	<b>1,000,000,000</b>

**SHARE HOLDING POSITION:**

**Name of the Share Holder**

Anis Salahuddin Ahmad  
Akbor Haider  
Asgar Haider  
Faridul Alam  
Faisal Alam  
Farida Akther  
Rezina Alam  
Sofura Haider  
Shahida Alam  
Israt Azim Ahmad  
A.K.M.Badiul Alam  
Shamsuzzaman  
Shahjibazar Power Co. Ltd.

Amount in BDT	
June 30, 2023	June 30, 2022

No. of shares held	Percentage
1,000,000	1.00%
1,243,750	1.24%
1,243,750	1.24%
1,130,000	1.13%
1,130,000	1.13%
225,000	0.23%
315,000	0.32%
212,500	0.21%
500,000	0.50%
500,000	0.50%
1,000,000	1.00%
1,500,000	1.50%
90,000,000	90.00%
<b>100,000,000</b>	<b>100%</b>

**15.00 Retained Earnings**

Balance as at July 01, 2022  
Less: Dividend  
Add: Net profit/(Loss) for the Period  
Balance as at June 30, 2023

2,184,232,847	2,072,739,463
(100,000,000)	(120,000,000)
5,396,344	231,493,385
<b>2,089,629,191</b>	<b>2,184,232,847</b>

**16.00 Accounts Payable**

AKH Fashion Ltd.  
Amber IT Limited  
A to Z Computer  
Automation Engineering & Controls Ltd.  
Anower Scientific & Glass Ware  
Blue Star Communications  
CDZ Global Logistics Ltd.  
Delcot Limited  
Clearing and forwarding agency  
Comfit Composite Knit Ltd. (C & F Division)  
EMI Engineering Ltd.  
Euro-Tex International  
Integrated Design  
Islami Insurance Bangladesh Ltd.  
JTZ Engineering & Trading Inn.  
Jamuna Spacotech Joint Venture Ltd.  
Linde Bangladesh Ltd.  
MJL Bangladesh Ltd.  
M/s Amena Electric Store  
H.R.S Trading Corporation  
M2M Communications Ltd.  
Omni Solutions Ltd.  
Rupali Insurance Co. Ltd.  
Nabil Trading  
Nurjahan Power Electric  
Science Museum  
Shahjahan Chemical Industries  
S.S Computer Center-2  
Raha Hardware & Tools  
Runner Motors Ltd.

5,179	6,273
6,087	-
-	3,600
-	175,113
29,100	-
-	800
49,110	-
-	71,669
7,915	211,822
51,015	-
-	896,706
26,913	-
240,000	240,000
-	335,044
34,677	67,900
2,751,497	-
433,047	198,579
215	3,190
-	8,000
14,000	-
3,360	1,680
-	65,000
-	908,912
-	4,510
-	19,000
-	27,400
-	15,910
6,000	-
11,700	-
5,534	9,534

Runner Lube & Energy Ltd.	
Maisha Enterprise Limited	
Swan International Pvt. Ltd.	
Smart Printing Solutions Ltd.	
UY Systems Ltd.	
Rabeya Nur Enterprise	
S.R. Trading International	
Water Tech Engineering Ltd.	
TG Logistics (BD) Ltd.	
Z M World Marine Service	
Trust Filling Station	
<b>Age Analysis of Accounts Payable</b>	
Less Than One Year	
More Than One Year	
<b>17.00 Other Payables</b>	
Sahara Trading	
Audit Fee	
Raaj Fuel Agency	
Workers' Profit Participation Fund (WPPF)	
VAT Payable Account	
Danlop Enterprise	
Outstanding of Bank Interest-SCB & PBL	
Office Rent Payable	
TDS & VDS Payable	
Md. Hafizur Rahman	
Md. Asadullah	
Asif Ahmed Chowdhury	
<b>18.00 L/C Liabilities</b>	
Islami Bank Bangladesh Ltd.	
Standard Chartered Bank	
Prime Bank Ltd.	
<b>19.00 Short Term Loan</b>	
OD Loan (PBL A/c No.-2118755026666)	
OD Loan (PBL-A/c No.-2118754019795)	
TR Loan (Time Loan Stimulus-PBL)	
TR Loan (Time Loan-MTB)	
TR Loan (Fixed Loan-SCB)	
<b>20.00 Liabilities for Expenses</b>	
Remuneration	
Salary & Allowance - H/O	
Salary & Wages - Factory and Gratuty & Earn Leave	
Electricity Bill- Factory	
Electricity Bill- H/O	
Telephone Bill	
Internet Bill	
Water Bill	
Security Service Charge-H/O	

Amount in BDT	
June 30, 2023	June 30, 2022
18,454	-
2,500,000	2,505,000
19,600	-
16,877	8,425
16,800	8,400
-	19,000
-	9,902
-	62,565
-	190,275
1,350,000	-
154,500	113,245
<b>7,751,580</b>	<b>6,187,453</b>
7,751,580	3,741,791
-	2,445,662
<b>7,751,580</b>	<b>6,187,453</b>
54,011	54,011
460,000	402,500
143	143
2,422,107	15,919,123
3,901,852	5,869,384
17,000	17,000
26,865,876	5,754,071
597,038	-
2,715	22,028
-	500,000
-	90,125
20,000	32,100
<b>34,340,742</b>	<b>28,660,485</b>
-	941,174
171,037,158	-
424,373,531	915,174,540
<b>595,410,689</b>	<b>916,115,714</b>
1,353,728,354	955,426,558
-	156,377
-	100,000,000
497,268,000	-
619,404,000	331,512,000
<b>2,470,400,354</b>	<b>1,387,094,935</b>
-	670,000
69,500	1,032,549
455,588	13,157,086
4,674,724	2,933,546
21,085	13,286
1,116	1,228
11,500	10,500
469	1,083
13,561	59,151
<b>5,247,543</b>	<b>17,878,429</b>

		Amount in BDT	
		July 2022 - June 2023	July 2021 - June 2022
<b>21.00 Revenue</b>			
High Speed Diesel (HSD)		850,539,022	344,875,561
Superior Kerosene Oil (SKO)		195,330,475	358,460,659
Motor Spirit (MS)		891,021,353	-
High Octane Blending Component (HOBC)		4,696,841,554	4,310,441,708
		<b>6,633,732,404</b>	<b>5,013,777,928</b>
<b>22.00 Cost of Sales</b>			
Raw Materials Consumed	<b>23.01</b>	5,774,058,536	4,050,970,908
Factory Overhead	<b>23.02</b>	519,465,300	445,986,277
		<b>6,293,523,836</b>	<b>4,496,957,185</b>
<b>23.01 Raw Materials Consumed</b>			
Opening Stock		708,266,290	829,330,327
Purchased & Manufactured During the Period		6,226,678,170	3,929,906,871
Less: Closing Stock		(1,160,885,924)	(708,266,290)
		<b>5,774,058,536</b>	<b>4,050,970,908</b>
<b>23.02 Factory Overhead</b>			
Insurance Premium		4,031,176	6,708,638
Rent & Rates		55,749,062	33,958,509
Electricity, Gas & Water		46,323,775	44,574,109
Wages, Salary & Allowance - Factory		137,106,544	139,469,310
Repair & Maintenance - Factory		57,538,119	45,556,309
Tiffin & Refreshment - Factory (Entertainment)		1,064,278	929,074
Medical Expenses		11,392	58,301
Government Taxes & License Fee		2,715,822	1,828,379
Office Expenses-Factory		597,584	561,163
Uniform & Liveries		30,865	76,813
LPG for Operation		4,181,996	5,802,327
Labour Bill		113,025	313,240
Safety Items Expenses		581,102	703,361
Exchange (Gain)/Loss		71,917,590	-
Depreciation		137,502,970	165,446,744
		<b>519,465,300</b>	<b>445,986,277</b>
<b>24.00 General and Administrative Expenses</b>			
Rent & Rates		2,062,422	2,076,324
Carriage Outward		1,004,459	1,176,324
Sample Expenses ( Service Charge & Maintenance)		513,090	377,884
Vehicles Running & Maintenance		4,381,309	2,757,482
Tiffin & Refreshment (Entertainment)		3,677,213	3,942,031
Fees & Subscription		2,416,723	2,450,941
Postage, Telephone, Fax & Telex		452,914	413,284
Govt. Taxes, Stamp Duty & License Fee		67,678	86,827
Advertisement Expenses		11,550	16,650
Audit Fees		460,000	402,500
Insurance Premium of Helicopter		2,626,862	2,877,276
BO Account Charge		550	550



Amount in BDT		
	July 2022 - June 2023	July 2021 - June 2022
ADR Expenses	25,000	-
Electricity Bill- Office	229,130	244,844
Internet Bill	70,474	69,564
Survey Bill	291,112	419,010
Traning & Development	8,500	15,000
Stationary	452,382	377,812
Remuneration	10,710,000	6,390,000
Papers, Books & Periodicals	350	3,580
Selling & Distribution Expenses	37,308,588	26,816,513
Salary & Allowance	12,262,506	10,818,726
Security Charge	452,954	487,013
Amortization of Intangible Assets	47,529	139,652
Provision for Unrealised loss on holding shares	2,599,593	-
Operational, Maintenance & Other Charges (Helicopter)	9,574,157	8,092,152
Tree Plantation	157,023	208,342
Write off of Receivables	1,003,105	4,047,695
Depreciation of Helicopter	4,982,130	5,513,109
Travelling & Conveyance bill	888,515	839,090
	<b>98,737,818</b>	<b>81,060,175</b>
<b>25.00 Financial Expenses</b>		
Interest / Profit Charge	216,288,506	128,914,812
Bank Charge	6,873,644	12,978,936
	<b>223,162,150</b>	<b>141,893,748</b>
<b>26.00 Non-Operating Income</b>		
Wastage Sales	1,059,777	891,169
Dividend Income	436,813	400,757
Lab Test Income	9,600	81,800
Interest / Profit Income	29,957,179	35,342,644
Exchange (Gain)/Loss	-	77,261
Capital Gain / (Loss)	865,476	-
Unrealised Gain/Loss on Sale of Share	-	572,190
Realised Gain on Sale of Share	226,796	3,068,937
	<b>32,555,641</b>	<b>40,434,758</b>
<b>27.00 Worker's Profit Participation Fund (WPPF)</b>		
Net Profit Before Tax	48,442,135	318,382,456
WPPF @ 5% of Net Profit Before Tax	2,422,107	(15,919,123)
	<b>2,422,107</b>	<b>(15,919,123)</b>
<b>28.00 Income Tax Expenses</b>		
Minimum Tax	43,044,392	86,887,921
Deferred Tax	1,399	1,150
	<b>43,045,791</b>	<b>86,889,071</b>
<b>29.00 Earning Per Share</b>		
Net Profit after Tax	5,396,344	231,493,385
Number of Shares Outstanding	100,000,000	100,000,000
<b>Earning Per Share (EPS)</b>	<b>0.05</b>	<b>2.31</b>

### 30.00 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-2023	30-Jun-2022
OD Loan (PBL A/c No.-2118755026666)	1,353,728,354	955,426,558
OD Loan (PBL-A/c No.-2118754019795)	-	156,377
TR Loan (Time Loan Stimulus-PBL)	-	100,000,000
TR Loan (Fixed Loan-MTB)	497,268,000	-
TR Loan (Fixed Loan-SCB)	619,404,000	331,512,000
	<b>2,470,400,354</b>	<b>1,387,094,935</b>

#### 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.

### 31. Related Party Transaction

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

Particulars	30.06.2023		30.06.2022	
	Directors	All Managers	Directors	All Managers
Board Meeting Fee	-	-	-	-
Remuneration & Allowances	6,390,000	29,277,845	5,970,000	29,326,629
Bonus	1,040,000	2,183,425	1,070,000	1,846,227
<b>Total</b>	<b>7,430,000</b>	<b>31,461,270</b>	<b>7,040,000</b>	<b>31,172,856</b>

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

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

- b) Other Related Party Transactions:

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, 2022	Addition during the period	Adjustment during the period	Balance as at June 30, 2023
Shahjibazar Power Co. Ltd.	Parent-Subsidiary	Advance	16,987	1,614,187	1,500,274	130,900
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	358,248	679,173,458	679,497,656	34,050
Midland East Power Ltd.	Common Directorship	Short Term Loan	1,522,649	251,138,453	252,572,441	88,661
Petromax LPG Ltd.	Common Directorship	Short Term Loan	136,897	-	136,897	-
Petromax Cylinders Ltd.	Common Directorship	Short Term Loan	54,630	-	54,630	-

### 32.00 Commitments and Contingencies

- A) Capital expenditure commitments
- B) Bank guarantees

In favor of:	30 June 23	30 June 22
The Commissioner of Customs, Mongla Custom House, Khulna	528,084,260	528,084,260
Rupantarita Prakritik Gas Company Limited	3,000,000	3,000,000
Civil Aviation Authority of Bangladesh	2,000,000	2,000,000
The Commissioner of Customs, Custom House, Chittagong	5,088,238	5,088,238
	<b>538,172,498</b>	<b>538,172,498</b>

### 33.00 Other disclosures

#### 33.01 Number of employees

As at 30 June 2023, number of regular employees receiving salary & allowance above Tk. 30,000.00 per month were 122 persons.

#### 33.02 Comparatives

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

#### 33.03 Events after the reporting period

There is no event occur to disclose after the reporting period.

**Petromax Refinery Limited**  
**Fixed Assets Schedule**  
 As at June 30, 2023

SL	Name of Assets	Cost			Rate %	Depreciation				Written down Value at June 30, 2023
		Balance at July 01, 2022	Addition during the period	Disposal During the Period		Balance at June 30, 2023	Charged During the Period	Adjustment During the Period	Balance at June 30, 2023	
01	Land & Land Development	64,367,432	-	-	-	64,367,432	-	-	-	64,367,432
02	Building & Construction	532,160,599	-	-	7%	532,160,599	20,820,315	-	247,625,370	284,535,229
03	Electric Installation	35,794,236	-	-	15%	35,794,236	1,432,199	-	27,124,266	8,669,969
04	Computer	2,633,113	143,800	-	15%	2,776,913	190,860	-	1,621,525	1,155,388
05	Jetty	9,047,777	-	-	15%	9,047,777	367,259	-	6,824,533	2,223,243
06	Factory Equipments	10,272,211	-	-	15%	10,272,211	599,207	-	6,644,850	3,627,361
07	Lab Equipment	2,791,179	-	-	15%	2,791,179	121,901	-	2,053,238	737,941
08	Fire Fighting Equipments	2,405,810	-	-	15%	2,405,810	178,082	-	1,327,771	1,078,039
09	Plant & Machineries	2,822,660,419	-	-	6%	2,822,660,419	99,134,793	-	1,231,904,937	1,590,755,482
10	Cylindrical Vertical Steel Tank	111,594,037	-	-	15%	111,594,037	4,464,331	-	84,568,734	27,025,302
11	Generator	20,300,278	-	-	15%	20,300,278	787,047	-	15,535,803	4,764,475
12	Office Equipment	1,151,841	-	-	15%	1,151,841	48,612	-	857,566	294,276
13	Office Renovation	9,193,548	-	-	10%	9,193,548	705,027	-	2,578,345	6,615,204
14	Refrigerator	97,710	24,500	-	15%	122,210	12,213	-	48,278	73,932
15	Solar Power System	560,000	-	-	15%	560,000	21,614	-	429,156	130,844
16	Telephone Installation	1,801,789	-	-	15%	1,801,789	85,860	-	1,282,026	519,762
17	Ship	355,753,862	-	-	5%	355,753,862	4,752,558	-	258,948,400	96,805,462
18	Helicopter	90,285,623	-	-	10%	90,285,623	4,982,130	-	43,538,743	46,746,880
19	Vehicle	36,283,915	9,176,000	3,486,299	20%	41,973,616	2,875,243	2,951,775	22,240,560	19,733,056
20	Air Condition	6,626,490	-	-	15%	6,626,490	324,837	-	4,660,052	1,966,437
21	Water Line Installation	326,395	-	-	15%	326,395	12,598	-	250,132	76,263
22	Water Treatment Plant	4,382,645	-	-	15%	4,382,645	178,394	-	3,302,715	1,079,930
23	Furniture & Fixture	8,146,985	-	-	15%	8,146,985	390,019	-	5,785,963	2,361,022
	<b>June 30, 2023</b>	<b>4,128,637,893</b>	<b>9,344,300</b>	<b>3,486,299</b>		<b>4,134,495,894</b>	<b>142,485,100</b>	<b>2,951,775</b>	<b>1,969,152,964</b>	<b>2,165,342,930</b>
	<b>June 30, 2022</b>	<b>4,128,526,393</b>	<b>111,500</b>	<b>-</b>		<b>4,128,637,893</b>	<b>170,959,853</b>	<b>-</b>	<b>1,829,619,639</b>	<b>2,299,018,254</b>

**Depreciation Expenses:**  
 Factory Overhead  
 General and Administrative  
**Total**

**Amount**  
 137,502,970  
 4,982,130  
**142,485,100**

**Rate**  
 97%  
 3%



**Petromax Refinery Limited**  
**Schedule of Deferred Tax**  
 As at June 30, 2023

	Name of Assets	Addition during the period	Accounting Depreciation Rate	Tax Depreciation Rate	Accounting Depreciation	Tax Depreciation
1	Computer	143,800	15%	30%	5,393	10,785
2	Refrigerator	24,500	15%	10%	919	613
3	Vehicle	9,176,000	20%	20%	458,800	458,800
	<b>June 30, 2023</b>	<b>9,344,300</b>			<b>465,111</b>	<b>470,198</b>

Taxable Temporary Difference	(5,086)
Applicable Tax Rate	27.50%
Deferred Tax Liability	<b>(1,399)</b>
Deferred Tax	<b>(1,399)</b>

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.**

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