

ANNUAL REPORT 2015-2016



Striving for Affordable



Efficient and Renewable Energy



SHAHJIBAZAR POWER CO. LTD.

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COMPANY INFORMATION

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

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

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

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



CORPORATE DIRECTORY

Board of Directors:

Mr. Rezakul Haider

Chairman

Mr. Feroz Alam

Managing Director

Mr. Anis Salahuddin Ahmad

Director

Mr. A.K.M Badiul Alam

Director

Mr. Shamsuzzaman

Director

Mr. Mohammad Liaquat Ali

Independent Director

Mr. Golam Nabi FCA

Independent Director

Company Secretariat:

Mr. Bhulon Kumar Bhowmik

Chief Financial Officer

Mr. Yeasin Ahmed

Company Secretary

Registered Office:

822/2 Rokeya Sarani

Dhaka-1216

Tel: +88-02 9025401-2

Fax- +88-02 9032436

E-Mail: info@youthbd.com

Website: www.youthbd.com

Auditors :

ACNABIN Chartered Accountants

BDBL Bhaban (Level-13 & 14),

12 Kawran Bazar C/A Dhaka - 1215,

Tel: +88-02-814 4347-52

Fax: +88-02-814 4353

www.acnabin.com

Legal Advisor :

Amicus Curiae

(Barristers, Advocates

& Legal Consultants)

211/1 (Ground Floor),

Elephant Road, Dhaka-1205

Main Bankers:

Islami Bank Bangladesh Ltd.

Eastern Bank Ltd.

Bank Asia Ltd.

PARTICULARS OF TOP EXECUTIVES/OFFICERS

Feroz Alam

Position
Educational Qualification
Date of Joining
Last Five Years' Experience

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

Engr. Md. Hafizur Rahman

Position
Educational Qualification
Date of Joining
Last Five Years' Experience

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

Engr. Shariful Islam

Position
Educational Qualification
Date of Joining
Last Five Years' Experience

General Manager
BSc Engineer – Mechanical (RUET)
01.01.2010
Worked as Sr. Manager in different companies within the group

Engr. Tamiz Uddin Sohoarwardy

Position
Educational Qualification
Date of Joining
Last Five Years' Experience

Deputy General Manager
BSc Engineer – Mechanical (KUET)
01.01.2008
Worked as Dy. Manager in different companies within the group

Bhulon Bhowmik

Position
Educational Qualification
Date of Joining
Last Five Years' Experience

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

Yeasin Ahmed

Position
Educational Qualification
Date of Joining
Last Five Years' Experience

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

Hasan Imam Siddiki ACA

Position
Educational Qualification
Date of Joining
Last Five Years' Experience

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

LETTER OF TRANSMITTAL

All Members & Shareholders

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

Dear Sir(s)

The undersigned on behalf of the Board of Directors of Shahjibazar Power Co. Ltd. is pleased to present herewith the Annual Report together with the Audited Financial Statements which includes Statement of Financial Position as at June 30, 2016 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, 2016 and notes thereon.

Thanking You

Sincerely Yours,

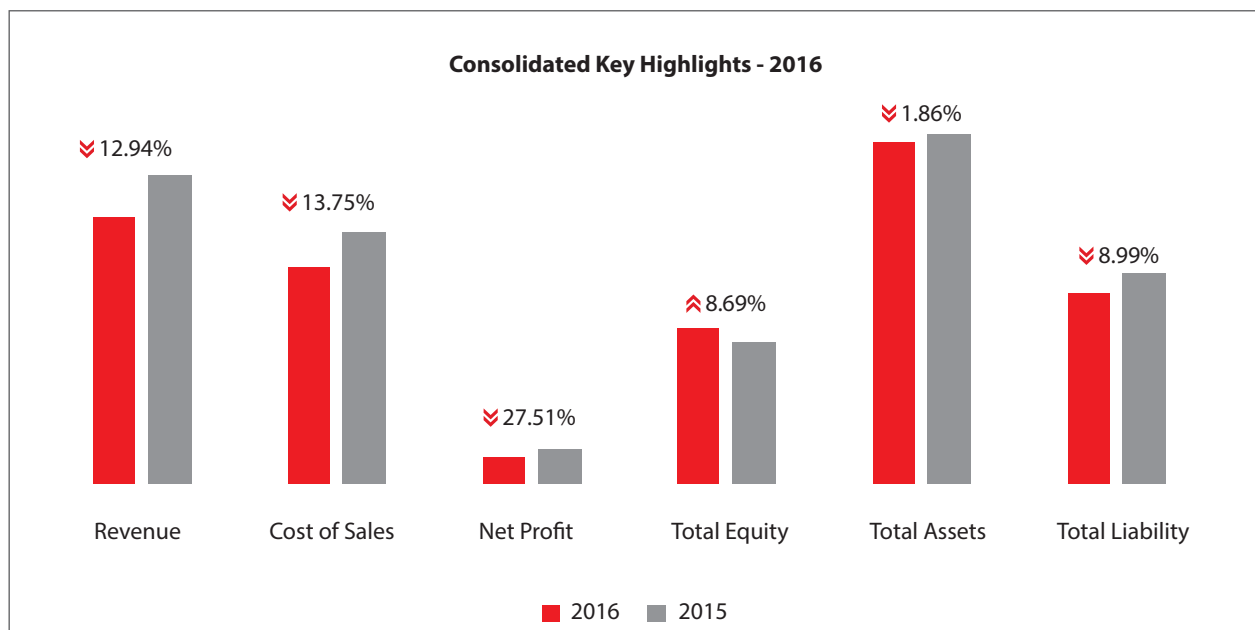


Yeasin Ahmed
Company Secretary

CONSOLIDATED KEY HIGHLIGHTS

(BDT in Million)

Particulars	2016	2015	Change in %
Revenue	7994.31	9182.11	-12.94%
Cost of Sales	6492.90	7527.72	-13.75%
Net Profit	741.11	1022.42	-27.51%
Total Equity	4606.81	4238.48	8.69%
Total Assets	10311.18	10506.60	-1.86%
Total Liability	5704.38	6268.11	-8.99%



CORE VALUES & CODE OF CONDUCTS

ETHICS

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

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.

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

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.

GIFTS

- ◆ Buying equipment from suppliers for personal use at high discounts is absolutely prohibited.
- ◆ Accepting free trips / holidays within Bangladesh and / or abroad and / or members of employees family, from suppliers is also absolutely prohibited.
- ◆ 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.
- ◆ Small value gifts and flowers on festive occasions from anyone are normally acceptable. High value gifts in extraordinary circumstances, if required, need to be specially approved by the concern management.

CONFIDENTIALITY AND DISCRETION

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

- ◆ Financial Information.
- ◆ Tax Planning Measures.
- ◆ Potential Joint Venture deals being negotiated.
- ◆ New Product Introductions.
- ◆ Manufacturing Process and Recipe for Products.

Employees should maintain total confidentiality with any such classified information.

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.

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.

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

- ◆ Physical contact and advances;
- ◆ A demand or request for sexual favors;
- ◆ Sexually colored remarks;
- ◆ Showing pornography;
- ◆ 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.

CODE OF CONDUCT

- ◆ Every employees of SPCL shall devote their whole time and attention to and use their best skills and care in the business and affairs of the Company and at all times faithfully and diligently perform such duties assigned to them by the Company.
- ◆ They shall not at any time during the continuance of the employment hereunder solicit, seek, engage or be interested or concerned either directly or indirectly or alone or jointly in any other office, trade, business or occupation without the prior permission in writing of the Company.
- ◆ 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.

◆ As a corollary to their obligation, as mentioned 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.

◆ 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.

◆ 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, the employee 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.

- ◆ 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.
- ◆ 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.
- ◆ 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.

POLITICAL NON ALIGNMENT

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

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

PROTECTING COMPANY ASSETS

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

- ◆ 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.

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.

CORPORATE CITIZENSHIP

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

REGULATORY COMPLIANCE

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

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.

- ◆ 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.
- ◆ 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:
 - ◆ Acquisition and divestiture of businesses or business units.
 - ◆ Financial information such as profits, earnings and dividends.
 - ◆ Announcement of new product introductions or developments.
 - ◆ Asset revaluations.
 - ◆ Investment decisions / plans.
 - ◆ Restructuring plans.
 - ◆ Major supply and delivery agreements.
 - ◆ Raising of finances.

- ◆ 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.



CORPORATE GOVERNANCE

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

Board Composition

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

Responsibilities of the Board

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

- Retain full and effective control of the company
- Give strategic direction to the company
- Take decisions concerning certain policies, budgets, financing plan and major capital expenditures of the Company.
- Monitor management in implementing plans and strategies, as approved by the board
- Appoint the CEO and other directors
- Ensure that succession is planned
- Identify and regularly monitor key risk areas and key performance indicators of the business
- Ensure that the company complies with relevant laws, regulations and codes of business practice
- Ensure that the company communicates with shareholders and relevant stakeholders openly and promptly

- Monitoring the company's integrated performance
- Establish a formal and transparent procedure for appointment to the board
- Regularly review the report provided by the Audit Committee
- Assess the performance of the board, its committees and its individual members on a regular basis

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

Board Meeting

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

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

Pursuant to the above, The Board met Five (5) times during the reporting period and all the directors including both the independent directors were present in most of the meetings. The Company Secretary and the Chief Financial Officer were also present in the Board meetings.

Rotation of Directors

Under the Companies Act 1994, one third of the directors are required to retire by rotation each year and being eligible, offer themselves for re-election by shareholders at the Annual General Meeting. Here, Mr. Rezakul Haider and Mr. A.K.M Badiul Alam 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 is responsible for providing guidance to the Chairman and Board of Directors in respect of their responsibilities, authorities and power. He is directly accountable to the Board, through the Chairman. He is also responsible to advice on the corporate governance and other rules and regulations imposed by different regulatory authorities including RJSC, DSE, CSE, BSEC. He facilitates the distribution of information to the concerned office or person in a timely manner like agenda items for board meetings, investor communications and any other corporate announcement including Price Sensitive Information which may have significant material impact on the performance of the Company.

Chief Financial Officer

The name of the Chief Financial Officer is Mr. Bhulon Bhowmik. He is the Assistant General Manager and also the Head of Finance & Accounts of the Company. His certification on the financial statements is disclosed in **Annexure 4**.

Board Committee- Audit Committee

The SPCL's Audit Committee has been established as a sub-committee of the Board consisting of three (3) Directors. The Chairman of the Committee is an Independent Director, Mr. Golam Nabi FCA. Other members are Mr. Rezakul Haider (Chairman), 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.

Management Team

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

Risk Management & Internal Control

A detailed framework to review significant risks impacting the performance of the Company has been established. It is the responsibility of Audit Committee to assess the identified risk and to implement the mitigating strategy. Apart from this, the establishment of the effective strong internal control system in all levels of the organization is the sole responsibility of the Audit Committee.

Separation of work for the Chairman and Chief Executive Officer

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

Subsidiary Boards

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

Investor Relation

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

Communication with Stakeholders

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



Notice Of The 09th Annual General Meeting

Notice is hereby given that the 09th Annual General Meeting of the Members of Shahjibazar Power Company Limited will be held on Sunday the 5th day of February, 2017, at KIB Complex Auditorium, KrishiKhamar Road, Farmgate, Dhaka-1215 at 11.00 A.M to transact the following businesses:

Agenda:

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended June 30, 2016 together with the Auditors' Report thereon
2. To declare dividend for the year 2016 as recommended by the Board of Directors
3. To elect/Re-elect Directors
4. To appoint Auditors for the year 2017 and to fix their remuneration

Dhaka, January 16, 2017.

By order of the Board



(Yeasin Ahmed)
Company Secretary

Notes:

1. Shareholders whose names appeared at the record date i.e. December 5, 2016 in the Share Register of the Company or in the Depository Register on that date will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.
2. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 72 hours before the time fixed for the Annual General Meeting.
3. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy Form.
4. In case of non-receipt of Annual Report – 2016 sent through courier, Members may collect the same from the Company's share office with in February 4, 2017. No additional annual report will be distributed at AGM venue. Soft copy of the Annual Report is available in investor relation section of Company's website – www.Youthbd.com

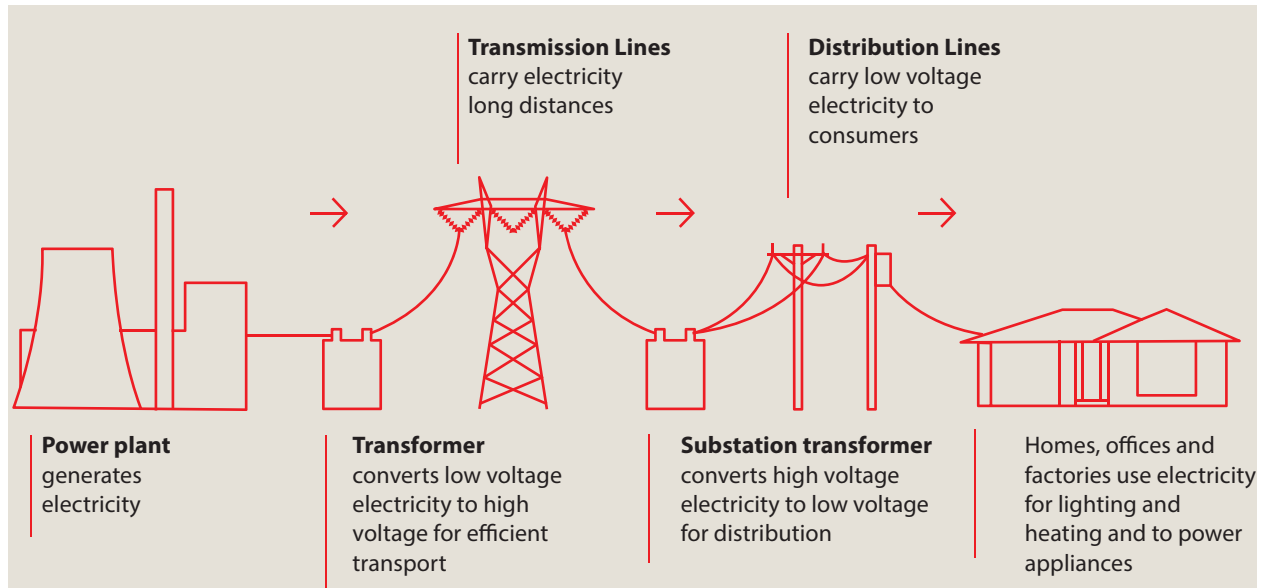
Special Note: No benefit or gift in cash or kind shall be given to the Shareholders for attending the 09th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

(বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।)

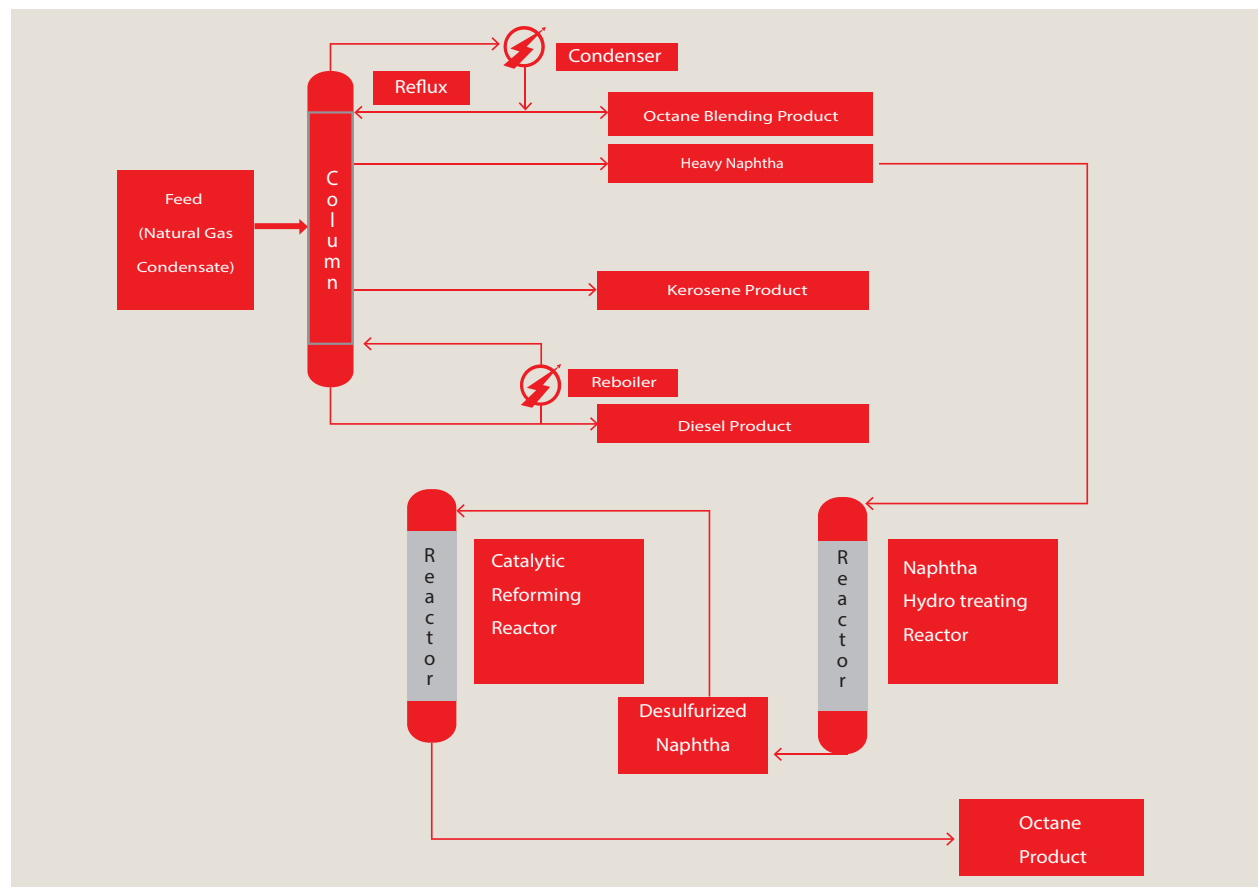
CORPORATE ETHOS



TYPICAL ELECTRICITY TRANSPORT MODEL



TYPICAL OIL REFINING MODEL



LETTER FROM THE CHAIRMAN

"At SPCL, value is delivered through a consistent focus on quality across power generation and petroleum production segment of the business. The experience and expertise of people, application of ever advancing technology and the ability to build strong relationships across the stakeholder community, helps SPCL generate sustainable value for customers."

Rezakul Haider

Founder Chairman



SHAHJIBAZAR POWER CO. LTD.

Respected Members, Shareholders and Stakeholders,

On behalf of the Honorable members of the Board of Directors of Shahjibazar Power Co. Ltd. (SPCL), I would like to extend my sincere welcome to the 9th Annual General Meeting (AGM). Unlike other years, the foregoing year was a year of stiff challenges for us. Global energy market has been dazed with an unprecedented fall in price. The long awaited pressure on the government for decreasing petroleum price has grabbed all attention in the stakeholder community. Despite drastic reduction of Petroleum price during the year under report, your company yet again was able to generate positive operating results.

The power generation segment of your company has shown a consistent performance. Implementation of Power Sector Master Plan (PSMP) adopted by the Government is also a mutual vision of your company. Development of a sustainable and cost effective portfolio of energy production is a major pre-requisite for attaining the vision of shifting in middle income country by 2021.

Within a very short span of time, Petromax Refinery Ltd (PRL) a subsidiary of your company has made a mark in the petroleum industry of the Country. For producing quality petroleum products, your company has been awarded as “Best Private Organization” in the Energy Sector for two consecutive terms by the Ministry of Power, Energy & Mineral Resources (MPEMR). We have set all our resources and strategies in order to sustain and endeavor for repeated achievement of such national accolade in the coming years as well.

Midland Power Co. Ltd. (MPCL), another association of your company has been generating positive results since its commercial operation back in the end of 2013. The facility is of 51 Megawatt capacity Independent Power Producer (IPP) which is known to be one of the most cost effective power supplier among all Gas Fired power plants to BPDB. MPCL is equipped with state of the art engine sets from Rolls Royce brand and a team of highly skilled and competent manpower.

During the year under report, your company had to face acute challenge in terms of drastic cut of petroleum price by the concerned authority. The authority had been exhausting all adverse price fluctuation of international energy market by injecting subsidies to protect and provide a boost to the industrial development. Recent sharp fall of energy price throughout the globe had given the ground to the concerned authority for recovering some accumulated loss resulted from long subsidy support to the energy sector. Therefore, the authority had cut the collection price of petroleum products from local refineries on March 2015 keeping the retail price intact. Eventually, margin of petroleum segment of your company was very highly squeezed.

Nevertheless, after all-out effort and persuasion from the stakeholders of the industry, the concern ministry was convinced and subsequently another revision of Petroleum price was announced in May 2016 by the government making a suitable margin for local refineries. Despite all such struggles, your company was able to register a consolidated Gross Turnover of BDT 7994.31 Million with a decrease of 12.93% as compared to the last year. NPAT were BDT 741.11

Million with a decrease of 27.51% as compared to the last year. SPCL was separately able to generate Turnover of BDT 1511.12 Million which is slightly lower by 1.84% whereas NPAT stands at BDT 384.06 Million which is 30.82% higher than the previous year. The reason of such gain was decrease in Finance Cost due to fall in interest rate in the money market and rigorous steps for several cost reduction initiative throughout the organization.

After analyzing current risk profile of your company, the Board has recommended 30% cash and 3% stock dividend for the year under report subject to the approval of the members at 9th Annual General Meeting.

Dedication of our employees towards our businesses is the bedrock of our success. We empower and train our employees and convert them to our key resources to run our business. We involve our employees in such a way which pass the feeling of ownership to them. We care for people and the planet while generating profit.

Your investment in SPCL is not only maximizing your wealth but contributing towards the overall development of the economy in manifolds. Every dollar investment in energy has multiple effect in the development of both agricultural and industrial sector. Apart from that, transport sector which is one of the key driving force for any economy is also direct beneficiary of your investment. You will be more than happy to know that, out of approximately 1.26 Lac MT Octane requirement per year of the country, your company has been supplying around 0.44 Lac MT which is almost 35% of the market size. In process a huge amount of foreign reserve can be saved by substituting import of Octane.

Finally, I would like to extend my heartfelt thanks to the Government, Bangladesh Power Development Board (BPDB), Bangladesh Petroleum Corporation (BPC), Rupantarita Prakritik Gas Company Ltd (RPGCL), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd, Central Depository Bangladesh Limited and our shareholders, Banks and other financial institutions. Our commitment to attain our ultimate mission is to become a partner in progress for energy self-reliant Bangladesh.



CHAIRMAN
SHAHJIBAZAR POWER CO. LTD.

DIRECTORS PROFILE



Rezakul Haider
Chairman and Member
of Audit Committee

Mr. Rezakul Haider aged 60 is the Chairman of the Company, has joined the Board on November 2007. After completing his graduation from University of Chittagong, he has started his career as a businessman dated back from 1982. With a long experience of 34 years, he has established himself as a seasoned Industrialist of different sectors like Readymade Garments, Textile, Apparel, Energy and Power Generation. Sensing the urge of the contribution for the development of the society Mr. Haider has extended his footsteps in School, University and different social welfare organization by his direct participation and generous donations. Mr. Haider has travelled many places throughout the Globe including USA, UK, Germany, Italy, France, Japan, Korea, China, Malaysia, Thailand, Singapore, Srilanka, India, Pakistan to enrich his knowledge and experience in Trade and Business.



Feroz Alam
Director & Managing Director

Feroz Alam, aged 59 years, Director & Managing Director of the Company. He has joined the Board of the Company on November 2007. He has completed his graduation from University of Chittagong and engaged himself in business. With his true vision and strong leadership quality he has attained the ultimate success in the business arena of the Country. Starting with apparel and textile industry vertical to beverage, Private Power Generation and petrochemical industry he has proved his capacity in building strong footings in all diversified fields. He inherently possesses the expertise of managing manufacturing, marketing and finance area.

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



Anis Salahuddin Ahmad
Director

Anis Salahuddin Ahmad, aged 50, is the Director of the Company. He has received higher diploma from abroad. He has started his career by start working for a reputed textile trading house and later he switched in business profession in 1985. He was engaged in different types of local and international businesses. Mr. Ahmad has acquired vast experience in textile trading and other manufacturing business verticals through his many years of high profile service experience and business career. Mr. Ahmad has been associated with and patrons many schools, colleges and different social welfare organizations by his active participation and generous donations. He traveled many countries of America, Europe and Asia to enrich his knowledge and experience.



A.K.M Badiul Alam
Director and
Member of Audit Committee

Mr. A.K.M. Badiul Alam, aged 55, is the Director of the Company. He has received Master Degree in Management from the University of Dhaka. He started his career as a businessman after the completion of his education. Mr. Alam acquired vast experience in textile trading and other manufacturing business verticals through his business exposure. He owns a group of full vertical Ready Made Garment named as Amtranet Group with 17 years of legacy. Mr. Alam is associated with and donor of many schools, colleges and different social welfare organizations. He has traveled several Extensive business tours in many countries, including America, Japan, Korea, China, India, Germany, Spain, U.K, Australia, Italy, France, Austria, Saudi Arab, Hong Kong, Singapore, Canada, Taiwan, Holland and many other countries to enrich his knowledge and experience.



Md. Shamsuzzaman
Director

Md. Shamsuzzaman, aged 54, is the Director of the Company. He has received his Bachelor of Textile Science & Technology & Post Graduate Diploma in Industrial Management (PGDIM). He started his career as a business man after his academic education. He was engaged in different types of local and international businesses related to textile chemicals and composite knit. He has been the owner of Micro Fibre Group consist of several manufacturing units producing knitwear apparels for the last around 18 years. Md. Shamsuzzaman acquired vast experience in textile, Chemicals trading and other manufacturing business through his 24 years of business career. He is also associated with and donor of many schools, colleges and different social welfare organizations. He traveled many countries of America, Europe and Asia to enrich his knowledge and experience in his career.



Mr. Mohammad Liaquat Ali
Independent Director

Mohammad Liaquat Ali, aged 62 is the Independent Director of the Company. He has received his bachelor degree from University of Dhaka in the year 1982 and LL.B from University of Dhaka in the year 1984. He is an advocate of Supreme Court Bangladesh for a long time. He also holds the membership of Supreme Court Bar Association, Judge Court Bar Association Dhaka and Labor Court Bar Association Dhaka. In his career he has moved for various cases relating to company and labor law and obtained extensive experience in the field of Corporate Finance and Accounting, Corporate Tax and labor related laws and implications.



Mr. Golam Nabi - FCA
Independent Director &
Chair of Audit Committee

Mr. Golam Nabi FCA, aged 62 is the Independent Director of the Company. He has received his graduation from University of Dhaka back in the year 1965. He then become an Associate Member of Institute of Chartered Accountants of Bangladesh (ICAB) in 1983 and subsequently become Fellow Member of the Institute in 1989. Mr. Nabi is the founding partner of G. Nabi & Co. Chartered Accountants. He has more than 34 years of experience in public and private sector audit. He has been actively involved with designing and implementing accounting system, corporate and investment planning, project implementation of World Bank and other international agencies. He is also an expert of different types of taxes both at corporate and individual level.

SUCCESS MILESTONES

2007

- ◆ Incorporation of Company As Private Ltd Company Sunday, November 04, 2007
- ◆ Notification of award issued by BPDB Thursday, November 08, 2007

2008

- ◆ Signing of Project Agreement Thursday, February 14, 2008
- ◆ Gas Supply Agreement with (JGTDSL) Wednesday, April 09, 2008
- ◆ Gen-set Supply contract with GE and Other Vendors Friday, April 11, 2008
- ◆ Sub-station equipment Supply Contract Thursday, May 08, 2008
- ◆ Gas RMS supply contract Monday, June 23, 2008

2009

- ◆ Commissioning Tuesday, February 10, 2009
- ◆ Commercial Operation Tuesday, February 10, 2009
- ◆ Formal Inauguration Saturday, February 14, 2009
- ◆ Conversion to Private to Public Ltd Co. Monday, November 09, 2009

2011

- ◆ Submission of draft prospectus to BSEC Thursday, July 28, 2011

2016

- ◆ Condensate Sale & Purchase Agreement for Additional Quantity Thursday, June 23, 2016
- ◆ Awarded as "Best Private Organization" in energy sector Wednesday, December 07, 2016

2015

- ◆ Certificate of Accreditation for PRL Laboratory Tuesday, June 9, 2015
- ◆ Condensate Sale & Purchase Agreement Wednesday, June 24, 2015
- ◆ Awarded as "Best Private Sector Organization" Thursday, December 10, 2015

2014

- ◆ Accomplished credit rating Wednesday, January 29, 2014
- ◆ Approval of Prospectus for IPO Tuesday, February 18, 2014
- ◆ Publication of Prospectus Tuesday, February 18, 2014
- ◆ IPO Lottery Drawn Thursday, May 08, 2014
- ◆ Listing of Shares with Stock Exchanges Tuesday, July 15, 2014
- ◆ Starting trade of Shares Tuesday, July 15, 2014

DIRECTORS REPORT TO SHAREHOLDERS

Respected Members & Shareholders,

Assalamualikum,

I would like to take this pleasure to invite all members of Shahjibazar Power Co. Ltd. (SPCL) to the 9th Annual General Meeting. As authorized by the Board of your company, I am pleased to submit herewith the Audited Financial Statements for the year then ended June 30, 2016.

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- SEC/CMRRCD/2006-158/134/ Admin/44 dated 07th August 2012 regarding corporate governance guidelines.

ECONOMY AT A GLANCE

The economy of Bangladesh has been showcasing unprecedented rise in almost every growth index. According to earlier estimates GDP growth registered 7.05% which is a record since the independence of the Country. The credit for such remarkable growth is certainly attributed to the development of industrial sector. Uninterrupted supply of energy was the key driving force for such development. To keep the momentum, long term strategies and plans to be adopted for ensuring necessary supply of energy towards all productive sector of the Economy.

Consumer Price Index (CPI) has reached around 232 as of October 2016 which is also an all-time record. Cost of Living has been increasing vis-à-vis the rise in GDP growth. This can only be compensated by sustaining the current growth of GDP and robust steps for further enhancement.

The Central Bank has reported USD 31370 Million Foreign Exchange Reserve as of November 2016. Export of RMG sector and remittance from foreign immigrants remains the major contributor of such mammoth reserve. Comfortable Fiscal, Monetary and Foreign Exchange policy can be facilitated by this reserve.

Inflation rate has recorded 5.38 percent year-on-year basis in November 2016. The target of the government is 5.8 percent for the fiscal year 2017. A consistency in fluctuation has been observed which is a result of a prudent control over money market and steady commodity price level of both Food and Non-Food products.

It is more or less evident that, the economic scenario of the country is inviting more investment in the industrial sector. Assuming a stable political environment in recent times, the country is set to become the middle income country by 2021.

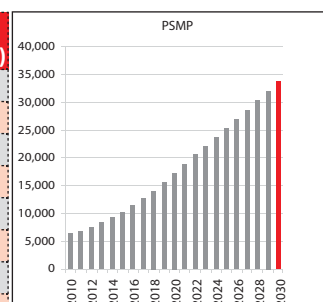
POWER SECTOR SCENARIO OF BANGLADESH

According to the estimate of Bangladesh Power Development Board (BPDB), existing installed generation capacity of the country is 13,095 MW (Without Captive and SHS) of which 7,092 MW (54%) is being facilitated by Public Sector and rest 6,003 MW (46%) is being facilitated by Private Sector investment.

The access to electricity has been raised to 78% and per capita electricity generation improved dramatically (from 371 kWh to 407kWh). Total consumer stands at 22.2 Million (August 2016) and System loss (distribution) reduced to 13.10%.

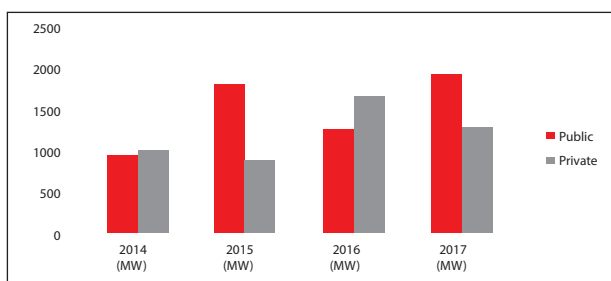
Power System Master Plan by BPDB Assuming 7% GDP Growth Rate

Fiscal	YearPeak Demand (MW)
2010	6,454
2011	6,765
2012	7,518
2013	8,349
2014	9,268
2015	10,283
2016	11,405
2017	12,644
2018	14,014
2019	15,527
2020	17,304
2021	18,838
2022	20,443
2023	21,993
2024	23,581
2025	25,199
2026	26,838
2027	28,487
2028	30,134
2029	31,873
2030	33,708



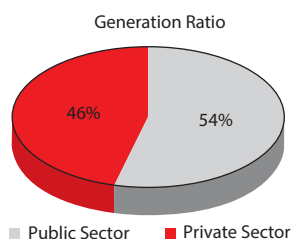
Calendar Year Wise Generation Addition program (From 2014 to 2017)

Calendar Year	2014 (MW)	2015 (MW)	2016 (MW)	2017 (MW)	TOTAL
Public	960	1813	1260	1950	5023
Private	1028	888	1654	1300	4870
Total	1988	2701	2914	3250	9893



Present Installed Generation Capacity (MW) as on December, 2016

Public Sector	Installed Generation Capacity (MW)	%
BPDB	4540	35%
APSCL	1264	10%
EGCB	622	5%
NWPGCL	440	3%
RPCL-BPDB JV	226	2%
Sub-Total	7092	54%
Private Sector	Installed Generation Capacity (MW)	%
IPPs	3025	23%
SIPPs (BPDB)	99	1%
SIPPs (REB)	251	2%
15 Yr Rental	167	1%
3/5 Yr Rental	1861	14%
Power Import	600	5%
Sub-Total	6003	46%
Total	13095	100%

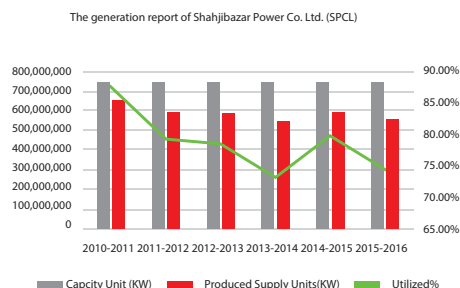


Public and private sector is contributing 54% and 46% respectively in the total generation of power as of December 2016. Amongst the public sector generation units BPDB is playing the champion role as usual.

BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

Shahjibazar Power Company Limited (SPCL) has come into the power sector of Bangladesh winning competitive tender beating several other participants with Bangladesh Power Development Board (BPDB) on February 14, 2008. Subsequently the company has entered into Gas Supply Agreement (GSA) with Jalalabad Gas Transmission and Distribution System Limited (JGTDSL) on April 9, 2009. 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, 2016 the company is producing 74.53% of total capacity on an average. The operational performance of the Company is shown as hereunder:

Fiscal Year	Capacity Unit (KW)	Produced Supply Units (KW)	Utilized %
2010-2011	743,040,000	651,615,360	87.70%
2011-2012	743,040,000	589,434,211	79.33%
2012-2013	743,040,000	584,089,568	78.61%
2013-2014	743,040,000	543,261,043	73.11%
2014-2015	743,040,000	593,039,904	79.81%
2015-2016	743,040,000	553,765,512	74.53%

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

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

In the fiscal year 2015-2016 your company has contributed a total of 553,765,512 Kwh to the national grid as compared to 593,039,904 of the Fiscal Year 2014-2015. The sole customer of your company is Bangladesh Power Development Board (BPDB). Total revenue for the year under report stands at Tk.1,511.12 Million as compared to that of the previous year 1,539.46 Million which is slightly lower due to lower demand for power by BPDB.

Your Company with its subsidiary Petromax Refinery (PRL) Ltd which has been in commercial operation since October 2013 has achieved consolidated revenue of Tk. 7,994.31 Million. Net Profit After Tax (NPAT) of your company with its subsidiary stands at Tk. 741.11 Million. PRL has sold around 127.64 Million Liter of different grades of petroleum products including Octane, MS and HSD registering a revenue of Tk.6,483.08 Million separately.

From December 2013 associate of your company Midland Power Co. Ltd (MPCL) has started their commercial operation after successful commissioning. MPCL has generated 298,716,259 Kw against its total capacity 446,760,000 Kw for the year under account. The company has attained 66.86% of its total generation capacity due to lower demand by BPDB.

SEGMENT WISE PERFORMANCE

Segment/Product	Quantity	Sales in Million Tk.
Power	553,765,512	Kwh 1,511.12
Oil & Gas	127,641,836	Ltr 6,483.08
Total		7,994.20

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, 2016 your company has contributed Tk. 132.39 Million as income tax and subsidiary of your company has added Tk. 973.03 Million in the form VAT to the national exchequer.

EXTRA-ORDINARY GAIN OR LOSS

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

RELATED PARTY TRANSACTION

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

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

Your company has collected Tk. 317,000,000 by issuing 1,26,80,000 shares through Initial Public Offering (IPO) at a face value of Tk.10 with a premium of Tk. 15. Full amount of the collected fund has been utilized for the repayment of outstanding loan as provided in the prospectus and reported accordingly to the regulators.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

Variations between quarterly and annual financial statements occurred due to decreased administered price of petroleum products by the Government circulated by publishing gazette on March 5, 2015 and increased administered price by publishing gazette on May 2016.

REMUNERATION OF DIRECTORS

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

- 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.

In compliance with the requirements of the SEC's Notification dated 07th August 2012, the Directors are also pleased to make the following declarations in their report:

- 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;
- Proper books of accounts of your Company have been maintained;
- 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;
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;

- The system of internal control is well structured and has been effectively implemented and monitored;
- There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
- Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;
- Key operating and financial data has been summarized for the preceding five years;
- 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;
- The number of Board meetings held during the year and attendance of each director has been disclosed;
- The pattern of shareholding has been reported in **Annexure-3** to disclose the aggregate number of shares.

FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

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

Particulars	2015 (Re-Stated) (in Million Taka)	% on Sales	2016 (in Million Taka)	% on Sales	% Change
Revenue	9,182.11		7,994.31		-13%
Cost of Sales	7,527.72	82%	6,492.90	81%	-14%
Gross Profit	1,654.39	18%	1,501.42	19%	-9%
General and Administrative Expenses	120.27	1%	122.58	2%	2%
Finance Cost Net	439.30	5%	536.62	7%	22%
Operating Profit	1,094.82	12%	842.22	11%	-23%
Other Income Net	23.60	0%	5.80	0%	-75%
Share of Profit from Associate	77.78	1%	69.16	1%	-11%
WPPF	53.26	1%	43.68	1%	-18%
Net Profit Before Income Tax	1,142.94	12%	873.50	11%	-24%
Income Tax	120.51	1%	132.39	2%	10%
Total Comprehensive Income	1,022.42	11%	741.11	9%	-28%

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

Particulars	2015 (Re-Stated) (in Million Taka)	% on Sales	2016 (in Million Taka)	% on Sales	% Change
Revenue	1,539.46		1,511.12		-2%
Cost of Sales	950.92	62%	882.31	58%	-7%
Gross Profit	588.54	38%	628.81	42%	7%
General and Administrative Expenses	69.90	5%	51.82	3%	-26%
Finance Cost Net	190.56	12%	136.01	9%	-29%
Operating Profit	328.08	21%	440.98	29%	34%
Other Income Net	22.85	1%	3.86	0%	-83%
Share of Profit from Associate	77.78	5%	69.16	5%	-11%
WPPF	16.71	1%	24.48	2%	46%
Net Profit Before Income Tax	412.00	27%	489.52	32%	19%
Income Tax	118.43	8%	105.46	7%	-11%
Total Comprehensive Income	293.56	19%	384.06	25%	31%

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



SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

There was no significant deviation of financial statement was marked in power generation segment while in the petroleum segment, drastic fall in administered pricing by the government on March 2015 drove a considerable difference of consolidated performance. Later, on May 2016 petroleum price was revised in a tolerable limit by the Government.

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

Taka in Million

Particulars	2015 (Re-Stated)		2016		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	9,182.11		7,994.31		-13%
Cost of Sales	7,527.72	82%	6,492.90	81%	-14%
Gross Profit	1,654.39	18%	1,501.42	19%	-9%
Operating Profit	1,094.82	12%	842.22	11%	-23%
Net Profit Before Income Tax	1,142.94	12%	873.50	11%	-24%
Total Comprehensive Income	1,022.42	11%	741.11	9%	-28%
Net Profit (After Tax & Minority Interest)	949.54	10%	705.40	9%	-26%

Consolidated

As per the consolidated summary of accounts during the year under report, the revenue of the company was decreased by 13% and cost of sales was decreased by of 14%, Gross Profit Margin was 19% as compared to 18% of the previous year and Net Profit Margin was 9% as compared to 10% of the previous year.

Taka in Million

Particulars	2015 (Re-Stated)		2016		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	1,539.46		1,511.12		-2%
Cost of Sales	950.92	62%	882.31	58%	-7%
Gross Profit	588.54	38%	628.81	42%	7%
Operating Profit	328.08	21%	440.98	29%	34%
Net Profit Before Income Tax	412.00	27%	489.52	32%	19%
Total Comprehensive Income	293.56	19%	384.06	25%	31%

Separate

As per the separate summary of accounts during the year under report, the revenue of the company has decreased by 2% and cost of sales was decreased by 7%, Gross Profit Margin was 42% as compared to 38% of the previous year and Net Profit Margin was 25% as compared to 19% of the previous year.

PROFIT APPROPRIATION

During the year under report the consolidated Net Profit After Tax (NPAT) of your company stands at Tk. 705.40 Million as compared to Tk. 949.54 Million. Nevertheless, the Company needs availability of funds for continuous progress to fight against emerging risk factors including abrupt policy change by the Government. Keeping these in view in mind, the Directors would like to report the Company's financial results for the year that ended on June 30, 2016 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2016	705.40
Profit brought Forward	932.01
Profit available for appropriation	1,637.41
Appropriations:	
Proposed Stock and Cash Dividend	452.53
Transferred to Retained Earning	1,184.88
Profit available for appropriation	1,637.41



DIVIDEND

Your Board recommends a final cash dividend of 30% and 3% stock dividend for the year 2016 i.e. 3 (Three) Ordinary shares of Taka 10 each for 100 shares held on the record date, subject to approval by the shareholders at the 9th Annual General Meeting.

Dividend Type	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Cash Dividend (%)	30%	28%	25%	15%	0%
Stock Dividend (%)	3%	3%	5%	0%	100%
Total	33%	31%	30%	15%	100%

(Note: Dividend for the Year Ended June 30, 2012 was other than Directors & Sponsors)

DIRECTORS' MEETING & ATTENDANCE

During the year ended June 30, 2016 The Board of Directors has attended 5 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Rezakul Haider	5
Mr. Feroz Alam	5
Mr. Anis Salahuddin Ahmad	5
Mr. A.K.M Badiul Alam	5
Mr. Shamsuzzaman	5
Mr. Mohammad Liaquat Ali	5
Mr. Golam Nabi FCA	5

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



THE PATTERN OF SHAREHOLDING (Annexure-3)
Pattern of Shareholding as on June 30, 2016

Name of Shareholders	Status	Relation	Share Held	Percentage (%)
i)Parent/Subsidiary/Associated Companies and other related parties	-		-	-
ii) Directors				
A. Mr. Rezakul Haider	Chairman		14,535,360	10.60%
B. Mr. Feroz Alam	Managing Director		13,497,120	9.84%
C. Mr. Anis Salahuddin Ahmad	Director		13,497,120	9.84%
D. Mr. A.K.M.Badiul Alam	Director		10,382,400	7.57%
E. Mr. Md. Shamsuzzaman	Director		15,573,600	11.36%
F. Ms. Shahida Alam	Sponsor	Spouse of Mr. A.K.M. Badiul Alam	5,191,200	3.79%
G. Mr. Akbor Haider	Sponsor	Son of Mr. Rezakul Haider	5,191,200	3.79%
H. Mr. Faridul Alam	Sponsor	Son of Mr. Feroz Alam	5,191,200	3.79%
I. Ms. Rezina Alam	Sponsor	Daughter of Mr. Feroz Alam	5,191,200	3.79%
J. Mr. Faisal Alam	Sponsor	Son of Mr. Feroz Alam	5,191,200	3.79%
K. Mr. Asgar Haider	Sponsor	Son of Mr. Rezakul Haider	5,191,200	3.79%
L. Ms. Israt Azim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	5,191,200	3.79%
M. Mr. Mohammad Liaquat Ali	Independent Director		Nil	Nil
N. Mr. GolamNabi FCA	Independent Director		Nil	Nil
iii) Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:				
A. Bhulon Kumar Bhowmik	CFO		26,625	0.02%
B. Yeasin Ahmed	Company Secretary		0	0.00%
C. Khawja Abul Bashar	Head of Internal Audit		0	0.00%
iv)Executives			Nil	Nil
v. Shareholders Holding 10% or more voting interest in the company:	-	-	-	-
A. Mr. Rezakul Haider	Chairman		14,535,360	10.60%
B. Mr. Md. Shamsuzzaman	Director		15,573,600	11.36%

DIRECTORS' ELECTION & RE-APPOINTMENT:

As per Articles of Association Mr. Rezakul Haider and Mr. A.K.M BadiulAlam shall retire in 9th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

RESUME OF THE DIRECTORS & THEIR EXPERTISE IN SPECIFIC FUNCTIONAL AREA

Described in Directors Profile

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

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



SHAHJIBAZAR POWER CO. LTD.

AUDIT COMMITTEE

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

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

AUDITORS

ACNABIN Chartered Accountants was appointed as the auditor of the Company in the 08th Annual General Meeting. They have carried out the audit for the year 2016 and will retire in the 09th Annual General Meeting. ACNABIN Chartered Accountants had expressed their willingness to become appointed as the Statutory Auditor of your company for the Financial Year 2016-2017. Being eligible as per section 212 of Company Act 1994 and a member of list of Panel Auditors by Bangladesh Securities and Exchange Commission (BSEC), the re-appointment of ACNABIN Chartered Accountants shall be presented at the 9th AGM for member's approval.

BUSINESS RISK & UNCERTAINTIES

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

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

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



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

GOING CONCERN

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

CORPORATE GOVERNANCE

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

■ For Power Generation Segment, BPDB and the Company have pre-determined and contracted terms-conditions regarding the tariff of electricity, expressed under two slabs- (i) Rental Payment (ii) Fuel Payments and Operation & Maintenance Payment according to supplied MW. Tariff for each month adjusted as per price index by the Bangladesh Bank. So, there is no risk associated with tariff value of electricity supplied to BPDP.

■ For Petroleum Segment, pricing of only Raw Material NGC is also administered by the government. Being the industry is under a priority sector of the Government, it is assumed to be guaranteed that no abrupt change of price shall be administered by the government in a foreseeable future.

■ Power Generation Segment is getting the payment regularly from BPDB. Sometimes, there are delays in payment but that is mainly due to administrative reasons. Till date, no payment has been defaulted. As per the PPA, BPDB needs to ensure minimum guaranteed payment supported by Letter of Credit. Which mitigates risk of any non-payments.

■ Petroleum Segment has been collecting payment from BPC in a regular basis. There is no history of default in payment from BPC till today.

■ The operations and maintenance (O&M) contractor of SPCL plant, GE Austria is responsible for environmental management of the project. Plant operation is certified by the Department of Environment, Government of Bangladesh.

■ Petromax Has installed state of the art technology of oil refining equipment that ensures zero emission of spill overs.

CORPORATE SOCIAL RESPONSIBILITY

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

- Regular contributor to Bangladesh Scout Annually

- Regular contributor of IEB
- Regular Contributor in National Power & Electricity Week
- Co-organizer of Environment Rally organized by DOE

HUMAN RESOURCE MANAGEMENT

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

STATUS OF COMPLIANCE

In accordance with the requirement stipulated in condition no-7.00 of the Securities & Exchange Commission's notification no-SEC/ CMRRCD/2006-158/Admin/44 dated 07 August 2012 issued under section 2CC of the Ordinance 1969 the Corporate Governance Compliance Report is shown in **Annexure-2**. A certificate from Mazumdar and Associates confirming compliance of conditions of Corporate Governance Guidelines as stipulated under condition 7(i) is also annexed to this report as **Annexure-1**.

KEY OPERATING AND FINANCIAL DATA

The summarized key data for last five years is set out in the page 36

ACKNOWLEDGEMENT

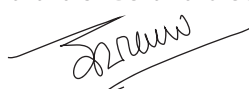
We take this opportunity to first of all thank our honorable shareholders for their continuous trust on us. We assure that, we shall continue our full hearted effort to sustain and grow your company so as to reach in a formidable place in the contemporary industry within which your company operates its business.

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, the 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 System (CDBL) and various government authorities, individual and agencies.

Our employees are the key drivers of our operational excellence. We consider our employees as our partners and best resource of our company. As employees are the part of sustainable growth, we highly emphasize on their retention. We provide competitive remuneration package and sense of ownership to them as a motivating factor.

Looking forward for a better future and sustainable growth.

For and On Behalf of the Board



Feroz Alam
Managing Director

COMPLIANCE REPORT

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No: SEC/CMRRCD/2006-158/134/admin/44 dated August 07, 2012 is presented in **Annexure-2**

REPORT OF THE AUDIT COMMITTEE

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

1. Mr. Golam Nabi FCA (Chair)
2. Mr. Rezakul Haider (Member)
3. Mr. A.K.M BadiulAlam (Member)
4. Mr. Yeasin Ahmed (Secretary)

A total of 4 (four) meetings were held since the last Annual General Meeting of SPCL, the last being on 15th April 2016. Besides Company Secretary who supports the committee as its secretary as well, permanent invitees to the meetings were the CFO and Head of Internal Audit. Relevant heads of other functions. The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function and the terms of reference are detailed in Committee Charter approved by the Board. The major responsibilities of the Committee, among others, include:

1. Reviewing the quarterly, half-yearly and annual financial statements and other financial results of the company and, upon its satisfaction of the review, recommend them to the board for approval.
2. Monitoring and reviewing the adequacy and effectiveness of the company's financial reporting process, internal control and risk management system.
3. Monitoring and reviewing the arrangements to ensure objectivity and effectiveness of the external and internal audit functions. Examine audit findings and material weaknesses in the system and monitor implementation of audit action plans.
4. Recommending to the Board the appointment, re-appointment or removal of external auditors.

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

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

1. Reviewed, among other issues, the quarterly and half yearly financial statements of the Company and recommended to the Board for adoption and circulation as per the requirement of Bangladesh Securities & Exchange Commission.
2. Also reviewed the audited financial statements of the Company together with consolidated statements with its associate and subsidiary for the year ended June 30, 2016 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 ACNABIN Chartered Accountants, for re-appointment as the external auditors of the Company for the year ending on June 30, 2017;
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



Golam Nabi FCA
Chairman of the Audit Committee



MEMORABLE EVENT



Mr. Faridul Alam Director Of **Petromax Refinery Ltd.** was Receiving Award From Prime Minister Sheikh Hasina on Petromax being Nominated as Best Private Organization by the Ministry of Power, Energy & Mineral Resources (MPEMR). State Minister for MPEMR Mr. Nasrul Hamid Bipu (MP) was Also Present on the Occasion.

PICTURES FROM 8TH ANNUAL GENERAL MEETING



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

Operational Result	Jun 30,2016 Consolidated	Jun 30,2015 Consolidated (Re-Stated)	Jun 30,2014 Consolidated	Jun 30,2013 Consolidated	Jun 30,2012 Separate
Turnover	7,994,314,012	9,182,109,019	5,055,725,129	1,446,883,344	1,367,020,938
Cost of Sales	6,492,895,642	7,527,721,229	3,901,712,993	815,862,827	788,956,639
Gross Profit	1,501,418,370	1,654,387,790	1,154,012,136	631,020,517	578,064,299
Profit From Operation	842,216,138	1,094,821,715	494,834,849	304,166,086	251,770,143
Net Profit Before Tax	873,502,049	1,142,939,876	528,152,702	308,042,435	281,514,607
Net Profit After Tax	741,108,399	1,022,424,882	472,292,475	243,165,931	273,333,257
Net Cash Flow From Operation	1,125,147,220	204,248,754	1,873,897,290	463,907,732	14,187,308

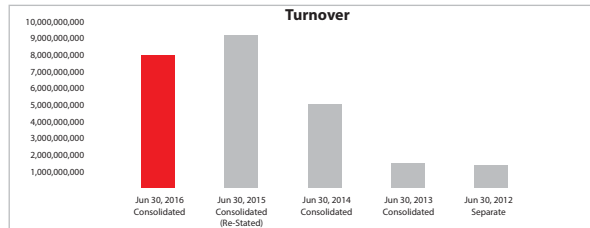
Financial Position	Jun 30,2016 Consolidated	Jun 30,2015 Consolidated (Re-Stated)	Jun 30,2014 Consolidated	Jun 30,2013 Consolidated	Jun 30,2012 Separate
Non-Current Assets	6,427,200,483	6,666,085,325	6,836,447,741	6,320,805,822	3,412,215,437
Current Assets	3,883,982,475	3,840,511,387	4,275,808,552	1,887,815,472	1,427,361,579
Inventories	927,183,754	907,674,381	1,125,663,025	130,994,934	133,633,550
Shareholders' Equity	4,396,980,445	4,064,363,206	3,214,152,921	2,914,410,607	2,583,716,507
Long Term Liability	778,215,248	1,359,785,767	2,609,313,244	3,268,408,647	1,532,477,007
Current Liabilities	4,926,162,308	4,908,327,823	5,286,889,808	2,025,274,883	723,383,502
Total Liabilities	5,704,377,557	6,268,113,590	7,896,203,052	5,293,683,530	2,255,860,509

Key Financial Ratio	Jun 30,2016 Consolidated	Jun 30,2015 Consolidated (Re-Stated)	Jun 30,2014 Consolidated	Jun 30,2013 Consolidated	Jun 30,2012 Separate
Current Ratio	0.79	0.78	0.81	0.93	1.97
Quick Ratio	0.60	0.60	0.60	0.87	1.79
Debt to Equity Ratio	1.30	1.54	2.46	1.82	0.87
Net Income Ratio (%)	9%	11%	9%	17%	20%
Return on Equity (%)	17%	25%	15%	8%	11%
Earnings Per Share	5.14	6.92	4.13	2.13	2.60

** Note: Consolidation of Accounts was started from FY June 2012-2013

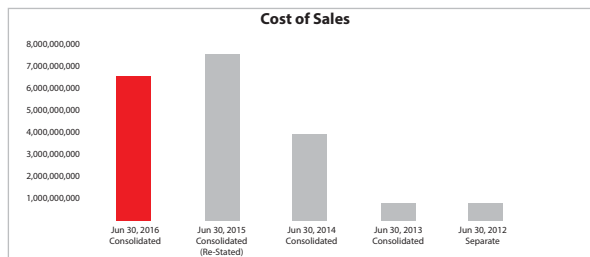
FINANCIAL REVIEW – 2016

Revenue:



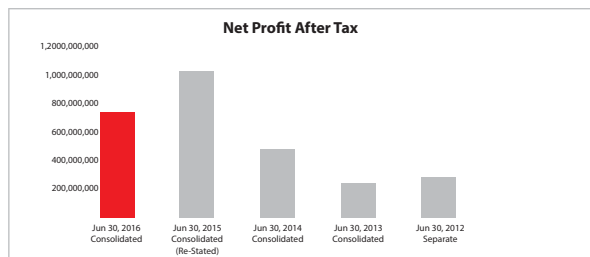
- Consolidated revenue has slightly decreased by 14.85% as of Jun 30, 2016 as compared to the revenue generated previous year.
- Such decrease in revenue can be attributed to the decrease of petroleum price by the Government on March 2015

Cost of Sales:



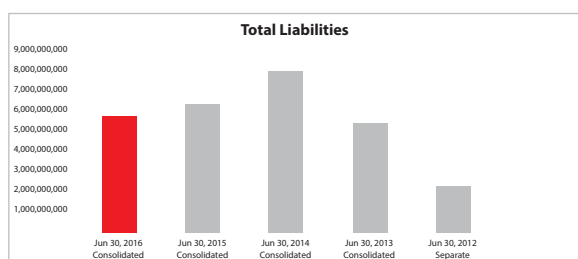
- With the same pace as the revenue goes down, Cost of Sales were also goes down by 15.93% due to the same reason.

Net Profit after Tax:



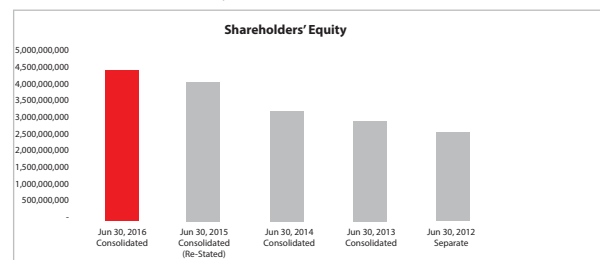
- Net Profit after Tax has decreased by 37.95%.
- Such significant decrease is also can be attributed to the squeezed margin in the petroleum segment of the business due to the price decrease of Petroleum Products by the Government

Total Liabilities:



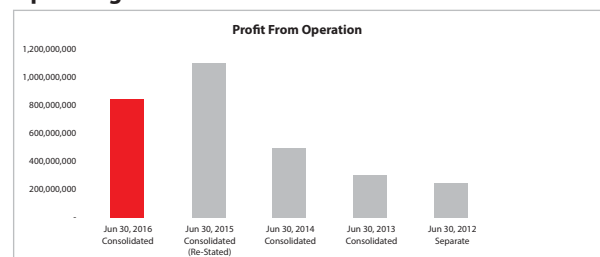
- Total Liabilities of the Company has declined by 9.88% during the year under report due to on time repayment of borrowed fund

Shareholders' Equity:



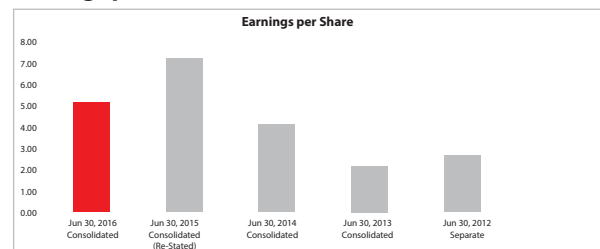
- Shareholders' Equity has increased by 7.56% due to the increase in Retained Earnings.

Operating Profit



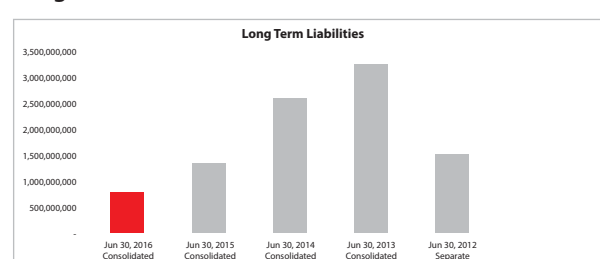
- Operating Profit has also decreased by 29.99% on account of full year performance due to squeezed margin of Petroleum segment of the business

Earnings per Share (EPS)



- The EPS has decreased by 34.63% over the last year's re-stated EPS due to squeezed margin of Petroleum segment of the business.

Long Term Liabilities



- The long term liabilities has decreased by 74.73% this year
- The reason of such significant difference can be attributed to the repayment of borrowed fund.

INVESTOR COMPLAINT REDRESSAL MECHANISM



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

CEO AND CFO'S DECLARATION TO THE BOARD

Dated: October 28, 2016

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

Subject: CEO and CFO's Declaration to the Board

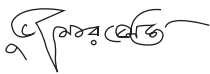
Dear Sirs,

Compliance with the condition no. 6 imposed by Bangladesh Securities & Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

We do hereby certify to the Board that:

1. We have reviewed financial statements for the year ended 30th June, 2016 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,



Bhulon Bhowmik
Chief Financial Officer



Feroz Alam
Managing Director



MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

To The Members of Shahjibazar Power Co. Ltd. and its subsidiary

We have examined the compliance to the BSEC guidelines on Corporate Governance by Shahjibazar Power Co. Ltd. and its subsidiary for the year ended 30 June 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination was limited to the procedures and implementation there of as adopted by the management in ensuring compliance to the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Mazumdar Sikder and Associates
Cost & Management Accountants

Place -Dhaka.
Date- January 11, 2017

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

STATUS REPORT ON COMPLIANCE WITH THE CONDITIONS IMPOSED BY BSEC

Annexure-2

Status of compliance with the conditions imposed by the Commission's Notification No BSEC / CMRRCD / 2006-158 / Admin / 44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remark (If any)
		Complied	Not Complied	
1.	Board of Directors:			
1.1	Board's Size: The number of the board members shall not be less than 5 (Five) and more than 20 (Twenty)	✓		
1.2	Independent Directors:			
1.2(i)	One fifth (1/5) of the total number of directors	✓		
1.2(ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	✓		
1.2(ii) b)	Not connected with any Sponsor/ Director/ Shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship	✓		
1.2(ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary / associated companies.	✓		
1.2(ii) d)	Not a member, director or officer of any stock exchange.	✓		
1.2(ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
1.2(ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3(three) years Of any statutory audit firm.	✓		
1.2(ii) g)	Not be an independent director in more than 3 (three) listed companies.	✓		
1.2(ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFIs.	✓		
1.2(ii) i)	Been Not convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	Nominated b the board of directors and approved by the shareholders in the AGM.	✓		
1.2(iv)	Not remain vacant for more than 90 (ninety) days.	✓		
1.2(v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be Recorded.	✓		
1.2(vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director (ID):			
1.3(i)	Knowledge of Independent Directors.	✓		
1.3(ii)	Background of Independent Directors.	✓		
1.3(iii)	Special cases for qualifications.			N / A
1.4	Individual chairman of the Board and CEO.	✓		
1.5	The Directors' Report to Shareholders:			
1.5(i)	Industry outlook and possible future developments in the industry.	✓		
1.5(ii)	Segment-wise or product-wise performance.	✓		
1.5(iii)	Risks and concerns.	✓		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5(v)	Discussion on continuity of any Extra-ordinary gain or loss.	✓		
1.5(vi)	Basis for related party transactions.	✓		

SHAHJIBAZAR POWER CO. LTD.

1.5(vii)	Utilization of proceeds from public issues, right issues and /or through any others.	✓		
1.5(viii)	Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing			N / A
1.5(ix)	Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing	✓		
1.5(x)	Remuneration to directors including independent directors.	✓		
1.5(xi)	Fairness of financial Statement.	✓		
1.5(xiii)	Maintenance of proper books of accounts.	✓		
1.5(xiii)	Adoption of appropriate accounting policies and estimates.	✓		
1.5(xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.	✓		
1.5(xv)	Soundness of internal control system.	✓		
1.5(xvi)	Ability to continue as a going concern.	✓		
1.5(xvii)	Significant deviations from the last year's.	✓		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) year.	✓		
1.5(xix)	Reasons for not declared dividend.			N / A
1.5(xx)	Number of board meeting held during the year and attendance.	✓		
1.5(xxi)	Pattern of shareholding:			
1.5(xxi)a)	Parent\Subsidiary/Associated Companies and other related parties.	✓		
1.5(xxi)b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	✓		
1.5(xxi)c)	Executives.	✓		
1.5(xxi)d)	10% or more voting interest.	✓		
1.5(xxii)	Appointment/re-appointment of director:			
1.5(xxii)a)	Resume of the director	✓		
1.5(xxii)b)	Expertise in specific functional areas.	✓		
1.5(xxii)c)	Holding of directorship and membership of committees of the board other than this company.	✓		
2.	CFO, Head of Internal Audit (HIA) and CS:			
2.1	Appointment of CFO, HIA and CS and defining their responsibilities.	✓		
2.2	Attendance of CFO and CS at the meeting of the Board of Director.	✓		
3.	Audit Committee:			
3(i)	Constitution of Audit Committee	✓		
3(ii)	Assistance of the Audit Committee to Board of Directors.	✓		
3.(iii)	Responsibility of the Audit Committee.	✓		
3.1	Constitution of the Audit Committee:			
3.1(i)	At least 3 (three) members.	✓		
3.1(ii)	Appointment of members of the Audit Committee.	✓		
3.1(iii)	Qualification of Audit committee members.	✓		
3.1(iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within one month			N / A
3.1(v)	Secretary of the Audit Committee.	✓		
3.2(vi)	Quorum of the Audit Committee.	✓		
3.2	Chairman of the Audit Committee:			
3.2(i)	Board of Director shall select the Chairman.	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM.	✓		

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

3.3	Role of Audit committee.			
3.3(i)	Oversee the financial reporting process.	✓		
3.3(ii)	Monitor choice of accounting policies and principles.	✓		
3.3(iii)	Monitor Internal Control Risk management process.	✓		
3.3(iv)	Oversee hiring and performance of external auditors.	✓		
3.3(v)	Review the annual financial statements before submission to the board for approval	✓		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions.	✓		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.	✓		
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors.			
3.4.1(i)	Activities of Audit Committee.	✓		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the Following findings, if any			
3.4.1(ii)a	Conflicts of interests.			N / A
3.4.1(ii)b	Material defect in the internal control system.			N / A
3.4.1(ii)c	Infringement of laws, rules and regulations.			N / A
3.4.1(ii)d	Any other matter.			N / A
3.4.2	Reporting to the Authorities.			N / A
3.5	Reporting to the Shareholders and General Investors.	✓		
4	Engagement of External/Statutory Auditors:			
4(i)	Non-engagement in appraisal or valuation services or Fairness opinions.	✓		
4(ii)	Non-engagement in designing and implementing of financial Information Systems.	✓		
4(iii)	Non-engagement in Book-Keeping or accounting	✓		
4(iv)	Non-engagement in Broker-Dealer services.	✓		
4(v)	Non-engagement in Actuarial services	✓		
4(vii)	Non-engagement in Internal Audit services.	✓		
4(viii)	Non-engagement in services that the audit committee determines	✓		
4(viii)	Possessing on share by any partner or employee of the external audit firm during the tenure of their audit assignment of that company	✓		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	✓		
5	Subsidiary Company:			
5(i)	Composition of the Board of Directors.	✓		
5(ii)	At least 1 (one) independent director to the subsidiary company.	✓		
5(iii)	Submission of Minutes to the holding company.	✓		
5(iv)	Review of Minutes by the holding company.	✓		
5(v)	Review of Financial Statement by the holding company.	✓		
6	Duties of Chief Executive Officer and Chief Financial Officer:			
6(i)a	Reviewed the materially untrue of the financial statement.	✓		
6(ii)b	Reviewed about compliance of the accounting standard.	✓		
6(ii)	Reviewed about fraudulent, illegal or violation of the Company's code of conduct.	✓		
7	Reporting and Compliance of Corporate Governance:			
7(i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	✓		
7(ii)	Annexure attached in the directors' report.	✓		

VARIOUS COMMITTEES

Audit Committee

Mr. Golam Nabi FCA (Independent Director)	Chair
Mr. Rezakul Haider (Board Chairman)	Member
Mr. A.K.M Badiul Alam (Director)	Member
Mr. Yeasin Ahmed (Company Secretary)	Secretary

Purchase Committee

Mr. Rezakul Haider (Chairman)	Chair
Mr. Feroz Alam (Managing Director)	Member
Engr. Md. Hafizur Rahman (Executive Director)	Member
Mr. Bhulon Bhowmik (CFO)	Member

Operation & Maintenance Committee

Engr. Md. Hafizur Rahman (Executive Director)	Chair
Engr. Shariful Islam (General Manager)	Member
Engr. Md. Tamiz Uddin (AGM)	Member

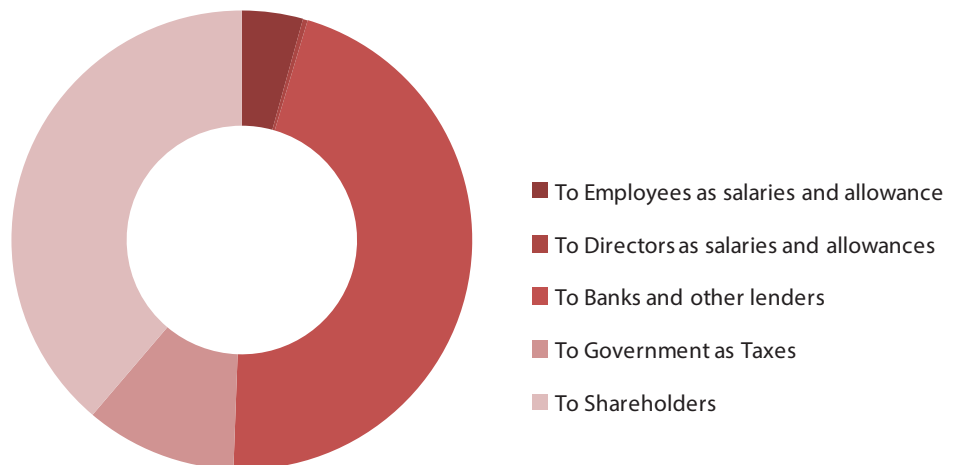
VALUE ADDED STATEMENT

SHAHJIBAZAR POWER CO. LTD.

Consolidated Value Added Statement
For the year ended June 30, 2016

Particulars	2016 Taka	2015 Taka
Revenue	7,994,314,012.36	9,182,109,019.00
Other Income including interest income	5,801,527.09	23,595,135.00
Profit Sharing from Associate	69,159,485.92	77,780,971.73
Cost of Sales, Excluding Depreciation	(6,179,868,855.69)	(7,231,105,459.00)
Other Operating Expenses	(18,400,682.45)	(19,138,489.00)
Total Value Added	1,871,005,487.23	2,033,241,177.73
Distribution of Added Value		
To Employees as salaries and allowance	50,189,577.00	44,982,660.00
To Directors as salaries and allowances	3,945,000.00	3,720,000.00
To Banks and other lenders	536,620,602.43	439,300,800.00
To Government as Taxes	124,564,252.25	111,137,393.00
To Shareholders	452,535,722.10	380,394,000.00
	1,167,855,153.78	979,534,853.00
Retained for Re-investment and Future Growth		
Depreciation and amortization	277,292,891.73	266,698,234.00
Retained Profit	425,857,441.72	787,008,090.73
	703,150,333.45	1,053,706,324.73
Total Value Distributed	1,871,005,487.23	2,033,241,177.73

Distribution of Added Value





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

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

Independent Auditor's Report to the Shareholders of Shahjibazar Power Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shahjibazar Power Company Limited ("The Company") which comprise the statement of financial position as at 30 June 2016, statement of Profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information and all related consolidated financial statements of Shahjibazar Power Company Limited including its subsidiary and associate (together referred to as "the Group").

Management's Responsibility for the Financial Statements

Management of Shahjibazar Power Company Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and error.

Auditor's Responsibility

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

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

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

The financial statements of the Company's subsidiary, Petromax Refinery Limited (PRL), was not audited by us. The financial statements of Petromax Refinery Limited shows total assets of Taka 6,338,468,952 as on 30 June 2016 and total revenue of Taka 6,483,197,804 for the year then ended. Aziz Halim Khair Choudhury & Co., Chartered Accountants has audited the Financial Statements of Petromax Refinery Limited and expressed an unmodified opinion. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the audited financial statements and reports issued by subsidiary's auditor.

Opinion

In our opinion, the financial statements including the consolidated financial statements give a true and fair view of the financial position as at 30 June 2016, and of the financial performance and cash flows for the year then ended prepared in accordance with Bangladesh Financial Reporting Standards (BFRS).

ACNABIN

Other Matter

The financial statements including consolidated financial statements of Shahjibazar Power Company Limited for the year ended 30 June 2015 were audited by Howladar Yunus & Co., Chartered Accountants, who expressed an unmodified opinion on those financial statements on 28 October 2015.

Report on Other Legal and Regulatory Requirements

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

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

Dhaka,
27 October 2016


ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

	Notes	June 30, 2016 Taka	June 30, 2015 Taka
ASSETS:			Re-Styled
Non-Current Assets		6,427,200,483	6,666,085,325
Property, Plant and Equipment	4a	6,182,626,606	6,400,681,600
Intangible Assets	5.00	607,312	191,962
Investment Accounted for using the Equity Method	6a	135,034,989	95,888,003
Capital Work In progress	7a	5,923,742	67,919,695
Other Investments	8a	103,007,834	101,404,065
Current Assets		3,883,982,475	3,840,511,387
Inventories	9a	927,183,754	907,674,381
Accounts Receivables	10a	1,083,691,281	1,056,867,366
Other Receivables	11a	2,212,221	2,044,863
Advance, Deposits and Prepayments	12a	919,488,307	876,422,951
Financial Assets at fair value through profit or loss	12b	16,223,666	-
Cash and Cash Equivalents	13a	545,437,741	680,258,853
Goods in Transit	14a	389,745,505	317,242,973
TOTAL ASSETS		10,311,182,958	10,506,596,712
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		4,396,980,445	4,064,363,206
Share Capital	15.00	1,371,320,370	1,331,379,000
Share Premium	16.00	914,920,000	914,920,000
Tax Holiday Reserve	16a	473,326,411	344,788,265
Retained Earnings	17a	1,637,413,664	1,473,275,941
Non-controlling interests		209,824,956	174,119,916
Total equity		4,606,805,401	4,238,483,122
Non-Current Liabilities		778,215,248	1,359,785,767
Long Term Loan- Net of Current Maturity	18a	659,254,696	1,179,103,794
Loan from other than Bank	18b	67,322,967	159,675,475
Deferred Tax Liabilities	19a	17,206,998	9,377,601
Deferred L/C Liabilities	20a	34,430,587	11,628,897
Current Liabilities		4,926,162,308	4,908,327,823
Short Term Loan	21a	2,787,365,765	1,941,704,945
IPO Application Amount	22a	6,104,318	6,224,318
Long Term Loan - Current Maturity	23a	840,133,369	1,145,519,408
Sundry Creditors	24a	134,559,807	88,177,446
Liabilities for Expenses	25a	4,715,591	18,338,004
Unclaimed Dividend	25b	20,682,755	6,460,989
Trade Payable	26a	122,425,235	155,891,496
L/C Liabilities	26b	1,010,175,470	1,546,011,216
Total liabilities		5,704,377,557	6,268,113,590
TOTAL EQUITY AND LIABILITIES		10,311,182,958	10,506,596,712
Net Asset Value Per Share (NAVPS)		32.06	29.64

CONTINGENT LIABILITIES & COMMITMENTS

37 & 38

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016


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.

27 October 2016

Dated, Dhaka


ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

	Notes	June 30, 2016 Taka	June 30, 2015 Taka
ASSETS:			Re-Stated
Non-Current Assets		4,068,978,444	4,155,303,793
Property, Plant and Equipment	4.00	2,930,935,622	3,058,011,725
Investment Accounted for using the Equity Method	6.00	135,034,989	95,888,003
Investment in Subsidiary	7.00	900,000,000	900,000,000
Other Investments	8.00	103,007,834	101,404,065
Current Assets		994,654,121	1,159,008,688
Inventories	9.00	107,136,484	108,985,944
Accounts Receivables	10.00	294,569,121	273,220,924
Other Receivables	11.00	2,212,221	2,044,863
Advance, Deposits and Prepayments	12.00	545,173,611	572,457,385
Cash and Cash Equivalent	13.00	20,520,138	175,966,632
Goods In Transit	14.00	25,042,546	26,332,940
TOTAL ASSETS		5,063,632,565	5,314,312,481
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		3,235,816,723	3,224,544,849
Share Capital	15.00	1,371,320,370	1,331,379,000
Share Premium	16.00	914,920,000	914,920,000
Retained Earnings	17.00	949,576,353	978,245,849
Non-Current Liabilities		641,632,835	766,817,700
Long Term Loan- Net of Current Maturity	18.00	589,995,250	745,811,202
Deferred Tax Liabilities	19.00	17,206,998	9,377,601
Deferred L/C Liabilities	20.00	34,430,587	11,628,897
Current Liabilities		1,186,183,007	1,322,949,933
Short Term Loan	21.00	572,633,509	485,876,427
IPO Application Amount	22.00	6,104,318	6,224,318
Long Term Loan - Current Maturity	23.00	402,271,153	649,170,872
Sundry Creditors	24.00	78,313,293	50,867,032
Liabilities for Expenses	25.00	825,000	5,873,133
Unclaimed Dividend	25b	20,682,755	6,460,989
Trade Payable	26.00	105,352,980	118,477,161
Total Liabilities		1,827,815,842	2,089,767,632
TOTAL EQUITY AND LIABILITIES		5,063,632,565	5,314,312,481
Net Asset Value Per Share (NAVPS)		23.60	23.51

CONTINGENT LIABILITIES & COMMITMENTS **37 & 38**
The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016



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.

27 October 2016
Dated, Dhaka


ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	Notes	For the Year Ended	
		June 30, 2016 Taka	June 30, 2015 Taka
Revenue	27a	7,994,314,012	Re-Styled 9,182,109,019
Cost of Sales	28a	6,492,895,642	7,527,721,229
Gross Profit		1,501,418,370	1,654,387,790
Operating Expenses:			
General and Administrative Expenses	29a	122,581,630	120,265,275
Financial Expenses	30a	536,620,602	439,300,800
Operating Profit		842,216,138	1,094,821,715
Non-Operating Income	31a	5,801,527	23,595,135
Share of Profit From Associate	32a	69,159,486	77,780,972
Net Profit before Tax and WPPF		917,177,151	1,196,197,822
Workers' Profit Participation Fund	33a	43,675,102	53,257,946
Net Profit before Tax		873,502,049	1,142,939,876
Income Tax Expenses:	34a	132,393,649	120,514,994
Current Tax		124,564,252	111,137,393
Deferred Tax		7,829,397	9,377,601
Net profit after Tax		741,108,399	1,022,424,882
Other Comprehensive Income		-	-
Total Comprehensive Income		741,108,399	1,022,424,882
Profit Attributable to:			
Equity holders' of the parent		705,403,359	949,538,686
Non Controlling Interest		35,705,041	72,886,197
Total Comprehensive Income Attributable to:		741,108,399	1,022,424,882
Equity holders' of the parent		705,403,359	949,538,686
Non Controlling Interest		35,705,041	72,886,197
Earnings Per Share (EPS)	35a	5.14	6.92

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016



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.

27 October 2016

Dated, Dhaka



ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	Notes	For the Year Ended	
		June 30, 2016 Taka	June 30, 2015 Taka
Revenue from Sales	27.00	1,511,116,209	Re-Stated 1,539,459,033
Cost of Sales	28.00	882,308,619	950,921,576
Gross Profit		628,807,590	588,537,457
Operating Expenses:			
General and Administrative Expenses	29.00	51,815,695	69,898,186
Financial Expenses, Net	30.00	136,010,655	190,562,823
Operating Profit		440,981,239	328,076,449
Non-Operating Income	31.00	3,856,248	22,849,754
Share of Profit of Investment Accounted for using Equity Method	32.00	69,159,486	77,780,972
Net Profit before Tax and WPPF		513,996,973	428,707,174
Less: Workers' Profit Participation Fund	33.00	24,476,046	16,710,772
Net Profit before Tax		489,520,926	411,996,402
Income Tax Expenses:	34.00	105,462,932	118,433,490
Current Tax		97,633,535	109,055,889
Deferred Tax		7,829,397	9,377,601
Net profit after Tax		384,057,994	293,562,913
Other Comprehensive Income		-	-
Total Comprehensive Income		384,057,994	293,562,913
Earnings Per Share (EPS)	35.00	2.80	2.14

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016



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.

27 October 2016
Dated, Dhaka


ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	Notes	June 30, 2016 Taka	June 30, 2015 Taka
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Cash receipt from customers	7,967,490,097	9,154,128,097
	Cash paid to suppliers, employees	(6,011,809,187)	(8,022,304,075)
	Cash Paid for operational Expenses	(174,691,996)	(394,160,945)
	Cash received from Other Activities	3,934,169	19,170,637
	Cash paid for Workers Profit Participation Fund	-	(12,164,528)
	Income Tax Paid	(123,155,260)	(101,119,635)
	Cash payment for Financial Expenses	(536,620,602)	(439,300,800)
	Net Cash flows from operating activities	1,125,147,220	204,248,753
B	CASH FLOWS IN INVESTING ACTIVITIES		
	Acquisition of property plant and equipment	(233,198,196)	(243,679,080)
	Capital work in progress	-	(67,919,695)
	Disposal of Fixed Assets	1,700,000	4,100,000
	Dividend Received from Associate	30,012,500	53,900,000
	Goods in Transit	(73,792,926)	112,032,027
	Investment in Quoted Securities	(16,223,666)	-
	Intangible Assets	(415,350)	(84,662)
	Investment in Subsidiary and FDR	(1,603,768)	(2,996,539)
	Net cash used in investing activities	(293,521,406)	(144,647,947)
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Bank Loan (Short Term)	845,660,820	1,129,562,351
	IPO Application Amount	(120,000)	(329,733,319)
	Payment of L/C Liabilities	(535,835,746)	(437,136,022)
	Payment of Dividend	(358,564,354)	(164,716,011)
	Loan Other Than Bank and Financial Institutes	(92,352,508)	(177,123,909)
	Bank Loan (Long Term)	(825,235,138)	(493,621,443)
	Net cash used in financing activities	(966,446,926)	(472,768,352)
D	Net Cash for the year (A+B+C)	(134,821,112)	(413,167,546)
E	Opening cash and Cash Equivalents	680,258,853	1,093,426,399
F	Closing cash and cash equivalents (D+E)	545,437,741	680,258,853
G	Net Operating Cash Flow per share	8.20	1.49

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016



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.

27 October 2016

Dated, Dhaka



ACNABIN

Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

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

	Notes	June 30, 2016 Taka	June 30, 2015 Taka
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Cash receipt from customers	1,489,768,012	1,659,865,071
	Cash paid to suppliers, employees	(595,214,547)	(774,409,994)
	Cash Paid for operational Expenses	(33,814,142)	(72,236,286)
	Cash received from Other Activities	1,988,890	18,425,257
	Cash paid for Workers Profit Participation Fund	-	(12,164,528)
	Income Tax Paid	(96,224,543)	(99,038,131)
	Cash Paid for Financial Expenses	(136,010,655)	(190,562,823)
	Net Cash flows from operating activities	630,493,015	529,878,567
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Acquisition of property plant and equipment	(150,216,789)	(105,194,442)
	Disposal of Fixed Assets	1,700,000	4,100,000
	Dividend Received from Associate	30,012,500	53,900,000
	Loan & Advance (Subsidiary & Associate)	8,811,492	106,720,360
	Asset in transit	-	(26,332,940)
	Investment in MTDR	(1,603,768)	(2,996,539)
	Net cash flow from investing activities	(111,296,565)	30,196,439
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Bank Loan (Short Term)	86,757,081	278,746,095
	IPO Application Amount	(120,000)	(329,733,319)
	Payment of L/C Liabilities	-	(437,136,022)
	Dividend Paid	(358,564,354)	(164,716,011)
	Bank Loan (Long Term)	(402,715,671)	(85,236,404)
	Net cash used financing activities	(674,642,944)	(738,075,661)
D	Net Cash inflow/(outflow) for the year (A+B+C)	(155,446,494)	(178,000,655)
E	Opening Cash & Cash Equivalent	175,966,632	353,967,287
F	Closing Cash & Cash Equivalent	20,520,138	175,966,632
G	Net Operating Cash Flow per share	4.60	3.86

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016

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.

27 October 2016
Dated, Dhaka
ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share money deposit	Share Premium	Retained Earning	Total	
Balance as at July 01, 2015	1,331,379,000	344,788,265	-	914,920,000	1,473,275,941	4,064,363,206	4,238,483,122
Net profit (After Tax) for the period	-	-	-	-	705,403,359	705,403,359	741,108,399
Bonus Share/Stock Dividend	39,941,370	-	-	-	(39,941,370)	-	-
Cash Dividend Paid	-	-	-	-	(372,786,120)	(372,786,120)	(372,786,120)
Tax Holiday Reserve	-	128,538,146	-	-	(128,538,146)	-	-
Balance as at June 30, 2016	1,371,320,370	473,326,411	-	914,920,000	1,637,413,664	4,396,980,445	4,606,805,401

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2015

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share money deposit	Share Premium	Retained Earning	Total	
Balance as at July 01, 2014	1,141,180,000	82,397,956	99,333,400	724,720,000	1,166,521,564	3,214,152,921	3,216,053,240
Net profit (After Tax) for the period	-	-	-	-	949,538,686	949,538,686	1,022,424,883
Share Issued through IPO	126,800,000	-	-	-	-	126,800,000	126,800,000
Bonus Share/Stock Dividend	63,399,000	-	(99,333,400)	-	(63,399,000)	(99,333,400)	-
Adjustment This Period	-	-	-	-	-	-	-
Tax Holiday Reserve	-	262,390,309	-	-	(262,390,309)	-	-
IPO Share Issue Premium	-	-	-	190,200,000	-	190,200,000	190,200,000
Cash Dividend	-	-	-	-	(316,995,000)	(316,995,000)	(316,995,000)
Balance as at June 30, 2015	1,331,379,000	344,788,265	-	914,920,000	1,473,275,941	4,064,363,207	4,238,483,123

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016



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.

27 October 2016
Dated, Dhaka


ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITEDSTATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
Balance as at July 01, 2015	1,331,379,000	914,920,000	978,245,849	3,224,544,849
Net profit for the year	-	-	384,057,994	384,057,994
Bonus Share/Stock Dividend	39,941,370	-	(39,941,370)	-
Cash Dividend	-	-	(372,786,120)	(372,786,120)
Balance as at June 30, 2016	1,371,320,370	914,920,000	949,576,353	3,235,816,723

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
Balance as at July 01, 2014	1,141,180,000	724,720,000	1,065,076,936	2,930,976,936
IPO Share Allotment	126,800,000	190,200,000	-	317,000,000
Net profit for the period	-	-	293,562,913	293,562,913
Bonus Share/Stock Dividend	63,399,000	-	(63,399,000)	-
Cash Dividend	-	-	(316,995,000)	(316,995,000)
Balance as at June 30, 2015	1,331,379,000	914,920,000	978,245,849	3,224,544,849

The financial statements were authorised for issuance by the Board of Directors on 27 October 2016

**Chairman****Director****Managing Director****Company Secretary**27 October 2016
Dated, Dhaka**ACNABIN**
Chartered Accountants

Report of the Auditors to the Shareholders:

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

SHAHJIBAZAR POWER COMPANY LIMITED

Notes to the Financial Statements
As on and for the year ended June 30, 2016

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) in the Stock Exchange registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 4th November, 2007 vide registration no C-68888(1400)/07. The registered office of the company is located at Youth Tower, 822/2 Rokeya Sarani, Dhaka – 1216 and the plant is located at Fatehpur, Madhobpur, Habiganj, Bangladesh.

1.2. Nature of business

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

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

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

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

1.3. Description of Subsidiary

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

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

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

1.4. Description of Associate

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

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

2. Basis of Preparation:

2.1. Statement of Compliance

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

2.2. Application of Standards

The following BASs and BFRSs are applicable for the financial statement for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 32	Financial Instrument: Presentation
BAS 33	Earnings Per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets
BAS 39	Financial Instrument: Recognition and measurement
BFRS 7	Financial Instruments: Disclosures
BFRS 8	Operating Segments
BFRS 10	Consolidated Financial Statements
BFRS 12	Disclosure of Interests in other Entities
BFRS 13	Fair Value Measurement

2.3. Date of authorization

The consolidated financial statements as well as separate financial statements were authorized by the Board of Directors on 27th October, 2016 for publication.

2.4. Measurement bases used in Preparing the Financial Statements

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

2.5. Use of estimates and judgments

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

2.6. Accounting Convention and Basis

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

2.7. Functional and presentational currency and level of precision

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

2.8. Reporting period

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

2.9. Components of the Financial Statements

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

SHAHJIBAZAR POWER CO. LTD.

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

3. Principal Accounting Policies:

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

3.1. Basis of consolidation

3.1.1. Subsidiary

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

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of Shahjibazar Power Co. Ltd. interest in the investee. Unrealized losses, if any, are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

3.2. Property, Plant and Equipment

3.2.1. Recognition and Measurement

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

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

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

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

3.2.4. Subsequent Costs

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

3.2.5. Capitalization of Borrowing Cost

Borrowing cost relating to acquisition of fixed assets is capitalized as per Bangladesh Accounting Standard (BAS) - 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

Intangibles Assets are measured at cost less accumulated amortization and recognized when all the condition as per BAS-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 cost can 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, 2016 have been valued at lower of cost and net realizable value in accordance with BAS -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 rebates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax

Provision is not required for current income tax on the company's profits as the company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy of Bangladesh (SRO No. 188 of ITO 1984 dated 1 July, 2009) for a period of 15 years from the date of start of its commercial operation. Currently, in accordance with the provision of Income Tax Ordinance 1984 under section 52N, Bangladesh power Development Board is deducting tax at source @ 6% on invoice value.

Deferred Tax

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

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

3.13. Provisions

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

3.14. Revenue Recognition

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

3.15. Foreign Exchange

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 BAS 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 BAS-23 Borrowing cost.

3.17. Earnings Per Share (EPS)

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

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

3.19. Workers Profit Participation Fund (WPPF)

During 2013-2014 the company has been producing worker profit participation fund for its employees in accordance with provisions of Bangladesh Labor Act 2006. Section-232(1)

3.20. Responsibility for Preparation and Presentation of Financial Statements:

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

3.21. Risk and uncertainties for the use of estimates

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

3.22. Related Party Transactions

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

Interest on Mudaraba Term Deposit Taka 3,727,160 was shown as 'Non-Operating Income' in earlier years now reported as 'Finance expenses'.

3.24. Segment Reporting

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

3.25. Measurement of Fair Values

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

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

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

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

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

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

SHAHJIBAZAR POWER CO. LTD.

☐ CORPORATE OBJECTIVES, VALUES & STRUCTURE
 ☐ THE MANAGEMENT & REPORTING
 ☐ COMPLIANCES AND DISCLOSURES
 ☒ FINANCIAL STATEMENTS
 ☐ DIRECTOR'S REPORTS AND FINANCIAL STATEMENTS OF SUBSIDIARY

		June 30, 2016 Taka	June 30, 2015 Taka
4.00	Property, Plant and Equipment:		
	Cost:		
	Cost at July 01, 2015	4,542,602,865	4,442,108,423
	Addition during the period	150,216,789	105,194,442
	Disposal during the year	(3,736,920)	(4,700,000)
	Cost at June 30, 2016	4,689,082,734	4,542,602,865
	Accumulated Depreciation:		
	Balance at July 01, 2015	1,484,591,141	1,222,592,906
	Charged during the year	277,292,892	266,698,234
	Adjustment during the year	(3,736,920)	(4,700,000)
	At June 30, 2016	1,758,147,113	1,484,591,140
	Carrying Value at June 30, 2016	2,930,935,622	3,058,011,725
	LEASEHOLD/FREEHOLD STATUS (at carrying value)		
	Land, Building, Plant & Machinery, Furniture fixtures & Others		
	Leasehold	-	-
	Freehold	2,930,935,622	3,058,011,725
		2,930,935,622	3,058,011,725
	For details breakup please refer to Annexure - A		
4a	Consolidated Property, Plant and Equipment:		
	Shahjibazar Power Company Limited	2,930,935,622	3,058,011,725
	Petromax Refinery Limited	3,251,690,984	3,342,669,875
		6,182,626,606	6,400,681,600
5.00	Consolidated Intangible Assets:		
	Shahjibazar Power Company Limited	-	-
	Petromax Refinery Limited	607,312	191,962
		607,312	191,962
6.00	Investment Accounted for using the Equity Method		
	Initial Investment in Midland Power Co. Ltd.	49,000,000	49,000,000
	Share of Post Acquisition Change in Net Asset	86,034,989	46,888,003
		135,034,989	95,888,003
6.01	Share of Post Acquisition Changes in Net Asset		
	Opening Balance	46,888,003	23,007,031
	Share of net profit for the this Period	69,159,486	77,780,972
	Interim dividend declared and paid	(30,012,500)	(53,900,000)
		86,034,989	46,888,003
6a	Consolidated Investment Accounted for using the Equity Method		
	Initial Investment	49,000,000	49,000,000
	Share of Post Acquisition Changes in Net Asset	86,034,989	46,888,003
		135,034,989	95,888,003

June 30, 2016 Taka	June 30, 2015 Taka
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6c Nature of Investment in Associate:

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

Midland Power Company Limited is a private limited company and there is no quoted market price available for its share.

There is no contingent liabilities relating to the group's interest in the associate.

Summarised financial information for associate
Summarised Balance Sheet:

	June 30, 2016	June 30, 2015
Current:		
Cash & Cash Equivalents	184,408,207	175,539,403
Other Current Assets (excluding cash)	193,779,723	157,519,270
Total Current Assets	378,187,930	333,058,673
Financial liabilities (excluding trade payables)	21,354,390	168,683,985
Other current liabilities	60,921,060	89,470,827
Total Current Liabilities	82,275,450	258,154,812
Non-Current:		
Assets	2,493,831,160	2,689,037,252
Total Non-Current Assets	2,493,831,160	2,689,037,252
Financial Liabilities	1,383,259,207	1,482,439,284
Other Liabilities	-	-
Total Non-Current Liabilities	1,383,259,207	1,482,439,284
Net Assets	1,275,581,610	1,281,501,829
Summarised Statement of Comprehensive Income		
Revenue	713,835,208	775,272,069
Cost of Revenue	468,557,546	479,855,680
Other Expenses	104,135,854	136,679,711
Income Tax Expense	-	-
Post tax profit from continuing operations	141,141,808	158,736,677
Other Comprehensive Income	-	-
Total Comprehensive Income	141,141,808	158,736,677
7.00 Investment In Subsidiary		
Petromax Refinery Limited	900,000,000	900,000,000
	900,000,000	900,000,000
Petromax Refinery Limited is 90% owned subsidiary company of Shahjibazar Power Co. Ltd.		
7a Consolidated Capital Work in Progress:		
Shahjibazar Power Co. Ltd.	-	-
Petromax Refinery Limited	5,923,742	67,919,695
	5,923,742	67,919,695

SHAHJIBAZAR POWER CO. LTD.

			June 30, 2016 Taka	June 30, 2015 Taka
8.00	Other Investments			
	Investment In Mudaraba Term Deposit	8.01	103,007,834	101,404,065
			103,007,834	101,404,065
8.01	Investment in Mudaraba Term Deposit			
	Mudaraba Term Deposit Receipt-IBBL		95,751,896	94,824,815
	Mudaraba Term Deposit Receipt-IFIL		7,255,938	6,579,250
			103,007,834	101,404,065
	Lien Status:			
	Under Lien (Against Short Term Loan)		95,751,896	94,824,815
	Free from Lien		7,255,938	6,579,250
			103,007,834	101,404,065
8a	Consolidated Other Investment			
	Shahjibazar Power Company Limited		103,007,834	101,404,065
	Petromax Refinery Limited		-	-
			103,007,834	101,404,065
9.00	Inventories:			
	Oil & Lubricant		4,191,680	3,246,977
	Spare parts and others		102,944,804	105,738,967
			107,136,484	108,985,944
9a	Consolidated Inventories:			
	Shahjibazar Power Company Limited		107,136,484	108,985,944
	Petromax Refinery Limited		820,047,270	798,688,437
			927,183,754	907,674,381
10.00	Accounts Receivables			
	Bangladesh Power Development Board (BPDB)		294,569,121	273,220,924
	Ageing Status of Accounts Receivables			
	Less than six months		294,569,121	273,220,924
	More than six months		-	-
			294,569,121	273,220,924
10a	Consolidated Accounts Receivables:			
	Shahjibazar Power Company Limited		294,569,121	273,220,924
	Petromax Refinery Limited		789,122,160	783,646,442
			1,083,691,281	1,056,867,366
Out of total receivable of Petromax Refinery Limited an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since the government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.				
11.00	Other Receivables			
	Interest on Mudaraba Term Deposit-IFIL		582,716	319,811
	Interest on Mudaraba Term Deposit-IBBL		1,629,505	1,725,052
			2,212,221	2,044,863
11a	Consolidated Other Receivables:			
	Shahjibazar Power Company Limited		2,212,221	2,044,863
	Petromax Refinery Limited		-	-
			2,212,221	2,044,863
12.00	Advance, Deposits and Prepayments:			
	Advance	12.01	495,872,002	504,967,753
	Deposits	12.02	14,646,235	32,373,524
	Prepayments	12.03	34,655,374	35,116,108
			545,173,611	572,457,385

SHAHJIBAZAR POWER CO. LTD.

	June 30, 2016 Taka	June 30, 2015 Taka
12.01 Advances:		
Advance to Associate:		
Midland Power Co. Ltd.	490,000,000	498,811,492
Advance Income Tax:		
Opening Balance	4,055,887	8,060,830
Adjusted with Non-Operating Income Tax Payable	(373,264)	(4,004,943)
	3,682,623	4,055,887
Advance to Others :		
Abdullah Electric Co.	200	-
Guraba Engineering Ltd.	400	-
Saudia Electric Co.	94,412	-
Mahim Traders	39,700	-
Delcot Ltd.	103,600	-
Al-Amin Trading Organization	66,400	-
Inter Space Design	1,200,000	-
Linde Bangladesh Limited	-	250,000
Energypac Engineering Ltd.	-	747,500
Multitech International	-	60,000
	1,504,712	1,057,500
Advance to Staffs:		
Mr. Tamiz Uddin/Engr. Shariful Islam	332,044	518,796
Mr. Bhulon Bhowmik	10,533	34,333
Mr. Tarekul Islam	35,136	45,732
Mr. Jamal Mia Iqbal	-	319,183
Mr. Hasan Imam Siddiki	225,000	-
Others	81,954	124,830
	684,667	1,042,874
Total Advances :	495,872,002	504,967,753
12.02 Deposits :		
Central Depository Bangladesh Ltd.(CDBL)	500,000	500,000
Power Development Board (Hobigonj)	72,660	72,660
Bank Guarantee margin - IBBL	9,889,690	23,642,499
Letter of credit margin - IBBL	4,183,885	8,158,365
Total Deposits :	14,646,235	32,373,524
12.03 Pre-Payments:		
Pre-paid Insurance	4,668,133	3,671,407
Pre-paid Legal & professional fees	-	7,160,400
Pre-paid Interest on MPI Loan	161,440	-
Pre-paid Interest-Bai Murabaha FC bills	3,701,783	7,090,137
Pre-paid Interest-Bai Murabaha TR Loan	18,672,487	7,660,744
Pre-paid BG Commission	7,451,531	9,533,420
Total Prepayments :	34,655,374	35,116,108
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	50,918,328	37,216,482
More than One Year	494,255,283	535,240,903
	545,173,611	572,457,385
12a Consolidated Advance, Deposits and Prepayments:		
Shahjibazar Power Company Limited	545,173,611	572,457,385
Petromax Refinery Limited	565,233,255	494,884,125
Less : Loan from Petromax Refinery Limited	(190,918,559)	(190,918,559)
	919,488,307	876,422,951

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SHAHJIBAZAR POWER CO. LTD.

	June 30, 2016 Taka	June 30, 2015 Taka
12b Consolidated Financial Assets at fair value through profit or loss		
Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	16,223,666	-
	16,223,666	-
Financial Assets at fair value through profit or loss		
Listed Equity Securities-Held for Trading		
ACI Limited	-	-
The ACME Laboratories Limited	4565563.2	-
Active Fine Chemicals Limited	907920	-
Apex Footwear Limited	402360	-
Apex Footwear Limited	1335092	-
Building Systems Limited	976692	-
Bangladesh Steel Re-Rolling Mills Limited	1123280	-
CVO Petrochemical Refinery Limited	1617840	-
Dhaka Electric Supply Company Limited	305109	-
The IBN SINA Pharmaceutical Industry Limited	162750	-
Jamuna Oil Company Limited	909000	-
Lafarge Surma Cement Limited	791000	-
RAK Ceramics (Bangladesh) Limited	304500	-
Summit Alliance Port Limited	2822560	-
	16,223,666	-

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 # 6128	0.20	0.20
CD Account with Bank Asia Limited, IPO-USD	96,351	95,860
CD Account with Bank Asia Limited, IPO-GBP	31,778	40,875
CD Account with Bank Asia Limited, IPO-EURO	780	828
STD Account with Bank Asia Limited, IPO-Taka	13,955,925	13,499,023
CD Accounts with Exim Bank Limited # 14088	183	183
CD Account with Islami Bank Bangladesh Ltd# 9396	590,781	94,866,598
CD Account with Islami Bank Bangladesh Ltd# 1250	12,280	2,692,555
SND Account with Islami Bank Bangladesh Ltd# 49	5,250,734	64,691,180
MDA Account with Islami Bank Bangladesh Ltd# 56512	209,796	-
CD A/C with Standard Chartered Bank # 53917701	6,900	8,050
STD A/C with Exim Bank Limited # 85345	4	3
CD A/C with Eastern Bank Ltd. # 1041060274350	274,614	-

90,012
20,430,126
71,477
175,895,155
20,520,138
175,966,632
13a Consolidated Cash and Cash Equivalent

Shahjibazar Power Company Limited	20,520,138	175,966,632
Petromax Refinery Limited	524,917,603	504,292,221

545,437,741
680,258,853
14.00 Goods In Transit :

Parts of Plant & Machinery

25,042,546

26,332,940

25,042,546
26,332,940
14a Consolidated Goods in Transit

Shahjibazar Power Company Limited	25,042,546	26,332,940
Petromax Refinery Limited	364,702,959	290,910,033

389,745,505
317,242,973

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15.00 Share Capital:**Authorized :**

500,000,000 shares @ Tk.10.00 each

Issued, Subscribed and paid -up:

137,132,037 shares @ Tk.10.00 each

Movement of Share Capital:

Opening Balance

Add: Share Issue through IPO

Add: Bonus Share issued (3%)

Shareholding position was as follows:

Name of Shareholders	% of Shareholding 31-Mar-16	% of Shareholding 30-Jun-15
Mr. Rezakul Haider	10.60%	10.60%
Mr. Feroz Alam	9.84%	9.84%
Mr. Anis Salahuddin Ahmad	9.84%	9.84%
Mr. A.K.M.Badiul Alam	7.57%	7.57%
Md. Samsuzzaman	11.36%	11.36%
Ms. Shahida Alam	3.79%	3.79%
Md. Akbor Haider	3.79%	3.79%
Mr. Faridul Alam	3.79%	3.79%
Mr. Rezina Alam	3.79%	3.79%
Mr. Faisal Alam	3.79%	3.79%
Mr. Asgor Haider	3.79%	3.79%
Ms. Israt Azim Ahmad	3.79%	3.79%
General Public	24.29%	24.29%
	100%	100%

Classification of Shareholders by holding:

Class by number of shares	Number of Shareholders		Percentage of Shareholding	Percentage of Shareholding
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Less than 500 Shares	5,188	5,710	55.63%	60.96%
501 to 5,000 shares	3291	2913	35.29%	31.10%
5,001 to 10,000 shares	335	312	3.59%	3.33%
10,001 to 20,000 Shares	224	185	2.40%	1.98%
20,001 to 30,000 Shares	109	90	1.17%	0.96%
30,001 to 40,000 Shares	40	26	0.43%	0.28%
40,001 to 50,000 Shares	28	29	0.30%	0.31%
50,001 to 100,000 Shares	45	47	0.48%	0.50%
100,001 to 1,000,000 Shares	51	39	0.55%	0.42%
Over 1,000,000 Shares	15	16	0.16%	0.17%
	9,326	9,367	100%	100%

Name of the Directors and their Shareholding position:

Name of the Directors	No. of Shareholding 30-Jun-16	No. of Shareholding 30-Jun-15
Mr. Rezakul Haider	14,535,360	14,112,000
Mr. Feroz Alam	13,497,120	13,104,000
Mr. Anis Salahuddin Ahmad	13,497,120	13,104,000
Mr. A.K.M.Badiul Alam	10,382,400	10,080,000
Md. Samsuzzaman	15,573,600	15,120,000
Total :	67,485,600	65,520,000

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	June 30, 2016 Taka	June 30, 2015 Taka
16.00 Share Premium		
Opening Balance	914,920,000	724,720,000
Addition during this period (12,680,000 shares @ Tk. 15.00 each)	-	190,200,000
	914,920,000	914,920,000
16a Consolidated Tax Holiday Reserve		
Shahjibazar Power Company Limited	-	-
Petromax Refinery Limited	473,326,411	344,788,265
	473,326,411	344,788,265
17.00 Retained Earning		
Opening Balance	978,245,849	1,065,076,936
Add: Net profit for this year	384,057,994	293,562,913
Less: 28% Cash Dividend	(372,786,120)	(316,995,000)
Less: 3% Stock Dividend	(39,941,370)	(63,399,000)
	949,576,353	978,245,849
17a Consolidated Retained Earning		
Opening Balance	1,473,275,941	1,166,521,564
Net Profit for the period	705,403,359	949,538,686
Bonus Share/Stock Dividend	(39,941,370)	(63,399,000)
Cash Dividend Paid	(372,786,120)	(316,995,000)
Transfer to Tax Holiday Reserve	(128,538,146)	(262,390,309)
	1,637,413,664	1,473,275,941
18.00 Long Term Loan - Net of Current Maturity:		
Islami Bank Bangladesh Limited	213,315,689	745,811,202
Eastern Bank Limited	376,679,561	-
	589,995,250	745,811,202

A portion (550 Million) of Long Term Loan has been transferred to Eastern Bank Limited from Islami Bank Bangladesh Limited. The reason behind the transfer is lowering the financial charges considering downtrend market interest rate.

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

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

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"

SHAHJIBAZAR POWER CO. LTD.

		June 30, 2016 Taka	June 30, 2015 Taka
Name of facility:	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. Working Capital		
Purpose of Loan:	To procure spare parts, lube oil etc. for the existing power plant		
Mode of Repayment:	Deal to deal basis as per bank's standard norms		
Security:	Proportionate ownership of the proposed machinery of the project to be procured valued Tk. 234.37 million shall be retained in the Bank's name by creating hypothecation till full adjustment of Bank's dues.		
Collaterals:	Registered Mortgage/further charge with registered irrevocable power of attorney from the mortgagors in Bank's favor including the clause "Bank can sell the property as per section-12 of Artho Rin Adalat Ain-2003 without the intervention of court in case of default to pay bank's dues within due date by the client"		
	432.00 decimal project land and building (Total area: 62,360 sft), 199.00 decimal project land and building (Total area: 24,200 sft) & Machineries and vehicles as per Balance sheet.		
Eastern Bank Limited:			
Name of the facility:	Term Loan		
Purpose of Loan:	To takeover the loan from Islami Bank Bangladesh Limited		
Mode of Repayment:	Monthly installment		
Tenor:	4 (Four) Years		
18a Consolidated Long Term Loan- Net of Current Maturity	Shahjibazar Power Company Limited Petromax Refinery Limited	589,995,250 69,259,446 659,254,696	745,811,202 433,292,592 1,179,103,794
18b Consolidated Loan from other than Bank	Shahjibazar Power Company Limited Petromax Refinery Limited	- 67,322,967 67,322,967	- 159,675,475 159,675,475
19.00 Deferred Tax Liabilities	Investment in associates carrying value Investment in associates tax base Taxable temporary Difference Deferred tax liabilities at 20%	135,034,989 49,000,000 86,034,989 17,206,998	95,888,003 49,000,000 46,888,003 9,377,601
19a Consolidated Deferred Tax Liabilities	Shahjibazar Power Company Limited Petromax Refinery Limited	17,206,998 - 17,206,998	9,377,601 - 9,377,601
20.00 Deferred L/C Liabilities	Liabilities for Deferred LC	34,430,587 34,430,587	11,628,897 11,628,897
20a Consolidated Deferred/LC Liabilities	Shahjibazar Power Company Limited Petromax Refinery Limited	34,430,587 - 34,430,587	11,628,897 - 11,628,897

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21.00 Short Term Loan:		
QTDR - Islami Bank Bangladesh Ltd.	59,892,460	59,892,460
Bai Murabaha FC Bills-IBBL	51,366,818	52,967,387
Bai Murabaha TR-IBBL	211,217,598	125,692,777
MPI Loan-IBBL	2,946,262	-
Comfit Composite Knit Ltd.	56,225,950	56,340,866
Youth Fashion Ltd.	65,861	18,594
Youth Garments Ltd (C&F).	-	45,784
Petromax Refinery Ltd.	190,918,559	190,918,559
	572,633,509	485,876,427
Short term loan from Comfit Composite Knit Ltd. and Petromax Refinery Ltd. were taken at zero profit margin basis. This loan was taken due to overcome the short time deficiencies. Repayment will be made on availability of cash.		
21a Consolidated Short Term Loan		
Shahjibazar Power Company Limited	572,633,509	485,876,427
Petromax Refinery Limited	2,405,650,815	1,646,747,077
Less: Intercompany Loan	(190,918,559)	(190,918,559)
	2,787,365,765	1,941,704,945
22.00 IPO Application Amount:	6,104,318	6,224,318
This amount represents the balance amount of IPO proceeds collected through applications from general public. The company submitted the Return of Allotment to the Registrar of Joint Stock Companies on July 06, 2014 for allotment of 126,80,000 shares of Tk. 10 per share which was approved by RJSC on September 22, 2014. On that day an amount of Tk. 19,02,00,000 was also credited to Share Premium Account. The balance amount are the refund amount of the un-successful applicant of IPO.		
22a Consolidated IPO Application Amount		
Shahjibazar Power Company Limited	6,104,318	6,224,318
Petromax Refinery Limited	-	-
	6,104,318	6,224,318
23.00 Long Term Loan- Current Maturity:		
Islami Bank Bangladesh Limited	237,600,000	649,170,872
Eastern Bank Limited	164,671,153	-
	402,271,153	649,170,872
This represents the current portion of Long Term Loan payable with in one year from the Financial Position date.		
23a Consolidated Long Term Loan- Current Maturity		
Shahjibazar Power Company Limited	402,271,153	649,170,872
Petromax Refinery Limited	437,862,216	496,348,536
	840,133,369	1,145,519,408
24.00 Sundry Creditors:		
ABB Limited	4,375,744	1,623,871
Adroit Environment Consultants Ltd.	-	40,000
Aamra Networks Ltd	7,000	21,000
Amber IT Ltd./Dhaka.com	-	12,508
Alpana Tyre Corporation	-	159,120
Amicus Curiae	15,000	93,750
A. Hossain Associates	-	3,300
Arthosuchak	40,000	-
Clarke Enery Bangladesh Ltd.	6,000	-
Square Pharmaceuticals Ltd.	10,200	10,200
Dhaka Insurance Ltd.	-	72,113
Dhaka Stock Exchange	40,000	-

SHAHJIBAZAR POWER CO. LTD.

		June 30, 2016 Taka	June 30, 2015 Taka
	Global Insurance Ltd.	-	18,377
	BITS Ltd.	-	10,699
	Orient Energy Systems Ltd. Bangladesh	1,319,382	1,319,382
	Rupali Insurance Co. Ltd.	-	219,836
	Barrister Mahmud Jabbar Khan	-	26,250
	BDJobs	-	9,405
	M/S Nahar Enterprise	-	182,280
	Navana Toyota 3S center	-	16,018
	Rifat Automobile	-	9,900
	TDS & VAT Payable	-	30,830
	Provision for WPPF	54,825,819	30,349,773
	Payable for Current Tax	17,674,147	16,638,420
	24.01	78,313,293	50,867,032
24.01	Payable for Current Tax		
	Sales Tax at Source	90,666,973	92,356,660
	Previous year Income Tax Payable	16,638,420	21,405,605
	Tax on non-operating income	6,966,562	5,919,229
	Total Payable	114,271,955	119,681,494
	Tax paid during this period	(96,224,543)	(99,038,131)
		18,047,412	20,643,363
	Adjustment of Non-Opr. Tax with AIT on Share premium	373,264	(4,004,943)
	Net Payable =	17,674,147	16,638,420
24a	Consolidated Sundry Creditors		
	Shahjibazar Power Company Limited	78,313,293	50,867,032
	Petromax Refinery Limited	56,246,514	37,310,413
		134,559,807	88,177,446
25.00	Liabilities for Expenses:		
	Salary & Allowance	-	3,124,165
	Directors Remuneration	-	300,000
	Festival Bonus	-	1,693,968
	Audit Fees	660,000	660,000
	Office Rent	165,000	50,000
	Car Maintenance	-	45,000
		825,000	5,873,133
25a	Consolidated Liabilities for Expenses		
	Shahjibazar Power Company Limited	825,000	5,873,133
	Petromax Refinery Limited	3,890,591	12,464,871
		4,715,591	18,338,004
25b	Unclaimed Dividend		
	Dividend Payable	20,682,755	6,460,989
		20,682,755	6,460,989
	Subsequent to the year end maximum portion of unclaimed dividend has been claimed and disbursed accordingly.		
26.00	Trade Payable:		
	Orient Energy Systems Ltd.	65,200	65,200
	MJL Bangladesh Limited	17,297,280	6,223,360
	Anwara Trade International	3,660	6,700
	Sohan Business Centre	-	2,000
	Jalalabad Gas Transmission and Distribution Systems Ltd.	87,887,023	111,458,407
	Pacific Chemitrade Co.	-	229,500
	Aqua Care Trading	75,000	75,000
	A to Z Computers	-	30,650
	Berger Paints Bangladesh Ltd.	-	281,444
	S.S. Trade Link	-	90,000
	SYS Computers	-	14,900
	Others	24,817	-
		105,352,980	118,477,161

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SHAHJIBAZAR POWER CO. LTD.

26a	Consolidated Trade Payable Shahjibazar Power Company Limited Petromax Refinery Limited
26b	Consolidated L/C Liabilities Shahjibazar Power Company Limited Petromax Refinery Limited

June 30, 2016 Taka	June 30, 2015 Taka
105,352,980	118,477,161
17,072,254	37,414,334
122,425,235	155,891,496
-	-
1,010,175,470	1,546,011,216
1,010,175,470	1,546,011,216

SHAHJIBAZAR POWER CO. LTD.

		2015-2016 Taka	2014-2015 Taka
27.00	Revenue :		
	Sales	1,511,116,209	1,539,459,033
		1,511,116,209	1,539,459,033
27a	Consolidated Revenue		
	Shahjibazar Power Company Limited	1,511,116,209	1,539,459,033
	Petromax Refinery Limited	6,483,197,804	7,642,649,986
		7,994,314,012	9,182,109,019
28.00	Cost of Sales:		
	Raw Material Consumed	538,937,569	606,169,404
	Factory Overhead	343,371,050	344,752,172
		882,308,619	950,921,576
28.01	Raw Material Consumed		
	Opening Stock	108,985,944	128,064,872
	Purchase During the Year	537,088,109	587,090,476
	Closing Stock	(107,136,484)	(108,985,944)
		538,937,569	606,169,404
	Consumption of Raw Materials:		
		2016	2015
	Natural Gas Consumption (Cubic Meter)	152,321,464	161,654,351
	Lube Oil	128,336	155,584
28.02	Factory Overhead		
	Salary & Allowance	36,501,586	29,985,194
	Overtime	798,186	298,634
	Festival Bonus	3,011,526	4,212,076
	Plant & Machinery maintenance	28,398,604	46,679,278
	Fuel & Lubricants for car	1,744,991	1,226,672
	Diesel for Generator	200,669	230,452
	Depreciation	272,715,487	262,119,866
		343,371,050	344,752,172
28a	Consolidated Cost of Sales		
	Shahjibazar Power Company Limited	882,308,619	950,921,576
	Petromax Refinery Limited	5,610,587,023	6,576,799,653
		6,492,895,642	7,527,721,229
29.00	General & Administrative Expenses		
	Salary & Allowance	9,878,278	10,486,756
	Audit Fee	760,000	760,000
	Advertisement & Publicity	1,418,960	1,321,410
	Secretarial Expenses	3,660,569	1,659,134
	BG Commission	2,940,815	1,519,869
	Board Meeting Fees	345,000	120,000
	Credit Rating Expenses	200,000	430,000
	Carrying Inwards/C&F Charges	873,000	672,080
	Capital Raising/IPO Expenses	-	15,492,947
	Gift, Donation & Subscription	5,677,200	2,448,080
	Utility Bill	887,038	752,860
	Entertainment	3,780,585	1,367,170
	Insurance Premium	6,493,960	5,368,194
	Legal & Professional Fees	1,695,271	6,895,864
	LD Charges	-	4,267,839
	Directors Remuneration	3,600,000	3,600,000
	Office Maintenance	1,596,103	1,561,466
	Printing, Stationary & Supplies	768,430	1,478,895

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	2015-2016 Taka	2014-2015 Taka
Registration & Renewals	909,304	1,197,505
Tool Tax/Land Tax	80,040	10,355
Traveling & Conveyances	1,640,288	2,195,104
Training & Workshop	33,450	10,925
Write Off of advance	-	1,350,000
Impairment of Biological Assets	-	353,365
Depreciation Expenses	4,577,404	4,578,368
	51,815,695	69,898,186

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

Name	Designation	June-2016	June-2015
Feroz Alam	Managing Director	3,600,000	3,600,000
Total		3,600,000	3,600,000

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

29a Consolidated General & Administrative Expenses

Shahjibazar Power Company Limited	51,815,695	69,898,186
Petromax Refinery Limited	70,765,934	50,367,089
	122,581,630	120,265,275

30.00 Financial Expenses, Net

Interest on Loan - Islami Bank Bangladesh Ltd.	137,657,553	189,423,438
Interest on Mudaraba Term Deposit	(7,679,244)	(3,727,160)
Interest on Loan - Eastern Bank Ltd.	5,073,310	-
Bank Charges & Commission	959,036	4,866,545
	136,010,655	190,562,823

30a Consolidated Financial Expenses

Shahjibazar Power Company Limited	136,010,655	190,562,823
Petromax Refinery Limited	400,609,947	248,737,977
	536,620,602	439,300,800

31.00 Non-operating Income

Income from Bank Interest	760,012	1,830,950
Wastage Sale	3,258,209	10,802,860
Foreign Exchange Gain	6,109	6,567,992
Foreign Exchange Loss	(1,868,082)	(452,048)
Gain on sale of vehicle	1,700,000	4,100,000
	3,856,248	22,849,754

31a Consolidated Non-operating Income

Shahjibazar Power Company Limited	3,856,248	22,849,754
Petromax Refinery Limited	1,945,279	745,381
	5,801,527	23,595,135

32.00 Share of Profit from Associate:

Net Profit of Associate company	141,141,808	158,736,677
Percentage of share holding	49%	49%
Share of profit from Associate	69,159,486	77,780,972

32a Consolidated Share of Profit from Associate:

Shahjibazar Power Company Limited	69,159,486	77,780,972
Petromax Refinery Limited	-	-
	69,159,486	77,780,972

33.00 WPPF is based on net profit before tax @ 5%

	24,476,046	16,710,772
	24,476,046	16,710,772

SHAHJIBAZAR POWER CO. LTD.

	2015-2016 Taka	2014-2015 Taka
33a Consolidated Workers' Profit Participant Fund:		
Shahjibazar Power Company Limited	24,476,046	16,710,772
Petromax Refinery Limited	19,199,056	36,547,174.00
	43,675,102	53,257,946

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.

34.00 Income Tax Expense

Current Tax

Sales Tax	90,666,973	92,356,660
Tax on Non-Operating Income @ 25%	964,062	5,619,229
Tax on Dividend Received @ 20%	6,002,500	10,780,000
Tax on Capital Gain @ 15%		300,000
	97,633,535	109,055,889

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

Deferred Tax

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

7,829,397	9,377,601
7,829,397	9,377,601

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

34a Consolidated Income Tax Expense

Shahjibazar Power Company Limited	97,633,535	109,055,889
Petromax Refinery Limited	26,930,717	2,081,504
	124,564,252	111,137,393

35.00 Earning Per Share (EPS)

Net Profit After Tax	384,057,994	293,562,913
Number of share	137,132,037	137,132,037
Earnings Per Share	2.80	2.14

35a Consolidated Basic Earning Per Share (EPS)

Profit/(Loss) attributable to equity holder of the parent	705,403,359	949,538,686
Number of share	137,132,037	137,132,037
Earnings Per Share	5.14	6.92

36.00 Capacity and Utilization:

License Capacity (Unit - Kw)	753,360,000	753,360,000
Actual Utilized (Unit - Kw)	553,765,512	593,039,904
Capacity Utilize (Unit - Kw)	74%	79%

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

37.00 Contingent Liabilities:

The Company has also Contingent Liabilities of an amount Tk. 32,13,29,225/- 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:

SHAHJIBAZAR POWER CO. LTD.

B.G Issued	Beneficiary Name	B.G No	Guarantee Value
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/51	1,897,479
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/57	839,273
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/60	127,431
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/58	648,848
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/61	509,724
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/71	4,247,697
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/75	118,935
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/80	1,136,259
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/81	4,247,696
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/82	4,183,981
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/85	95,572
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/86	1,018,152
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/87	4,183,981
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	BG/08/91	139,816,591
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/94	4,041,046
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/97	4,041,046
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/98	826,644
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/100	8,082,049
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/101	9,135,058
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/105	8,750,934
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/107	45,875
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/109	8,664,228
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/110	420,564
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/02	35,043
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/03	8,407,253
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/10	10,619
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/13	467,247
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/16	20,389
Islami Bank Bangladesh Ltd.	Bangladesh Power Development Board	BG/09/25	91,500,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	11,249,611
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Export	Export-Import Permit	1,280,000
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Benapole	Export-Import Permit	1,280,000
Grand Total =			321,329,225

38.00 Capital Expenditure commitment:

- No capital expenditure contracted or incurred provided for as at 30th June, 2016.
- There was no material capital expenditure authorized by the Board or contracted for as at 30th June, 2016.

39.00 Claim Acknowledgement:

There was no claim against the Company not acknowledged as debt as on June 30, 2016.

40.00 Restatement

The company has been recognizing deferred tax expenses related to investment in associates to the extent that it is not distributed as dividend until year 2014-15. By pursuant to a decision of the management, deferred tax on the investment in associates is being recognized in the financial statements. As such, the comparative figures for deferred tax expenses, provision for deferred tax liabilities and opening balance Retained Earnings have been restated. Retained earnings of FY 2015 has decreased by BDT. 9,377,601 (Taka'000) (net of tax) respectively. Comparative figures for deferred tax liabilities and deferred tax expense also has been restated and increased by BDT. 9,377,601 (Taka'000).

41.00 Events After the Reporting Period :

The Board of Directors at the Board Meeting held on 27th October, 2016 has recommended to the shareholders a cash dividend @ 30% i.e. Tk 3.00 per share (amounting to Tk 411,396,111.00) and stock dividend @ 3%. This will be considered for approval by the shareholders at the 9th Annual General Meeting (AGM) to be held on 5th February, 2017.

42.00 Number of Employees:

Total number of employees is 128 in comparison to 124 in previous year. There is no employees in the company who is entitled to get annual salary below TK. 36,000.

SHAHJIBAZAR POWER COMPANY LIMITED

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED JUNE 30, 2016

Annexure-A

SL No.	Particulars	Cost			Depreciation					Written Down Value as on 30.06.2016
		Balance as on 01.07.2015	Addition during this period	Disposal/ Impairment during the period	Balance as on 30.06.16	Rate %	Balance as on 01.07.15	Adjustment during the year	Charged During the Period	Balance as on 30.06.2016
01	Land & Land Development	149,587,065	-	-	149,587,065	0.0%	-	-	-	149,587,065
02	Building & Construction	374,855,803	-	-	374,855,803	7.0%	158,621,973	-	26,239,906	184,861,879
03	Plant & Machineries	3,994,148,149	131,859,354	-	4,126,007,503	6.0%	1,306,838,038	-	245,967,855	1,552,805,893
04	Mechanical & Electrical Goods	1,072,263	-	-	1,072,263	10.0%	479,856	-	107,226	587,082
05	Office Equipment	3,077,895	311,230	-	3,389,125	15.0%	1,824,598	-	474,187	2,298,785
06	Computer & Computer Equipment	2,302,470	9,500	-	2,311,970	20.0%	1,869,058	-	442,912	2,311,970
07	Water Treatment Plant	1,170,000	3,000,000	-	4,170,000	15.0%	1,077,250	-	400,500	1,477,750
08	Furniture & Fixture	4,089,300	37,455	-	4,126,755	10.0%	2,368,103	-	411,275	2,779,378
09	Vehicles	12,299,920	14,999,250	3,736,920	23,562,250	20.0%	11,512,265	3,736,920	3,249,030	11,024,375
	June-2016	4,542,602,865	150,216,789	3,736,920	4,689,082,734		1,484,591,141	3,736,920	277,292,892	1,758,147,113
	June-2015	4,442,108,423	105,194,442	4,700,000	4,542,602,865		1,222,592,906	4,700,000	266,698,234	1,484,591,140

Allocation Current Year Depreciation:

Cost of Goods Sold Portion:	Taka
Building & Construction	26,239,906
Plant & Machineries	245,967,855
Mechanical & Electrical Goods	107,226
Water Treatment Plant	400,500
Total	272,715,487
Note: 28	
General & Admin. Portion:	
Office Equipment	474,187
Computer & Computer Equipment	442,912
Furniture & Fixture	411,275
Vehicles	3,249,030
Total	4,577,404
Note: 29	
Grand Total :	277,292,892

SHAHJIBAZAR POWER CO. LTD.

SHAHJIBAZAR POWER COMPANY LIMITED

CONSOLIDATED SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2016

Annexure- A/1

SL	Particulars	Cost				Depreciation					Written Down Value as on 30.06.2016
		Balance as on 01.07.2015	Addition during the period	Disposal during the period	Balance as on 30.06.16	Rate %	Balance as on 01.07.2015	Adjustme nt during the period	Charged During the period	Balance as on 30.06.2016	
1	Land & Land Development	193,910,407	15,474,767	-	209,385,174	0.0%	-	-	-	-	209,385,174
2	Building & Construction	788,758,136	99,882,999	-	888,641,135	7.0%	198,979,366	-	53,926,471	252,905,837	635,735,298
3	Plant & Machineries	6,822,550,420	140,117,502	-	6,962,667,922	6.0%	1,546,292,676	-	398,105,004	1,944,397,680	5,018,270,242
4	Mechanical & Electrical Goods	1,072,263	-	-	1,072,263	10.0%	479,856	-	107,226	587,082	485,181
5	Office/factory Equipment	9,629,742	969,533	-	10,599,275	15.0%	2,916,246	-	1,308,136	4,224,382	6,374,893
6	Computer & Computer Equipments	3,494,396	130,987	-	3,625,383	20.0%	2,067,047	-	588,069	2,655,116	970,267
7	Water Treatment Plant	5,192,645	3,360,000	-	8,552,645	15.0%	1,834,427	-	876,950	2,711,377	5,841,268
8	Furniture & Fixture	10,698,321	332,914	-	11,031,235	10.0%	3,338,290	-	1,229,487	4,567,777	6,463,458
9	Vehicles	27,946,217	32,364,250	3,736,920	56,573,547	20.0%	14,604,687	3,736,920	6,200,253	17,068,020	39,505,527
10	Electric Installation	33,938,626	1,517,400	-	35,456,026	15.0%	6,668,857	-	3,965,192	10,634,049	24,821,977
11	Fire Extinguisher/Equipments	560,910	46,000	-	606,910	15.0%	106,447	-	68,138	174,585	432,325
12	Lab Equipments	2,626,701	153,620	-	2,780,321	15.0%	301,248	-	338,561	639,808	2,140,512
13	Refrigerator	28,300	-	-	28,300	15.0%	5,834	-	3,185	9,018	19,282
14	Air Conditioner	4,960,040	682,500	-	5,642,540	15.0%	617,447	-	644,785	1,262,232	4,380,309
15	Fork LIFT	1,750,000	-	-	1,750,000	15.0%	360,743	-	196,957	557,700	1,192,300
16	Jetty	9,047,777	-	-	9,047,777	15.0%	1,494,016	-	1,070,908	2,564,924	6,482,853
17	Cylindrical Vertical Steel Tank	105,669,606	-	-	105,669,606	15.0%	21,589,362	-	11,920,178	33,509,540	72,160,066
18	Generator	20,300,278	-	-	20,300,278	15.0%	4,112,343	-	2,294,988	6,407,331	13,892,948
19	Ship	187,196,247	69,680	-	187,265,927	20.0%	25,048,497	-	30,087,332	55,135,829	132,130,098
20	Solar Power System	560,000	-	-	560,000	15.0%	115,438	-	63,026	178,464	381,536
21	Telephone Installation	1,610,091	91,997	-	1,702,088	15.0%	145,812	-	217,559	363,371	1,338,717
22	Water Line Installation	326,395	-	-	326,395	15.0%	67,283	-	36,735	104,018	222,377
	June 30, 2016	8,231,827,518	295,194,149	3,736,920	8,523,284,747		1,831,145,918	3,736,920	513,249,140	2,340,658,138	6,182,626,609
	June 30, 2015	7,993,266,162	250,494,798	11,933,443	8,231,827,518		1,328,142,005	4,716,054	507,719,966	1,831,145,918	6,400,681,600

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Annexure- B

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

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2015	Addition during the period	Adjustment during the period	Balance as at June 30, 2016
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	56,340,866	314,950	429,866	56,225,950
Petromax Refinery Limited	Parent - Subsidiary	Short Term Loan	190,918,559	-	-	190,918,559
Youth Fashion Limited	Common Directorship	Short Term Loan	18,594	293,885	246,618	65,861
Youth Garments Limited	Common Directorship	Short Term Loan	45,784	58,100	103,884	-
Midland Power Co. Ltd.	Associate Company	Advance	498,811,492	-	8,811,492	490,000,000
Islamic Finance & Inv. Ltd.	Common Directorship	MTDR	6,579,250	753,123	76,434	7,255,938
Feroz Alam	Managing Director	Remuneration	300,000	4,200,000	4,500,000	-
		Office Rent	50,000	512,500	480,000	82,500
Yeasin Ahmed	Company Secretary	Salaries and other short term benefit	80,950	785,700	866,650	-
Saiful Islam	Head of Internal Audit	Salaries and other short term benefit	-	240,000	240,000	-

SHAHJIBAZAR POWER CO. LTD.

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Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

Credit risk

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

a) Exposure to credit risk

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

	2016 Taka	2015 Taka
Accounts receivable	1,083,691,281	1,056,867,366
Advance, Deposit & Prepayments	919,488,307	876,422,951
Other Receivable	2,212,221	2,044,863
	2,005,391,809	1,935,335,180

b) Ageing of receivables

Accounts receivable were aged as below:

Less than six months	837,691,637	1,056,866,591
More than six months	245,999,644	775
	1,083,691,281	1,056,867,366

c) Impairment losses

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

Liquidity risk

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

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

Particulars	Carrying amount	Cash flows	Up to 1 year	Above 1 Year
As at 30 June 2016	Taka	Taka	Taka	Taka
Short Term interest bearing loans	2,731,073,954	2,731,073,954	2,731,073,954	-
Short Term non-interest bearing loans	56,291,811	56,291,811	56,291,811	-
Long Term interest bearing loans	1,499,388,065	1,499,388,065	840,133,369	659,254,696
Long Term non-interest bearing loans	67,322,967	67,322,967	-	67,322,967
Trade creditors/Payable	122,425,235	122,425,235	122,425,235	-
Sundry creditors	131,266,497	131,266,497	131,266,497	-
L/C Liabilities	1,044,606,057	1,044,606,057	1,010,175,470	34,430,587
Other liabilities	31,502,664	31,502,664	31,502,664	-
	5,683,877,250	5,683,877,250	4,922,868,999	761,008,250
As at 30 June 2015				
Short Term interest bearing loans	1,941,704,945	1,941,704,945	1,941,704,945	-
Long Term interest bearing loans	2,324,623,202	2,324,623,202	1,145,519,408	1,179,103,794
Long Term non-interest bearing loans	159,675,475	159,675,475	-	159,675,475
Trade creditors/Payable	155,891,496	155,891,496	155,891,496	-
Sundry creditors	88,177,446	88,177,446	88,177,446	-
L/C Liabilities	1,557,640,113	1,557,640,113	1,546,011,216	11,628,897
Other liabilities	31,023,312	31,023,312	31,023,312	-
	6,258,735,989	6,258,735,989	4,908,327,823	1,350,408,166

Market risk

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

a) Currency risk/foreign exchange rate risk

The Company's exposure to foreign currency risk at June 30, 2016 are as follows:

	2016	2015
Deferred L/C for Import of Spare Parts (USD)	\$35,000.00	-
Deferred L/C for Import of Spare Parts (EURO)	€ 348,208.50	€ 131,059.36
Bank Balance/IPO Fund (USD)	\$1,228.97	\$1,228.97
Bank Balance/IPO Fund (EURO)	€ 9.00	€ 9.00
Bank Balance/IPO Fund (GBP)	£312.90	£312.90

b) Interest rate risk

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

		2016	2015
		Taka	Taka
Fixed rate instruments	Rate of Interest		
Financial assets	5%-9.50%	103,007,834	101,404,065
Financial liabilities	9.00%-11.50%	4,286,753,830	4,266,328,147
Variable rate instruments			
Financial assets		-	-
Financial liabilities		-	-

Reporting	under	Company Act 1994,	section 186(6)
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PETROMAX REFINERY LTD.

Company Introduction

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

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

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

Directors Report to Shareholders

Respected Shareholders,

On behalf of the Board of Directors of Petromax Refinery Ltd (PRL) I would like to extend my warm greetings and welcome you all to 11th Annual General Meeting of the Company. Being authorized by the Board of Directors, I am hereby submitting the Audited Financial Statements for the year then ended June 30, 2016.

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

Economy at a Glance

Over the last almost one decade the Economy of Bangladesh has been showing a consistent growth of over six percent in terms of GDP. According to several sources, the Economy is going to register a GDP of whopping 7.11% for the period of 2015-16 which is an all-time record.

Foreign Exchange Reserve has reached a record USD 33 Billion as of the year 2016. According to the early estimates, one of the statistics conducted by World Bank shows that, for the last two years the economy has proved itself as one of the easy place of doing business.

Goldman Sachs, the leading global investment banking company has marked the economy of Bangladesh as one of the New Eleven (N11) economies which are emerging with remarkable growth.

Petrochemical Sector Scenario of Bangladesh

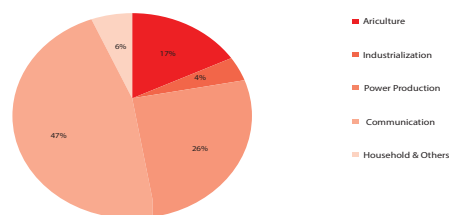
Business of Petrochemical sector has been lone prerogative of Government of Bangladesh since the inception of the Country. Bangladesh Petroleum Corporation (BPC) a statutory corporation under an ordinance effective from the year 1977 has been given with the

only right of Petroleum Import, Collection, Production and Distribution. The government feeling the necessity to bring proper control and cost effectiveness in this sector has end up with a decision to attract private sector investors.

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

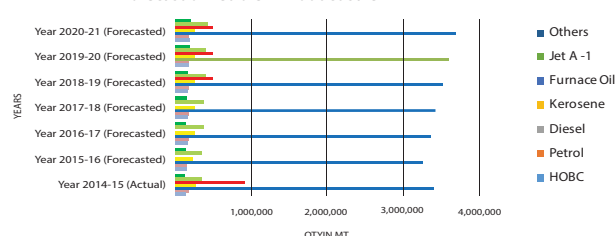
For the period of 2014-15 total consumption of petroleum product was 53.21 Lac MT out of which more than 72% was consumed by communication and power production sector.

Sector wise use of Fuel Oil 2014-15

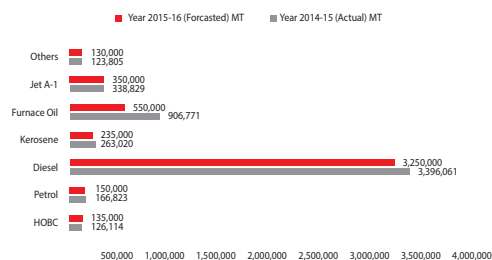


Around 40.00 Lac MT refined oil are imported from abroad and the rest 13.00 Lac MT are being refined within the country by BPC's subsidiary company Eastern Refinery Ltd (ERL) and other Private Fractionation Plants operating within the framework of BERC and MPEMR. The distribution channel is maintained by three state run oil companies PADMA, MEGHNA and JAMUNA through 23 Countrywide Depots. Around 90% of the total petroleum product are distributed through riverine channels using 220 Tanker vessels, rest 10% are being distributed through Railway and Road.

Forecast of Petroleum Product Sale in MT



According to the estimates of Bangladesh Petroleum Corporation (BPC), till the year 2020-21 the total size of the market will be around 54.25 Lac MT which is little sluggish due to shrinkage of Furnace Oil demand. Power Sector is planning to consume less Furnace Oil as compared to the existing demand by shifting to coal based feedstock according to Power Sector Master Plan (PSMP).



SHAHJIBAZAR POWER CO. LTD.

Current oil consumption portfolio shows the dominant use of Diesel. Almost 64% of total oil consumption is covered by Diesel use most of which are imported from overseas market. Existing storage capacity for Petroleum product is somewhere between 11-12 Lac MT in aggregate of both floating and fixed storage capacity.

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

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

Business Activities Including Its Operating Performance

During the year under report, your company has managed to generate a revenue of Tk. 6483.19 Million as compared to Tk. 7642.65 Million in FY 2014-15 which is 17.88% lower. The only reason for such decrease in revenue is the reduction of petroleum price by the government on March 08, 2015.

Particulars	FY 2015-16	FY 2014-15
Capacity (In liter Per day)	3,97,500	3,97,500
Capacity Utilization (%)	81.90	74.83
Revenue (In Million Taka)	6483.19	7642.65
Gross Profit (In Million Taka)	872.61	1065.85
Profit from Operation (In Million Taka)	801.84	1015.48
Profit Before Tax (In Million Taka)	383.98	730.94
Profit After Tax (In Million Taka)	357.05	728.86
Gross Profit Margin (%)	13.45	13.94
Operating Profit Margin (%)	12.36	13.28
Net Profit Margin (%)	5.50	9.53

In such circumstance, along with several other fractionation plants, your company has created pressure to the concern ministry of the Government and was able to convince the authority for the adjustment of oil price for the survival of private sector investors. On May 2016, revised price gazette has been published by the government increasing the oil price into a comfortable limit. To ensure the availability of NGC (Natural Gas Condensate) which is the only raw material of the plant; there was an agreement for two years between Rupanarita Prakritik Gas Company Ltd (RPGCL) and Your Company for the allocation of 1,50,000 MT NGC signed and executed on June 24, 2015. But this quantity was not sufficient according to the capacity of the plant. Subsequently, after having several discussions with RPGCL, your company was able to add another 90,000 MT with the existing allocation and execute another agreement for 2,40,000 MT for two years on the month of June 2016.

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

Segment Wise Performance

Your company has increased the ratio of production and sale of HOBC being the higher margin product as per the latest price gazette of the government. Sale of HOBC has become almost double from Tk.2,778.71 Million to Tk.4,400.53 Million by reducing the sale of Petrol from Tk. 3545.20 Million to Tk. 512.91 Million.

Taka in Million				
Product	Year 2014-15	%	Year 2015-16	%
HOBC	2,778.71	36%	4,400.53	68%
Petrol	3,545.20	46%	512.91	8%
Diesel	1,073.15	14%	1,251.32	19%
Kerosene	163.03	2%	318.32	5%
Others	82.54	1%	-	0%
Total	7,642.63	100%	6,483.08	100%

Contribution to the National Exchequer

Seamless supply of energy is a prerequisite for the development of economy. Your company is contributing to the economic growth by supplying energy products in the market. Currently your company is enjoying Tax Holiday but still for FY2015-16 your company has added a total of Tk. 43.00 Million as Advance Income Tax and Tk. 973.03 Million in the form of VAT.

Extra-Ordinary Gain or Loss

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

Related Party Transaction

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

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

There was no such issues.

Significant Variance between Quarterly and Annual Financial Statements

Variations between quarterly and annual financial statements occurred due to decrease in administered price of petroleum products by the Government circulated by publishing gazette on March 5, 2015 and subsequent revision of the same on the Month of May 2016.

Remuneration of Directors

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

Corporate and Financial Reporting Framework

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

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

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

Financial Results and Performance of the Company

Particulars	2015		2016		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	7,642.64		6,483.19		-18%
Cost of Sales	6,576.79	86%	5,610.58	87%	-17%
Gross Profit	1,065.85	14%	872.61	13%	-22%
Other Income Net	-	0%	-	0%	0%
General and Administrative Expenses	50.36	1%	70.76	1%	29%
Operating Profit	1,015.49	13%	801.85	12%	-27%
Finance Cost Net	248.73	3%	400.60	6%	38%
WPPF	36.54	0%	19.19	0%	-90%
Net Profit Before Income Tax	730.94	10%	383.98	6%	-91%
Income Tax	2.08	0%	26.93	0%	92%
Net Profit After Income Tax	728.86	10%	357.05	5%	-105%

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

Gross revenue has decreased by around 18% due to the change of petroleum price by the government on March 8, 2015 and Cost of Sales was also decreased in the same ratio and the company lose 22% Gross Margin. General and Administrative expenses has a significant rise of over 28%, due to increase in sales and distribution expenses. To bring proper control on these expenses, your company has decided to add a new Tanker Vessel named as MT TaiwaMaru capable of carrying 1000 MT of Finished Oil.

38% rise in Net Finance Cost can be attributed to interest expenses arises out of the payment for Local Condensate procured from RPGCL. Earlier, Condensate was imported from overseas suppliers through 180 days deferred L/C. Currently, In terms of collecting NGC from RPGCL, advance payment has to be made by borrowing from bank for the full value of the consignment. Interest expenses for this borrowed fund accrued from the date borrowing therefore the company is losing the benefit of payment through L/C.

As you know, your company is enjoying Tax Holiday from the date of commercial operation. Therefore, in the earlier years there is lesser provision of Income Tax. During the year under report, 10.5% on Net Profit before Tax (NPBT) was accrued and charged, accordingly 92% rise in Income Tax expense was recorded.

Profit Appropriation

During the year under report the net profit of your company stands at Tk. 357.05 Million as compared to Tk. 728.86 Million in the last year. However, the Company needs availability of funds for continuous progress and investments in new projects. Keeping these in view, the Directors would like to report the Company's financial results for the year that ended on June 30, 2016 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2016	357.05
Profit brought Forward	539.99
Less: Tax Holiday Reserve	(142.82)
Profit available for appropriation	754.22
Appropriations:	
Proposed Stock and Cash Dividend	150.00
Transferred to Retained Earning	754.22
Profit available for appropriation	604.22

Dividend

Your company has just started commercial operation from October 2013. Generally to attain the operational stability a new company requires some incubation time to attain certain level of resilience to battle unwanted risks. Keeping this in mind your board recommends 15% cash dividend for the year under report.

Dividend Type	30-Jun-16	30-Jun-15	30-Jun-14
Cash Dividend (%)	15%	0%	0%
Stock Dividend (%)	0%	0%	0%
Total	0%	0%	0%

Directors' Meeting & Attendance

During the year ended June 30, 2016 The Board of Directors held 5 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Rezakul Haider	5
Mr. Feroz Alam	5
Mr. Anis Salahuddin Ahmad	5
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Faridul Alam	3
Mr. Dr. Mohammad Quamruzzaman	3

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



SHAHJIBAZAR POWER CO. LTD.

The Pattern of Shareholding

Pattern of Shareholding as on June 30, 2016

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

Directors' election & re-appointment

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

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

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

Auditors

Being eligible as per section 212 of Company Act 1994, the re-appointment of Aziz Halim Khair Chowdhury Chartered Accountants shall be presented at the 11th AGM for member's approval.

Business Risk & Uncertainties

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework

in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal Audit, under the purview of Audit Committee, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Your company operates in a field of involving some internal/external risk factors and 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 distur

bance in the country may adversely affect the power production of the company and can adversely impact the profitability of the company.

Going Concern

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

Corporate Governance

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

Human Resource Management

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

Acknowledgement

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

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



Rezakul Haider
Chairman





**AZIZ HALIM KHAIR CHOUDHURY
CHARTERED ACCOUNTANTS
EXCLUSIVE CORRESPONDENT FIRM OF PKF INTERNATIONAL**

Independent Auditors' Report
to the Shareholders of Petromax Refinery Limited

We have audited the accompanying financial statements of **Petromax Refinery Limited** which comprise the Statement of Financial Position as at 30 June 2016, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements of Petromax Refinery Limited prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Date: October 20, 2016
Dhaka

Aziz Halim Khair Choudhury
Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited

Statement of Financial Position

AS AT JUNE 30, 2016

	Notes	June 30, 2016	June 30, 2015
Assets			
Non-Current Assets		3,258,222,039	3,410,781,532
Property, Plant and Equipment	4	3,251,690,984	3,342,669,875
Intangible Assets	5	607,312	191,962
Capital Working-In Progress	6	5,923,742	67,919,695
Current Assets		3,080,246,913	2,872,421,257
Inventories	7	820,047,270	798,688,437
Accounts Receivable	8	789,122,160	783,646,442
Advance, Deposits and Prepayments	9	565,233,255	494,884,125
Financial Assets at fair value through profit or loss	10	16,223,666	-
Goods In-transit	11	364,702,959	290,910,033
Cash & Bank Balance	12	524,917,603	504,292,221
Total Assets		6,338,468,952	6,283,202,789
Shareholders Equity and Liabilities			
Shareholder's Equity		2,270,988,679	1,913,938,275
Share Capital	13	1,000,000,000	1,000,000,000
Tax Holiday Reserves	14	516,762,906	373,942,744
Retained Earnings	15	754,225,773	539,995,530
Non-Current Liabilities		136,582,413	592,968,067
Loan other than Bank and Financial Institutes	16	67,322,967	159,675,475
Long Term Loan-Net off Current Maturity	17	69,259,446	433,292,592
Current Liabilities		3,930,897,860	3,776,296,448
Accounts Payable	18	17,072,254	37,414,334
Other Payable	19	56,246,514	37,660,414
L/C Liabilities	20	1,010,175,470	1,546,011,216
Short Term Loan	21	2,405,650,815	1,646,747,077
Long Term Loan-Current Maturity	22	437,862,216	496,348,536
Liabilities for Expenses	23	3,890,591	12,114,871
Total Liabilities		4,067,480,273	4,369,264,515
Total Shareholders Equity and Liabilities		6,338,468,952	6,283,202,790

The annexed notes 1 to 35 form an integral part of these Financial Statements.


Managing Director


Director


Chairman

Date: October 20, 2016
Dhaka


Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited

Statement of Profit or Loss and other Comprehensive Income

AS AT JUNE 30, 2016

	Notes	For the Year Ended	
		June 30, 2016	June 30, 2015
Revenue	24	6,483,197,804	7,642,649,986
Cost of Sales	25	5,610,587,023	6,576,799,653
Gross Profit		872,610,781	1,065,850,333
General and Admin. Expenses	26	70,765,934	50,367,089
Profit/(Loss) from Operation		801,844,846	1,015,483,244
Non-Operating Income	28	1,945,279	745,381
Financial Income/(Expenses),net	27	400,609,947	248,737,977
Worker's Profit Participation Fund (WPPF)	29	19,199,056	36,547,174
Net Profit/(Loss) Before Tax		383,981,122	730,943,475
Current Tax	30	26,930,717	2,081,504
Net Profit/(Loss) After Tax		357,050,405	728,861,971
Other Comprehensive Income		-	-
Total Comprehensive Income		357,050,405	728,861,971
Earnings Per Share (EPS)	31	3.57	7.29
Diluted Earning Per Share	31	3.57	7.29

The annexed notes 1 to 35 form an integral part of these Financial Statements.


 Managing Director


 Director


 Chairman

 Date: October 20, 2016
 Dhaka


 Aziz Halim Khair Choudhury
 Chartered Accountants

Petromax Refinery Limited

Statement of Changes in Equity

For the Year ended June 30, 2016

Figures are in Taka

Particulars	Share Capital	Share Money Deposit	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2015	1,000,000,000	-	373,942,744	539,995,530	1,913,938,274
Net profit for the period	-	-	-	357,050,405	357,050,405
Tax Holiday Reserve	-	-	142,820,162	(142,820,162)	-
Balance as at June 30, 2016	1,000,000,000	-	516,762,906	754,225,773	2,270,988,679

Particulars	Share Capital	Share Money Deposit	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2014	100,000,000	99,333,400	82,397,956	102,678,348	384,409,703
Increased in Share Capital	900,000,000	(99,333,400)	-	-	800,666,600
Net profit for the period	-	-	-	728,861,971	728,861,971
Transfer for the period	-	-	291,544,788	(291,544,788)	-
Balance as at June 30, 2015	1,000,000,000	-	373,942,744	539,995,530	1,913,938,274


Managing Director


Director


Chairman

Date: October 20, 2016
Dhaka


Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited

Statement of Cash Flows

For the Year ended June 30, 2016

	June 30, 2016	June 30, 2015
Cash Flow from Operating Activities		
Cash receipt from customers	6,477,722,086	7,494,263,026
Cash paid to suppliers, service providers and employees	(5,398,944,641)	(6,208,892,709)
Cash (used)/Generated from operations	(167,339,344)	(277,090,113)
Tax Paid/Deducted	(26,930,717)	(2,081,504)
Cash received from Non-Operating Activities	1,945,279	745,381
Financial Charge	(400,609,947)	(248,737,977)
Net Cash Flows from Operating Activities	485,842,714	758,206,106
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(82,981,407)	(138,484,638)
Capital Work in Progress	-	(67,919,695)
Intangible Assets	(415,350)	(84,662)
Advance to Shahjibazar Power Co. Ltd. (Parent Co.)	-	(190,918,559)
Investment in quoted Securities	(16,223,666)	-
Goods in-transit	(73,792,926)	138,364,967
Net Cash Used in Investing Activities	(173,413,350)	(259,042,587)
Cash Flow from Financing Activities		
Loan other than Bank and Financial Institutes	(92,352,508)	(323,295,350)
Short term Loan	758,903,738	1,041,734,815
Payment of L/C Liabilities	(535,835,746)	(1,044,384,836)
Project Loan	(422,519,466)	(408,385,039)
Net Cash Used in Financing Activities	(291,803,982)	(734,330,410)
Net cash inflow for the period	20,625,382	(235,166,891)
Cash and Cash Equivalent as at July 01, 2015	504,292,221	739,459,112
Cash and Cash Equivalent as at June 30, 2016	524,917,603	504,292,221

The annexed notes 1 to 35 form an integral part of these Financial Statements.


Managing Director


Director


Chairman

Date: October 20, 2016
Dhaka


Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited
Notes to the Financial statement
As at and for the year ended 30 June, 2016

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1. Status of the Reporting Entity

1.1. Legal form of the Company

Petromax Refinery Limited (hereinafter referred to as “PRL”/the company”) is a Public Limited Company 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.

1.2. 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.

1.3. Nature of business activities

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

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

2. Basis of Preparation and Presentation of Financial Statements

2.1. Statement of Compliance

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

2.2. Other Regulatory Compliances

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

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

2.3. Application of Standards

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

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

2.4. Going Concern Assumption

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

2.5. Measurement bases used in Preparing the Financial Statements

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

2.6. 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.

2.7. Use of estimates and judgments

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

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

2.8. Comparative Information

Comparative information has been disclosed in respect of the year 2015 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Heads of income, expenditure, asset and liability has renamed or rearranged for better understanding and better presentation. Certain figures for 2015 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.

2.9. Accounting Convention and Basis

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

2.10. Functional and presentational currency and level of precision

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

2.11. Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on 20 October 2016.

2.12. Reporting period

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

2.13. Components of the Financial Statements

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

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

3. Summary of Significant Accounting Policies

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

3.1. Property, Plant and Equipment

3.1.1 Recognition and Measurement

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

3.1.2 Subsequent Cost

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

3.1.3 Disposal of 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.

3.1.4 Depreciation on Fixed Assets

Depreciation is recognized in the statement of comprehensive Income on a reducing Balance method in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Depreciation is charged on PPE in the following quarter of the procurement because procured assets takes on an average 2 to 3 months for ready to use.

3.1.5 Borrowing Costs

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

3.1.6 Impairment of Assets

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

3.2. Intangible Assets

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

3.3. Inventories

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

3.4. Trade Receivable (Book Debt)

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

3.5. Advance, Deposits and Prepayments

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

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

3.6. Foreign Exchange

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

3.7. 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.

3.8. 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.

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

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

3.10. Taxation

3.10.1 Current Tax

No provision is required for current income tax on the company's operating profit because Petromax Refinery Limited has been enjoying tax holiday for 7 years from the date of October 25, 2013 to October 24, 2020. and the rate of tax holiday for the year is 70% Moreover tax on remaining 30% of income had duly been calculated and adjusted with the Tax deducted at source. Again Tax on Non-operating income has been calculated properly and provision made accordingly.

3.10.2 Deferred Tax

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

3.11. Creditors and Accrued Expenses

3.11.1 Trade and Other Payables

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

3.11.2 Provisions

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

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

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

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

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

3.12. Contingent Liabilities and Assets

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

3.13. Revenue Recognition

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

3.14. Cash flows statement

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

3.15. Responsibility for Preparation and Presentation of Financial Statements:

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

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

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

3.17. Earnings Per Share (EPS)

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

3.17.1 Basic earnings

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

3.17.2 Weighted average number of ordinary shares outstanding during the year

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

3.17.3 Basic earnings per share

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

3.17.4 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. Workers Profit Participation Fund

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

3.19. Related Party Transaction

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

4 Property, Plant & Equipment

Cost :

Opening Balance
Addition During The Period
Disposal During The Period
Cost at 30 June , 2016

Accumulated Depreciation

As at July 01, 2015
Charged during the Period
Adjustment During The Period
At 30 June, 2016
Written Down Value at 30 June, 2016

Amount in BDT	
June 30, 2016	June 30, 2015

3,689,224,653	3,551,157,739
144,977,360	145,300,356
-	(7,233,443)
3,834,202,013	3,689,224,653
346,554,778	105,549,099
235,956,251	241,021,732
-	(16,054)
582,511,029	346,554,778
3,251,690,984	3,342,669,875

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

For details please refer to Annexure A

5 Intangible Assets

Cost

Opening Balance
Addition During the Period
Closing Balance

Amortization

Opening Balance
Amortization During the Period
Closing Balance

Written Down Value

231,000	116,000
450,000	115,000
681,000	231,000
39,038	8,700
34,650	30,338
73,688	39,038
607,312	191,962

Intangible assets are amortizing @ 15% on cost as per the Company's policy.

6 Capital Work-In-Progress

5,923,742	67,919,695
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An underconstruction building to accommodate staff and officers has been completed hence the accomplished part of CWIP has been transferred to Property, Plant and Equipment. But another part of CWIP (Installation of pipe line) is not yet ready for use. It will transferred to Property, Plant and Equipment immediately when ready for use.

7 Inventories

Raw materials(Condensate)
Work-in-progress
Finished Goods
General Stores

628,520,153	587,499,285
4,976,530	5,137,563
171,978,094	193,203,415
14,572,493	12,848,174
820,047,270	798,688,437

8 Accounts Receivables

Bangladesh Petroleum Corporation
Jamuna Spacotech Joint Venture Ltd.
Interest Receivable
Bepary & Sons

784,816,818	779,131,160
13,700	510,822
4,291,642	4,003,685
-	775
789,122,160	783,646,442

Out of total receivable of the Company an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.

		Amount in BDT	
		June 30, 2016	June 30, 2015
Age Analysis of Accounts Receivables			
Less than One Year		543,122,516	783,645,667
More than One Year		245,999,644	775
		789,122,160	783,646,442
9 Advance, Deposits and Prepayments			
Advances		565,160,239	494,716,279
Deposits		73,016	167,846
Prepayments		-	-
		565,233,255	494,884,125
Advance			
Advance to Different Suppliers	9.01	135,187,284	15,525,421
Advance for Operational Activities	9.02	1,641,847	1,247,524
TDS (Tax Deducted at Source)	9.03	26,956,160	13,529,754
VAT Current A/C		39,839,721	61,860,269
Interest Charges in Advance by IBBL for MPI Loan		-	199,888,126
Interest Charges in Advance by IBBL for MTR Loan		170,616,668	11,746,625
Advance to Shahjibazar Power Co. Ltd. (Parent Co.)		190,918,559	190,918,559
		565,160,239	494,716,279
9.01 Advance to Different Suppliers			
Bata Shoe Company Bangladesh Ltd.		-	128,061
Berger Paints BD Ltd.		-	51,462
CSL Software Resources Ltd.		-	225,000
Eastern Maritime Corporation		32,262,000	-
Faman Tech Corporation		-	328,784
Green Power Transformer Co.		-	78,375
Guraba Engineering Ltd.		2,000	28,000
Instrumentation Engineering Services Ltd.		40,263	
Integrated Design		120,000	
Janata Mechineries		13,400	13,400
Malik Enterprise		5,800	-
Milestone Instruments		-	46,000
Mission Scientific Company		10,000	10,000
MJL Bangladesh Ltd.		-	48,762
Omi Solutions Ltd.		60,000	60,000
Petredec Elpiji Ltd.		-	1,910,345
Robinson Helicopter Company		90,156,487	-
Ecomax Palstics Ltd.		100,600	100,600
Omera Petroleum Ltd.		260,356	
Petromax Coastal Refinery Ltd.		500,000	500,000
Petromax LPG Ltd.		165,137	-
TEAM Investments Ltd.		600	600
S.P. Engineer's		1,000	1,000
ICON Engineering Services		850,000	850,000
Advance Premium against-Fire Insurance		1,308,243	1,212,056
Advance Premium against-Group Insurance		425,617	516,375
Clearing and forwarding agency		8,905,782	9,416,601
		135,187,284	15,525,421

9.02 Advance for Operational Activities

Mr. Asad Ullah (Engineer)
Arafatuzzaman
Faridur Rahman
Jamal Mia Iqbal
Jewel -IT
Humayun Kabir
Kazi Mamun
Fazlu Driver
Nazrul Islam
Masud
Mr. Khair Ahmed (IMS Group)
Redwanul Bari
Lutfun Nahar
Shahabuddin
Shahriar
Tarequel Islam
Shajedur Rahman
Shahjada
Shahidur Rahman (HR)
Salek (Driver)
Masum Billah
Tajul
Zakirul

Deposits

Security Deposit with Pally Biddut Samitee
House Rent
Electricity Connection
BTRC Demand Note

9.03 TDS (Tax Deducted at Source)

TDS (Tax Deducted at Source)
Adjusted with current tax payable

Ageing Status of Advance, Deposit and Prepayments:

Less than one year
More than one year

10 Financial Assets at fair value through profit or loss

ACI Limited
The ACME Laboratories Limited
Active Fine Chemicals Limited
Apex Footwear Limited
Building Systems Limited
Bangladesh Steel Re-Rolling Mills Limited
CVO Petrochemical Refinery Limited
Dhaka Electric Supply Company Limited
The IBN SINA Pharmaceutical Industry Limited
Jamuna Oil Company Limited
Lafarge Surma Cement Limited
RAK Ceramics (Bangladesh) Limited
Summit Alliance Port Limited

Amount in BDT	
June 30, 2016	June 30, 2015
-	40,000
78,000	57,176
18,756	49,728
-	580,500
-	4,900
12,000	62,500
-	1,082
6,000	-
-	6,009
-	990
1,344,000	-
7,425	161,395
730	8,490
-	18,641
1,585	775
150,711	229,797
-	10,000
-	2,771
14,630	-
7,000	-
-	10,869
1,010	910
-	991
1,641,847	1,247,524
35,616	-
-	130,446
20,840	20,840
16,560	16,560
73,016	167,846
52,549,719	13,529,754
25,593,559	-
26,956,160	13,529,754
550,204,771	482,410,445
15,028,484	12,473,680
565,233,255	494,884,125
4,565,563	-
907,920	-
402,360	-
1,335,092	-
976,692	-
1,123,280	-
1,617,840	-
305,109	-
162,750	-
909,000	-
791,000	-
304,500	-
2,822,560	-
16,223,666	-

11 Goods In Transit

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

12 Cash and Cash Equivalents

Cash in Hand
Islami Bank Bangladesh Limited (A/C No:9766)
Bank Asia Limited (A/C No:333006320)
Exim Bank Limited (A/C No:125161)
National Bank Ltd. (A/C No:1106001842669)
Islami Bank Bangladesh Limited (A/C No:46-IDB Br.)
Islami Bank Bangladesh Limited (L/C Margin)
Islami Bank Bangladesh Limited (A/C No:560)
Islami Bank Bangladesh Limited (A/C No. 074816)
Islami Bank Bangladesh Limited (A/C No. 142812)
Islami Bank Bangladesh Limited (A/C No. 217512)
Revolving A/C (Mongla Port Authority)
Security Deposit- Pally Bidyut Samiti
Ledger Balance of BO Account
Security Deposit against Bank Guarantee

13 Share Capital

Authorized Capital :
300,000,000 shares @ Tk.10.00 each
Issued, Subscribed and Paid-up Capital
10,00,00,000 shares @ Tk.10.00 each

Movement of Share Capital:
Opening Balance
Allotment During the Period

SHARE HOLDING POSITION:

Name of the Share Holder

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

Amount in BDT	
June 30, 2016	June 30, 2015
364,227,008	290,910,033
475,951	-
364,702,959	290,910,033
605	87,822
39,236,160	26,340,243
2	2
22,328	4,718,404
1,755,540	-
23,100	24,340
58,060,979	73,537,336
2,880,015	14,549,802
232,708,863	222,468,432
106,412,083	99,990,000
21,273,514	-
10,000	10,000
-	35,616
4,191	-
62,530,224	62,530,224
524,917,603	504,292,221
3,000,000,000	3,000,000,000
1,000,000,000	1,000,000,000
1,000,000,000	100,000,000
-	900,000,000
1,000,000,000	1,000,000,000
No. of shares held	Percentage
1,800,000	1.80%
1,700,000	1.70%
1,000,000	1.00%
500,000	0.50%
500,000	0.50%
500,000	0.50%
500,000	0.50%
500,000	0.50%
500,000	0.50%
1,000,000	1.00%
1,500,000	1.50%
90,000,000	90.00%
100,000,000	100%

SHAHJIBAZAR POWER CO. LTD.

		Amount in BDT	
		June 30, 2016	June 30, 2015
14 Tax Holiday Reserve			
Balance as at 01 July 2015		373,942,744	82,397,956
Addition during the Period		142,820,162	291,544,788
Balance as at 30 June 2016		516,762,906	373,942,744
15 Retained Earnings			
Balance as at 01 July 2015		539,995,530	102,678,348
Add: Net profit/(Loss) for the Period		357,050,405	728,861,971
Less: Transferred to Tax Holiday Reserve		(142,820,162)	(291,544,788)
Balance as at 30 June 2016		754,225,773	539,995,530
16 Loan Other Than Bank			
Garments Export Village Ltd.		-	10,000,000
Comfit Composite Knit Ltd.		27,322,967	99,675,475
Midland Knitwear Ltd.		40,000,000	50,000,000
		67,322,967	159,675,475
17 Long Term Loan - Net of Current Maturity			
Islami Bank Bangladesh Ltd.		69,259,446	433,292,592
		69,259,446	433,292,592
i.	The Company is paying installments against term loan as per schedule.		
ii.	The term loan are fully secured to IBBL- Local Office Branch, against registered mortgage on the following:		
	a) 711.50 Decimal project land at Industrial Plot No.- 15, Mongla Port, Bagherhat.		
	b) Project Building.		
	c) Machineries of the project.		
iii.	Personal Guarantee of all Directors of the company.		
18 Accounts Payable			
AKH Fashion Ltd.	7,010	14,940	
Amicus Curiae	-	10,000	
Alam Trading Agency	2,500	-	
Bata Shoe Company Bangladesh Ltd.	621	-	
Balaka Tools Traders	32,000	32,000	
EMI Engineering Ltd.	896,706	896,706	
Feroz Alam (payable for Office Rent)	-	75,000	
Hydraulic Collection	80,000	80,000	
Integrated Design	-	200,000	
Islami Insurance Bangladesh Ltd.	335,044	335,044	
Khaleque Service Station	-	58,410	
Linde Bangladesh Ltd.	445,792	2,058,647	
MA Enterprise	-	133,436	
Maisha Enterprise Ltd.	2,489,400	2,500,000	
Monico Ltd.	3,078,645	15,078,645	
Modern Erection Ltd.	40	40	
Mosarraf Hossain (Lab Accreditation)	-	100,000	
Mayer Doa Tripal House	25,560	-	
MDM Traders	-	242,500	
Masum Trade International	1,105,887	-	
Puradest Prakawshali	90,000	-	
Rupali Insurance Co. Ltd.	908,912	908,912	
Rupsha Marine Service	-	6,250,000	
Sigma Construction Company	7,574,137	8,440,053	
	17,072,254	37,414,334	

		Amount in BDT	
		June 30, 2016	June 30, 2015
Age Analysis of Accounts Payable			
Less Than One Year		12,649,859	11,542,974
More Than One Year		4,422,395	25,871,360
		17,072,254	37,414,334
19 Other Payable			
Sahara Trading		54,011	54,011
Audit Fee		402,500	350,000
Raaj Fuel Agency		143	143
Worker's Profit Participation Fund		55,746,230	36,547,174
Danlop Enterprise		17,000	17,000
Asif Ahmed Chowdhury		26,630	-
Current Tax Payable		-	692,086
		56,246,514	37,660,414
20 L/C Liabilities			
Islami Bank Bangladesh Ltd.		1,010,175,470	1,546,011,216
		1,010,175,470	1,546,011,216
21 Short Term Loan			
MPI Loan (Mura Post Import-IBBL)		54,612,129	1,521,027,452
MTR Loan (Murabaha Term Loan-IBBL)		2,269,626,334	105,719,625
Youth Garments Limited		-	20,000,000
SOD Loan (Secured Over Draft-EBL)		81,412,352	-
		2,405,650,815	1,646,747,077
22 Long Term Loan - Current Maturity			
Islami Bank Bangladesh Ltd.		437,862,216	496,348,536
		437,862,216	496,348,536
23 Liabilities for Expenses			
Remuneration		-	500,000
Salary & Allowance - H/O		-	761,401
Salary & Wages - Factory		79,196	8,168,901
Electricity Bill		3,698,489	2,659,240
Water Bill		83,100	-
Telephone Bill		2,109	-
Security Service Charge-H/O		27,697	25,329
		3,890,591	12,114,871
24 Revenue			
Liquid Petroleum Gas (LPG)		-	26,903,861
Special Boiling Point Solvent (SBP)		-	55,197,766
Mineral Turpentine (MTT)		-	441,600
High Speed Diesel (HSD)		1,251,325,649	1,073,151,480
Superior Kerosene Oil (SKO)		318,420,183	163,035,663
Motor Spirit (MS)		512,919,251	3,545,203,232
High Octane Blending Component (HOBC)		4,400,532,721	2,778,716,383
		6,483,197,804	7,642,649,986

			Amount in BDT	
			July 2015 to June 2016	July 2014 to June 2015
25	Cost of Sales			
	Raw Materials Consumed	25.01	5,024,461,111	6,108,708,324
	Factory Overhead	25.02	586,125,912	468,091,329
			5,610,587,023	6,576,799,653
25.01	Raw Materials Consumed			
	Opening Stock of Raw Materials		798,688,437	997,598,153
	Purchase During the Period		5,045,819,944	5,909,798,608
	Less: Closing Stock		(820,047,270)	(798,688,437)
			5,024,461,111	6,108,708,324
25.02	Factory Overhead			
	Insurance Premium		6,401,361	4,424,886
	Rent & Rates		121,716,978	36,447,045
	Electricity, Gas & Water		44,226,702	44,264,659
	Wages, Salary & Allowance - Factory		79,562,303	65,170,352
	Repair & Maintenance - Factory		71,753,393	32,578,786
	Consumable Spare Parts		16,268,792	37,496,629
	Tiffin & Refreshment - Factory		4,374,691	3,348,939
	Medical Expenses		31,393	40,694
	Government Taxes & License Fee		530,617	150,000
	Office Expenses-Factory		474,907	883,960
	Uniform & Liveries		284,865	250,099
	Lab Test Fees		347,302	785,748
	LPG for Operation		3,738,118	-
	Labour Bill		141,500	673,560
	Crockerries		43,630	266,886
	Safety Items Expenses		273,110	287,354
	Depreciation		235,956,251	241,021,732
			586,125,912	468,091,329
Rent & Rates has increased significantly due to increase in local trip of oil tanker for carrying of local condensate purchase from Ashugong (RPGCL) to Mongla.				
26	General and Administrative Expenses			
	Rent & Rates		2,501,657	1,770,687
	Consultancy Fee		50,000	515,000
	Carriage Outward		2,131,720	1,544,630
	Repair & Maintenance - H/O		308,789	811,710
	Vehicles Running & Maintenance		4,179,262	2,347,053
	Tiffin & Refreshment - H/O		2,932,446	1,187,231
	Fees & Subscription		2,432,540	5,630,852
	Postage, Telephone, Fax & Telex		1,653,907	1,014,783
	Govt. Taxes, Stamp Duty & License Fee		1,463,991	1,699,396
	Office Expenses - H/O		-	139,366
	Impairment of Bilolical Asset		-	485,188
	Advertisement Expenses		138,810	78,654
	BO Account Charge		1,270	-
	Audit Fees		433,550	400,000
	Board Meeting Fees		110,000	100,000
	Electricity Bill- Chittagong Office		19,592	-
	Internet Bill		81,330	51,331
	Survey Bill		840,808	117,000
	Traning & Development		3,669,127	2,384,828
	Stationary		1,694,223	611,328

		Amount in BDT	
		July 2015 to June 2016	July 2014 to June 2015
	Overseas Travelling	1,606,601	809,367
	Remuneration	3,600,000	8,830,000
	Papers, Books & Periodicals	787	240
	Selling & Distribution Expenses	23,401,764	12,414,660
	Salary & Allowance	11,428,715	5,323,841
	Security Charge	243,556	222,939
	Amortization of Intangible Assets	34,650	30,338
	Provision for Unrealised loss on holding shares	2,932,758	-
	Tree Plantation	379,848	196,000
	Write off of receivables	25,425	-
	Travelling & Conveyance bill	2,468,809	1,650,667
		70,765,934	50,367,089
27	Financial Expenses		
	Interest / Profit Charge	415,078,746	265,145,120
	Interest / Profit Income	(20,258,547)	(18,176,996)
	Bank Charge	5,789,748	1,769,853
		400,609,947	248,737,977
28	Non-Operating Income		
	Wastage Sales	238,871	745,381
	Dividend Income	149,024	-
	Realised Gain on Sale of Share	1,557,384	-
		1,945,279	745,381
29	Worker's Profit Participation Fund (WPPF)		
	Net Profit Before Tax	383,981,122	730,943,475
	WPPF @ 5% of Net Profit Before Tax	19,199,056	36,547,174
		19,199,056	36,547,174
30	Income Tax Expenses:		
	Current Tax	26,930,717	2,081,504
	Deferred Tax	-	-
		26,930,717	2,081,504
31	Earning Per Share		
31.01	Basic Earning Per Share (EPS)		
	Net Profit after Tax	357,050,405	728,861,971
	Number of Shares Outstanding	100,000,000	100,000,000
	Earning Per Share (EPS)	3.57	7.29
31.02	Diluted Earning Per Share	3.57	7.29

32 Financial risk management

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

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

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

- b) Market risk

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

- i) Foreign currency risk

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

- ii) Interest rate risk

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

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

Financial Liabilities	30-Jun-16	30-Jun-15
Term loan	507,121,662	929,641,128
Short term loan	2,405,650,815	1,626,747,077
	<u>2,912,772,477</u>	<u>2,556,388,205</u>
Including the current portion of long term loan.		
c) Liquidity risk		

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

33. Related Party Transactions

- a) Key management personnel compensation
Short term employee benefits (salary and allowances etc.)

	30.06.2016		30.06.2015	
	Directors	All Managers	Directors	All Managers
Board Meeting Fee	110,000	-	100,000	-
Remuneration & Allowances	7,050,000	15,423,800	8,830,000	11,800,101
Bonus	1,030,000	659,463	660,000	691,676
Total	8,190,000	16,083,263	9,590,000	12,491,777

Transports and other facilities provided to Managing directors, Directors, GM, DGM, Managers and Deputy Managers:

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

- b) Other related party Transactions:

Name of the related party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2015		Amount of Transaction		Balance as at June 30, 2016
					Debit	Credit	
Shahjibazar Power Co. Ltd.	Parent-Subsidiary	Short Term Loan	190,918,559	-	-	-	190,918,559
Garments Export Village Ltd.	Common Directorship	Short Term Loan	10,000,000	10,000,000	-	-	-
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	99,675,475	100,722,452	28,369,944	27,322,967	27,322,967
Youth Garments Limited	Common Directorship	Short Term Loan	20,000,000	20,000,000	-	-	-
Youth Fashion Ltd.	Common Directorship	Short Term Loan	-	500,000	500,000	-	-
Midland Knitwear Ltd.	Common Directorship	Short Term Loan	50,000,000	10,000,000	-	-	40,000,000
Mr. Feroz Alam	Directorship	Office Rent	75,000	225,000	150,000	-	-
Mr. Rezakul Haider	Directorship	Office Rent	-	495,000	495,000	-	-

34. Commitments and Contingencies

A) Capital expenditure commitments

B) Bank guarantees

In favor of:	30 June 16	30 June 15
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
	<u>531,084,260</u>	<u>531,084,260</u>

35. Other disclosures

35.1 Number of employees

As at 30 June 2016, number of regular employees receiving salary & allowance above 30,000.00 per month were 64 (Officers -47 and Staff- 17).

35.2 Comparatives

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

35.3 Events after the reporting period

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

Petromax Refinery Limited

Fixed Assets Schedule

As at June 30, 2016

Annexure A

SL	Name of Assets	Cost					Depreciation				Written down Value at June 30, 2016
		Balance at July 01, 2015	Addition during the period	Disposal During the Period	Balance at June 30, 2016	Rate %	Balance at July 01, 2015	Charged During the Period	Adjustment During the Period	Balance at June 30, 2016	
01	Land & Land Development	44,323,342	15,474,767	-	59,798,109	-	-	-	-	-	59,798,109
02	Building & Construction	413,902,333	99,882,999	-	513,785,333	7%	40,357,393	27,686,565	-	68,043,958	445,741,374
03	Electric Installation	33,938,626	1,517,400	-	35,456,026	15%	6,668,857	3,965,192	-	10,634,049	24,821,977
04	Computer	1,191,926	121,487	-	1,313,413	15%	197,989	145,157	-	343,145	970,268
05	Fork LIFT	1,750,000	-	-	1,750,000	15%	360,743	196,957	-	557,700	1,192,300
06	Jetty	9,047,777	-	-	9,047,777	15%	1,494,016	1,070,908	-	2,564,924	6,482,853
07	Factory Equipments	5,556,429	504,830	-	6,061,259	15%	926,608	705,005	-	1,631,613	4,429,646
08	Lab Equipment	2,626,701	153,620	-	2,780,321	15%	301,248	338,561	-	639,808	2,140,513
09	Fire Fighting Equipments	560,910	46,000	-	606,910	15%	106,447	68,138	-	174,585	432,325
10	Plant & Machineries	2,828,402,271	8,258,148	-	2,836,660,419	6%	239,454,638	152,137,149	-	391,591,788	2,445,068,632
11	Cylindrical Vertical Steel Tank	105,669,605	-	-	105,669,605	15%	21,589,362	11,920,178	-	33,509,540	72,160,065
12	Generator	20,300,278	-	-	20,300,278	15%	4,112,343	2,294,988	-	6,407,330	13,892,948
13	Office Equipment	995,418	153,473	-	1,148,891	15%	165,040	128,944	-	293,984	854,907
14	Refrigerator	28,300	-	-	28,300	15%	5,834	3,185	-	9,019	19,281
15	Solar Power System	560,000	-	-	560,000	15%	115,438	63,026	-	178,464	381,536
16	Telephone Installation	1,610,091	91,997	-	1,702,089	15%	145,812	217,559	-	363,371	1,338,717
17	Ship	187,196,247	69,680	-	187,265,926	20%	25,048,497	30,087,332	-	55,135,829	132,130,097
18	Vehicle	15,646,297	17,365,000	-	33,011,297	20%	3,092,422	2,951,223	-	6,043,645	26,967,652
19	Air Condition	4,960,040	682,500	-	5,642,540	15%	617,447	644,785	-	1,262,231	4,380,309
20	Water Line Installation	326,395	-	-	326,395	15%	67,283	36,735	-	104,018	222,377
21	Water Treatment Plant	4,022,645	360,000	-	4,382,645	15%	757,177	476,450	-	1,233,627	3,149,017
22	Furniture & Fixture	6,609,021	295,459	-	6,904,480	15%	970,187	818,212	-	1,788,399	5,116,081
	June 30, 2016	3,689,224,653	144,977,360	-	3,834,202,013		346,554,778	235,956,251	-	582,511,029	3,251,690,984
	June 30, 2015	3,551,157,739	145,300,356	7,233,443	3,689,224,653		105,549,099	241,021,732	16,054	346,554,778	3,342,669,875

Petromax Refinery Limited

Related Party Transaction

For the year ended June 30, 2016

Name of the related party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2015	Amount of Transaction		Balance as at June 30, 2016
				Debit	Credit	
Shahjibazar Power Co. Ltd.	Parent- Subsidiary	Short Term Loan	190,918,559	-	-	190,918,559
Garments Export Village Ltd.	Common Directorship	Short Term Loan	10,000,000	10,000,000	-	-
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	99,675,475	100,722,452	28,369,944	27,322,967
Youth Garments Limited	Common Directorship	Short Term Loan	20,000,000	20,000,000	-	-
Youth Fashion Ltd.	Common Directorship	Short Term Loan	-	500,000	500,000	-
Midland Knitwear Ltd.	Common Directorship	Short Term Loan	50,000,000	10,000,000	-	40,000,000
Mr. Feroz Alam	Directorship	Office Rent	75,000	225,000	150,000	-
Mr. Rezakul Haider	Directorship	Office Rent	-	495,000	495,000	-

SHAHJIBAZAR POWER CO. LTD.

☐ CORPORATE OBJECTIVES, VALUES & STRUCTURE
 ☐ THE MANAGEMENT & REPORTING
 ☐ COMPLIANCES AND DISCLOSURES
 ☐ FINANCIAL STATEMENTS
 ☒ DIRECTOR'S REPORTS AND FINANCIAL STATEMENTS OF SUBSIDIARY



SHAHJIBAZAR POWER CO. LTD.

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

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

Plant: Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

Affix
Tk. 20
Revenue
Stamp

PROXY FORM

I/We.....of.....being a shareholder of
Shahjibazar Power Company Limited and entitled to vote hereby appoint Mr. / Mrs. / Miss.
..... as my / our proxy to attend and vote for me / us and on my / our behalf at the 9th Annual
General Meeting of the Company to be held on Sunday the 5th day of February, 2017, at KIB Complex Auditorium, Krishi
Khamar Road, Farmgate, Dhaka-1215 at 11.00 A.M. As witness my/our hand this day
of.....2017.

Signature Shareholder

Signature of Proxy

BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of Shares held Dated

Notes :

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



SHAHJIBAZAR POWER CO. LTD.

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

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

Plant: Fatepur, Shahjibazar, Madhobpur, Hobigonj, Bangladesh

ATTENDANCE SLIP

I/we hereby record my/our attendance at the 9th Annual General Meeting of the Company being held on Sunday the 5th
day of February, 2017, at KIB Complex Auditorium, Krishi Khamar Road, Farmgate, Dhaka-1215 at 11.00 A.M.

Name of Member / Proxy :

BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

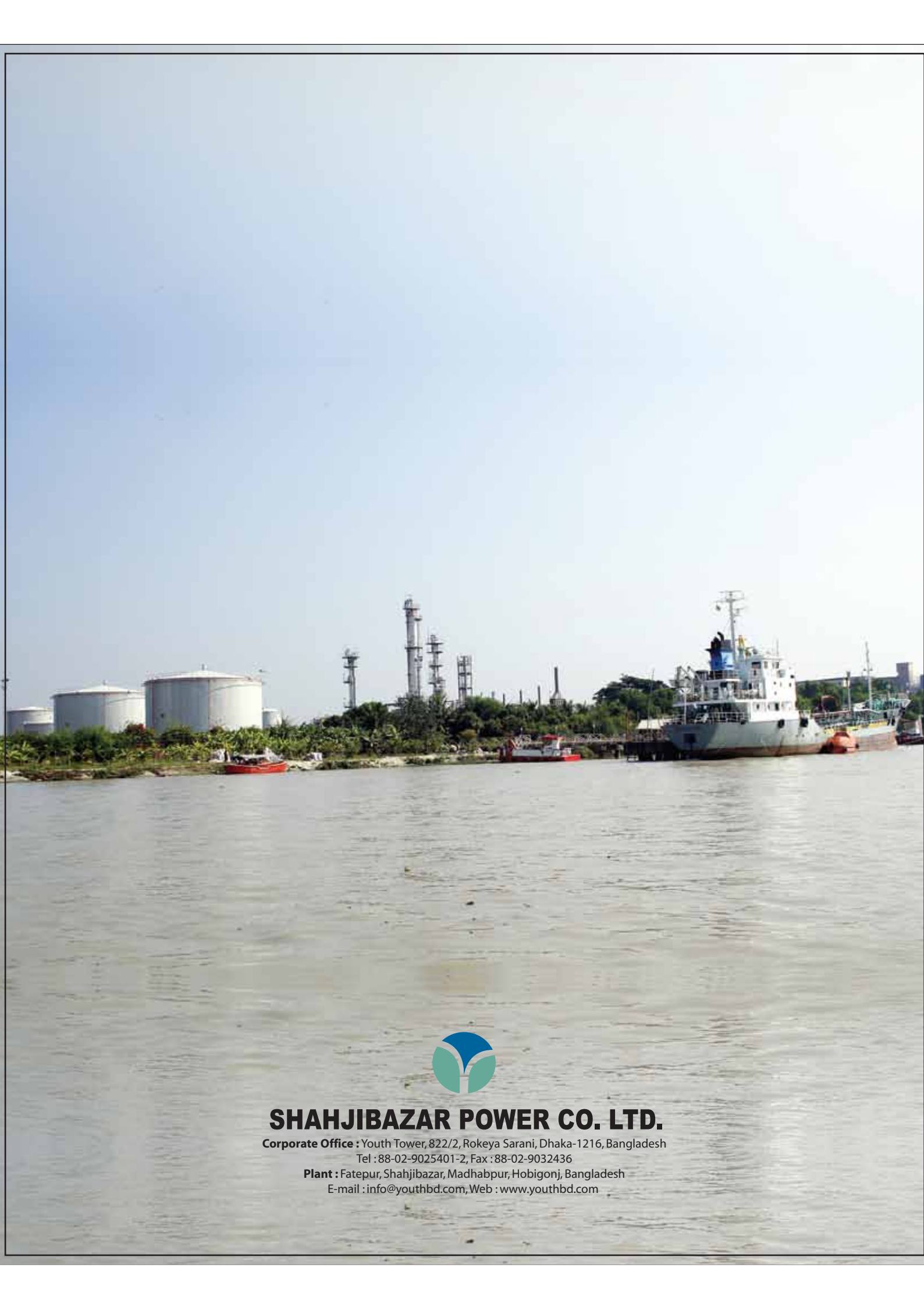
No. of Shares held

Signature Shareholder

Signature of Proxy

Date :

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



SHAHJIBAZAR POWER CO. LTD.

Corporate Office : Youth Tower, 822/2, Rokeya Sarani, Dhaka-1216, Bangladesh
Tel : 88-02-9025401-2, Fax : 88-02-9032436

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