



SUMMIT POWER LIMITED

ANNUAL REPORT | 2016-17



PERSPECTIVE OF UNDER CONSTRUCTION 450 MW

Summit Power Limited

- is the first independent power producer in private sector in the country

ONE OF THE MOST STIRRING PHENOMENON OF HUMAN CIVILIZATION WAS TO HARNESS THE EARTH'S ENERGY TO GENERATE ELECTRICITY. ALBEIT THE GENERATION AND USE OF ELECTRICITY IS A DEMOTIC EVENT TODAY, IT UPLIFTED THE HUMAN CIVILIZATION TO THE MODERNITY LEVEL AND IMPROVED IT THEREAFTER.

WITH THIS VIEW IN MIND SUMMIT EXERTS IT ALL EFFORTS TO MAKE THIS UTILITY MORE AND WIDELY AVAILABLE BY SUPPORTING THE NATIONAL ELECTRICITY GENERATION FOR PERSONAL, SOCIAL AND ECONOMIC DEVELOPMENT. SPL WAS INCORPORATED ON MARCH 30, 1997 AND STARTED TO SUPPLY ELECTRICITY TO THE NATIONAL GRID FROM 2001. ON AN AVERAGE THE AMOUNT/ UNIT OF ELECTRICITY SUMMIT PRODUCES IN A YEAR, CAN LIGHT UP 87 LAC TUBE LIGHTS OR 35 LAC CEILING FANS UNINTERRUPTEDLY FOR ONE YEAR.

VISION

To provide quality & uninterrupted electricity to the vast majority of rural Bangladesh for their personal, social & economic development.

MISSION

“Empowering Bangladesh”

To expand the Company into a power generation capacity to tune about 20% of the electricity requirement of Bangladesh and maintain that level.

OBJECTIVES

Generate and provide uninterrupted reasonably priced electricity to our customers.

—
Efficient utilization of capital, machines, materials and human resources.

—
Continuous improvement of customer satisfaction and resource management.

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ABOUT OUR COMPANY

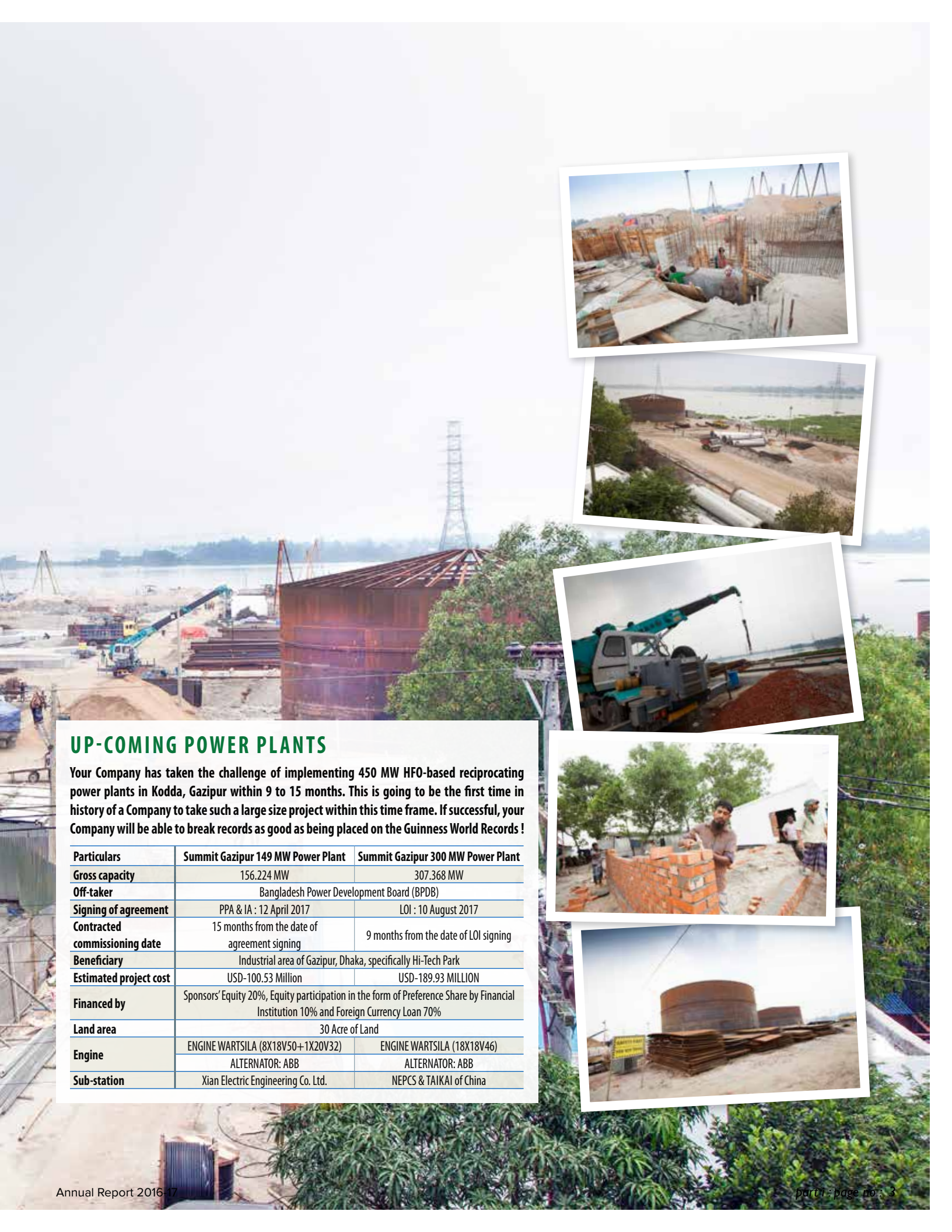
The Summit Group is one of the leading private sector conglomerates of Bangladesh, comprising more than twenty business units ranging from power to shipping to communications and currently generating 1490 MW of electricity. Summit Power Limited (SPL), a subsidiary of Summit Group is the first Bangladeshi Independent Power Producer (IPP) in Bangladesh private sector, providing power to national grid. SPL was incorporated in Bangladesh on March 30, 1997 as a Private Limited Company. On June 7, 2004, the Company was converted into Public Limited Company under the Companies Act 1994.

Today Summit Power Limited owns and operates 13 (thirteen) power plants at different locations across the country having a total capacity of 482 MW. Our power plants are equipped with engines manufactured by world famous technotex Companies, i.e. Wartsila – Finland, Caterpillar - USA, and GE Jenbacher, Austria. All of its power plants run 24 hours a day to support the national grid. As per private sector power generation policy of Bangladesh, Summit sells electricity to the Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB) only. Due to the practice of Integrated Management System (IMS) to run the day-to-day business operation, the Company has been certified by ISO 9001: 2008 - Quality Management System, ISO 14001: 2004 - Environmental Management System and OSHAS 18001: 2007 - Occupational Health and Safety Assessment System.

Due to its Management's dedication, integrity and leadership, the Company has been applauded locally and internationally by several awards at various times, i.e. – Best Fast Track Power Project Award by Asian Power Awards, International Star for Leadership in Quality Award by Business Initiative Directions (BID), Best Presented Accounts and Corporate Governance Disclosures Awards by SAFA, ICAB National Award for Best Published Accounts and Reports in Manufacturing Sector, ICMAB Best Corporate Award in Power Sector, ICSB National Award for Corporate Governance Excellence in General Manufacturing.

Note:

- ICAB - Institute of Chartered Accountants of Bangladesh
- ICMAB - Institute of Cost and Management Accountants of Bangladesh
- ICSB - Institute of Chartered Secretaries of Bangladesh
- SAFA - South Asian Federation of Accountants

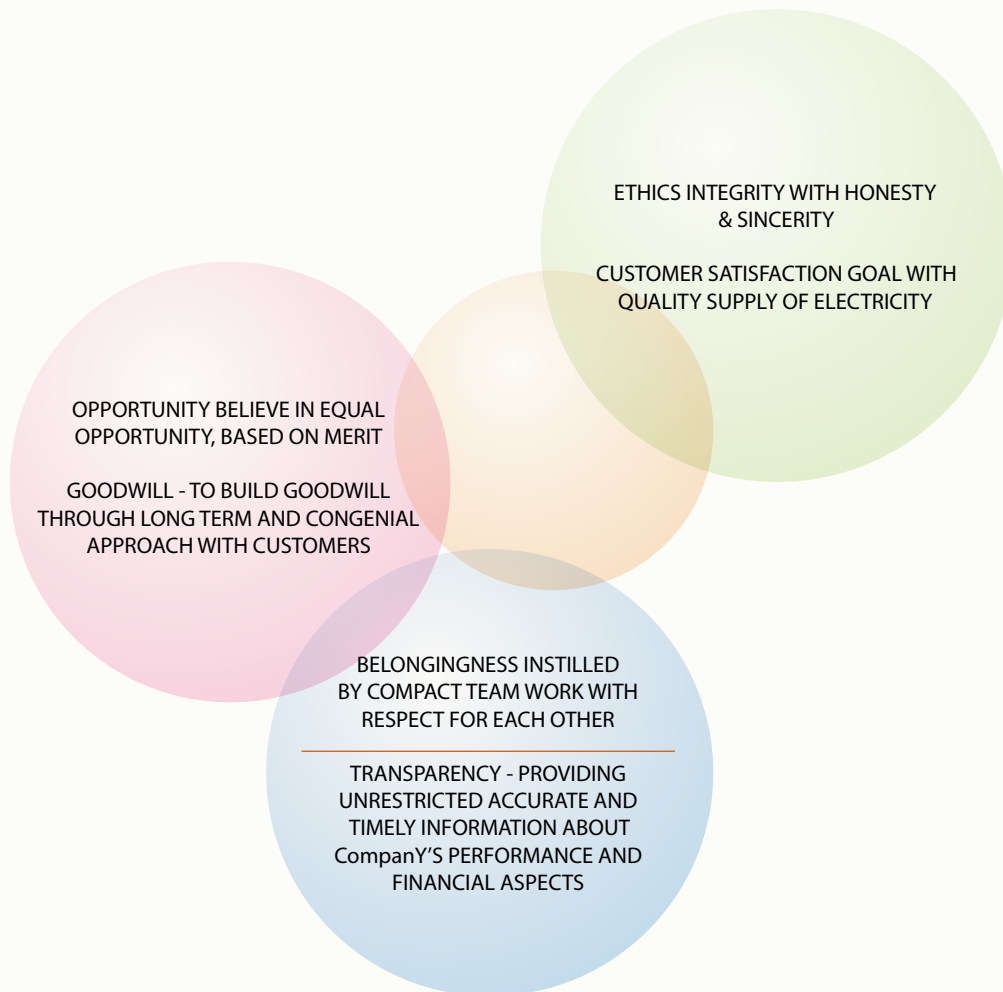


UP-COMING POWER PLANTS

Your Company has taken the challenge of implementing 450 MW HFO-based reciprocating power plants in Kodda, Gazipur within 9 to 15 months. This is going to be the first time in history of a Company to take such a large size project within this time frame. If successful, your Company will be able to break records as good as being placed on the Guinness World Records !

Particulars	Summit Gazipur 149 MW Power Plant	Summit Gazipur 300 MW Power Plant
Gross capacity	156.224 MW	307.368 MW
Off-taker	Bangladesh Power Development Board (BPDB)	
Signing of agreement	PPA & IA : 12 April 2017	LOI : 10 August 2017
Contracted commissioning date	15 months from the date of agreement signing	9 months from the date of LOI signing
Beneficiary	Industrial area of Gazipur, Dhaka, specifically Hi-Tech Park	
Estimated project cost	USD-100.53 Million	USD-189.93 MILLION
Financed by	Sponsors' Equity 20%, Equity participation in the form of Preference Share by Financial Institution 10% and Foreign Currency Loan 70%	
Land area	30 Acre of Land	
Engine	ENGINE WARTSILA (8X18V50+1X20V32) ALTERNATOR: ABB	ENGINE WARTSILA (18X18V46) ALTERNATOR: ABB
Sub-station	Xian Electric Engineering Co. Ltd.	NEPCS & TAIKAI of China

CORE VALUES



ENVIRONMENT



We do not inherit the earth from our ancestors, we borrow it from our children



- Native American Proverb (Previous)

Bangladesh is one of the most densely populated countries in the world, where any negative impact on the environment may take a disastrous toll on the country's population. It is essential for well-maintained power plants to be proactively friendly towards the environment. Summit recognizes this whole heartedly, and is pleased to announce that we address biodiversity conservation and the eco-system preservation through an integrated management system. We are not only ISO 14001: 2004 – Environmental Management System (EMS) - certified but also, we are determined to fulfill all the requirements of the Department of Environment (DOE). At present, we are also working on the up-gradation of ISO 14001: 2004 to version 2015.



CORPORATE DIRECTORY

BOARD OF DIRECTORS

MUHAMMED AZIZ KHAN

Chairman

MD. LATIF KHAN

Vice-Chairman

LT. GEN. (RETD.) ENGR. ABDUL WADUD

Managing Director

ANJUMAN AZIZ KHAN

Director

MD. FARID KHAN

Director

AYESHA AZIZ KHAN

Director

JAFER UMMEED KHAN

Director

FAISAL KARIM KHAN

Director

SYED FAZLUL HAQUE FCA

Director

HELAL UDDIN AHMED

Director

MD. ARIF AL ISLAM

Director

MUSTAFIZUR RAHMAN KHAN

Independent Director

MD. MOSTAFA KAMAL

Independent Director

FARUQ AHMED SIDDIQI

Independent Director



COMPANY SECRETARIAT

SWAPON KUMAR PAL ACA

*Financial Controller &
Company Secretary*

RAHMAT-E-RABBI

*Assistant General Manager
Accounts*

TOFAYEL AHMED ACA

*Assistant General Manager
Finance & Accounts*

REGISTERED OFFICE

Summit Centre
18, Kawran Bazar C/A
Dhaka -1215
Phone-9137485-6
Fax-913 9284
Email: spl@summitpower.org
Web: www.summitpower.org

AUDITORS

KPMG-RAHMAN RAHMAN HUQ

Chartered Accountants
(Member firm of KPMG)
9 Mohakhali C/A (11th & 12th floors)
Bir Uttam AK Khandakar Road
Dhaka - 1212, Bangladesh

LEGAL ADVISOR

MAHMOOD JABBAR KHAN

Barristers & Advocates
Summit Centre (6th floor),
18, Kawran Bazar C/A
Dhaka-1215

POWER PLANTS

Ashulia - Savar
Madhabdi - Narshingdi
Chandina - Comilla
Ullapara - Sirajganj
Maona - Gazipur
Jangalia - Comilla
Rupganj - Narayanganj
Madanganj - Narayanganj
Madanganj - Narayanganj Unit-II
Rupatoli - Barishal
Kodda - Gazipur (up-comming)

MAIN BANKERS/FINANCIERS

Standard Chartered Bank
Dutch Bangla Bank Limited
Infrastructure Development Company
Limited (IDCOL)
Industrial and Infrastructure Develop-
ment Finance Company (IIDFC)
BRAC Bank Limited
Bank Asia Limited
The City Bank Limited
OPEC Fund for International Development
Islamic Corporation for the -
Development of the Private Sector

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of Summit Power Limited will be held on Thursday the 26th day of October 2017, at Krishibid Institute Complex Bangladesh (KIB), Krishi Khamar Sarak, (Khamarbari), 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 18 months period ended 30th June 2017 together with the Auditors' Report thereon;
2. To declare dividend for the 18 months period ended 30th June 2017 as recommended by the Board of Directors;
3. To elect Directors in place of those retiring under Article 23(a) of the Company's Articles of Association;
4. To appoint Auditors for the year 2017-2018 and to fix their remuneration.

By order of the Board



Swapon Kumar Pal ACA
Company Secretary

Dhaka, October 04, 2017

Notes:

1. Shareholders whose names appeared at the record date i.e. 27th September 2017 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 48 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.

Special Note:

No benefit or gift in cash or kind shall be given to the Shareholders for attending the 20th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

সন্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কুপন প্রদানের ব্যবস্থা থাকবে না।

19TH ANNUAL GENERAL MEETING



CODE OF CONDUCT AND ETHICS

This Code of Business regarding Conduct and Ethics applies to the Directors, Management and all Employees of Summit Power Limited (SPL) and each subsidiary and associate of SPL. Aligning with the Company mission, vision, strategy and corporate governance this code of conduct and ethics are practiced. These codes have a great influence in the sustainable development, implementation and practice of Integrated Management System (IMS).

A. OBJECTIVE

Summit Group (Summit) is the major sponsor of SPL and therefore all the standards of Code of Conduct and Ethics are being followed in SPL in the course of carrying its business stem from its sponsor. Summit holds the values with which it conducts business in high esteem. It has and will continue to uphold the highest level of business ethics and personal integrity. Following suit, SPL's Code of Business Conduct and Ethics serves to (1) emphasize the Group's commitment to ethics and compliance with the laws; (2) set forth basic standards of ethical and legal behavior; (3) provide reporting mechanisms for known or suspected ethical or legal violations; and (4) help prevent and detect wrong doings. Given the variety and complexity of ethical questions that may arise in the course of SPL's business, this Code of Business Conduct and Ethics serves only as a guide. Confronted with ethically ambiguous situations, all should remember the SPL's commitment to the highest ethical standards and seek advice from supervisors, managers or other appropriate personnel to ensure that all actions they take on behalf of SPL honor this commitment.

B. ETHICAL STANDARDS

1. Conflicts of Interest

A conflict of interest exists when a person's private interest interferes in any way with the interests of SPL. A conflict can arise when one takes actions or has interests that may make it difficult to perform his or her work for SPL objectively and effectively. Conflicts of interest may also arise when an affiliate, or members of his or her family, receives improper personal benefits as a result of his or her position in the Group. It is always a conflict of interest for an officer to work simultaneously for a competitor, customer and supplier or for that matter any other establishment against precursory benefit.

Conflicts of interest may not always be clear-cut, so if anyone has a dilemma, he/she should consult with his/her supervisor or manager or, the Chief Financial Officer or chief legal counsel of SPL. Any officer who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section E of this Code.

All Directors and Executive officers of the Group, and the Chief Executive Officers and Chief Financial Officers shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Group.

2. Corporate Opportunities

All officers are prohibited from taking for themselves opportunities

that are discovered through the use of corporate property, information or position without the consent of the Board of Directors of SPL. No officer may use corporate property, information or position for improper personal gain and no employee may compete with the Group directly or indirectly. Officers owe a duty to the Group to advance its legitimate interests whenever possible.

3. Fair Dealing

Officers shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically competitors, suppliers, customers, and colleagues. No officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice. The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered or accepted unless it is consistent with customary business practices, cannot be construed as a bribe or payoff and does not violate any laws or regulations. Officers should discuss with their supervisors, managers or other appropriate personnel regarding any gifts or proposed gifts which they think may be inappropriate.

4. Insider Trading

Officers who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except for the conduct of SPL's business. All non-public information about the SPL should be considered confidential information.

5. Confidentiality

Officers must maintain the confidentiality of confidential information entrusted to them. Confidential information includes all non-public information whose disclosure might be of use to competitors or harmful to the SPL or its customers. It also includes information that suppliers and customers have entrusted to the SPL. The obligation to preserve confidential information continues even after employment ends.

6. Discrimination & Harassment

Discrimination means any distinction, exclusion or preference limiting equality or opportunity which may be based on color, sex, religion, political opinion, age, national, social or ethnic origins, or any other considerations in this matter. All officers are instructed and expected to avoid engaging in any sort of discriminatory practice.

7. Protection and Proper Use of SPL Assets

All should endeavor to protect SPL's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on SPL's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The SPL's equipment should not be used for non-SPL business, though incidental personal use is permitted.

The obligation of officers to protect SPL's assets, also include protecting its proprietary information. Proprietary information includes trade secrets, trademarks, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data

and reports. Unauthorized use or distribution of this information would violate SPL policy. It could also be illegal and result in civil or criminal penalties.

8. Health and Safety of Officers

Each officer is responsible for maintaining a safe and healthy work environment and is obligated to report any kind of accidents, injuries, unsafe conditions, procedures, or behaviors etc. Any sort of violence or threatening behavior on the part of an officer will not be tolerated. Officers are prohibited to report to work under the influence of illegal drugs or alcohol.

9. Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which SPL's ethical standards are built. In conducting the business of SPL, the officers shall comply with applicable governmental laws, rules and regulations set by the Government of Bangladesh.

10. Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to the Securities and Exchange Commission, stock exchanges and other regulators by SPL, and in other public communications made by SPL, the officer involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable.

11. Significant Accounting Deficiencies

The CEO and each senior Financial Officer shall promptly bring to the attention of the Board any information he or she may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect SPL's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in SPL's financial reporting, disclosures or internal control over financial reporting.

C. WAIVERS

Any waiver of this Code for executive officers or directors may be made only by the SPL's Board of Directors.

D. VIOLATIONS OF ETHICAL STANDARDS

1. Reporting Known or Suspected Violations

The SPL's Directors, CEO, Senior Financial Officers and Chief Legal officer shall promptly report any known or suspected violations of this Code to the Chairman. All other officers should talk to supervisors, managers or other appropriate personnel about known or suspected illegal or unethical behavior.

2. Accountability for Violations

If the SPL's Audit Committees or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending officers may be disciplined for non-compliance with penalties up to and

including removal from office or dismissal. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending officers and SPL. All Covered Parties are expected to cooperate in internal investigations of misconduct.

E. COMPLIANCE PROCEDURES

All must work together to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. Steps to keep in mind are as follows -

- Make sure you have all the facts. In order to reach the right solutions, we must be as informed as possible.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your manager. This is the basic guidance for all situations. In many cases, your superior will be more knowledgeable about the questions, and he or she will appreciate being consulted as part of the decision-making process.
- You may report ethical violations in confidence without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with SPL's legal obligations. The SPL in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.
- Ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

RENEWABLE ENERGY IN BANGLADESH

- THE FUTURE OF SUSTAINABLE RESOURCES -

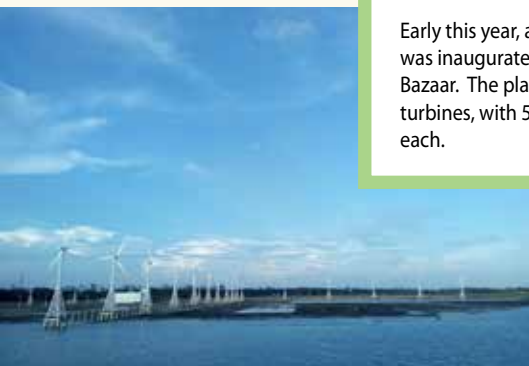
RENEWABLE ENERGY IN BANGLADESH

Renewable energy is the type of energy collected from resources which are naturally replenished within a sustainable time frame. Bangladesh is taking vital steps in order to produce energy through renewable resources. The country has a target of generating 5% of its power generation from renewable resources, and increasing this share to 10% by 2020. As of this year, the country has around about 411MW of renewable energy already installed.



WIND POWER PLANTS – KUTUBDIA

Early this year, a 1 MW wind power plant was inaugurated in Kutubdia Island, Cox's Bazaar. The plant has been set up with 20 turbines, with 50 kilowatt of production each.



SOLAR POWER PLANTS – SOLAR HOME SYSTEM BY IDCOL

Solar Home System Program was started back in 2003, in order to fulfill the requirements of citizens in the rural areas as well as meeting the Government's vision of ensuring access to electricity for all of Bangladesh by 2021. 3.1 million new systems have been installed so far with more than 15 million people benefiting from this system.



HYDRO POWER PLANTS – KAPTAI, RANGAMATI

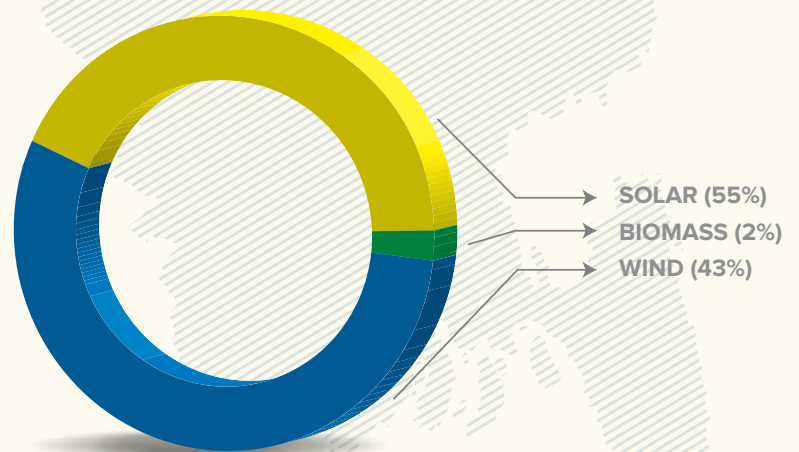
Active since 1962, the Karnaphuli Hydroelectric Power Station is currently the only hydroelectric power station in Bangladesh with a power capacity of 230MW. The dam plays an important role in meeting some of the expected power demand, and is also vital as a flood management installation.



BIO POWER PLANTS

The government is doing a feasibility study on building a waste-based power plant in Keraniganj, just outside Dhaka. Government has initiated the process of forming a Company to set up and initiate the process of this 1 MW power plant.

The Government of Bangladesh has taken the planning initiative and estimates, if all of the projects go accordingly, then by 2021 there will be a total of 3,167.8 MW generation of electricity from expansion of renewable energy. The following pie chart shows the foreseen plan by 2021 for renewable resources.



LETTER FROM THE CHAIRMAN



... In order to meet the Bangladesh Government's target of 37,708 MW of electricity by 2030, Summit Power Limited along with its Group Companies have focused on different platforms for generating electricity. Some of which includes achieving foreign currency loans for its new subsidiary Companies, implementing new power plants in Kodda, Gazipur and adopting LNG-based power plants. ...



Dear Co-owners,

Greetings.

A very warm welcome to the twentieth Annual General Meeting of Summit Power Limited.

What wonderful times we have had together. We are in the business of long term and we will be flourishing for many many more years. As you may know your Company along with its group Companies are generating 1490 MW of electricity, and bringing Bangladesh closer to meeting her electricity demands.

In order to meet the Bangladesh Government's target of 37,708 MW of electricity by 2030, Summit Power Limited along with its group Companies have focused on different platforms for generating electricity. Some of which includes achieving foreign currency loans for its new subsidiary Companies, implementing new power plants in Kodda, Gazipur and adopting LNG-based power plants.

Towards the end of last year, two of our new Companies – Summit Barisal Power Limited (SBPL) and Summit Narayanganj Power Unit-II Limited (SNPL II) have successfully received low-cost foreign currency term loan of USD 50 million and USD 27.64 million respectively. These two foreign loans are an achievement for Summit as well as Bangladesh as it has helped boost the economy.

Your Company has taken the challenge of implementing a 300MW HFO-based power plant in Kodda, Gazipur within 9-months. This is going to be the first time in history of a Company to take such a large size

project within this time frame. If successful, your Company will be able to break records as good as being placed on the Guinness World Records!

In the last eighteen months, Summit Power Limited has received multiple awards, of which the most significant award was the "Best Power Generation Project Award" for our new subsidiary Summit Barisal Power Plant, by the Government of Bangladesh. This is the fourth time in a row that we won this coveted award. This shows that your Company was able to not only be the best power generator in the country, but hold its grounds as strongest in the power sector of Bangladesh.

As mentioned earlier, the merger of your Company with subsidiaries has resulted in more economic, efficient and effective performance. The merger has brought benefits such as improved organizational capability in an increasingly competitive environment and integration in philosophies, values and strategies to increase total shareholders' return. Due to better performance, the Company is in the position to declare higher cash dividends to its shareholders in this year. Summit Power Limited is already one of the fastest growing Companies in Bangladesh, and In Shaa Allah with your support and dedication of our colleagues, employees and support of the Government of Bangladesh, your Company will strive towards being one of the fastest on a global perspective.

GDP growth of Bangladesh has been quite satisfactory for six consecutive years and is expected to grow at the rate of 7% in 2017

and 2018. Due to this, the liquidity in the market has been increased and reserve is in good condition, leading to an expansion in middle-income class. This will increase electricity demand.

I am grateful to our customers for allowing us to serve them, regulators for enabling a fast growing electricity sector. My deepest gratitude to you, our owners for investing in Summit Power Ltd.

Looking forward to better future together.

Thank you



Muhammed Aziz Khan
Chairman

OUR DIRECTORS - THE PIONEERS



1	2	3	4
5	6	7	8
9	10	11	12
13	14		

1. Muhammed Aziz Khan
2. Md. Latif Khan
3. Lt Gen (Retd.) Engr. Abdul Wadud
4. Anjuman Aziz Khan
5. Md. Farid Khan
6. Ayesha Aziz Khan
7. Jafer Ummeed Khan
8. Faisal Karim Khan
9. Syed Fazlul Haque
10. Helal Uddin Ahmed
11. Md. Arif Al Islam
12. Mustafizur Rahman Khan
13. Mostafa Kamal
14. Faruq Ahmed Siddiqi

MUHAMMED AZIZ KHAN

Chairman

Muhammed Aziz Khan is the founder of Summit Corporation Limited (formerly known as Summit Industrial and Mercantile Company (Pvt.) Ltd. (SIMCL)). Summit Group is recognized as the largest infrastructure group in Bangladesh employing over 5000 people with investments in the energy sector, ports, shipping, hospitality and information technology.

Under the leadership of Muhammed Aziz Khan, Summit set up the first Independent Power Plant of the country in 1998, Khulna Power Company Limited. Currently, Summit generates more than 1500 megawatts (MW), of electricity and is by far the largest independent power producer in the country. A further 900 MW of electricity generation facility is presently under construction by the group. Summit also set up the country's first private off-dock port facility, Ocean Containers Limited, now known as Summit Alliance Ports Limited which handles about 30% of the country's export volume and about 10% of the country's import volume. Summit Communications Ltd., another Company founded by Mr. Khan is the first Company to lay a nationwide telecommunication transmission network. Summit Communication Ltd's fibre optic cables cover 70% of Bangladesh, and the Company also connects Bangladesh to India and Myanmar through terrestrial fibre optics. Summit's subsidiary, IPCO Ltd., a hospitality and real estate Company, is building one five star hotel (Inter Continental), one four star hotel (Crown Plaza), a convention hall and 1000 high class shops and an office tower beside the International Airport of Dhaka.

Summit Power Limited, Summit Alliance Ports Limited and Khulna Power Company Ltd. are subsidiaries of Summit Group and are currently listed in the Dhaka and Chittagong Stock Exchanges with a combined market capitalization of about Tk. 100 billion.

In the recent past, Summit has entered into a partnership venture with IFC and some other internationally reputed firms, by forming a new Company named Summit Power International Pte. Ltd. with its office in Singapore. The partnership has brought in an investment of US \$ 175 million for the power sector of the Group. Besides, Summit also entered into an agreement with General Electric of USA for development of gas turbine power plants in the South Asian Region. An MOU was also signed with Wartsila of Finland, (world's largest manufacturer of reciprocating engines), for cooperation in the Indonesian market.

Muhammed Aziz Khan was born in 1955. He has an MBA from the Institute of Business Administration (IBA), University of Dhaka. Mr. Khan is also the Chairman of Siraj Khaleda Trust and President of Bangladesh Association of Publicly Listed Companies (BAPLC), a member of the Prothom Alo Trust and was also the founder President of Bangladesh Scouts Foundation and Bangladesh Energy Companies Association.

Muhammed Aziz Khan is the Honorary Consul General of Finland to Bangladesh.

Muhammed Aziz Khan is married to Anjuman Aziz Khan and has three daughters, Ayesha, Adeeba and Azeeza.

MD. LATIF KHAN

Vice-Chairman

Mr. Md. Latif Khan was born 1958 in Dhaka. He pursued BA in Public Administration at Dhaka University, and subsequently left for higher studies to the U.S. in 1981. There, he worked for over 15 years in the financial sector. He was a stockbroker and a financial analyst at Prudential Insurance of America where he received numerous sales achievement awards. He also worked as a Financial Officer at Wells Fargo Bank in California. He returned to Bangladesh in 1997 and thereof joined Summit Group as the Managing Director of Summit Shipping Limited. He has been elected Vice Chairman of Summit Power Limited since 2009 and also elected President of Bangladesh Independent Power Producers' Association since 2015. Mr. Khan has established himself as a sound and dynamic businessman of the country.

LT GEN (RETD.) ENGR. ABDUL WADUD

Managing Director

Lt Gen (Retd) Engr. Abdul Wadud is the Managing Director of Summit Power Limited. He is a B.Sc. Engineer from Bangladesh University of Engineering & Technology (BUET). Mr. Wadud obtained M.Sc in Resource Planning and Management and a PhD in Management from USA. He has in depth knowledge on Power and Energy sector of Bangladesh. Prior to retirement, he was the Principal Staff Officer to the Honorable Prime Minister in the Armed Forces Division. During his illustrious career, among many assignments, he was the Chief Engineer of Bangladesh Army, Managing Director of Bangladesh Machine Tools Factory and Engineer-in-Chief of the Armed Forces. Mr. Wadud attended various training courses, seminars and conferences both at home and abroad.

ANJUMAN AZIZ KHAN

Director

Mrs. Anjuman Aziz Khan, wife of Mr. Muhammed Aziz Khan has 26 years of business experience in Summit. Mrs. Khan is a member of Siraj Khaleda Trust- a social wing of Summit Group, which is setting up 200 beds for medical services on charitable basis in Dhaka Cantonment. She enthusiastically takes part & contributes to social activities such as "Assistance of Blind Children" and "women's entrepreneurship development".

OUR DIRECTORS - THE PIONEERS

MD. FARID KHAN

Director

Mr. Md. Farid Khan was born in 1960. Mr. Khan is a business graduate from Dhaka University. He is involved in business since 1980. He started his business career with trading in plastic compound, fertilizer and other commodities. He was an integral part of the team that pioneered export of molasses and fertilizer from Bangladesh. Mr. Farid Khan has proved to be an entrepreneur with special skills in the development of new projects. He was solely instrumental in setting up Liquefied Petroleum Gas (LPG) project and Tanks Terminal in Mongla.

AYESHA AZIZ KHAN

Director

Ayesha Khan has extensive experience in the power sector specifically in financial management and structuring for power generation Companies, infrastructure finance and structured finance. In her career, she has spearheaded the financial close of more than USD 1 billion for multiple power projects, which includes - Summit Bibiyana II Power Company Limited, Summit Narayanganj Power Limited, Summit Power Limited and Summit Meghnaghat Power Company Limited. Ayesha Aziz Khan is the Managing Director of Summit Power International and holds the position of Director in several Companies of Summit Group.

She is a valuable member of SAARC Chamber of Commerce and Industry, Federation of Bangladesh Chamber of Commerce & Industry and had been member of Prime Minister's business delegation to India and USA from Bangladesh. She is a member of Singapore Institute of Directors.

Ayesha Khan completed her graduation in Economics and Business from the University College London, London, United Kingdom and Masters in Business Administration from Columbia University, New York, USA.

JAFER UMMEED KHAN

Director

Mr. Jafer Ummeed Khan was born on 10th May 1957. After completing his studies in the United Kingdom, he joined Summit Group in 1987. He spearheaded the development & expansion of Summit Group, particularly of Summit Industrial & Mercantile Corporation (Pvt.) Limited and later of Summit Power Limited. Because of his contribution in the Power Sector, Mr. Jafer Ummeed Khan was also unanimously elected as the Vice-President of Bangladesh Energy Companies Association.

FAISAL KARIM KHAN

Director

Mr. Khan is the Director Operations of Summit Power Limited and a member of the Board of Directors of all subsidiary Companies under Summit Group. He was involved in the development of 10 Power Projects totaling over 1100MW in the past decade. Mr. Faisal Khan is also the Additional Managing Director of Summit Corporation.

He began his journey with Summit Group as an intern during summers throughout his college days and officially joined the Group in 2007. Thereafter, he spent stints at various businesses of Summit Group which includes Power Generation, Communications, Properties, Ports and Shipping Services; to gain insight, knowledge and experience in various sectors. He is currently responsible for the management and development of large infrastructure businesses of Summit Group.

Mr. Khan served as the Chairman of National Standing Committee for National Energy Strategy for Private Sector Development and also as the Co-Convenor of National Standing Committee for Energy & Power Sector at Dhaka Chamber of Commerce & Industries. He was also elected as a Director of Bangladesh-China Chamber of Commerce.

Mr. Khan holds a Bachelor of Mechanical

Engineering Degree from University College London (UCL) and a Master of Business Administration Degree from London Business School (LBS).

SYED FAZLUL HAQUE, FCA

Director

A Chartered Accountant by profession, Syed Fazlul Haque, started his career as partner of A Qasem & Co, Chartered Accountants in mid 1971. In April 1975, he moved to an executive career by joining Biman, Bangladesh Airlines, as its Controller of Accounts and since then his long, varied career included increasingly higher positions in different local and multinational organizations. Mr. Haque served in Padma Oil Co Ltd for 12 years and left the Company as its CEO in January 1993 to join Glaxo Bangladesh (subsequently renamed as GlaxoSmithKline Bangladesh) as Finance Director. In Glaxo, he was promoted as Managing Director of the Company in August 1997 and continued in the position until his retirement on 31st December 2002. On 1st January 2005 Mr. Haque joined Summit Alliance Port Limited.

During the tenure of his long career, Syed Fazlul Haque served as a Committee member of Metropolitan Chamber of Commerce & Industries, Foreign Chamber of Commerce & Industries and Bangladesh Employers Federation. At present, besides his assignment as a Director of Summit Alliance port Ltd and Ocean Containers Ltd., Mr. Haque is also a Board member of Summit Power Ltd., Summit Purbanchal Power Ltd. and other Companies of Summit group as well as Director and Audit Committee Chairman of Khulna Power Company Ltd.

HELAL UDDIN AHMED

Director

Mr. Helal Uddin Ahmed completed his Masters from Dhaka University in 1978. After completion of his education, he started his career as a businessman. Mr. Helal formed SAN Engineers in 1982 and engaged with the business of Bangladesh Chemical Industries Corporation (BCIC) for supplying various chemicals items such as Liquid Chloride Caustic Soda, Hydrogen Peroxide Soda Ash, PVC compound etc. Mr. Helal is the Director of Savar Refractories Ltd. which is a public limited Company and largest producer of refractories materials in Bangladesh. He is the founder member of Kabi Nazrul Islam University at Trishal, Mymensingh.

MD. ARIF AL ISLAM

Director

An entrepreneur and corporate leader with track record of leading diversified investments and large organizations. He is the founder and MD & CEO of Summit Communications Ltd. Over a period of last seven years, he has successfully given birth to Summit Communications Ltd as the largest fibre optic operator of the country with over 33,000 Km network on which all the Telecom operators, Internet Service Providers, Cable TV Operators and Government is riding as their primary transmission infrastructure. The Company is also the leading Internet Gateway Operator and International Terrestrial cable operator having a bandwidth usage of over 110 Gbps. Mr. Islam has started his career in public practice in UK and is an FCCA. He held the position of Senior Manager in KPMG. Later he led the largest cellphone Company of the country, GrameenPhone, a subsidiary of Telenor, as Deputy CEO and CFO. Over a ten year career in GrameenPhone, he played an instrumental role in building GrameenPhone from a medium sized Company to be the largest corporate house in Bangladesh. During his time in GrameenPhone, he also led the role of business planning and setting Company strategies over a period of eight years consistently which has contributed immensely in the success of the Company. He is known as a successful corporate leader

in the business community having good relationship with the banking, financial sector and also with the regulators.

MUSTAFIZUR RAHMAN KHAN

Independent Director

Mr Mustafizur Rahman Khan was born in 1973. He obtained his BSS (Hons) in Political Science from Dhaka University in 1993 and LLB (Hons) from University of Wolverhampton (UK) in 1996. He became a Barrister in 1997 (Lincoln's Inn), and now practices as an Advocate of the Supreme Court of Bangladesh. He has been associated with the firms, Lee, Khan & Associates, Dr. Kamal Hossain & Associates and Rokanuddin Mahmud & Associates. He is a member of both the Supreme Court and Dhaka Bar Associations. His areas of expertise include constitutional, administrative, commercial and corporate law. He routinely appears before the Supreme Court of Bangladesh in judicial review applications (writ petitions) and Company matters, and advises banks and corporations. He is also engaged in domestic and international arbitration both in Bangladesh and abroad under the auspices of the International Court of Arbitration of the International Chamber of Commerce (ICC) and the International Centre for Settlement of Investment Disputes (ICSID).

MOSTAFA KAMAL

Independent Director

Mr Mostafa Kamal was born in 1954. He is basically a distinguished Mechanical Engineer of 1976 batch of BUET. He started his career in Bangladesh Power Development Board in 1977. During his long career in BPDB he hold many important assignments in almost all divisions. He undertook 6 month long training in Japan on Power plant. He served in Ashugonj Power Plant for long time. He was Chief Engineer Generation, Director IPP cell, Acting DG Power cell and finally as Member Generation. On completion of his service including one year extension period, he retired in 2011. Immediately after that he joined as Managing Director, Energy Grid Company of Bangladesh and continued up to 2016. He has widely travelled around the globe.

FARUQ AHMED SIDDIQI

Independent Director

Mr. Faruq Ahmad Siddiqi obtained his undergraduate and graduate degrees in English Language and Literature from the Department of English, University of Dhaka, in 1966 and 1967 respectively. Mr. Siddiqi was a Chairman of Bangladesh Securities and Exchange Commission (BSEC) from 2006 to 2009. Earlier from 2001 until 2006, he served the Government of Bangladesh as its Secretary to the Ministry of Post & Telecommunications, the Ministry of Education and the Ministry of Commerce. He was also a member of National Board of Revenue (NBR). Mr. Siddiqi is currently a Member of the Rating Committee of Credit Rating Agency of Bangladesh Ltd. (CRAB).



OUR DIRECTORS IN OTHER BOARDS

Companies	Summit Gazipur II Power Limited (up-comming)	Ace Alliance Power Limited (up-comming)	Summit Chittagong Power Limited	Summit Narayanganj Power Unit II Limited	Summit Barisal Power Limited	Summit Corporation Limited	Summit Holdings Limited	Summit Oil & Shipping Co. Limited	Khulna Power Co. Ltd.	Summit Alliance Port Ltd.	Summit Communications Limited	Cosmopolitan Finance Limited	Summit Bibiyana II Power Company Limited	Summit Meghnaghat Power Company Limited	Summit Meghnaghat II Power Company Limited	Summit LNG Terminal Co. (Pvt.) Ltd.	Summit Assets Limited	Summit Technopolis Limited
Name of Directors																		
Muhammed Aziz Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Md. Latif Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Lt. Gen. (Retd.) Engr. Abdul Wadud	√	√	√	√	√	√			√				√	√	√			
Anjuman Aziz Khan			√	√	√	√	√	√				√	√	√			√	√
Md. Farid Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ayesha Aziz Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Jafer Ummeed Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Faisal Karim Khan	√		√	√	√	√	√			√	√	√	√	√	√	√	√	√
Syed Fazlul Haque				√	√				√	√	√				√			
Helal Uddin Ahmed																		
Md. Arif Al Islam				√	√						√				√			
Mustafizur Rahman Khan																		
Mostafa Kamal																		
Faruq Ahmed Siddiqi																		

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Environment we Operate in

In the past decade, Bangladesh has undergone some major developments which includes the rapid expansion of sectors such as Information Technology, the Garments Industry, Rising Employment Rates, Women Empowerment and an overall steady improvement in Financial Sector.

These transformative expansions which have spanned over the last decade, have enabled Bangladesh to become a 'lower-middle-income-country' instead of a 'low-income-country,' due to increases in average income, standard of living, and halving poverty level.

Trade is evidently a vital factor for the well-being of the economy. The value of exports and imports together comprise of 42% of the country's GDP. The Government of Bangladesh have initiated steps to reduce barriers to trade and investment. Additionally, it is important to highlight, that the overall development of the country, is largely dependent on its Infrastructure, Utility and notably, its ability to produce Electricity.

Bangladesh, now has easy accessibility to the international market due to the emergence of the private power sector along with rapidly growing public sector of the country. In the rising phase of the private power sector of the country, importing equipment for power plants have become easier, and expert technical support has become exceedingly available. Summit being the largest IPP in the country, is well positioned to take advantage of these socio-economic developments. Experienced engineers are becoming more readily available in the job market, and more advanced technologies are becoming implementable due to the higher demand as well as enhancement in in-house capabilities. In recent years, as Bangladesh's power sector becomes all the more vibrant; local engineers, local pioneers and foreign investors are becoming more interested due to the immense opportunities that lie within Bangladesh's power sector.

In regard to the employment of the country, being a pioneer in this sector, Summit has facilitated tremendously by providing internships, training, and jobs to the new graduates as well as existing experts from home and abroad. The rapidly expanding power sector of the country is attracting more highly educated people. To be precise, due to the emergence of new





job opportunities within the country, the expatriates, who are working in similar sectors abroad are returning home to share their expertise and elevate the local power sector of the country whilst living in the comfort of their homeland.

Bangladesh is one of the most densely populated countries in the world, where any negative impact on the environment may take a disastrous toll on the country's population. It is essential for well-maintained power plants to be proactively friendly towards the environment. Summit recognizes this whole heartedly, and is pleased to announce that we address biodiversity conservation and the eco-system preservation through an integrated management system. We are not only ISO 14001: 2004 – Environmental Management System (EMS) - certified but also, we are determined to fulfill all the requirements of the Department of Environment (DOE). At present, we are also working on the up-gradation of ISO 14001: 2004 to version 2015.

The Sector we Operate in

The power sector has become significantly crucial for Bangladesh in recent years, for both the Government and the Private Sector. Like the previous year, the Annual Power and Energy Week commenced at the end of October in 2016 with the new theme "Indomitable Bangladesh." The week-long event celebrated the landmark capacity of 15,000 MW of electricity generation in the country's power sector.

DIRECTORS' REPORT TO THE SHAREHOLDERS

With the nation's aim to become "Digital Bangladesh" by 2021, the Power and Energy Week was important as initiatives were taken to bring in diversified power production facilities, as the country ushers into a modern and digital era.

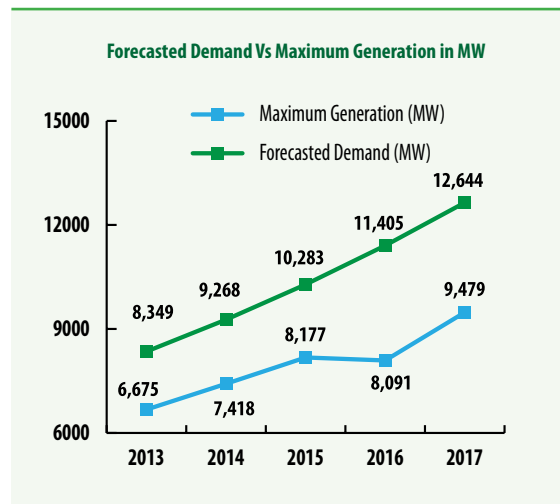
Category	Installed Generation	
	Capacity (MW)	
<i>Public Sector</i>		
BPDB	4,508	29%
APSCL	1508	10%
EGCB	622	4%
NWPGCL	440	3%
RPCL	77	0%
BPDB-RPCL JV	149	1%
Subtotal	7,304	47%
<i>Private Sector</i>		
IPPs	3,133	20%
SIPPs (BPDB)	99	1%
SIPPs (BREB)	251	2%
15 YR. Rental	169	1%
3/5 YR. Rental	1,721	11%
Power Import	600	4%
Subtotal	5,973	39%
Captive Power	2,200	14%
TOTAL	15,477	100%

Figure: Present Installed Generation Capacity (MW) as on June, 2017 (Source: <http://www.bpdb.gov.bd>)

With a population comprising of 163 million individuals, a little more than two-thirds of Bangladesh's population is currently being served by the electricity grid. Scrutiny of the power sector growth of the country, makes it evident that each year, a 500 MW power generation increase must be generated to meet growing demands. The Government of Bangladesh (GOB), sells electricity to its people at a subsidized rate. The amount in subsidy that the GOB is spending each year, increases, as the demand and generation of electricity increases. Thus, in order to resolve this issue, the GOB must consider price increases to match the price to the cost of electricity.

In the last two years (2015 & 2016) the power sector has made outstanding progress. During this time, 929 MW of new capacity has been added including 100 MW imported capacity from India, raising the total

generation capacity to 12,356 MW. The "Yearly Maximum Generation Graph" (with sources from BPDB), shows the maximum electricity generated every year so far -



From the graph, it can be seen that there is a gradual increase in the electricity generation every year with the demand for electricity increasing, each day. Still the gap between demand and supply remains, and necessitates more and more power plants to be built. The power demand in Bangladesh, is projected to rise to 34,000 MW by 2030. The government of Bangladesh however, plans to increase its power generating capacity beyond its projected demand to 39,000 MW by 2030 in order to boost the nation's fast-growing economy. This, will also include a greater domestic consumption in correlation to the population's growth and induce increases in purchase power, industrialization, additional connections and the use of modern electrical appliances.

Up until last year, the major consideration of energy source for power generation was Natural Gas, which is now being shifted to Coal and LNG, as the deposited reserve of Natural Gas remains uncertain. Therefore, the Government is now looking for Big Power Plants to be run on Coal or LNG in the near future. Although, the environmental impact of coal power plants are detrimental, the Government is considering modern treatment plants and hazard mitigation measures to venture coal into power plants. The Government has also taken visionary initiatives to supply 1000 MMCFD of Regasified LNG into the Gas Grid using 2 Floating Storage and Regasification Units (FSRU), off the coast of Maheshkhali.

Renewable Energy

In order to ensure that the electricity being generated is done so, sustainably, it remains important for us to use environmental friendly renewable energy resources. Thus, the Government of Bangladesh is taking steps required to file in projects for the future of renewable energy. Today, Bangladesh generates 450 MW of electricity from Renewable energy sources. For instance, some of the solar projects include a 500 MW Solar Power energy project in Feni, 100 MW Solar Photo Voltaic based Grid-Connected Power Generation Plant which is also in Feni, 200MW Solar Park in Teknaf-Chittagong, 200 MW Grid-tied Solar PV Power Plant in Latshal, 60 MW and 30 MW windmill energy project in Cox's Bazar and a 1MW garbage based power plant in Keraniganj and other areas. Currently, there are several other renewable energy development projects running in Bangladesh.

At present, Bangladesh has the largest Solar Home System project in the world. Although the electricity from Solar Home Systems, are very expensive, a brilliant model by Infrastructure Development Company Limited (IDCOL) has been implemented to facilitate approximately 20,000,000 rural-low-income people, by providing 3,500,000 solar home systems.

According to the Government of Bangladesh, the following renewable energy projects are to be implemented in the country to achieve sustainable production of electricity.

Renewable Power Plant Projects in MW

Source	2015	2016	2017	2018	2019	2020	2021	Total
Solar	222	253	421	237	195	203	208	1,739
Wind	0	20	250	350	350	200	200	1,370
Biomass	1	16	6	6	6	6	6	47
Biogas	1	1	1	1	1	1	1	7
Hydro	0	2	2	0	0	0	0	4
Total	228	292	680	594	552	410	415	3,167

The Government of Bangladesh have taken the planning initiative and estimates. Thus, if all of the projects progress in accordance to their schedules, then by 2021 there will be a total of 3,167.8 MW generation of electricity from the expansion into renewable energy.

Last year, Transmission Lines have also been increased by hundreds of kilometers, Distribution lines too, have been increased by thousands of kilometers, to support the influx of retail customers. This year, the number of customers have crossed 30,000,000. However, BPDB recently invited private sector Companies to contribute in the transmission and distribution system of power in order to improve the service quality.

Foreign Investments

Foreign investments have increased due to the implementation of successful ventures, and global investors, teaming up with local Companies to invest in opportunities in Bangladesh. At present, foreign investors are keen to invest significantly in the power plant sector. Many investors in the Bangladesh power plant sector includes Islamic Corporation for the Development of the private sector (ICD), OPEC Fund for International Development (OFID), and banks including Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO), and International Finance Corporation (IFC), etc.

India and Bangladesh shares a strong bilateral economic and commercial relationship, especially in the energy and power sector. In the mid of 2015, Bangladesh signed a "Land Boundary Agreement"

with India, which have strengthened the two-nation's bond in terms of political support for improving relations, boosting trade between the two countries and India's multibillion dollar investments in power generation infrastructure in Bangladesh.

Not only is the power sector destined to expand

exponentially, but it brings to fore numerous business opportunities and advantages in the areas of power generation, distribution and transmission. For instance:

DIRECTORS' REPORT TO THE SHAREHOLDERS

- Exemption from corporate income tax for a period of 15 years.
- Allowed to import plant and equipment and spare parts up to a maximum of ten percent (10%) of the original value of total plant and equipment within a period of twelve (12) years of commercial operation without payment of customs duties, VAT and any other surcharges as well as import permit fee except for indigenously produced equipment manufactured according to international standards.
- Repatriation of equity along with dividends allowed freely.
- Exemption from income tax for foreign lenders to such Companies.
- The foreign investors will be free to enter into joint ventures but this is optional and not mandatory.

Business Activities Including its Operating Performance

Amidst the private sector power generating Companies of Bangladesh, Summit Power Limited (SPL) is considered to be a pioneer in the industry.

SPL started power generation from 2000 and over the years, it has gained experience in project (power plant) implementation, operation and maintenance. This has given Summit Power Limited a competitive edge over others, in becoming the leading Bangladeshi Company with thirteen operating plants of its own and three operating plants with co-ownership. Summit Power Limited holds 17.64% of ownership of Khulna Power Company Limited (KPCL) and 30% of Summit Meghnaghat Power Company Limited.

Summit Power limited, also holds the record for being the only Company to be able to constructing a Heavy Fuel Oil (HFO) fired, quick rental power plant, within two hundred and seventy days.

The Company received International Gold Award on September 28, 2011 as "The Best Fast Track" project in Asia. Summit Narayananj Power Limited achieved financial close by receiving a foreign currency term loan of USD 45 million from DEG - Deutsche

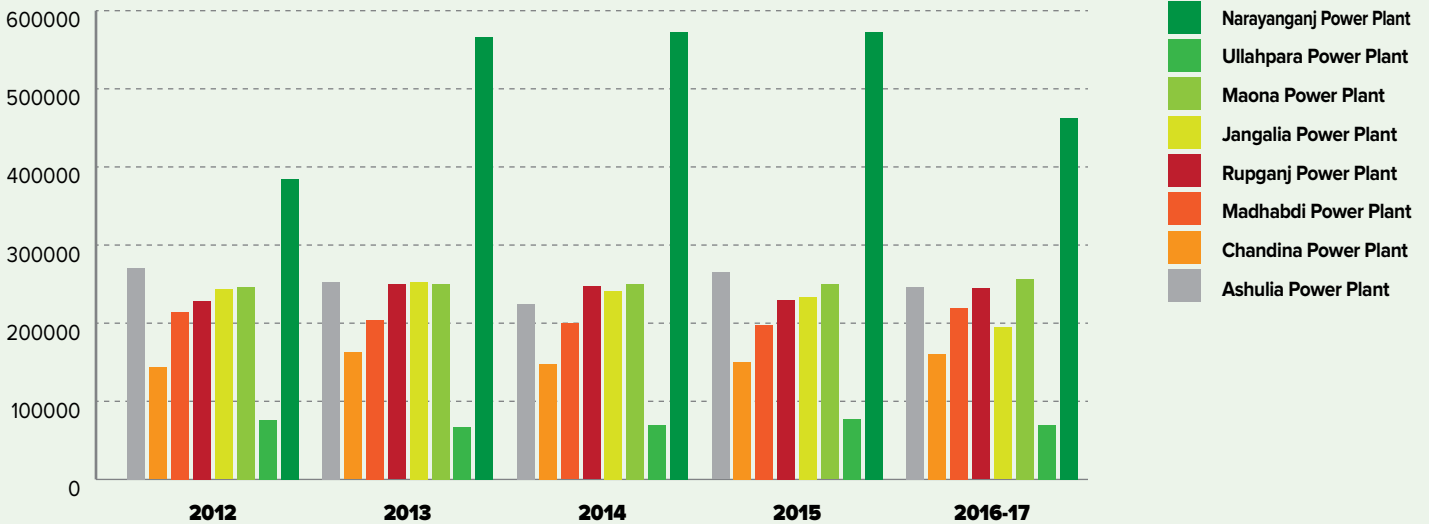
Investitions- und Entwicklungsgesellschaft mbH and FMO – NederlandseFinancierings – Maatschappij Voor Ontwikkelingslanden N.V. which has recently been fully paid off, using regular source of revenue.

SPL has recently completed project work and commenced on Commercial Operation for its Summit Barisal 110 MW plant and Summit Narayananj Unit II 55 MW within merely twelve months, instead of the allotted contractual construction period of fifteen months. This is indeed a great recognition of the ability of the country in general and Summit in particular, to construct international standard medium-sized power plants. Summit Barisal Power Limited (SBPL) and Summit Narayananj Power Unit II Limited (SNPL II) – two subsidiaries of the Company, achieved financial close by receiving a foreign currency term loan of USD 50 million and USD 27.64 million respectively from Islamic Corporation for the Development of the Private Sector (ICD), OPEC Fund for International Development (OFID) and Infrastructure Development Company Limited (IDCOL).

In 2016-17, all the power plants were available to supply to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of your Company. As a result, this year these plants could deliver electrical energy to the national grid totaling to 2,819 million Kwh. Summit Barisal Power Limited (SBPL), a subsidiary Company of Summit Power Limited received the "Best Power Generation Project Award 2016" in Private Sector Power Generation by the Government of the country. This is the 4th time in a row for Summit Group to receive this prestigious award.



PLANT WISE PERFORMANCE



Summit Power Limited has always used brand new and highly efficient engines and other auxiliaries of best international standard. The aim, is to become more eco-efficient and spend minimum fuel, for generation of electricity. The new and efficient machines, allow Summit Power Limited to maintain its guaranteed contractual availability and Heat Rate (fuel consumption for generation of one unit of electricity) ensuring efficient use of fuel and gas. SPL follows an Integrated Management System (IMS) to maintain all of its power plants, which includes - ISO 9001 : 2000 –

Quality Management System (QMS), ISO 14001 : 2004 – Environmental Management System (EMS), ISO 18001 : 2007 – Occupational Health & Safety (OH&S). Of late, the Company is working to adopt new up-gradation of these standards. In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies. In addition your Company has implemented Anti-bribery & Corruption Policy, and the Whistle Blower Policy, which have been presented in **Annexure - 6**.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Financial Results and Performance of The Company

Consolidated financial result and its comparison have been given below:

The Company has changed its financial year from January – December to July – June as a compliance requirement. Hence, a four column data table has been presented for better understanding. Revenue has increased significantly as two new power plants 110 MW HFO based power plant under Summit Barisal Power Limited (SBPL) and 55 MW HFO based power plant under Summit Narayanganj Power Unit II Limited, have come into operation during this period.

Accordingly, the cost of sales have been aligned. The net profit of the Company has increased by Taka 72.7 crore, which is 20.13% higher than that of previous year. The finance cost has increased significantly in the process of attaining a low cost long term foreign loan to implement both the Summit Barisal Power Plant and Summit Narayanganj Unit II Power Plant. However, the other areas showed a very natural increase, which also has aided the increase in profit.

Summit Power Limited (consolidated)

Particulars	For the eighteen-month period ended 30-Jun-17	For the year ended 30-Jun-17	For the six-month period ended 30-Jun-16	For the year ended 31-Dec-15
	(In Million Taka)	(In Million Taka)	(In Million Taka)	(In Million Taka)
Revenue	22,634	16,213	6,420	10,012
Cost of sales	(16,110)	(11,760)	(4,350)	(6,760)
Gross profit	6,524	4,453	2,070	3,252
Other income, net	487	233	254	265
General and admin. expenses	(721)	(500)	(220)	(386)
Operating profit	6,290	4,186	2,104	3,131
Finance costs, net	(505)	(496)	(9)	(91)
Share of profit of equity- accounted investee	874	648	226	570
Net profit before income tax	6,658	4,337	2,321	3,610
Income tax	-	-	-	-
Net profit after income tax	6,658	4,337	2,321	3,610



Profit Appropriation

During the period ended 30 June 2017, your Company's net profit amounted to Tk. 6,658 million. However, the Company needs availability of adequate funds for uninterrupted progress of the projects as well as for future growth. Keeping this view, the Directors would like to report the Company's financial results for the eighteen months ended 30 June 2017 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka	
Net profit for the year	6,136	
Profit brought forward	4,875	
Profit available for appropriation		11,011
Appropriations:		
Proposed cash dividend	(3,204)	
Total appropriation for the year		(3,204)
Transferred to retained earnings		7,807

Extra-ordinary Gain or Loss

As per BAS 1: *Presentation of Financial Statements*, no item of income and expenses are to be presented as extra-ordinary gain or loss in the financial statements. Accordingly, no extra-ordinary gain or loss has been recognized in the financial statements.

Related Party Transaction

The related party transactions carried out by the Company on a commercial basis during the year have been disclosed in the Notes - 42 to the financial statements.



Utilization of Proceeds from Public Issues, Rights Issues and/ or through any other Instrument

Initial Public Offering (IPO) of Summit Power Limited was made in 2005 and the fund raised thereby has already been utilized as reported to the regulators. Fund raised through issuance of rights shares in 2008 has also been utilized and reported accordingly to the regulators. No further issue of any instrument was made during the year. Besides, Summit Purbanchol Power Company Limited, the then subsidiary of Summit Power Limited, had raised fund through IPO and has utilized them to acquire 20% holding of Summit Narayanganj Power Limited, which has already been notified to regulators.

DIRECTORS' REPORT TO THE SHAREHOLDERS



Significant Variance Between Quarterly and Annual Financial Statements

No significant variations have occurred between quarterly and final financial results of the Company during the year under report.

Dividend

Your Board recommends 30% cash dividend for the period ended 30 June 2017. The cash dividend of 30% implies Tk. 03/- for each share held on the record date, subject to approval by the shareholders at the 20th Annual General Meeting.

Business Risk & Uncertainties

Financial risk management

The Group has exposures to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Board of Directors have overall responsibility for the establishment and oversight of the Company's/ Group'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 Company/ 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.

i) Credit risk

Credit risk is the risk of financial loss to the Company/ Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company/Group's receivable from customers and investment securities. The Group's sales are made to Government entity, viz, Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB) under the conditions of the fixed term Power Purchase Agreement (PPA).

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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 Group's reputation. Typically, the Group ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

iii) Market risk

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

a) Currency risk

The Group is exposed to currency risk on purchases of spare parts and capital machinery that are denominated in a currency other than the functional currency primarily the United States Dollar (USD) and Euro (EUR). The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2017.

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Foreign loans and borrowings are affected by fluctuations in interest rates as the rate is of 3 months LIBOR plus 4.25% on account of Summit Barisal Power Limited (SBPL) and Summit Narayanganj Power Unit II Limited. The Group has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date. However, the management feels the risk arising from interest rate fluctuation is immaterial to the financials of the Group, for the time being.

DIRECTORS' REPORT TO THE SHAREHOLDERS



Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Directors' Election & Re-Appointment

As per Article 23 (a) of the Articles of Association Muhammed Aziz Khan , Md. Farid Khan, Helal Uddin Ahmed, Syed Fazlul Haque, shall retire in the 20th Annual General Meeting by rotation and being eligible, offer themselves for re-election.

Your Board in its Board Meeting held on 31 January

2017 appointed Md. Mostafa Kamal, Mr. Faruq Ahmed Siddiqi and as Independent Director of the Board and Md. Arif Al Islam an nominated director from Summit Corporation Limited. Their short bio-data has been presented in the "Our Directors" section. They will also retire in the 20th Annual General Meeting and being eligible, offers themselves for re-election.

Directors Meeting & Attendance

During the eighteen months ended June 30, 2017, the Board of Directors held 15 (fifteen) meetings. Directors who attended the Board meetings during their respective tenure are shown below:

Sl.#	Name of Directors	Attendance
1	Mr. Muhammed Aziz Khan	7
2	Mrs. Anjuman Aziz Khan	4
3	Mr. Md. Farid Khan	6
4	Ms. Ayesha Aziz Khan	2
5	Mr. Jafer Ummeed Khan	12
6	Mr. Md. Latif Khan	10
7	Mr. Faisal Karim Khan	4
8	Mr. Helal Uddin Ahmed	14
9	Mr. Syed Fazlul Haque FCA	13
11	Mr. Mustafizur Rahman Khan	9
12	Lt. Gen. (Retd.) Engr. Abdul Wadud	15
13	Mr. Md. Mostafa Kamal	3
14	Mr. Faruq Ahmad Siddiqi	-
15	Mr. Md. Arif Al Islam	1
16	Mr. Abbas Uddin Ahmed	2
17	Mr. Ziaul Hasan Siddiqui	2

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

Directors' Responsibilities /Reporting Framework

The law requires that the financial statements of your Company would follow International Financial Reporting Standards (IFRS) as adopted by ICAB as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). This

has been completely followed to fairly present the financial position and performance of the Company. While preparing the financial statements, the following points were considered –

- I. Selection of suitable accounting policies and then applying them consistently,
- II. Making judgments and estimates that are reasonable and prudent,
- III. Ensuring that the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS),
- IV. Preparing the financial statements in an ongoing concern basis unless it is appropriate to presume that the Company will not continue in business.

Proper accounting records have been kept so that at any given point the financial position of the Company is reflected with reasonable accuracy, which will enable them to ensure that its financial statements comply with Companies Act 1994 and other required regulatory authorities.

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

- a. The financial statement prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;
- b. Proper books of accounts of your Company have been maintained;
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- d. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
- e. The system of internal control is well structured and has been effectively implemented and monitored;
- f. There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;

DIRECTORS' REPORT TO THE SHAREHOLDERS

- g. Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;
- h. Key operating and financial data has been summarized for the preceding five years;
- i. Significant plans and decisions, such as corporate restructuring, business expansion and discontinuation of operations as appropriate, future prospects, risks and uncertainties surrounding the Company has been outlined under the related captions of this report;
- j. The number of Board meetings held during the year and attendance of each director has been disclosed;
- k. The pattern of shareholding has been reported in **Annexure - 3** to disclose the aggregate number of shares.

Remuneration of Directors

Remuneration, performance and other related perquisites/benefits of Executive Directors are reviewed annually and approved by the Chairman as disclosed in Notes - 34.1 to the financial statements. Non-Executive Directors including Independent Directors are paid only attendance fee per meeting.

Audit Committee

The Company has an audit committee with an established charter. The audit committee has met 06 (six) times within this eighteen months period and the committee members' attendance (as per their tenure) record is disclosed below:

Name	Status	Attended
Mr. Faruq Ahmad Siddiqi	Chair	01
Mr. Abbas Uddin Ahmed	Ex-Chair	01
Lt. Gen. (Retd.) Engr. Abdul Wadud	Member	06
Mr. Syed Fazlul Haque FCA	Member	06

The Company's Finance Director was invited to audit committee meetings at the discretion of the Committee.

Auditors

Pursuant to SEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27th July 2011 present auditors Rahman Rahman Huq, Chartered Accountant has completed its second year/period of appointment and audit and therefore, they will be eligible for re-appointment in

the ensuing 20th AGM. Your Board therefore, in its meeting held on 09 September 2017, resolved to recommend Rahman Rahman Huq, Chartered Accountants for appointment as Statutory Auditors of the Company for the year ending on 30 June 2018 subject to approval of the Shareholders in the forthcoming Annual General Meeting.

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. The Company has adopted "Code of Conduct & Ethics" and "Code of Corporate Governance" in 2011. Since corporate governance is not a static process, we will always continue to improve our practices. The formation of an Audit Committee, Executive Committee, Technical Committee, Purchase Committee, Operation & Maintenance Committee and Remuneration Committee, which may be seen in **Annexure - 4** of the Annual Report, are steps in this process. From 2011 your Company started implementing Integrated Management System (IMS) to make it compliant to ISO 9001: 2000 – Quality Management System (QMS), ISO 14001: 2004 – Environmental Management System (EMS), ISO 18001: 2007 – Occupational Health & Safety (OH&S). A separate chapter on corporate governance has also been reported.

Going Concern / Sustainability

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.

Human Resources Management

One of the most important resource and key to a successful Company is its people. Summit places great emphasis on the

development of its employees and therefore the Company undertakes appropriate training and workshops to develop and equip the employees with essential skills, and update their knowledge in respective functional areas. Summit Power Limited has implemented Training Needs Analysis (TNA) as part of its training system. The aspects of TNA includes determining what is required to complete the work against existing competency level of employees and mitigating the gap (if any).

We have an enriched Employment Policy/Employee Hand Book with proper job descriptions and responsibilities. A detailed succession planning is considered every year to ensure good working environment and enhancement of knowledge of the employees. A yearly performance appraisal is carried out to reward and encourage diligent employees and assess their training requirements. The Remuneration Committee also awards yearly increments and other remuneration related matters. Your Company is ISO 18001: 2007 – Occupational Health & Safety (OH&S) certified by Bureau Veritas, since all the programs are undertaken by an Integrated Management System (IMS) and fosters a safe and healthy work environment.

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 - 1**. A Certificate from Podder & Associates confirming compliance of conditions of Corporate Governance Guidelines as stipulated under condition 7(i) is also annexed to this report as **Annexure - 2**.

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Summit Power Limited complies all the applicables of IAS and IFRS as adopted by ICAB. The detail disclosure is shown in **Annexure – 5**.

Contribution to the National Exchequer & the Economy

Electricity is one of the main driving forces of the economy and it has diversified use and multiplier effect on the economy. Significantly in the development of industrialization, electric power has no alternative. This year your Company added 2,819 million Kwh of electricity to the

national grid. This addition has contributed significantly in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder, you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

Your Company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 5 to 15 years. Conversely, it has contributed a significant amount to the national exchequer in the form of other different duties, taxes and VAT, while importing spare parts for the power plant maintenance work and at operational level works. The estimated amount of contribution was of Taka 309 million in this period of twelve months.

Corporate Social Responsibility

Summit strategy of powering nations and transforming lives is not only confined to power it produces. It believes in making a positive impact on the communities and cities that we operate in. As part of our Corporate Social Responsibility, we have long-standing partnerships with several non-governmental organizations (NGOs) to support projects that improve access to education and healthcare for underprivileged individuals. Summit also supports social programs and humanitarian initiatives.

We also recognize the importance of creating sustainability directly around the power plants that we operate in. This goes to the heart of our CSR initiatives, helping to provide the fundamentals to foster sustainable communities. Summit is involved with numerous community welfare development works that includes education, health and social service, sport and arts and culture which directly add value to the community.

Our community involvement focuses on the following key areas:

- Education** – empowering people of all ages with knowledge and skills
- Health and social service** – investing in health care and promoting well-being
- Sports** – bringing communities together and encouraging healthy living
- Arts and culture** – supporting cultural project to raise awareness

DIRECTORS' REPORT TO THE SHAREHOLDERS

Education:

SEID Trust

Since 2010, Summit has assisted SEID Trust to improve the condition of poor children with intellectual and multiple disabilities and autism. All too often, the children come from the most financially disadvantaged segment of society. Over three thousand underprivileged children to date have received education and support including pre-primary and special education, education materials, physiotherapy, speech therapy, counseling, medical services, sports, cultural, food and transport facilities. In addition, Summit also supports two SEID Trust Community Therapy Centre in Shyamoli and Kamrangir Char.

Centre for Research & Information

The Centre for Research and Information (CRI) is a not-for-profit policy research organisation which aims to create a stage for public dialogue on important matters of national policy in Bangladesh. CRI explores through people-centered debate the political ideas and the policy reforms that will define progressive politics and policies in a new, digital Bangladesh. With a focus on youth engagement and democratized debate, CRI aims to bring politics closer to the people. Summit stands beside Centre for Research & Information to enhance the development of the society.

Health and social service

Shornokishoree

Summit actively contributes Shornokishoree which is a private, non-profit and voluntary organization. It has been established in 2012 when an overwhelming health crisis of adolescent girls and young mothers are observed in all over the Bangladesh. In the beginning, the Foundation started working only in the area of safe motherhood through adolescent reproductive health & development utilizing media as tool for reaching the millions adolescent girls. But gradually it expands with working areas and building its reputation as one of the few organization linking different levels of the society from the highest level of the government, development partners, NGOs, private sectors, civil societies and to the grassroots level.

Shipir Pashe Foundation

In a bid to offer support to ailing or terminally ill

artistes, a charity platform named 'Shilpir Pashe Foundation' has been formed in 2016 with the theme 'Shilpir Pashe Amra Sobai'. Summit comes forward to support the destitute artists.

SPORTS

Summit Open Golf Tournament

Since 1996 Summit has been sponsoring and organizing Summit Open Golf Tournament at Kurmitola Golf Club, Dhaka. Golf is an emerging sport in Bangladesh and the tournament is used to promote the game, providing an opportunity for people to get involved in new hobbies and garner new talents.



Bangladesh Roller Skating Federation

Summit has been supporting Bangladesh Roller Skating Federation for some time now. Summit took an initiative to promote Skating in Bangladesh by facilitating the Federation to develop its infrastructure and its facilities to an International level.

ARTS AND CULTURE

Shurer Dhara

Summit keenly contributes to Shurer Dhara Music for Development, an organisation founded in 1992 by Rezwana Chowdhury Bannya, a distinguished alumna of Viswa-Bharati (the renowned university of Nobel

Laureate Rabindranath Tagore), a Professor of Music at the University of Dhaka and an accomplished exponent of Rabindra Sangeet. Their mission is to cultivate and promote music and culture across Bangladesh and has over two thousand students on average each year.

Benuka Institute of Fine Arts

Summit actively facilitates Benuka Institute of Fine Arts, which was founded in 1980 by dancer Golam Mustafa Khan to spread the Bengali culture among the new generation and to carry on the Bangladeshi view to others on culture and tradition through art, music and dance.



DIRECTORS' REPORT TO THE SHAREHOLDERS



S M Sultan Sriti Sangshad

SM Sultan was an avant-garde artist who worked in painting and drawing. His fame rests on his striking depictions of exaggeratedly muscular Bangladeshi peasants engaged in the activities of their everyday lives. To keep the memory of renowned artist S M Sultan alive, S M Sultan Sriti Sangshad was formed. Summit proactively contributes the Sriti Sangshad.

Community Services

Rotary Club

The Rotary Club of Dhaka North West formed on 1st February, 1976. It identifies projects that are run by secular and non-political charitable organizations in

Bangladesh and are consistent. It raises funds to support the projects identified, and it is committed to verifying that funds dispersed are used as intended, like Education, Health, Humanity, Poverty Alleviation, and Awareness against Drug Abuse, HIV/AIDS, Polio Eradication Program, and Integrated Rural Development. Summit stands beside Rotary Club to enhance the development of the society.

Construction of Road

Summit has constructed a 1.5 km long road at Ruggang, Naryangang. This road has changed the modality of people's livelihood. Estimated around twenty thousand people are being benefited.

Power & Energy Week

Summit proudly sponsors Power & Energy Week. The Ministry of Power, Energy and Mineral Resources organizes the annual National Power and Energy Week. The event is an occasion to celebrate the achievements of Bangladesh in power generation, crossing new milestones and to showcase the Government's success in powering the country's progress and to bring such triumphs into light to all Bangladeshis.

National Press Club

Summit has contributed to develop the infrastructure of The National Press Club. The National Press club was founded in 1954 as the East Pakistan Press Club. It was formed to be run by an elected committee guided by its rules and regulations. The Club contains around 800 members of journalist.

Forum for Energy Reporters

Summit actively facilitates Forum for Energy Reporters Bangladesh (FERB) began on November 27, 2000. The main reason of launching the FERB was to improve skills of journalists in the sector, disseminating information among them, strengthening their internal and external relationship and highlighting major issues.

Mosques and Orphanage

Summit also recognizes the importance of creating sustainability directly around the plants that we operate. To help the poor, this year we have supported mosques and orphanages like Chandertek Mollah Bari Jame Mosque, Morolpara Madrasha & Etimkhana, Nayalkhal Etim Khana, Rainadi Aziza Madrasha and Etimkhana, Modho Kolabag Jame Masjid, and Haji Sadia Jame Masjid. Summit philanthropic activity helps estimated around twenty four thousand beneficiaries.

Acknowledgement

The Directors would like to give special thanks to the members of the public, who have placed their confidence on the Company by purchasing shares and supporting the activities of the Company.

Without the support of its shareholders, the Company could not have attained what it has achieved today.

Your Directors would like to put on record its deep appreciation of the efforts made by the employees of the Company. Their commitment and passion, both individually and through teamwork has helped SPL achieve the success that it has today. The Board also recognizes and appreciates the critical support provided by the families of the employees, which enables them to focus on their daily work in SPL.

The trust and confidence that our valued customers, BPDB, BREB and its members in Palli Bidyut Samitees (PBSs) have placed upon SPL are our main driving forces. We accept this trust in all humility and shall continue to strive to live up to the expectations. The Board expresses its heartfelt appreciation and gratitude to BPDB, the Power Division, MPEMR, Government of Bangladesh as well as Bangladesh Petroleum Corporation (BPC), Jamuna Oil Company Limited, Padma Oil Company Limited, Chittagong Port Authority, National Board of Revenue, Bangladesh Investment Development Authority (BIDA), Department of Environment, the Deputy Commissioners, the Superintendents of Police, the local administration and the people of the locality for extending their support towards the Company. The Board also extends its best wishes to the contractors and consultants who helped us running power plants and achieve this growth. As the Company is growing very rapidly in a very short time it is obvious that the big support from the lenders from home and abroad is significant for the Company. We do recognize their trust and honor vested in our Company and put a special thanks for a sustainable better future.

The Board would also like to express their humble gratitude to all the stakeholders including the investors, suppliers, banks & financial institutions, insurance Companies, service providers, the Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, The Central Depository Bangladesh Limited, various Government Authorities and lastly the individuals and agencies who have helped us accomplish what we are today. Best regards to all shareholders. May you all have peaceful and progressive life.

On behalf of the Board



Lt Gen (Retd.) Engr. Abdul Wadud
Managing Director
Dhaka, 09 September 2017

SHAREHOLDING INFORMATION

ANNEXURE - 3

The Pattern of Shareholding as on June 30, 2017

Category/ Name of Shareholder	No of Shareholder	No of Share Held
Sponsors:		
Summit Corporation Limited	1	604,555,430
Euro Hub Investments Limited	1	38,940,126
Mr. Muhammed Aziz khan	1	57
Mr. Md. Latif Khan	1	57
Mr. Jafer Ummeed Khan	1	42
Mr. Md. Farid Khan	1	52
Ms. Ayesha Aziz Khan	1	57
Mrs. Anjuman Aziz Khan	1	-
Mr. Faisal Karim Khan	1	-
Lt. Gen. (Retd.) Engr. Abdul Wadud	1	-
Advocate Imtiaz Mahmood	1	5,262
Mr. Mainul Abedin	1	10,943
Mr. A.N.M Tariqur Rashid	1	5,262
Mr. Azharul Haque	1	5,262
Mr. Helal Uddin ahmed	1	22,135
Mr. Syed Fazlul Haque FCA	1	1,732
Mr. Mustafizur Rahman	1	-
Mr. Md. Mostofa Kamal	1	-
Mr. Faruq Ahmed Siddiqi	1	-
Mr. Md. Arif Al Islam	1	36
Dr. Mirza Khairuzzaman	1	500
Directors, CEO, Company Secretary, CFO	Nil	Nil
Head of Internal Audit and their spouses	Nil	Nil
Executives (Top 05 persons other than CEO, CFO, CS, HIA)	Nil	Nil
Shareholders holding 10% or more voting rights:		
Summit Corporation Limited	1	604,555,430

COMMUNICATION WITH SHAREHOLDERS

Cooperation and communication between all stakeholders and the Company is the aspect of Corporate Governance, which is a vital issue for your Company as it is related to the sustainability of the Company as well. First of all the schedule and timely communication/reporting is enforced by the related regulators of the country and Summit never fail to comply those time bound reporting to the regulators. Besides the Company has an effective policy in ensuring proper information disclosure and communication. In compliance with continuous disclosure requirements, the Company regularly communicates information regarding any development that has major impact on the operations of the business to its shareholders.

Information Disclosure

The Company follows these main forms of information disclosure:

Continuous Disclosure –

which is its core disclosure and primary method of informing the market and shareholders.

Periodic Disclosure –

in the form of quarterly and yearly reporting of financial results and other issues

Event based disclosure –

as per requirement of administrative and corporate developments, usually in the form of press releases.

All information, that are disclosed to the Bangladesh Securities and Exchange Commission (BSEC) and the Stock Exchanges, are simultaneously made available to the Shareholders of the Company in the Investor's Relations section of the Company's website. <http://www.summitpower.org>

Direct Communication

The Company sends hard copies of Annual and Half Yearly Reports to the shareholders by post so that they access to all of the information to make their valuable decisions. These reports are also kept available at the head office of the Company to offer it to any stakeholder upon requirement. In addition, the detail Annual Reports provide them the opportunity to make their critical analysis about the Company and the investment.

General Meeting

The Company recognizes the rights of the shareholders and accordingly makes sure that their right to express the opinion is guaranteed through the Annual General Meeting (AGM). The Company requires the whole Board of Directors to attend the AGM so that they can answer the shareholders' queries regarding the financial and nonfinancial results of the Company. These general meetings are highly effective in facilitating communication between the shareholders and the Company as they clarify many investment related queries.

Website

All financial results, key performance indicators, compliance reports, other important financial and non-financial data, shareholding information, etc are posted on website of the Company. Important events and announcements of the Company are also posted. Furthermore pieces of information such as the record date, notice of Annual General Meeting etc are reported to the stock exchanges, so the updated information can be found on their website as well.

Shareholders' Queries

If shareholders have any queries relating to their shareholding, they may contact the Company Secretary of the Company, Mr. Swapon Kumar Pal ACA by calling at + (880) 2 – 9137485-6 or mail to swapon.pal@summit-centre.com

HONORABLE CUSTOMERS & THE REGULATORS

Honorable Customers & the Regulators

As per Private Sector Power Generation Policy of Bangladesh, the Power Cell as the GOB (Government of Bangladesh) agent indicates which organization would be the power purchaser from which power producer at the time of issuance of Request for Proposal. Later an agreement (PPA – Power Purchase Agreement) is signed with the bid winner to ensure different issues along with information regarding buyer and seller of the produced electricity. In the case of Summit, our buyers or off takers are either BPDB or REB according to our signed PPAs.

The Patrons

Bangladesh Power Development Board (BPDB) is a statutory body created in May 1, 1972 and it started its operation with Installed Generation capacity of only 200 MW. Installed Generation capacity (January 2015) has increased to 10,817 MW. As part of reform and restructuring, a number of Generation and Distribution Companies have been created. The BPDB is responsible for major portion of generation and distribution of electricity mainly in urban areas except Dhaka and West Zone of the country. The Board is under the Power Division of the Ministry of Power, Energy and Mineral Resources, Government of Bangladesh. (www.bpdb.gov.bd)

The Rural Electrification Board of Bangladesh has been providing service to rural consumers of the country for over 38 years. Since its inception, the purpose of the program has been to use electricity as a means of creating opportunities for improving agricultural production and enhancing socio-economic development in rural areas, whereby there would be improvements in the standard of living and quality of life for the rural people. Today there are 77 operating rural electric cooperatives called Palli Bidyuit Samity (PBS), which bring service to approximately 1,41,98,117 new connection being made and more than 2,94,897 kms of line has been constructed. (www.reb.gov.bd)

The Regulators

The power sector of Bangladesh has been undergoing a process of significant institutional change. As part of the ongoing program of power sector reform, a regulatory body, the BERC (Bangladesh Energy Regulatory Commission) has been set up. Other regulators include the Department of Environment (DoE), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Bangladesh Securities and Exchange Commission (BSEC).

The Bangladesh Energy Regulatory Commission

BERC was established on March 13, 2003 through a legislative Act of the Government of Bangladesh. The commission became effective on April 27, 2004. The Commission's missions includes:

- Enforcement of fiscal discipline of the energy sector
- Introduction of performance targets and incentive-based regulation
- Introduction of uniform operational standards and quality of supply
- Transparency in tariff determination and economic efficiency
- Increased opportunities for development of competitive markets
- Increased opportunities for efficiency and economic growth
- Public involvement into the energy sector

(<http://www.berc.org.bd>)

Others

Department of Environment:

DOE's mission is to help secure a clean and healthy environment for the benefit of present and future generations: Through the fair and consistent application of environmental rules and regulations, through guiding, training, and promoting awareness of environmental issues; and through sustainable action on critical environmental problems that demonstrate practical solutions, and that galvanize public support and involvement. (www.doe.gov.bd)

Dhaka Stock Exchange:

The Dhaka Stock Exchange (DSE) located in Motijheel, Dhaka, is one of the two stock exchanges of Bangladesh (the other being the Chittagong Stock Exchange). In 2015, the combined market capitalization of listed companies on the Dhaka bourse stood at over \$40 billion. (www.dsebd.org)

Chittagong Stock Exchange:

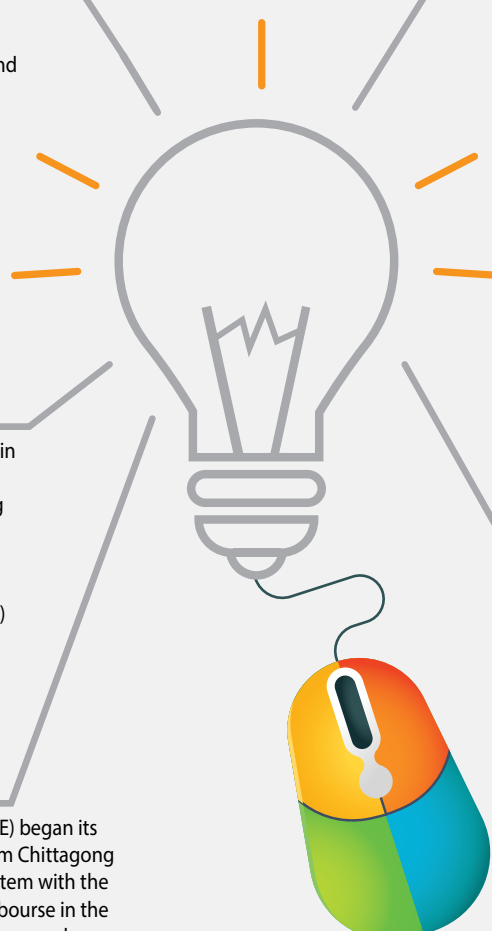
The Chittagong Stock Exchange (CSE) began its journey in 10th October of 1995 from Chittagong City through the cry-out trading system with the promise to create a state-of-the art bourse in the country. Founder members of the proposed Chittagong Stock Exchange approached the Bangladesh Government in January 1995 and obtained the permission of the Securities and Exchange Commission on February 12, 1995 for establishing the country's second stock exchange. (www.cse.com.bd)

Bangladesh Securities and Exchange Commission:

The Bangladesh Securities and Exchange Commission (BSEC) was established on 8th June, 1993 as the regulator of the country's capital market through enactment of the Securities and Exchange Commission Act 1993. Through an amendment of the Securities and Exchange Commission Act, 1993, on December 10, 2012, its name has been changed as Bangladesh Securities and Exchange Commission from previous Securities and Exchange Commission. The Commission has overall responsibility to formulate securities legislation and to administer as well. The Commission is a statutory body and attached to the Ministry of Finance. (www.sec.gov.bd)

Bangladesh Investment Development Authority

Established under Investment Board Act 1989, the Bangladesh Investment Development Authority (BIDA) is the principal private investment promotion and facilitation agency of Bangladesh. The act mandated BOI for providing diversified promotional and facilitating services with a view to accelerating industrial development of the country. In addition, the government also entrusted BOI with some more functions in its service list in the recent past. BOI's functions include investment promotion, facilitation and policy advocacy. (www.boi.gov.bd)



MILESTONE

1997- 2006

- March 30, 1997**
Incorporation of the Company
- February 10, 2000**
Signing of Project Agreements with REB & GOB
- February 08, 2001**
Commercial operation at Savar
- April 01, 2001**
Commercial operation at Narshingdi
- June 02, 2001**
Commercial operation at Comilla
- June 07, 2004**
Conversion from private to public limited Company
- January 13, 2005**
Appointment of Issue Manager
- March 29, 2005**
Credit Rating by CRISL
- June 19, 2005**
Agreement with CDBL
- June 25, 2005**
Approval of Prospectus from Securities & Exchange Commission
- June 28, 2005**
Signing of Project Agreements for expansion at Madhabdi and Comilla with REB & GOB
- June 28, 2005**
Publication of Prospectus
- August 27, 2005**
Subscription opens for public
- October 03, 2005**
Allotment of IPO shares
- October 23, 2005**
Listing with Chittagong Stock Exchange Limited
- November 10, 2005**
Listing with Dhaka Stock Exchange Limited
- November 15, 2005**
First Trading in Stock Exchanges
- March 20, 2006**
Signing of Project Agreements for expansion at Ashulia, Savar with REB & GOB
- November 15, 2006**
Commercial operation at Comilla expansion project
- December 16, 2006**
Commercial operation at Madhabdi expansion project

2007-11

- August 15, 2007**
Incorporation of Summit Purbanchal Power Company Limited (99% subsidiary of Summit Power Limited)
- August 15, 2007**
Incorporation of Summit Uttaranchol Power Company Limited (99% subsidiary of Summit Power Limited)
- September 29, 2007**
Increase the Authorized Share Capital of the Company (SPL) through EGM For issuance of Rights Share at the ratio of 5:4
- October 11, 2007**
Signing of Project Agreements with REB, BPDB & GOB to Implement total 110MW power plants (04 nos) through its two Subsidiary Companies.
- December 04, 2007**
Commercial Operation at Ashulia expansion project
- January 29, 2008**
Approval for issuance of Rights Share
- March 09, 2008**
Subscription opens for Rights Share
- April 21, 2008**
Allotment of Rights Share
- July 27, 2008**
Signing of Syndicated Term Loan Facility of BDT 395.50 crore for setting up 110 MWh Power Plants of Summit's Subsidiaries.
- March 02, 2009**
Commercial operation at Ullapara, Sirajgonj
- May 11, 2009**
Commercial operation at Maona, Gazipur
- June 09, 2009**
Commercial operation at Ruppangj, Narayanganj
- June 24, 2009**
Commercial operation at Jangalia, Comilla
- May 04, 2010**
Incorporation of Summit Narayanganj Power Limited (55% subsidiary of Summit Power Limited)
- June 23, 2010**
Signing of Project Agreement with BPDB to implement Summit Narayanganj 102MW power plant Project.
- April 01, 2011:**
Commercial Operation of 102 MW Dual Fuel Power Plant of Summit Narayanganj Power Limited at Madanganj, Narayanganj
- September 28, 2011**
Asian Power Awards 2011- Best Fast Track Project in Asia for Construction of SNPL in 270 Days
- October 04, 2011**
11th ICAB National Awards for Best Published Accounts and Reports 2010 (Manufacturing): 2nd Position

November 29, 2011

Best Presented Accounts and Corporate Governance Disclosures Awards 2010 by South Asian Federation of Accounts (SAFA): Merit

September 13, 2011

SNPL has achieved financial close by receiving a foreign currency term loan of USD 45 million from DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH and FMO - Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.

December 28, 2011

Acquisition of 18.7%, i.e. - 53,955,326 numbers of ordinary shares of Khulna Power Company Limited (KPCL).

2012

January 12, 2012:

Summit Power Limited was awarded the "Best Corporate Award" in the power Companies' category in 2012 for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

June 25, 2012:

The Company received "International Star for Leadership in Quality Award" in Paris in Gold Category for its outstanding business achievements, for perseverance and leadership in excellence, and quality in accordance with the QC 100 Criteria from Business Initiative Directions (BID), an organization whose primary objective is oriented towards sharing quality culture in leading Companies worldwide.

October 08, 2012:

Summit Narayanganj Power Limited (SNPL) received the certificates of ISO 9001: 2000 – Quality Management System (QMS), ISO 14001: 2004 – Environmental Management System (EMS), BS OHSAS 18001: 2007 – Occupational Health & Safety (OH&S) for successful implementation of Integrated Management System (IMS).

October 11, 2012:

Bangladesh Securities and Exchange Commission (BSEC) gave its consent for raising of capital through Initial Public Offer (IPO) and issuance of prospectus by Summit Purbanchol Power Company Limited.

December 26, 2012:

Summit Power Limited (SPL) received the certificates of ISO 9001: 2000 – Quality Management System (QMS), ISO 14001: 2004 – Environmental Management System (EMS), BS OHSAS 18001 : 2007 – Occupational Health & Safety (OH&S) for successful implementation of Integrated Management System (IMS).

2013

November 12, 2013:

Best Power Generation Company Award 2013 in Private Sector Power Generation

Summit Purbanchol Power Company Limited, a subsidiary of Summit Power Limited has received the "Best Power Generation Company" award in private sector power generation in a grand ceremony organized to celebrate the milestone achievement of 10,000 MW of electricity generation in Bangladesh at Bangabandhu International Convention Centre. The award was handed over by the Honorable Prime Minister to the Chairman of Summit Group Mr. Muhammed Aziz Khan.

December 24, 2013:

13th ICAB National Award for Best Presented Annual Reports 2012
On the occasion of 13th ICAB National Award for Best Presented Annual Reports 2012, Summit Power Limited (SPL) received ICAB National Award, Certificate of Merit for 'Best Published Accounts and Reports 2012' under Non Financial Sector Category – IV: Manufacturing

April 28, 2014:

ICMAB Best Corporate Award 2013

Summit Power Limited received the "ICMAB Best Corporate Award 2013", First Position in the power Companies' category for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

2014

July 01, 2014:

Summit has established a Testing and Calibration Laboratory to keep the equipment, oils and chemicals in a required status, thus minimize any possible unexpected accident/ breakdown of plants.

December 02, 2014:

Summit Power Limited acquired 30% shares of another group Company named, Summit Meghnaghat Power Company Limited (SMPCL), which is a dual fuel (Natural Gas/ liquid Fuel Oil) fired combined cycle power plant located at Meghnaghat, Narayanganj with net capacity of 335 MW on gas and 305 MW on HFO.

December 04, 2014:

The Company received 2nd prize in the category of General Manufacturing Sector of 1st ICSB National Award 2013 of Institute of Chartered Secretaries of Bangladesh (ICSB) for Corporate Governance Excellence.

December 11, 2014:

Summit Meghnaghat Power Company Limited (SMPCL), a new associate Company of Summit Power Limited received the "Best Power Generation Project Award 2014" in Private Sector Power Generation by the Government of the country.

2015

January 20, 2015:

In the category of Power Generation, Summit Power Limited and its subsidiary Company Summit Purbanchol Power Company Limited attained the "ICMAB Best Corporate Award 2014", first and the second positions respectively for its efforts to establish corporate governance.

February 18, 2015:

Global CSR Excellence & Leadership Award
Summit Power Limited (SPL) won the prestigious "Global CSR Excellence & Leadership Award" presented by the World CSR Congress in Mumbai, India.

November 10, 2015:

The Company received ICSB National Award 2014 in General Manufacturing Sector by Institute of Chartered Secretaries of Bangladesh (ICSB) for Corporate Governance Excellence.

December 10, 2015

On the occasion of 15th ICAB National Award for Best Presented Annual Report 2014, Summit Power Limited received ICAB National Award, 3rd prize for "Best Published Accounts and Reports 2014 under Manufacturing Sector.

2016

January 20, 2016:

SPL received SAFA Best Presented Annual Reports Awards for its excellence in quality Annual Report 2014 by South Asian Federation of Accounts (SAFA)

26 October 2016:

On the occasion of "ICMAB Best Corporate Award 2015" in the power generation category, Summit Power Limited ranked first for its efforts to establish corporate governance.

November 29, 2016:

On the occasion of 16th ICAB National Award for Best Presented Annual Report 2015, Summit Power Limited received ICAB National Award, merit for Best Published Accounts and Reports 2015 under Manufacturing Sector.

December 10, 2016

Summit Barisal Power Limited (SBPL), a new subsidiary Company of Summit Power Limited received the "Best Power Generation Project Award 2016" in Private Sector Power Generation by the Government of the country. Again this the 4th time in a row for Summit Group to receive this prestigious award.

December 24, 2016

The Company received the ICSB National Award 2015, 3rd position in General Manufacturing Sector by Institute of Chartered Secretaries of Bangladesh (ICSB) for Corporate Governance Excellence.

December 29, 2016:

Summit Barisal Power Limited (SBPL) and Summit Narayanganj Power Unit II Limited (SNPL II) – two subsidiaries of the Company, achieved financial close by receiving a foreign currency term loan of USD 50 million and USD 27.64 million respectively.

2017

March 05, 2017:

Credit Rating Information and Services Limited (CRISL) has assigned the Long Term Rating "AAA" and Short Term Rating "ST-1" to the Summit Power Limited.

April 11, 2017:

SPL Signed Project Agreement with BPDB to implement a 149 MW power plant at Kodda, Gazipur. The plant is supposed to be commissioned by March 2018 and would provide uninterrupted electricity to Gazipur region and to Kaliakor Hi-Tech Park.

SUMMIT (SPL) IN THE POWER SECTOR OF BANGLADESH

Summit Power Limited (SPL) being the first private sector power generation Company, always urges to contribute the nation by providing more electricity to the national grid. Still today summit does not hesitate to make further drive for a new power plant with its knowledge pool, skilled resources and ever-growing abilities. This perception of SPL is guided by its vision (to provide quality & uninterrupted electricity to the vast majority of rural Bangladesh for their personal, social & economic development) to accomplish the Company mission - Empowering Bangladesh, to expand the Company into a power generation capacity to the tune about 20% of the electricity requirement of Bangladesh and maintain that level. Following are the portfolio Companies of Summit in power sector of Bangladesh.





NAME OF COMPANY	NAME OF PROJECT	LICENSED CAPACITY	OWNERSHIP OF SPL
Summit Power Limited (SPL)	Ashulia power plant (unit I & II)	44.75 MW	Fully owned
	Chandina power plant(unit I & II)	24.50 MW	
	Madhabdi power plant (unit I & II)	35.30 MW	
	Jangalia power plant	33 MW	
	Rugganj power plant	33 MW	
	Maona power plant	33 MW	
	Ullapara power plant	11 MW	
	Madanganj power plant	102 MW	
Summit Narayanganj Power Unit II Limited (SNPL II)	Madanganj power plant unit II	55 MW	49% owned subsidiary
Summit Barisal Power Limited (SBPL)	Rupatoli power plant	110 MW	49% owned subsidiary
Ace Alliance Power Limited (up-comming)	Kodda II power plant	149 MW	64% owned subsidiary
Summit Gazipur II Power Limited (up-comming)	Kodda power plant	300 MW	20% owned associate
Khulna Power Company Limited	Khulna	265 MW	17.64% own equity investment
Summit Meghnaghat Power Company Limited	Meghnaghat power plant	335 MW	30% owned associate

MANAGEMENT TEAM





- 1 **MR. FAISAL KARIM KHAN**
Director
- 2 **MR. MUHAMMED AZIZ KHAN**
Chairman
- 3 **LT GEN (RETD) ENGR. ABDUL WADUD**
Managing Director
- 4 **MR. MD. LATIF KHAN**
Vice-Chairman
- 5 **MR. MD. MOZAMMEL HOSSAIN**
Deputy Managing Director
- 6 **MRS. ANJUMAN AZIZ KHAN**
Director
- 7 **MS. AYESHA AZIZ KHAN**
Director (Finance)
- 8 **MR. JAFER UMMED KHAN**
Director
- 9 **MR. FARUQ AHMED SIDDIQI**
Independent Director
- 10 **MR. MOSTAFA KAMAL**
Independent Director
- 11 **MR. MD. ARIF AL ISLAM**
Director
- 12 **MR. A.K.M. ASADUL ALAM SIDDIQUE**
General Manager 3 (Operation & Maintenance)
- 13 **MR. MD. NAZRUL ISLAM KHAN**
Deputy General Manager (Electrical & Instrumentation)
- 14 **MR. MD. NAZMUL HASAN**
General Manager (Procurement, Inventory & Training)
- 15 **MR. MD. ABDUS SOBHAN**
Senior General Manager 2 (Operation & Maintenance)
- 16 **MR. MD. SOLAIMAN PATWARY**
Senior General Manager 1 (Operation & Maintenance)
- 17 **ENGR. MD. ANISUR RAHMAN**
General Manager (SCT & Dev., HR & Admin)
- 18 **MR. SWAPON KUMAR PAL ACA**
Financial Controller & Company Secretary

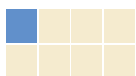


INTRODUCTION OF THE SENIOR EXECUTIVES



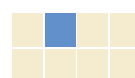
Md. Mozammel Hossain

Deputy Managing Director (SPL) & Managing Director (Ace Alliance Power Limited, Summit Gazipur II Power Limited and Summit Chittagong Power Limited)

 Md. Mozammel Hossain is the Deputy Managing Director of Summit Power Limited and has about 37 (thirty seven) years of experience in the power sector. He had obtained degree in Electrical Engineering from Rajshahi Engineering College now named as Rajshahi University of Engineering & Technology (RUET). Mr. Hossain started his professional career in Bangladesh Power Development Board in 1976 and worked mostly in Power Generation and Transmission Projects holding different position. He left BPDB in 2011 and joined Power Grid Company of Bangladesh Ltd. (PGCB) as Deputy General Manager and elevated upto the position of Director, Technical. He took voluntary retirement from PGCB in August 2011 and joined the group to continue his professional career. Mr. Hossain has obtained various training in foreign countries as well as in local institutes and has visited a number of countries. Mr. Hossain obtained Power Development Board Merit Award for the Year of 1982 and obtained an Annual Performance Recognition Award of Asian Development Bank in 2008.

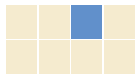
Md. Solaiman Patwary

Senior General Manager 1 (Operation & Maintenance)

 Mr. Patwary started his career as Junior Engineer in ocean going ship in 1979 after completing Marine Academy Cadetship and Workshop training at Chittagong. He has experience of 21 years in foreign flag vessel as Junior Engineer, 5th engineer, 4th engineer, 3rd engineer, 2nd engineer and Chief Engineer (12 years) in many types of ships and in many types of machineries. He obtained certificate of competency class 2 Engineer (Motor) from Singapore and obtained class I marine engineering degree from England. He joined Summit Power Limited in the year 2000 at the beginning of the Company. He has great contribution in the success of the Company in operation and maintenance. He attended various training, workshop and seminars at both home and abroad.

MD. ABDUS SOBHAN

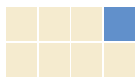
Senior General Manager 2 (Operation & Maintenance)



Mr. Sobhan is an Electrical Engineer, graduated from BUET in 1977 and secured 1st Class. He did his MBA in Finance & Banking as well. He is a fellow of The Institution of Engineers, Bangladesh. Before joining Summit in 2000 Mr. Sobhan accumulated 22 years of experience in different Govt., Semi Govt. and Private Organizations at home & abroad. In 1977, he started his career from Khulna Engineering College as a Lecturer in Electrical Engineering department. He had 18 years of experience in 450MW Steam, Gas Turbine Power Plants and Seawater Desalination Plants in the Secretariat of Electricity under the Govt. of Libya. He received on job training from both home & abroad. During last 16 years of service at SPL Mr. Sobhan has actively participated in different areas of power sector such as installation, testing & commissioning, operation and maintenance of power plants and power plant project planning and development works.

A. K. M. ASADUL ALAM SIDDIQUE

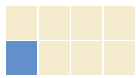
General Manager 3 (Operation & Maintenance)



Mr. A. K. M Asadul Alam Siddique did his graduation in Naval Architecture & Marine Engineering from BUET in 1987. He is a life fellow of the Institution of Engineers, Bangladesh. He did his class II and class I Marine Engineering from U.K. in 1993 and 1996 respectively. Prior joining to Summit in 2003, Mr. Asad has accumulated 16 years of experience in different organizations at home & abroad. He started his career as Naval Architect with the 'Ship Designer & Consultant' in 1987. After that he joined in Bangladesh Shipping Corporation as Cadet Engineer and continued to serve in ocean going vessel of BSC and foreign Companies up to Chief Engineer. He also received an MBA degree in Finance and Banking.

SWAPON KUMAR PAL ACA

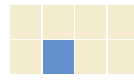
Financial Controller & Company Secretary



Mr. Swapon Kumar Pal is the Financial Controller & Company Secretary, joined Summit in September 2009. Mr. Swapon is a qualified Chartered Accountant under the Institute of Chartered Accountants of Bangladesh (ICAB) and obtained his MBA and BBA degrees in Accounting & Information Systems (AIS) from business faculty of University of Dhaka. He has 13 years of professional experience. Prior to join Summit, Mr. Swapon completed his article-ship on Chartered Accountancy from Rahman Rahman Huq (the only member firm of KPMG International in Bangladesh). Before promoting to the current position, Mr. Swapon initially worked as Manager, Internal Audit, Assistant General Manager, Internal Audit and then Deputy Financial Controller in Summit Power Limited and its subsidiaries.

ENGR. MD. ANISUR RAHMAN

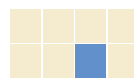
General Manager (SCT & Dev., HR & Admin)



Engr. Md. Anisur Rahman obtained B.Sc. Engineering degree in 1981 and he is the fellow of the Institution of Engineers, Bangladesh. After completing graduation, he joined in Rural Electrification Board (REB). He served 07 years as Assistant General Manager, 05 years as Deputy General Manager and 14 years as General Manager in various electric utilities under Rural Electrification Board with the duties and responsibilities of maintenance & operation of distribution system, construction of distribution lines, supply of power to the consumers, all kinds of financial and administrative activities and keeping liaison with the Govt., Semi-Govt., Local Govt. authorities, autonomous bodies and developing agencies. After emergence of power generation in private sector, he switched over his career and joined in Energis Power Corporation Limited (a private power generation Company) as General Manager (O&M) and served 2 years 06 months in 55 MW heavy fuel oil based power plant at Sikalbaha, Chittagong. He joined in Summit Narayanganj Power Limited on November, 2011 as General Manager (O&M) and worked for 2 years 6 months. After then he has been performing duty as General Manager (SCT & Dev., HR & Admin). He attended various on job training, workshop and seminar at home and abroad (USA, UK & India).

MD. NAZMUL HASAN

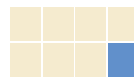
General Manager (Procurement, Inventory & Training)



A Marine Engineer Mr. Md. Nazmul Hasan obtained his Marine Engineering Certificate of Competency (Class 1) from Singapore. He also received an MBA degree in Operations Management. He started his career in Bangladesh Shipping Corporation (BSC) in 1992 and got 15 years of professional experience as 5th Engineer to Chief Engineer in ocean going ships of BSC and other foreign Companies. He also worked as Deputy General Manager of Ship Repair Department of BSC. He joined in Summit Power in 2008 as Plant Manager of Rupgonj Power Plant. From November 2011, he is working at head office and responsible for training, procurement and inventory.

MD. NAZRUL ISLAM KHAN

Deputy General Manager (Electrical & Instrumentation)



Mr. Md. Nazrul Islam Khan is an Electrical Engineer graduated from BUET in the year 1975. He is a life fellow of Institute of Engineers, Bangladesh. Prior to joining Summit in the 2007 Mr. Md. Nazrul Islam Khan accumulated 36 years of professional experience in different Govt., Semi Govt. and Private Organization in home and abroad. He participated in various training and seminar in home and abroad.

PLANT MANAGERS & IN-CHARGES



FROM LEFT: (SITTING)

MD. ANWARUL IQBAL SHEIKH, PLANT MANAGER, RUPGANJ POWER PLANT

BISHWAJIT SHAHA, PLANT MANAGER, MADHABDI POWER PLANT

MOAHMMED SHAMEEM, PLANT MANAGER, CHANDINA POWER PLANT

SANTOSH BARAI, PLANT MANAGER, ASHULIA POWER PLANT

MD. ANISUR RAHMAN, PLANT MANAGER, JANGALIA POWER PLANT

FROM LEFT: (STANDING)

S. M. ALI AHSAN, ASSISTANT GENERAL MANAGER, BARISAL POWER PLANT

MD. ABU HANIF, PLANT MANAGER, MAONA POWER PLANT

MD. ARIFUR RAHMAN CHOWDHURY, DEPUTY PLANT MANAGER, ULLAPARA POWER PLANT

HAFIZ AL ATICK, ASSISTANT GENERAL MANAGER, NARAYANGANJ POWER PLANT (UNIT I & II)

MANAGEMENT REVIEW AND RESPONSIBILITIES

The management of Summit Power Limited (SPL) formulates and implements operational and tactical plan to align the organization as per strategic objectives and policies provided by the Board. In Summit, the Management is in full control of the Company's affairs and is also accountable to the Board. The Management firmly believes that the success of the Company is achieved through fair practice of the corporate governance framework.

In discharging its responsibilities, which are aligned with the defined policies and objectives of the board of directors, the Management fulfills certain key functions including -

- Implementing and providing feedback about - the corporate strategy, major plans of action, risk policy, annual budgets and business plans; performance objectives.
- Assisting the Board to ensure the integrity of the Company's accounting & financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Assisting the Board to review the Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- Assisting the Board to monitor and implement the effectiveness of the approved strategic plans by adopting relevant tactical and operating plans.
- Establish Company's values as defined by the Board.
- Monitor and provide feedback about the corporate governance of the Company to the Board.

The Management builds the confidence of the Board by ensuring that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders and other stakeholders while optimizing the wealth of the Company.

VARIOUS COMMITTEES

ANNEXURE - 4

Audit Committee	
Mr. Faruq Ahmed Siddiqi, Independent Director	-Chairman
Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director	-Member
Mr. Syed Fazlul Haque FCA, Director	-Member
Mr. Swapon Kumar Pal ACA, Financial Controller	- Secretary
Executive Committee	
Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director	-Chairman
Mr. Md. Latif Khan, Vice Chairman	-Member
Ms. Ayesha Aziz Khan, Director (Finance)	-Member
Mr. Faisal Karim Khan, Director (Operation)	-Member
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Swapon Kumar Pal ACA, Financial Controller	- Secretary
Purchase Committee	
Mr. Md. Latif Khan, Vice Chairman	-Chairman
Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director	-Member
Mr. Faisal Karim Khan, Director (Operation)	-Member
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Swapon Kumar Pal ACA, Financial Controller	- Secretary
Technical Committee	
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Chairman
Mr. Solaiman Patwary, Senior General Manager (O&M)	-Member
Mr. Abdus Sobhan, Senior General Manager (O&M)	-Member
Mr. A. K. M. Asadul Alam Siddique, Senior General Manager (O&M)	-Member
Mr. Md. Nazmul Hasan, General Manager Procurement, Inventory & Training	-Member
Operation & Maintenance Committee	
Mr. Faisal Karim Khan, Director (Operation)	-Chairman
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Solaiman Patwary, Senior General Manager (O&M)	-Member
Mr. Abdus Sobhan, Senior General Manager (O&M)	-Member
Mr. A. K. M. Asadul Alam Siddique, Senior General Manager (O&M)	-Member
Mr. Md. Nazmul Hasan, General Manager Procurement, Inventory & Training	-Member
Plant In-charges	-Member
Remuneration Committee	
Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director	-Chairman
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Solaiman Patwary, Senior General Manager (O&M)	-Member
Mr. Abdus Sobhan, Senior General Manager (O&M)	-Member
Mr. A. K. M. Asadul Alam Siddique, Senior General Manager (O&M)	-Member
Mr. Md. Anisur Rahman, General Manager (SCT & Dev. HR & Admin)	-Member
Mr. Swapon Kumar Pal ACA, Financial Controller	- Secretary
Mr. Md. Nazmul Hasan, General Manager Procurement, Inventory & Training	-Member

Note:

1. PI&T - Procurement, Inventory & Training
2. O&M – Operation and Maintenance
3. SCT- Standard Compliance & Training

OUR MANAGEMENT SYSTEM

To materialize the Company mission, it requires an Integrated Management System (IMS) that combined all the internal management practices into one system but not as a separate components. Vice versa, for these systems to be an integral part of our management system there have to be linkages so that the boundaries between processes are unified. Company like Summit, which is IMS certificated can build upon that by adding the necessary processes to cater for health, safety, environmental and other requirements of management system standards.

IMS helps Summit to get more from the existing organization and by integrating these management systems allows it to get even more without investing extra time or money. It helps to define the goal first then look back to the current status and finding possible ways to reach that very goal/objective and finally, selecting the best path to achieve that goal.

As a milestone to the continual improvement (spirit of IMS), Summit has established a Testing and Calibration Laboratory, due to increasing growth of the Company, more and more auxiliaries, measuring, controlling and protecting equipment supports were required. Previously we were depended on the third parties to cater this requirement. But, we know that it is not possible to justify any improvement and development without having proper measurement equipment. So such a laboratory of international standard was an obvious requirement. Beside the IMS requirement for the establishment of the laboratory, it will help us by keeping our equipment, oils and chemicals in a required status, thus minimize any possible unexpected accident/breakdown of plants.

This Testing and Calibration Laboratory will not only support Summit but also other similar Companies to get additional supports, which summit considers as it Corporate Social Responsibility (CSR) to patronize the engineering sector of the country.



BUSINESS REVIEW - 2016 - 17

Summit Power Limited and its subsidiaries at present operate 13 power plants having total Generation Capacity of these power plants is 482 MW (approximately) of its own including the operation of 165 MW from Summit Barisal and Summit Narayanganj Unit II and it has also 17.64% equity participation in Khulna Power Company Limited, KPCL, (265 MW) and 30% in Summit Meghnaghat Power Company Limited, SMPCL, (335 MW). All these power plants were made available to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of the Company. As a result Summit Power Limited of its own has delivered approximately 2,819 million Kwh to the national grid.

Summit Power Limited has always used brand new highly efficient engines/turbines and other auxiliaries of best international standard. The aim is to spend bare minimum fuel for generation of electricity and save costly fuel of the country. The new and quality machine allows for Summit Power Limited to maintain its guaranteed contractual availability and Heat Rate (fuel consumption for generation of one unit of electricity) ensuring efficient use of fuel and gas. A typical review of the performance is given below –

- All the power plants of Summit Power Limited, except for Ashulia Unit 2, Jangalia power plant performed quite better in terms of Energy Export in 2016-2017.
- Most of the plants achieved the targeted availability factor.
- Summit Barisal Power Plant and Summit Narayanganj plant Unit II performed better in the first year of their operation as well and contributed almost 34% of total generation of exported electricity.
- The Company managed to maintain its profitability and achieved remarkable increase in its net profit figure by adding the profit sharing from SMPCL, substantial dividend income from KPCL and income from Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited.
- The overall gas consumption was reasonably within targeted specification.
- Finance costs have remarkably reduced for Summit Power Limited (stand-alone) because of comparatively lower interest costs/dividend payment on reduced project loan/preference shares and better interest income on FDRs kept in different banks/inter-Company loan/financing; but the consolidated finance costs have increased because of interest costs incurred on foreign loan taken for 165 MW projects development under Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited as first year in operation.
- Profit sharing from SMPCL, dividend income from KPCL, overall better revenue performance of all plants have contributed for good profitability of Tk. 4,336,936,449 in year 2016-17 against Tk. 3,610,084,420 in year 2015.
- Consolidated capital, assets and liabilities of the Company have significantly increased over year 2015 because of starting operation by Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited and issuance of fresh shares for merger of Summit Purbanchol Power Company Limited and Summit Uttaranchol Power Company Limited and Summit Narayanganj Power Limited with Summit Power Limited.
- Availability of better cash and cash equivalents after mitigating all the operational and development cash requirements has assisted management to declare 30% cash dividend this year.

বিস্মিল্লাহির রাহমানির রাহিম

সামিট বরিশাল ১১০ মেঃওঃ বিদ্যুৎ কেন্দ্র

শুভ উদ্বোধন করেন

শেখ হাসিনা

মাননীয় প্রধানমন্ত্রী

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

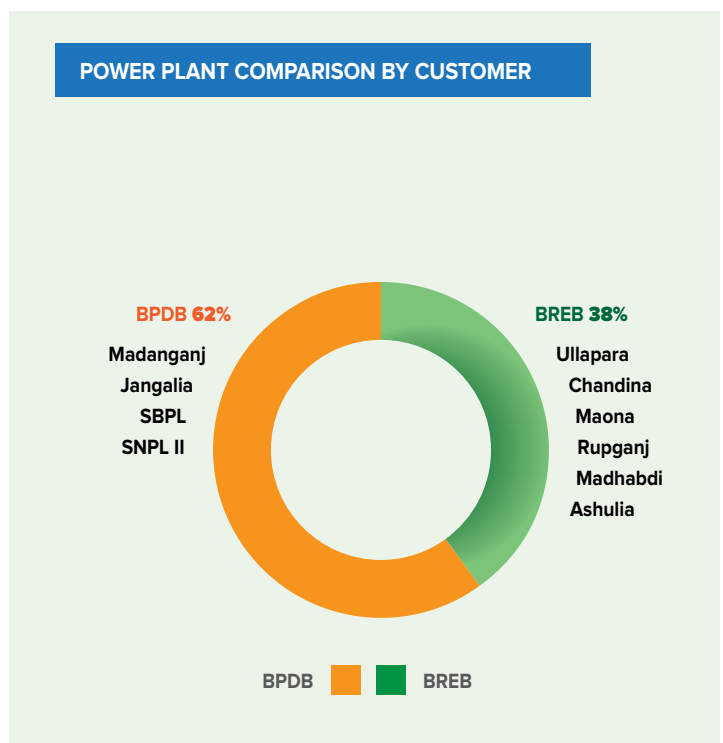
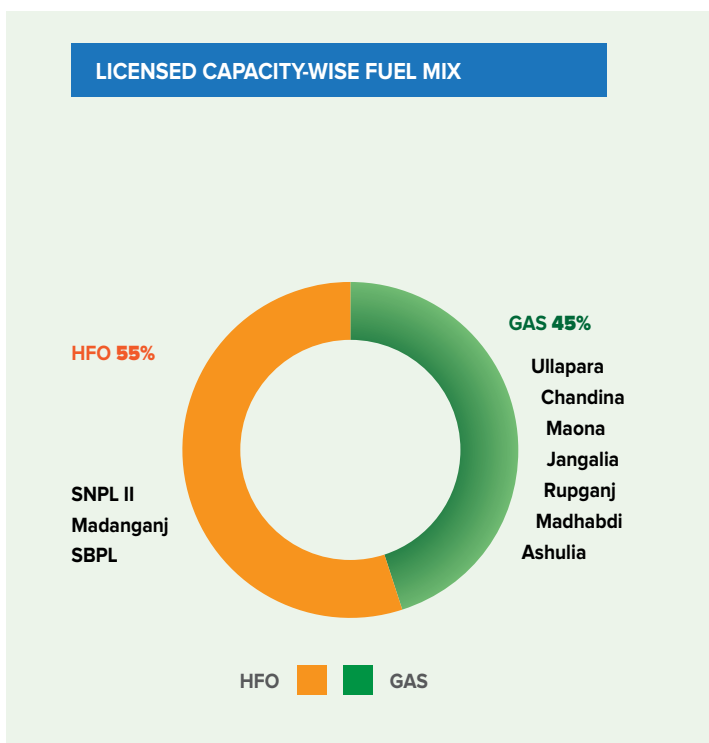
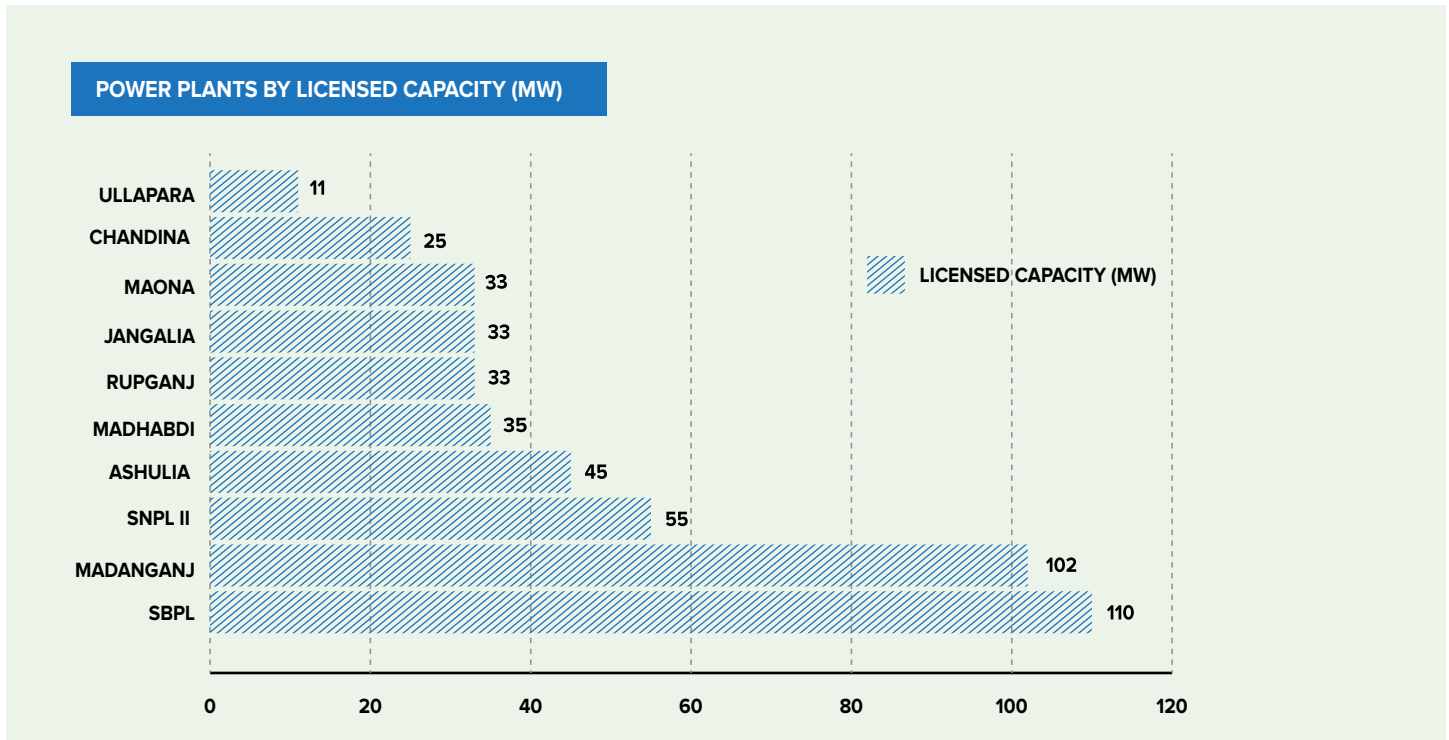
বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড

বাস্তবায়ন ও পরিচালনায় : সামিট বরিশাল পাওয়ার লিমিটেড

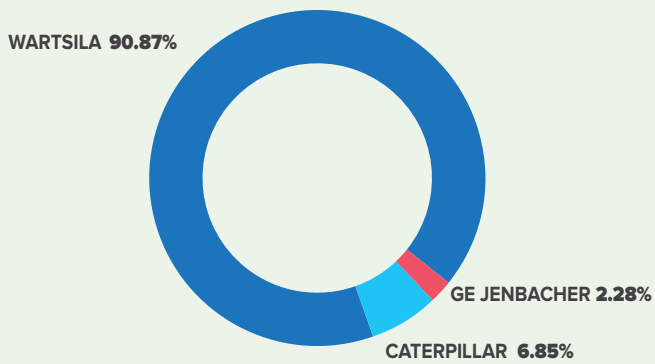
১৭ ফাল্গুন ১৪২৩, ০১ মার্চ ২০১৭

PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

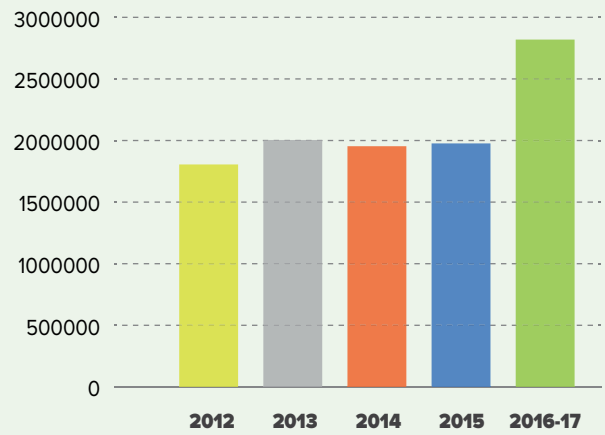
Our product can be segmented in different perspective, i.e. – Fuel Type, Customer, Licensed Capacity, Engine Vendor etc. Following is a graphical presentation of various categorization of our plant –



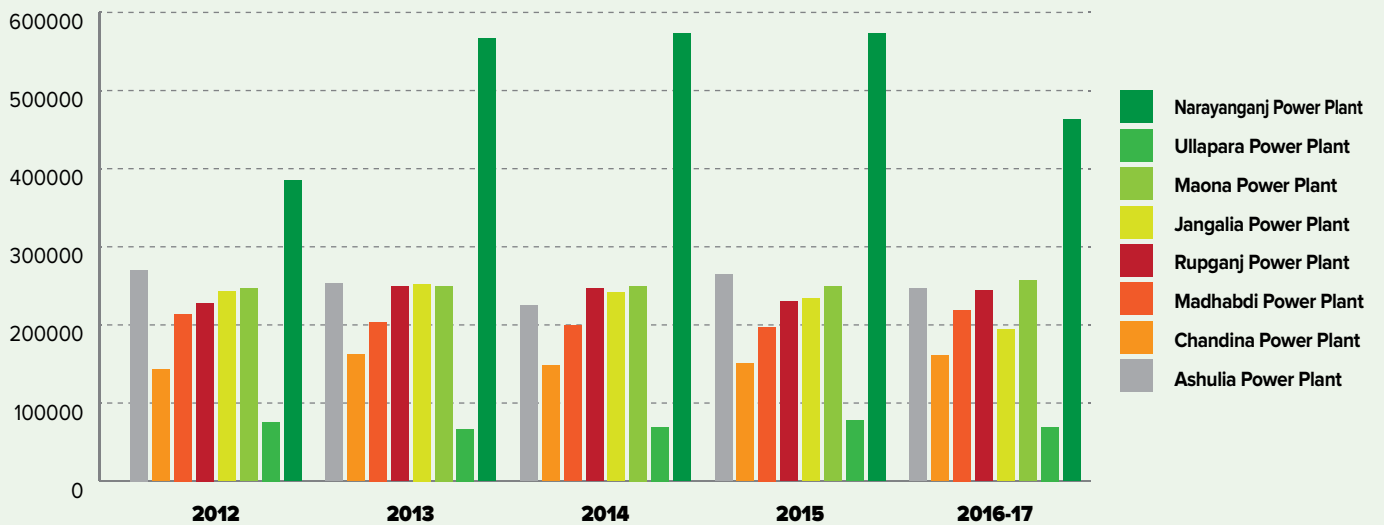
LICENSED CAPACITY-WISE BRAND NAMES



OVERALL ENERGY SOLD (MWH)



PLANT WISE PERFORMANCE



PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

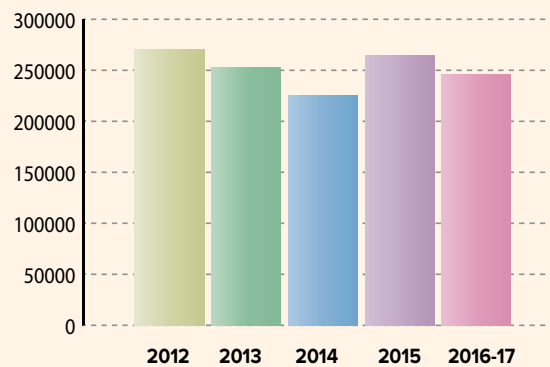
ASHULIA POWER PLANT



LICENSED CAPACITY

44.75 MW

ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

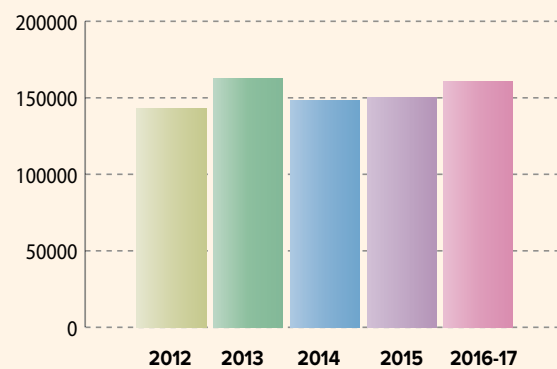
CHANDINA POWER PLANT



LICENSED CAPACITY

24.5 MW

ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

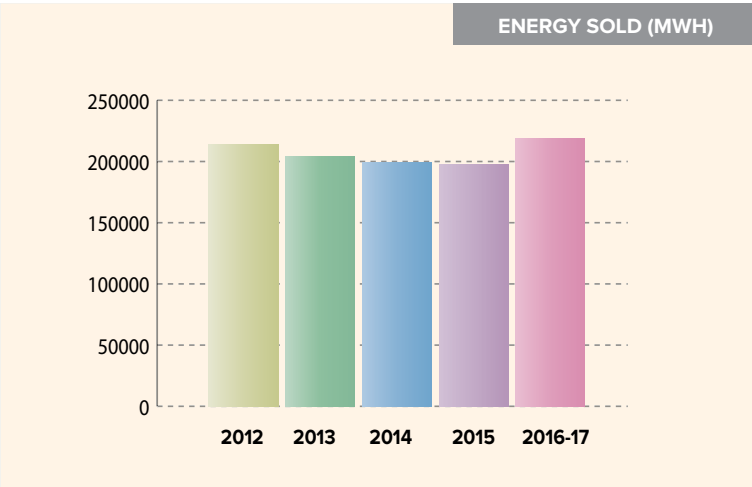
MADHABDI POWER PLANT



LICENSED CAPACITY

35.3 MW

ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

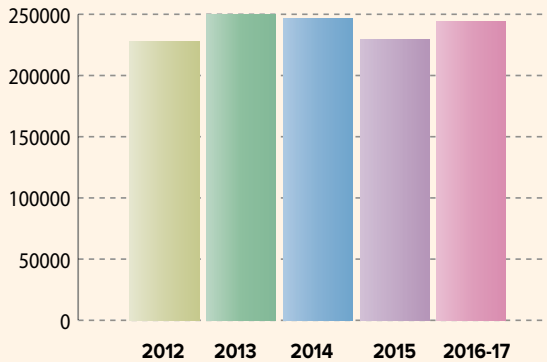
RUPGANJ POWER PLANT



LICENSED CAPACITY

33 MW

ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

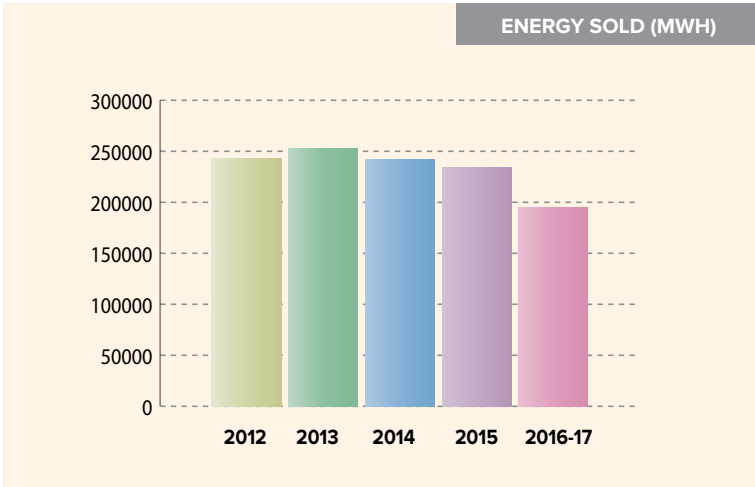
JANGALIA POWER PLANT



LICENSED CAPACITY

33 MW

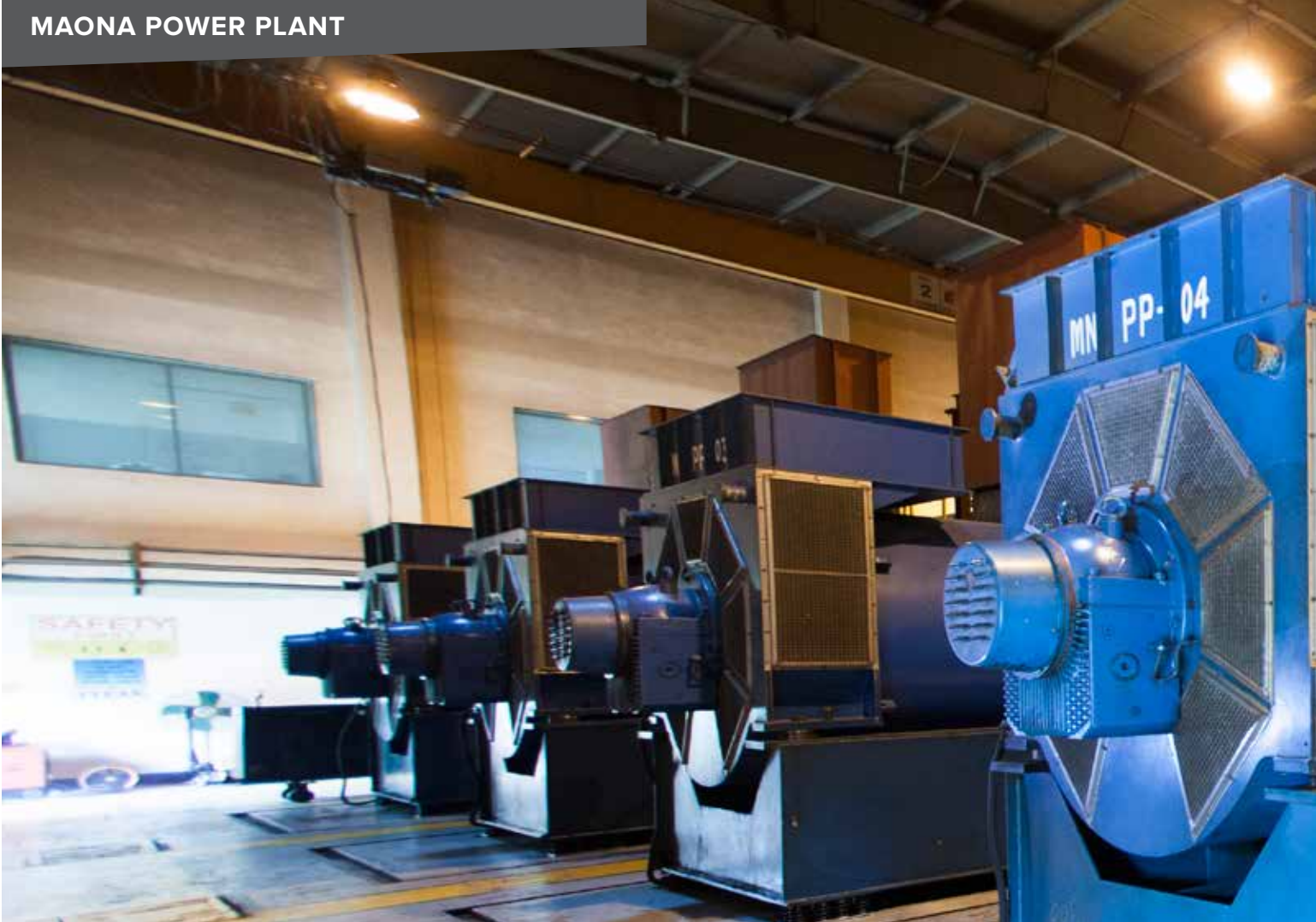
ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

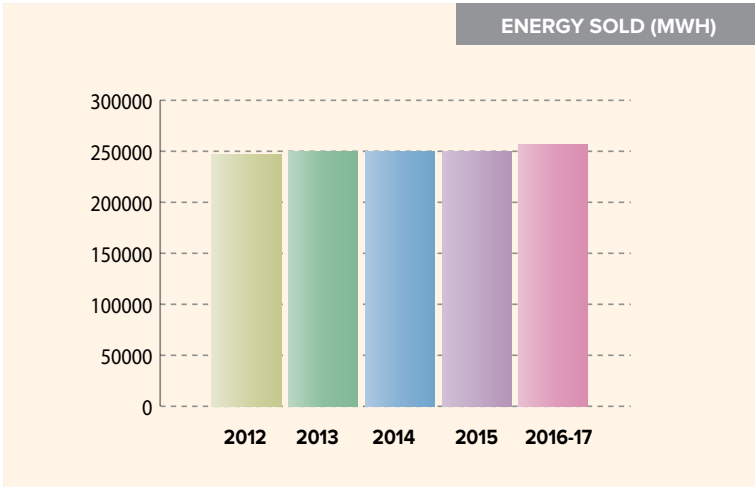
MAONA POWER PLANT



LICENSED CAPACITY

33 MW

ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

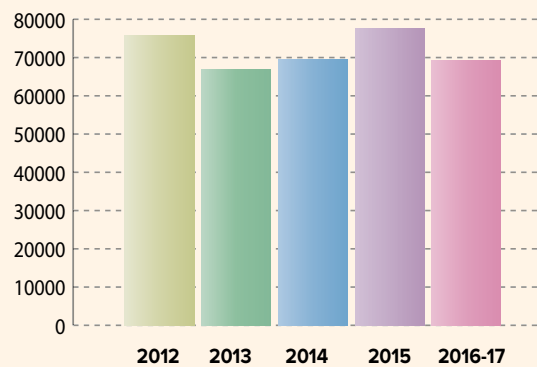
ULLAPARA POWER PLANT



LICENSED CAPACITY

11 MW

ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

BARISAL POWER PLANT



LICENSED CAPACITY

110 MW





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

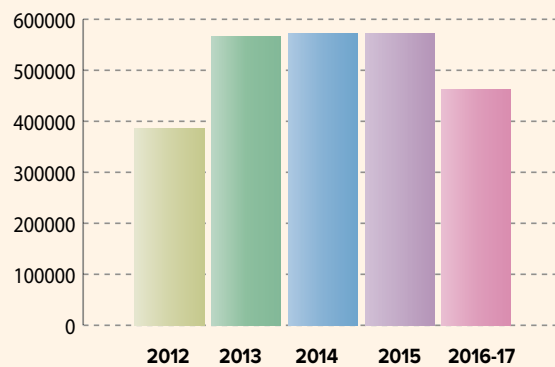
MADANGANJ POWER PLANT



LICENSED CAPACITY

102 MW

ENERGY SOLD (MWH)





PRODUCT SEGMENTATION / REVIEW OF OUR POWER PLANTS

MADANGANJ POWER PLANT II



LICENSED CAPACITY

55 MW





FINANCIAL HIGHLIGHTS 2016-17

	2016-17	2015	2014	2013	2012
Operating Data (Taka in million)					
Turnover	16,214	10,013	6,109.04	6,191.92	5,892.63
Cost of Sales	11,760	6,760	2,552.59	2,373.94	2,268.69
Gross Profit	4,454	3,252	3,556.46	3,817.98	3,623.94
General & Admin Expenses	501	387	566.77	592.57	506.81
Operating Profit	4,185	3,132	3,156.23	3,311.93	3,128.71
Interest & Financial Charges	529	216	415.98	529.83	698.93
Net Profit of the Company	4,337	3,610	2,219.28	2,184.86	1,873.47
Net Profit Attributable to Owners	4,012	2,943			
Balance Sheet Data (Taka in million)					
Paid up Capital	10,679	8,264	7,870.63	5,915.40	4,929.50
Shareholders' Equity	30,993	22,968	20,286.34	13,875.26	11,390.11
Total Debt (NCL)	6,844	142	641.84	2,887.27	4,128.89
Current Assets	11,900	5,801	6,235.49	5,151.77	5,045.02
Current Liabilities	2,885	7,540	2,641.61	2,028.68	2,326.09
Total Assets	42,474	34,697	27,043.73	22,035.18	21,230.61
Total Liabilities	9,729	7,682	3,283.45	4,915.95	6,454.98
Financial Ratios					
Gross Profit Ratio (%)	27.47%	32.48%	58.22%	61.66%	61.50%
Net Profit Ratio (%)	26.75%	36.05%	36.34%	35.29%	31.79%
Return on Total Assets (%)	11.24%	11.78%	11.45%	12.84%	11.71%
Total Debt Equity Ratio	22.91%	22.14%	13.52%	28.71%	40.96%
Return on Equity (%)	14.51%	14.39%	13.72%	16.53%	16.83%
Price Earnings Ratio (Times)	10.90	10.56	11.12	9.91	16.81
Current Ratio (Times)	4.12	0.77	2.36	2.54	2.17
Other data					
Earnings Per Share (Taka)	3.76	3.36	3.26	3.69	3.17
Dividend (%)	C-30	C-12, B-6	C-10, B-5	B-15	B-20
Total No of Shares Outstanding	1,067,877,239	876,000,721	787,062,643	591,540,246	492,950,205
Weighted Average no of Shares Outstanding	1,067,877,239	876,000,721	680,563,861	591,540,246	492,950,205
Total no of Sponsors Shares Under Lock in	135,720,403	-	456,222,301	303,852,992	253,210,827
Total no of Free Float Shares	344,122,535	297,959,599	330,840,342	287,687,254	239,739,378
Return on Capital Employed (ROCE)	11.46	12.21	11.39	16.55	13.55
EBITDA (Taka in millions)	5,188.90	3,941.73	3,890.61	3,899.79	3,655.95

AUDIT COMMITTEE REPORT 2016-17

The Audit Committee, appointed by and responsible to the Board of Directors of Summit Power Limited (SPL), is constituted according to the internal control framework of the Company policy and as per conditions of the Bangladesh Securities and Exchange Commission (BSEC) guidelines. The committee comprises of three members of whom two are non-executive members of the Board. The Company secretary functions as the Secretary of the committee. Meetings of the committee are attended by Finance Director, Head of Internal Audit and External Auditor, when necessary, by invitation. All members of the committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control process.

The present Committee of SPL comprises of the following Board members:

Mr. Faruq Ahmed Siddiqi, Independent Director	Chairman
Mr. Syed Fazlul Haque, non-executive Director	Member
Lt. Gen. (Retd.) Engr. Abdul Wadud, Managing Director	Member

A total of 6 (six) meetings were held since the last Annual General Meeting of SPL, the last being on 27th April 2016.

Role of the Committee

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:

- 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.
- Monitoring and reviewing the adequacy and effectiveness of the Company's financial reporting process, internal control and risk management system.
- 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.
- Recommending to the Board the appointment, re-appointment or removal of external auditors.
- Reviewing and monitoring the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

Activities carried out during the financial year under report

Pursuant to changes in the provision of Section 2 (35) of the Income Tax Ordinance 1984 following enactment of Finance Act 2015, the Company has changed its reporting period from January-December to July-June. Accordingly the current financial statements under report cover an eighteen month period from 1st January 2016 to 30th June 2017. In accordance with Audit Committee Charter, governed by the BSEC notifications on Corporate Governance, the committee carried

out its duties to work on the areas that were raised for consideration and discussed to evaluate issues related to key events of financial reporting cycles. During the current financial period under report activities of the committee include, among others:

- Reviewed 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 and Exchange Commission (BSEC).
- Assessed the report of the external auditors on critical accounting policies, significant judgments and practices used by the Company in preparation of financial statements.
- Rahman Rahman Huq, Chartered Accountants, the retiring auditors have been recommended for re-appointment as the External Auditors of the Company for the next financial year.
- Committee reviewed the effectiveness of internal financial control and the internal audit procedures.
- Reviewed the recurrent related party transactions during the year under report.
- Reviewed the external auditors' findings arising from audit, particularly comments and responses of the management.
- Reviewed the matters of compliance as per requirements of the Bangladesh Securities and Exchange Commission (BSEC) and ensured corrections, as appropriate, to remain compliant.

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 Audit Committee



Syed Fazlul Haque
Chairman of the Meeting

FINANCIAL REVIEW 2016-17

Summit Power Limited together its subsidiaries, Summit Barisal Power Limited (SBPL) and Summit Narayanganj Power Unit II Limited (SNPL II) managed to maintain its operational efficiency despite the various macroeconomic challenges the economy. As can be seen from the review below, the Company managed to increase its overall profitability and earnings growth.

Revenue

- Turnover increased by 62% (Tk. 6,201 million) in 2016-17 relative to the revenue generated in the previous year.
- The increase in revenue has been due to higher electricity generation over last year almost in all power plants of Summit Power Limited (stand-alone) and newly started operation of Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited.

Cost of Sales

- Cost of sales in 2016-17 went up by 74% in line with increased revenue.
- The increase in spare parts consumption, depreciation expense, lubricant oil costs and cost of furnace oil have increased because of starting operation by Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited as first year of their operation.

Net Profit

- Net profit increased by 20% (by Tk. 727 million) over last year on account of SBPL and SNPL II's starting operation and better dividend income/profit sharing from associated Companies.
- The net profit resulted in EPS of Tk. 3.76 against Tk. 3.36 in 2015.

Total Assets

- Total assets base of the Company increased by 22.41% than previous year.
- The increase in total assets base by Tk. 7,776 million was attributed mainly by starting operation by SBPL and SNPL II.

Total Liabilities

- Total liabilities increased by 26.65 % during the year due to long term loan as taken for SBPL and SNPL II 165 MW power plants development and inclusion of liabilities for furnace oil for SBPL & SNPL II payable to Summit Oil and Shipping Company Limited (SOSCL).

Shareholders' Equity

- Shareholders' equity increased by 35% during the year by an amount of Tk. 8,024 million.
- The increase occurred because of increase in the retained earnings, revaluation reserve for land revaluation, capital reserve due to merger.

Operating Profit

- The operating profit increased by 37% this year due to starting of operation by SBPL and SNPL II and overall improvement in revenue vs cost efficiency.

Earnings per Share (EPS)

- The EPS figure has increased by 12% (Tk. 0.40) per share over last year's EPS.
- The increase was due to starting operation by SBPL and SNPL II and profit sharing from associate Company (Summit Meghnaghat Power Company Limited, SMPCL), lower interest expenses on borrowings and overall revenue growth of Summit Power Limited (stand-alone).

Property, Plant and Equipment

- The property, plant and equipment increased by 55.67% over last year because of starting operation by SBPL and SNPL II's 165 MW.

Net Current Assets

- The net current assets significantly went up this year compared to previous year due to increase in trade receivables and cash & cash equivalents.

Long Term Liabilities

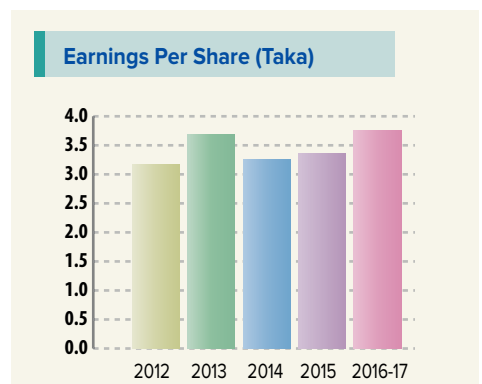
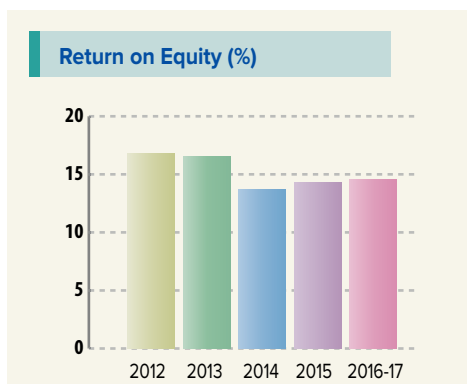
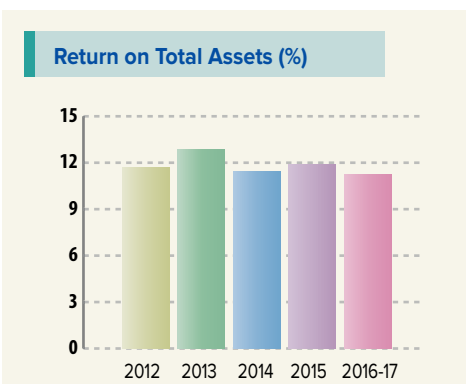
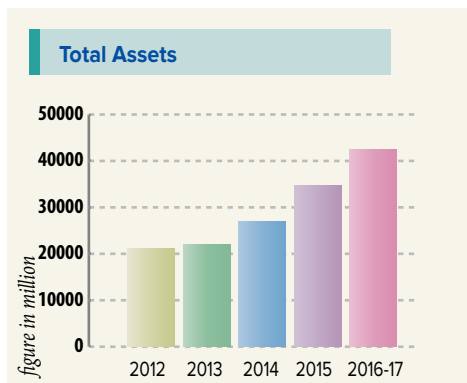
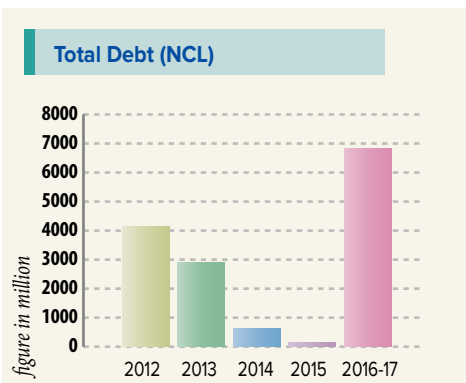
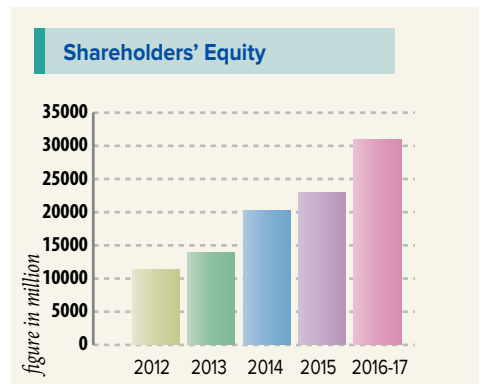
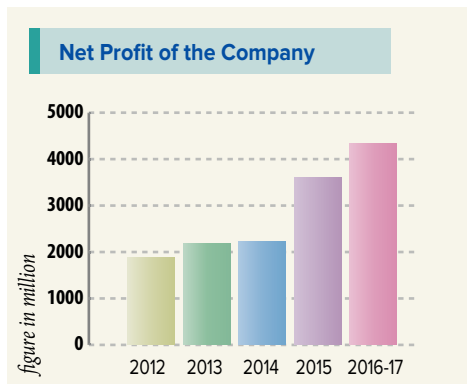
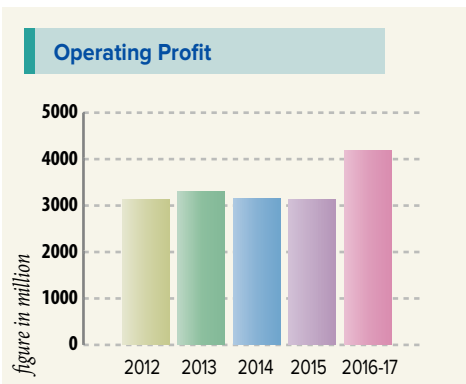
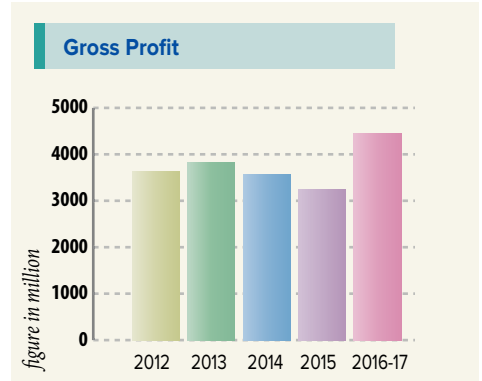
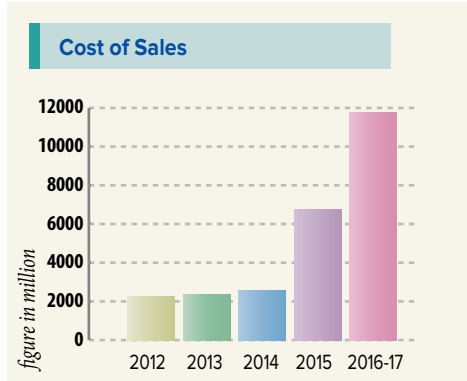
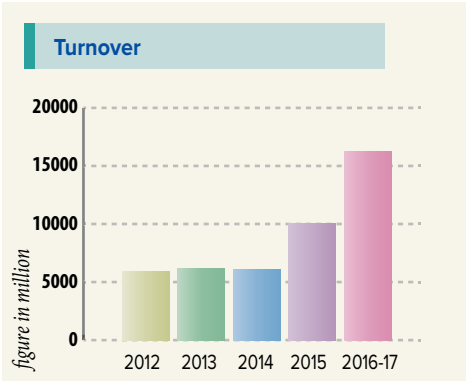
- The long term liabilities has increased by Tk. 6,701 million because of availing foreign currency project loan and redeemable preference shares for Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited.

Return on Total Assets

- The return on total assets is 10.21% against 10.40% of last year.
- The ratio is stable due to relative profit growth over the years of the Company.

Return on Equity

- The return on equity is 12.94% against 12.81% of last year.
- The returns are stable over the years due to relative profit growth of the Company.



ACCOLADES AND MEMORABLE EVENTS



Donation setup CCTV Cameras

The Managing Director of Summit Power Limited hands over a cheque of Tk. 10 lakh to Dhaka North City Corporation Mayor, Mr. Annisul Huq as a donation to setup CCTV Cameras in the key locations of the City.

Welcome ceremony of new Chairman of BPDB

The President of BIPPA (Bangladesh Independent Power Producer Association) with a cohort welcome to Mr. Engineer Khaled Mahmud, who was recently been appointed as the new chairman of the state-owned Bangladesh Power Development Board (BPDB).



ICMAB Best Corporate Award 2015

On the occasion of "ICMAB Best Corporate Award 2015" in the power generation category, Summit Power Limited ranked first for its efforts to establish corporate governance. This is the 4th time in a row for Summit Power Limited to receive this prestigious award.



Best Power Generation Project Award 2016

Summit Barisal Power Limited (SBPL), a new subsidiary Company of Summit Power Limited received the “Best Power Generation Project Award 2016” in Private Sector Power Generation by the Government of the country. Again this the 4th time in a row for Summit Group to receive this prestigious award.



Achievement of Financial Close

Summit Barisal Power Limited (SBPL) and Summit Narayanganj Power Unit II Limited (SNPL II) – two subsidiaries of the Company, achieved financial close by receiving a foreign currency term loan of USD 50 million and USD 27.64 million respectively from Islamic Corporation for the Development of the Private Sector (ICD), OPEC Fund for International Development (OFID) and Infrastructure Development Company Limited (IDCOL).



ACCOLADES AND MEMORABLE EVENTS

Golf Tournament

The 7th Summit Open and the 21st Summit Cup Golf Tournament 2016 was held successfully at Kurmitola Golf Club. Lieutenant General Sabbir Ahmed, OSP, SGP, ndc, psc, Chief of General Staff (CGS), Bangladesh Army was the Chief Guest at the inauguration ceremony and the prize giving ceremony along with other respected guests present.



ICSB National Award 2015

The Company received the ICSB National Award 2015, 3rd position in General Manufacturing Sector by Institute of Chartered Secretaries of Bangladesh (ICSB) for Corporate Governance Excellence.



Winter Blanket Distribution

Summit Power Limited carried out a blanket distribution drive to help the underprivileged to fight the harsh winter across the country.

16th ICSB National Award

November 29, 2016: On the occasion of 16th ICAB National Award for Best Presented Annual Report 2015, Summit Power Limited received ICAB National Award, merit for "Best Published Accounts and Reports 2015 under Manufacturing Sector.

Credit Rating Report - AAA

Due to strong equity base, good return on investment, good earnings prospects, good operating performance of the investee Companies and good debt repayment and experienced top management team of Summit Power Limited, Credit Rating Information and Services Limited (CRISL) has assigned the Long Term Rating "AAA" and Short Term Rating "ST-1" to the Company.



Signing of 149 MW Power Plant

Signing of Project Agreement with BPDB to implement a 149 MW power plant at Kodda, Gazipur. The plant is supposed to be commissioned by May 2018 and would provide uninterrupted electricity to Gazipur region and to Kaliakor Hi-Tech Park.



STATUS OF COMPLIANCE

WITH THE CORPORATE GOVERNANCE GUIDELINE (CGG)
FOR THE PERIOD ENDED 30TH JUNE 2017

ANNEXURE - 2

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

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1	Board of Directors			
1.1	Boards size			
	The number of the board members of the Company shall not be less than 5 (five) and more than 20 (twenty).	√		The SPL Board is comprised of 14 Directors Including Managing Director.
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the Company's board shall be independent directors.	√		There are three Independent Directors in the SPL Board.
(ii)	For the purpose of this clause 'Independent directors' means a director-			
a)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	√		
b)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the Company :	√		
c)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/ associated Companies;	√		
d)	Who is not a member, director. or officer of any stock exchange;	√		
e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
f)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm;	√		
g)	Who shall not be an independent director in more than 3 (three) listed Companies;	√		
h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
(iv)	The post of independent director(s) can not remain vacant for more than 90(ninety) days.	√		No vacancy occurred
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
(vi)	The 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)			
(i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
(ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences.	√		
(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	√		No such incidence arose
1.4	Chairman of the Board and Chief Executive Officer			

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(i)	The position of the chairman of the Board and the Chief Executive Officer of the Companies shall be filled by different individuals. The chairman of the Company shall be elected from among the directors of the Company. The Board of Directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	√		
1.5	Directors Report to the Shareholders			
(i)	Industry outlook and possible future developments in the industry.	√		
(ii)	Segment-wise or product-wise performance.	√		
(iii)	Risks and concerns.	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			No such incidence arose
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			No such incidence arose
(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Offer, Direct Listing, etc.			No such matter to explain
(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			No such matter to explain
(x)	Remuneration to directors including independent directors.	√		
(xi)	The financial statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
(xii)	Proper books of account of the issuer Company have been maintained.	√		
(xiii)	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.	√		
(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
(xvi)	There are no significant doubts upon the issuer Company's ability to continue as a going concern. If the issuer Company is not considerer to be a going concern, the fact along with reasons thereof should be disclosed.	√		
(xvii)	Significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof should be explained.			No such matter to explain
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
(xix)	if the issuer Company has not declared dividend(cash or stock) for the year, the reasons thereof shall be given.	√		
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	√		
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
(xxi) c)	Executives;	√		

STATUS OF COMPLIANCE

WITH THE CORPORATE GOVERNANCE GUIDELINE (CGG)
FOR THE PERIOD ENDED 30TH JUNE 2017

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details).			No such matter to explain
(xxii)	In case of the appointment/re-appointment of a director the Company shall disclose the following information to the shareholders:			
(xxii) a)	A brief resume of the directors	√		
(xxii) b)	Nature of his/her expertise in specific functional areas;	√		
(xxii) c)	Names of Companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1 Appointment	The Company shall Appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2 Requirement to attend the Board Meetings	The CFO and the Company Secretary of the Companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3.0	Audit Committee			
(i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.	√		
(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1 Constitution of the Audit Committee				
(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
(ii)	The Board of Directors shall appoint members of the audit committee who shall be directors of the Company and shall include at least 1 (one) independent director.	√		
(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience,	√		All the existing members of the Audit Committee are ' Financially literate' and they have 'related financial management experience' as per BSEC notification.
(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.			There were no such situations during the period.
(v)	The Company secretary shall act as the secretary of the Committee.	√		
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2	Chairman of the Audit Committee			
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).			

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
3.3	Role of Audit Committee			
(i)	Oversee the financial reporting process.	√		
(ii)	Monitor choice of accounting policies and principles.	√		
(iii)	Monitor Internal Control Risk management process.	√		
(iv)	Oversee hiring and performance of external auditors.	√		
(v)	Review along with the management, the annual financial, statements before submission to the board for approval.	√		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
(vii)	Review the adequacy of internal audit function.	√		
(viii)	Review statement of significant 'related party transactions' submitted by the management.	√		
(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the Company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	N/A		No money was raised through IPO, RPO, Rights issue, etc. during the year.
3.4	Reporting of Audit Committee			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	√		
3.4.1 (ii) a)	report on conflicts of interests;			There was no reportable case of conflict of interest.
b)	suspected or presumed fraud or irregularity or material defect in the internal control system;			No such situation arose during the year
c)	suspected infringement of laws, including securities related laws, rules and regulations;:			No such situation arose during the year
d)	any other matter which shall be disclosed to the Board of Directors immediately.			No such situation arose during the year
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such reportable incidence arose
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer Company.	√		
4	External/ Statutory Auditors			
The issuer Company should not engage its external/statutory auditors to perform the following services of the Company, namely:-				
(i)	Appraisal or valuation services or fairness opinions.	√		
(ii)	Financial information system design and implementation	√		

STATUS OF COMPLIANCE

WITH THE CORPORATE GOVERNANCE GUIDELINE (CGG)
FOR THE PERIOD ENDED 30TH JUNE 2017

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(iii)	Book-keeping or other services related to the accounting records or financial statement	√		
(iv)	Broker –dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other services that the audit committee determines.	√		
(viii)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company.	√		
(ix)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√		
5	Subsidiary Company			
(i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the subsidiary Company.	√		
(ii)	At least 1 (one) independent director of the Board of Directors of the holding Company shall be a director on the Board of Directors of the subsidiary Company.	√		
(iii)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company.	√		
(iv)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also.	√		
(v)	The Audit Committee of the holding Company shall also review the financial statements, in particular, the investments made by the subsidiary Company.	√		
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
The CEO and CFO shall certify to the Board that:-				
(i)	They have reviewed financial statements for the year and that to the best of their 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.	√		
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent illegal or violation of the Company's code of conduct.	√		
7.0	Reporting and Compliance of Corporate Governance:			
(i)	The Company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required certificate has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the period ended 30th June 2017.
(ii)	The directors of the Company shall state, in accordance with the Annexure attached, in the directors' report whether the Company has complied with these conditions.	√		Status of Compliance is published with the Directors' Report as required.

CERTIFICATE ON CORPORATE GOVERNANCE

ANNEXURE - 1



PODDER & ASSOCIATES

Cost and Management Accountants

As per BSEC rules (letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012), all the companies listed with any stock exchange in Bangladesh shall comply with some conditions in accordance with condition no. 7. The condition requires that the directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions and prerequisite set by BSEC in their letter.

Compliance Certificate

On

CORPORATE GOVERNANCE

To the Shareholders of

Summit Power Limited

We have examined compliance to the BSEC guidelines on Corporate Governance by **Summit Power Limited** for the 18 months period of 1st January 2016 to 30th June 2017, these guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th 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 thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

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 issued by BSEC.

For Podder & Associates

Jayanta Kumer Podder
Cost and Management Accountant

Date: **14 SEP 2017**

Place: Dhaka, Bangladesh

COMPLIANCE REPORT ON BAS AND BFRS

ANNEXURE - 5

Sl. No.	BAS Title	BAS Effective Date	Remarks
BAS-01	Presentation of Financial Statements	Adopted, on or after 1st January 2007	Applied
BAS-02	Inventories	Adopted, on or after 1st January 2007	Applied
BAS-07	Statement of Cash Flows	Adopted, on or after 1st January 1999	Applied
BAS-08	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted, on or after 1st January 2007	Applied
BAS-10	Events after the Reporting Period	Adopted, on or after 1st January 2007	Applied
BAS-11	Construction Contracts	Adopted, on or after 1st January 1999	N/A
BAS-12	Income Taxes	Adopted, on or after 1st January 1999	Applied
BAS-16	Property, Plant & Equipment	Adopted, on or after 1st January 2007	Applied
BAS-17	Leases	Adopted, on or after 1st January 2007	Applied
BAS-18	Revenue	Adopted, on or after 1st January 2007	Applied
BAS-19	Employee Benefits	Adopted, on or after 1st January 2004	Applied
BAS-20	Accounting of Government Grants and Disclosure of Government Assistance	Adopted, on or after 1st January 1999	N/A
BAS-21	The Effects of Changes in Foreign Exchange Rates	Adopted, on or after 1st January 2007	Applied
BAS-23	Borrowing Costs	Adopted, on or after 1st January 2010	Applied
BAS-24	Related Party Disclosures	Adopted, on or after 1st January 2007	Applied
BAS-26	Accounting and Reporting by Retirement Benefit Plans	Adopted, on or after 1st January 2007	N/A
BAS-27	Separate Financial Statements	Adopted, on or after 1st January 2010	Applied
BAS-28	Investments in Associates	Adopted, on or after 1st January 2007	Applied
IAS-29	Financial Reporting in Hyper-inflationary Economics	Adopted on or after 1st January 2013	N/A
BAS-32	Financial Instruments: Presentation	Adopted, on or after 1st January 2010	Applied
BAS-33	Earnings per Share	Adopted, on or after 1st January 2007	Applied
BAS-34	Interim Financial Reporting	Adopted, on or after 1st January 1999	Applied
BAS-36	Impairment of Assets	Adopted, on or after 1st January 2005	Applied
BAS-37	Provisions, Contingent Liabilities and Contingent Assets	Adopted, on or after 1st January 2007	Applied
BAS-38	Intangible Assets	Adopted, on or after 1st January 2005	Applied
BAS-39	Financial Instruments: Recognition and Measurement	Adopted, on or after 1st January 2010	Applied
BAS-40	Investment Property	Adopted, on or after 1st January 2007	N/A
BAS-41	Agriculture	Adopted, on or after 1st January 2007	N/A

Sl. No.	BFRS Title	Adoption Status of ICAB	Remarks
BFRS 1	First-time adoption of International financial Reporting Standards	Adopted as BFRS 1, effective on or after 1 January 2009	N/A
BFRS 2	Share-based Payment	Adopted as BFRS 2, effective on or after 1 January 2007	N/A
BFRS 3	Business Combinations	Adopted as BFRS 3, effective on or after 1 January 2010	Applied
BFRS 4	Insurance Contracts	Adopted as BFRS 4, effective on or after 1 January 2010	N/A
BFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Adopted as BFRS 5, effective on or after 1 January 2007	N/A
BFRS 6	Exploration for and Evaluation of Mineral Resources	Adopted as BFRS 6, effective on or after 1 January 2007	N/A
BFRS 7	Financial Instruments: Disclosures	Adopted as BFRS 7, effective on or after 1 January 2010	Applied
BFRS 8	Operating Segments	Adopted as BFRS 8, effective on or after 1 January 2010	N/A
BFRS 9	Financial Instruments	Adopted as BFRS 9, effective on or after 1 January 2013	Applied
BFRS 10	Consolidated Financial Statements	Adopted as BFRS 10, effective on or after 1 January 2013	Applied
BFRS 11	Joint Arrangements	Adopted as BFRS 11, effective on or after 1 January 2013	N/A
BFRS 12	Disclosure of Interests in other Entities	Adopted as BFRS 12, effective on or after 1 January 2013	Applied
BFRS 13	Fair Value Measurement	Adopted as BFRS 13, effective on or after 1 January 2013	Applied

CEO AND CFO'S DECLARATION TO THE BOARD

Dated: 9 september 2017

The Board of Directors
Summit Power Limited
18, Kawran Bazar C/A
Dhaka-1215.

Subject: CEO and CFO's Declaration to the Board

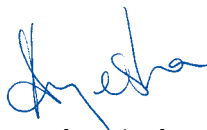
Dear Sirs,

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:

- i) We have reviewed financial statements for the period ended 30 June 2017 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.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,



Ayesha Aziz Khan
Director (Finance)



Lt. Gen. (Retd.) Engr. Abdul Wadud
Managing Director

SUSTAINABILITY REPORT

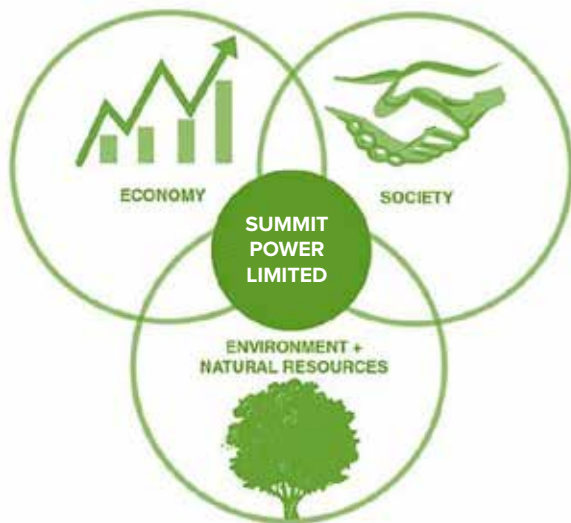
It is the precondition for a successful business to work for sustainable-responsibility or responsible-sustainability! If the nature sustains, the world and the community will sustain, so will we. By the term Sustainability, we recognize –

“Meeting the needs of the current generation without compromising the ability of future generations to meet their needs (Brundtland commission, 1987)”

Sustainability has always been an integral part of the operations of Summit Power Limited. We have always undertaken projects those were sustainable - environmentally, ecologically, and socially. So, it is our pleasure to present the Sustainability Report of the year.

We ensure that our projects and initiatives align with superior sustainability management hence our sustainability goals focus on – generating and providing uninterrupted reasonably priced electricity, efficient utilization of our capital and human resources and continuous improvement of customer satisfaction and resource management.

The Triple-Bottom Line



At Summit, we believe that strong corporate governance is essential for the achievement of sustainable value for all our stakeholders. Consequently, Summit is committed to exhibiting the highest levels of corporate governance and continues to make significant progress in implementing structures, policies and procedures aimed at strengthening governance within the Group

Summit believes that Sustainable Development is simply the development, which does not deplete over time. Rather, it is increasing and sustainable. Whenever we think about sustainability, we believe that it has to be in favor of economy, society and environment as well. It is simply maintaining the potentials of these three elements of surrounding/nature – Maintaining Triple-Bottom Line (People, Planet and Profit).

Summit is fully committed to effective corporate governance thus emphasizes the following issues of days to day business -

- Code of Business Conduct and Ethics
- Gift and Benefits
- Insider Trading
- Dividend Distribution
- Related Party Transaction
- Board Appointment Process
- Proper Communication with Customer
- Employee and Director Remuneration and Benefit
- Records Management
- Information Disclosure
- Environmental, Health, Safety & Security

As Summit always believes in win-win approach, we believe a sustainable development with all our stakeholders. This year has been another year whence we have continued our efforts to integrate sustainable practices into each and every aspect of our business, thus creating greater value for all our stakeholders including our consumers, employees, shareholders and the community.

OUR CONSUMERS

We strive to continuously increase the generation capacity of our power plants so that our nation can enjoy uninterrupted electricity supply. We have been working rigorously to generate and provide uninterrupted supply of electricity to our country as per their demand by meeting all the requirements of Power Purchase Agreements signed between the Company and the valued patron. We integrate the philosophy of “Pioneering Spirit” with “Continuous Improvement” by efficient utilization of Capital, Machines, Materials and Human Resources.

OUR INNOVATIONS

SPL regularly invests in maintaining its plants and equipments and acquires technical know how, expertise and equipments from world known brands such as Wartsila, Caterpillar and GE Jenbacher. Its ongoing investment in achieving superior innovation by knowledge sharing and development of knowledge pool among the employees helps in sustaining its operational excellence and efficiency.

OUR PEOPLE

The HR policy of SPL advocates geographical, cultural and gender diversity in the workplace and promotes co-operation among the employees by providing them with an amicable atmosphere.

OUR SOCIAL RESPONSIBILITY GOALS

While pursuing any business activity at SPL, it is obligatory for all to be as socially responsible as possible. As per our perceived social responsibility, we feel pleasure to invest in supporting the less fortunate area of our community in protecting the environment that provides us with the precious air, water and earth that we survive in. For preservation of valuable natural resources, the Company takes every measures to minimize the consumption of fuel, electricity and other natural resources.

FORWARD LOOKING STRATEGIC PRIORITIES

To further instigate our sustainability management we have vowed to focus on the following goals:

- Build a Company that is stable financially, economically and implements efficient risk and asset management policies.
- Continue to deliver superior customer service that dictates reliability and quality as excellence in the minds of all end consumers.
- Promote a collaborative team work spirit among the employees so that they think of their fellow workers as family rather than mere associates.
- Make sure that the Board of Directors take Corporate Governance issues seriously and all financial decisions not only ethical and in accordance with the concerned rules and legislations but also environmentally and socially.
- Maintaining the implemented Integrated Management System (IMS), which includes - ISO 9001 : 2000 – Quality Management System (QMS), ISO 14001 : 2004 – Environmental Management System (EMS), BS 18001 : 2007 – Occupational Health & Safety (OH&S). Now we are working on implementing QMS & EMS version 2015

We understand that communication that is balanced and accurate generate trust; hence, we



aim to develop an approach to stakeholders engagement, which supports our sustainability aspirations. In the light of this, we are committed

to measure, audit and publicize report to our stakeholders engagement activities and performance.

By virtue of the nature of our operations, we build and maintain strategic, ongoing relationships with our Stakeholders.

Investment Approach to Sustainability



Summit considers sustainability as investment, which gives return in future. To be specific –

Investment in Country RESULTS More Investment potential

Investment in Economy RESULTS Bigger economy ton venture

Investment in Community RESULTS Capacity Development

Investment in Environment RESULTS Better Living

Conservation of Environment for Sustainability

Biodiversity entails protecting plant and animal species and ecosystems. This is an essential component of our health, safety and environmental commitments.



We address biodiversity conservation during the planning and development of major projects by conducting environmental impact assessments, collecting key environmental data and implementing mitigation and monitoring programs to reduce impacts. We also consider the issues like - Waste Management, Water Management, Oil Spillage, Emission to Air and Discharge into Water etc

We would like to have the privilege to convey our gratitude to all, who trust and rely upon the lead of this management. Specifically, we would like to thank those talents and intellectuals of SPL who put in immense efforts to take the Company to the position, it is in today and also thank our customers for the trust they had vested upon us. Finally, we would like to thank you all, our shareholders, and promise to augment the investment you have made in your Company so that you can be as proud of your Company as we are for it.

STATEMENT OF CORPORATE GOVERNANCE

Summit perceives 'Corporate Governance' as a system, which involves the alignment of interests among all the stakeholders. Governance is a mechanism of distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) for monitoring the actions, policies and decisions of corporations under the lime light of social, environmental, regulatory and commercial environment.

The philosophy of corporate governance of the Company is aimed at conduct of Company/ top management to ensure that no decision is being taken at the cost of the interest of the community, country as a whole to any stake holder. It refers to the meeting obligations to all the stakeholders and is guided by strong emphasis on transparency, accountability and integrity. It provides the Company with strategic guidance about - how the policies, objectives and manual are set, practiced and achieved, how risk is monitored and assessed, and how the performance is maximized not at the cost of the future/ long term sustainability. It also question about the consistency with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and implementation authorities.

Keeping in view the size, complexity and operations, the governance framework of our Company is based on the following principles:

- That the Board is appropriate in size and members are committed to their respective duties and responsibilities
 - That the Company is operated by a well defined management structure
 - That timely flow of information to the Board and its Committees are ensured to enable them discharge their functions effectively
 - That a sound system of risk management and internal control is in place.
 - That the Company has a sound asset management policy, which assures that proper records are maintained in case of capital expenditures of the Company and that no unauthorized use or disposal of any asset occurs.
 - That timely and balanced disclosure of all material information concerning the Company is made to all Stakeholders.
 - That all transactions of the Company are transparent and accountability for the transactions is well established.
 - That all regulatory and statutory rules and regulations are complied with.
 - Meeting the needs of the current generation without compromising the ability of future generation to meet their needs.
- Always considering a holistic (social, economical and environmental) approach for decision making, venture exploring and problem solving.

THE RESPONSIBILITIES OF THE BOARD

To ensure effective maintenance of corporate governance, the Board of Summit Power Limited (Summit) formulates strategic objectives and policies for the Company, provides leadership and supervises management actions in implementing those objectives of the Company. In Summit, the Board of Directors fully control the Company's affairs and is also accountable to the shareholders. The Board firmly believes that the success of the Company depends largely on the prevalence of a credible corporate governance practice.

In discharging its responsibilities, the Board fulfills certain key functions, including:

- Board members should be informed and act ethically and in good faith, with due diligence and care, in the best interest of the Company and the shareholders.
- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring and implementing corporate performance.
- Ensuring the integrity of the Company's accounting & financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Reviewing Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirements. In doing so the Company:
 - Applies suitable accounting policies;
 - Makes prudent judgments and estimates where needed;
 - Ensure all applicable accounting standards have been followed, all material departures have been disclosed and explained in the notes to the financial statements;
 - Make sure the accounting records present the financial position of the Company accurately;
 - Prepares the financial statements on a going concern basis.
- Ensure the integrity of the corporations accounting and financial reporting systems, including their independent audit.
- Monitoring implementation and effectiveness of the approved strategic and operating plans.
- Oversee major acquisitions and divestitures and establish Company's value.
- Oversee the corporate governance of the Company

- Select, compensate, monitor and replace key executives and oversee succession planning.
- Ensure a formal and transparent board member nomination and election process.
- Ensure appropriate systems of internal control are established.
- Where committees of the board are established, their mandate, composition and working procedures should be well-defined and disclosed.
- Align key executive and board remuneration (pay) with the longer-term interests of the Company and its shareholders.

The Company's policy is to maintain optimum combination of Directors. The Managing Director of the Company is a non-shareholder ex-officio Director and the Board has appointed two independent Directors as per the BSEC's requirement. The short introduction of the Directors has been described in earlier pages. The Board ensures that the activities of the Company are always conducted with adherence to high ethical standards and in the best interest of the shareholders.

BOARD MEETINGS AND PROCEDURES

The number of meetings held during the financial year ended 31 December 2015 was 05. The procedures of the board meeting are mentioned below:

- (a) **Selection of Agenda:** The Chairman of the Board, in consultation with Managing Director sets the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Any member of the Board may request that an item be included on the agenda.
- (b) **Board Materials:** Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.
- (c) **Senior Management in the Board meeting:** At the invitation of the Board, members of senior management attended Board meetings or portions thereof for the purpose of participating in discussions.

THE RESPONSIBILITIES OF THE MANAGEMENT

To ensure effective maintenance of corporate governance, the Management of Summit Power Limited (Summit) formulates and implements tactical plan to align the organization as per strategic objectives and policies provided by the Board. In Summit, the Management is in full control of the Company's affairs and is also accountable to the Board. The Management firmly believes that

the success of the Company is achieved through fair practice of the corporate governance framework.

In discharging its responsibilities aligned with the defined policies and objectives of the board of directors, the Management fulfills certain key functions including -

- Implementing and providing feedback about - the corporate strategy, major plans of action, risk policy, annual budgets and business plans and performance objectives.
- Assisting the Board to ensure the integrity of the Company's accounting & financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Assisting the Board to review the Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- Assisting the Board to monitor and implement the effectiveness of the approved strategic plans by adopting relevant tactical and operating plans.
- Establish Company's values as defined by the Board.
- Monitor and provide feedback about the corporate governance of the Company to the Board.

The Management builds the confidence of the Board by ensuring that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders and other stakeholders while optimizing the wealth of the Company.

INTERNAL CONTROL FRAMEWORK

Our understanding about Internal Control aligns with the COSO Internal Control Integrated Framework, a widely used framework of internal control, which is broadly defined as a process, carried out by an entity's board of directors, management, and other personnel. It is designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The Company has adequate system of internal control in place. The well defined organization structure, predefined authority levels, documented policy guidelines and an extensive system of internal controls ensure optimal utilization and protection of resources, reporting of financial transactions and compliance with applicable laws and regulations. The system also ensures that assets are safeguarded against loss from unauthorized use or disposition.

Everyone in an organization has responsibility for internal control to some extent and all personnel should be responsible to ensure a healthy internal control system. The roles and responsibilities of the major entities are as follows –

STATEMENT OF CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of directors provides governance, guidance and oversight to the management. Our board members are objective, capable and inquisitive. They also have knowledge of the entity's activities and environment, and commit the time necessary to fulfill their board responsibilities. Management may be in a position to override controls and ignore or stifle communications from subordinates, enabling a dishonest management which intentionally misrepresents results to cover its tracks.

MANAGEMENT

The top manager of the organization has overall responsibility for designing and implementing effective internal control to ensure the requirement of the board. The top management is also liable for the issues those affects integrity and ethics and other factors of a positive control environment. In our Company, the top management fulfills this duty by providing leadership and direction to senior managers and reviewing the way they're controlling the business. Senior managers, assign responsibility for establishment of more specific internal control policies and procedures to personnel responsible for the unit's functions.

AUDITORS

The internal auditors and external auditors of the organization also measure the effectiveness of internal control and report them accordingly. They assess whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve internal control. They may also review Information technology controls, which relate to the IT systems of the organization. There are laws and regulations on internal control related to financial reporting in a number of jurisdictions. To provide reasonable assurance that internal controls involved in the financial reporting process are effective, they are tested by the external auditor (the organization's public accountants), who are required to opine on the internal controls of the Company and the reliability of its financial reporting.

AUDIT COMMITTEE

Summit Power Limited has a very well defined audit commit, similar like other committees. The roles and the responsibilities of the audit committee are as follows -

- a) Discuss about the quality and adequacy of the organization's internal controls system and risk management process, and their effectiveness and outcomes with management, internal and external auditors and major stakeholders.

- b) Review and discuss with management and the external auditors and approve the audited financial statements of the organization and make a recommendation regarding inclusion of those financial statements in any public filing. Also review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet issues in the organization's financial statements.
- c) Review and discuss with management the types of information to be disclosed and the types of presentations to be made financial and investment related issues.
- d) Confirm the scope of audits to be performed by the external and internal auditors, monitor progress and review results and review fees and expenses. Review significant findings or unsatisfactory internal audit reports, or audit problems or difficulties encountered by the external independent auditor. Monitor management's response to all audit findings.
- e) Manage complaints concerning accounting, internal accounting controls or auditing matters.
- f) Receive regular reports from the Top Management and the Company's other Control Committees regarding deficiencies in the design or operation of internal controls and any fraud that involves management or other employees with a significant role in internal controls.
- g) Support management in resolving conflicts of interest. Monitor the adequacy of the organization's internal controls and ensure that all fraud cases are acted upon.

REMUNERATION COMMITTEE

The roles and the responsibilities of the remuneration committee of our Company are as follow -

- a) Approve and oversee administration of the Company's Compensation Policy.
- b) Review and approve specific compensation matters for the key executives.
- c) Review, as appropriate, any changes to compensation matters for the officers listed above with the Board.
- d) Review and monitor all human-resource related performance and compliance activities and reports, including the performance management system.
- e) They also ensure that benefit-related performance measures are properly used by the management of the organization.

OPERATING STAFF

The Company perceives that all staff members are responsible for reporting problems of operations, monitoring and improving their performance, and monitoring non-compliance with the corporate policies and various professional codes, or violations of policies, standards, practices and procedures. Their particular responsibilities are documented in their individual personnel files. In performance management activities they take part in all compliance and performance data collection and processing activities as they are part of various organizational units and may also be responsible for various compliance and operational-related activities of the organization. Staff and junior managers are also involved in evaluating the controls within the organizational unit using a control self-assessment.

SUBSIDIARY COMPANIES

Summit Power Limited has three subsidiary Companies and in accordance with the corporate governance guidelines set by BSEC, the Company ensured that -

- The conditions stating how the Board of Directors should be composed including the requirement to appoint independent directors is fulfilled.
- The independent directors of the Company are also appointed as such in the subsidiary Companies.
- Activities and transactions of the subsidiary Companies are also reviewed at the Board meetings of the Company.
- Minutes of the Board meetings of the subsidiaries are reviewed by the Board of the Company as well.
- Audit Committee of the Company assessed the financial statements of the subsidiary Companies as well.

Any conflicts of interest that may have arisen during interCompany transactions were mitigated effectively.



VARIOUS POLICIES

ANNEXURE - 6

In Implementing the Integrated Management System Summit Power Limited (SPL) has Adopted the Following Policies:

QUALITY POLICIES:

1. Establishing a Quality Management System (QMS) as per ISO 9001:2008 and maintain it with commitment for continual improvement of the QMS.
2. Consider quality as an integral part of any activity, not being dissociated or delegated.
3. Apply quality management as a dynamic, evolutionary practice, with permanent feedback and improve the performance in the areas of Energy Exported, Fuel Consumption per MWH of Energy Exported, Engine Running Time (Generation Period), Availability Factor, Heat Rate per Day, Shut Down (Mechanical), Shut Down (Electrical), Shut Down (Sub-Station), Shut Down (Less Energy Demand), No. of Voltage Fluctuation (Beyond Range), No. of Frequency Fluctuation (Beyond Range),
4. Commit the whole Company, suppliers and business partners to the highest quality standards of services provided to the customer, while complying fully with the legal requirement to the generation and supply of electricity.
5. Keep education and training programs for the employees in issues related to quality, extensible to suppliers and business partners.
6. Evaluate and recognize the quality of the work performed by the employees, individually or collectively, as well as by suppliers or business partners.
7. This policy is communicated to all the employees within all relevant levels of the organization, and made them understand
8. Is reviewed from time to time for its continuing suitability.

ENVIRONMENTAL POLICIES:

Summit Power Limited (SPL), is very much aware of its social responsibility, is sensitive to the global environment protection efforts, and considers its mission to contribute to the sustainable development of the country. Continuous improvement, waste minimization, pollution prevention, as well as the commitment of the employees will be the basis for the implementation of this policy. Therefore, SPL commits to –

1. Practice environmental management as a dynamic, evolutionary process, and with permanent feedback.
2. Seek full compliance with legislation, applicable standards, and other requirements, resulting from agreements signed by the organization, and wherever possible, overcome them.
3. Minimize any significant adverse environmental impacts of new developments using integrated environmental management procedures and planning
4. Provide the sites with adequate facilities, aiming at the environmental protection, associated with adequate employee-workplace environ-

ment integration.

5. Implement generation techniques and use of resources that judiciously minimize the generation of waste that is hazardous to the environment.
6. Encourage the adoption of these principles by suppliers, partners and service providers.
7. Disseminate this policy by educating and training employees, and encourage them to conduct their activities in an environmentally responsible manner.

OCCUPATIONAL HEALTH AND SAFETY POLICIES:

Summit Power Limited (SPL) strongly believes that the achievement of organizational success must be accompanied by a resolute commitment towards the health and safety of all its employees. SPL commits itself to the following Occupational Health and Safety Policy-

1. Ensure a healthy and safe work environment to employees and provide resources for awareness, preliminary risk evaluation, training and monitoring of health and accident risks.
2. Ensure consistency of SPL's health and safety procedures with the relevant legislative requirements, other requirements to which SPL subscribes and introduce necessary additional requirements to make certain of a safe and healthy workplace.
3. Incorporate occupational health and safety considerations in the planning stage of product and process design.
4. Continually strive to eliminate any foreseeable hazards, which may result in property damage, accidents, or personal injury/illness.
5. Continually improve in OH&S management and OH&S performance
6. Be prepared for emergencies and act promptly to eliminate their resulting incidents/accidents.

ANTI BRIBERY & CORRUPTION POLICY

THE POLICY

This document sets out the long-standing policy of Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries on combating bribery and corruption. It was endorsed by the Board of Directors of the Company on May 10, 2014 and applies to all subsidiaries in the group.

The policy consists of two Principles and a series of Practical Procedures to give effect to those Principles. The objective of the Policy is to clearly set out the Company's 'Zero Tolerance' approach bribery and corruption.

The Principles

1. Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries will not pay & will not accept bribes, either directly or via third parties, in any circumstances. Breaches or attempted breaches of this

principle by an employee will be regarded as an act of gross misconduct.

- Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries will seek to encourage an equivalent policy in other business entities with which it has a significant business relationship.

PRACTICAL PROCEDURES

1. Responsible Director

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries will at all times nominate a Director to be responsible for overseeing the application this anti-bribery and corruption policy and the Principles and Practical Procedures and for keeping a written risk assessment up to date.

The Director will be sufficiently senior to be fairly regarded as independently minded.

The first Director responsible for this role is Ms. Ayesha Aziz Khan. In discharging this role she will report to the Board of Directors of the Company.

2. Training

Compulsory training will be provided to staff so that they are aware of this policy, relevant legislation and their obligations under the policy and their contract of employment.

3. Senior Management Information

Senior management will be kept informed of the steps to implement the Principles and the Practical Procedures, of the conclusions of any reviews and of any material findings arising out of the work of Ms. Ayesha Aziz Khan.

4. Review

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries will monitor, review and at least annually report on the effectiveness of and adherence to its Principles, the Practical Procedures and the steps to implement them. The report will be submitted for approval by the Board of Directors.

5. Internal Record Keeping

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries will ensure that records are maintained of such reviews and the consequent reports to its senior management.

6. Communication

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries will communicate its Principles and Practical Procedures and its approach to their implementation to its employees and will publish this policy on its website and in its HR Policy. It will communicate its approach to their implementation to those that supply material goods & services to it both directly by correspondence but also by a clear statement on its website.

7. Employee Conduct

Employees are required to report any knowledge or suspicions of the offering, request for, receipt or payment of a bribe. A failure to do so may amount to gross misconduct.

No employee will suffer demotion, penalty or other adverse consequence for refusing to pay or accept a bribe even if such a refusal may result in Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries losing business or failing to win a deal.

8. Whistle blowing

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries regards the reporting of any instance of bribery or attempted bribery as a legitimate example of 'whistle blowing' and affirms that no employee will suffer demotion, penalty, or other adverse consequences for reporting examples of or suspicions of the offer or request for or the receipt or payment of bribes.

9. Gifts Register

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries will continue to keep records of the gifts and corporate hospitality given and received by its staff. These records will be reviewed regularly.

10. Contractors and Associates

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries requires screening procedures to be carried out on those of its agents, advisers, contractors, intermediaries, and other representatives who supply material goods and services to it ("Associates") to protect Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries from the risk of it being associated with illegal or corrupt payments (or of payments purportedly being made on its behalf) and to ensure that the highest ethical standards are maintained.

Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (SIMCL) & its subsidiaries requires that Associates are made aware of its Anti-Bribery Principles and Practical Procedures; to confirm that they will not make or receive any payment that put it in breach of those Principles and that such Associates have adequate procedures for preventing their own staff engaging in the receipt or payment of bribes, kickbacks etc.

11. Reporting

The report and accounts of Summit Power Limited & its subsidiaries and the Agenda for the Annual General Meeting will include a report on the workings and effectiveness of this policy including the number of reports of bribery and corruption received and a short summary of any investigations into them.

Aiming at ensuring the implementation of the actions related to meet the system requirements, organizational issues are dealt with by Management Representative supported by the Deputy Management Representatives of Quality Management, Environmental Management and Occupational Health and Safety Management.

COMMUNITY AWARENESS AND OBLIGATIONS

Community awareness programs are undertaken to make the community more informed, alert and self-reliant in close collaboration with government and non-governmental organizations. Community awareness is the key to community participation. The community will become more self-reliant in the long run and less dependent on the government or any other external agency. The most important benefit of community awareness is that it allows the community to judge its own strengths and weaknesses and identify the areas in which it needs outside assistance. Summit works supports various organizations to enhance community awareness to improve the capacity of the community for better living. Following are some areas, where Summit exercises its social responsibilities -

SEID TRUST	SEID Trust is a non-governmental voluntary development organization that has been working for social inclusion and promoting the rights of underprivileged children with intellectual disabilities, autism etc. since 2003. Summit assists SEID Trust to improve the condition and position of children with intellectual & multiple disabilities as well as autism. From 2010, Summit is also providing support to run the SEID Trust Community Therapy Centre at Kamrangir Char. A group of 80 underprivileged children with intellectual and multiple disabilities are getting support in terms of pre-primary and special education, education materials, physiotherapy and speech therapy, counseling and medical services, sports and cultural activities and lastly food and transport facilities. The parents of disabled children belong to different professions such as rickshaw hauling, day labor, domestic worker or housemaid etc.
SirajKhaleda Memorial Hospital	SirajKhaleda Trust is a fund set up by Summit Group. This Trust has funded the construction of a 200 bed civil hospital at a cost of Tk 12 crore in two phases on the land provided by Cantonment board. The hospital was inaugurated on 13 May, 2012 and it provides high quality medical care and facilities to distressed and underprivileged people. The Trust also provides educational and rehabilitation support to the economically disadvantaged people of Bangladesh.
ProthomAlo Trust	ProthomAlo proactively involves itself in various philanthropic activities through ProthomAlo Trust. The initiatives of ProthomAlo Trust include but not limited to combat against acid violence and rehabilitation of female acid survivors, anti-drug awareness campaign, and fund for disadvantaged meritorious students – AdamaMedhabi, Relief Fund, standing by persecuted journalists etc. Summit proudly aids this trust in carrying out its philanthropic activities.
Proyash	PROYASH is an institute run by Bangladesh Army dedicated to educate and train children and youths with special needs. The institute is also working to generate awareness about disability in Bangladesh, develop quality teachers, therapists and caregivers, and empower persons with disability to ensure equal opportunities and promote disability friendly right based society. You will be proud to know that your Company provides extensive financial help to encourage the workings of this institute further.
Spelling Bee	Summit has joined the Daily Star and Champs21.com to organize Spelling Bee Contest in which last year nearly 300,000 students of class VI to X from across the country participated. It was an effort to aware students to learn and practice English.

Some other areas, where summit supported this year but not limited to - Department of EEE of BUET Ahsanullah University, University of Asia Pacific; ex-students association of Chittagong University and Engineering and Technology; Bangladesh Scouts; International Conference on Electrical Engineering and Information Communication Technology 2014; The Institution of Engineers; Bangladesh Reunion; World Environment Day 2015; National Youth Day 2015; Bangabandhu Sheikh Mujib Medical University (BSMMU); Shurer Dhara; Birds Conservation Project; Kurmitola Golf Club; Amature Cup Golf Tournament 2016; National Electricity Week; Celebration of the Birth Anniversary of Shilpacharya Zainul Abedin; various Schools, Mosques, Madrashes and Orphanage.

CONTRIBUTION TO THE NATIONAL EXCHEQUER & THE ECONOMY

Electricity is one of the main driving forces of the economy and it has a diversified use and multiplier effect on the economy. Significantly in the development of industrialization, electricity as fuel has no alternative. This year your Company added 2,819 million units (Kwh) of electricity to the national grid. This addition has contributed notably in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

Your Company/group has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 5 to 15 years from start of its commercial operation. Conversely, it has contributed a significant amount to the national exchequer in the form of different duties, taxes and VAT while importing spare parts for the power plants' maintenance work and at operational level works. The details of such contribution to the Nation Exchequer and the Economy is as follows –

Forms of Contribution	Amount	
	2016-17	2015
Salary Taxes (directors & employees)	23,240,248	23,907,720
Port Charges & Duties on spare parts	115,632,839	80,502,003
AIT of Suppliers	36,536,622	8,742,210
VAT of Suppliers	35,495,692	5,664,504
AIT on dividend on preference shares	18,877,431	15,872,046
AIT on gas bills	32,870,177	41,343,792
VAT on lubricant oil	46,788,444	33,932,191
Total	309,441,453	209,964,466



ECONOMIC VALUE ADDED (EVA) STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

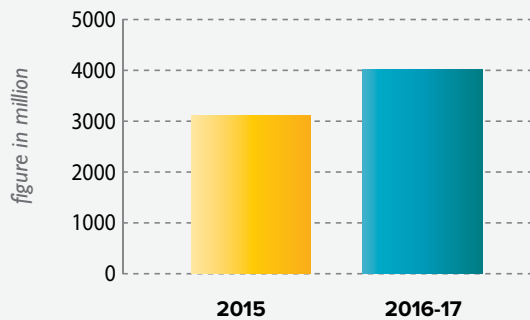
Economic Value Added (EVA) is a measure of a Company's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit (adjusted for taxes on a cash basis). The formula for calculating EVA is as follows:

$$\text{EVA} = \text{Net Operating Profit after Taxes (NOPAT)} - (\text{Capital} \times \text{Cost of Capital})$$

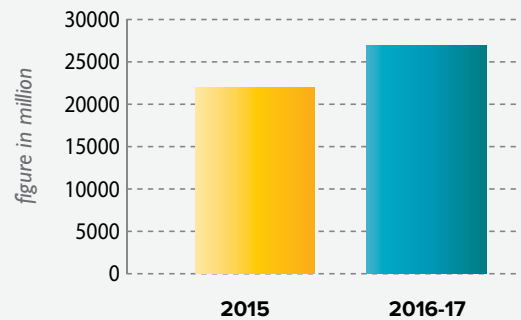
Particular	2016-17	2015
	Taka	Taka
Net operating profit after tax	4,011,915,941	3,103,662,110
Average shareholders' equity	26,980,308,987	22,013,251,714
Cost of capital*	9.50%	9.50%
Cost of average shareholders' equity	2,563,129,354	2,091,258,913
Economic Value Added (EVA)	1,448,786,587	1,012,403,197

*Cost of capital is based on interest of 5 years Government Treasure Bond plus a standard risk premium

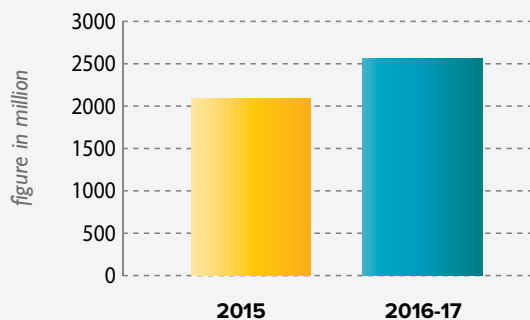
NET OPERATING PROFIT AFTER TAX



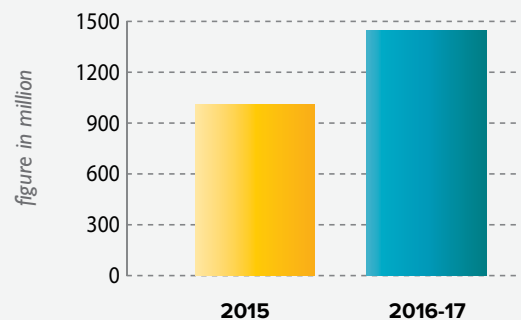
AVERAGE SHAREHOLDERS' EQUITY



COST OF AVERAGE SHAREHOLDERS' EQUITY



ECONOMIC VALUE ADDED (EVA)



VALUE ADDED STATEMENT 2016-2017

A Value added statement (VAS) is regarded as part of social responsibility accounting. A value added statement shows the wealth or value created and is attributed to all stakeholders rather than just the shareholders. The value added statement (VAS) reports on the income earned by a large group of stakeholders, all the providers of capital plus employees and the government.

Value added:	2016-17	2015
	Taka	Taka
Revenue	16,213,948,334	6,244,859,180
Other income including interest income	264,817,274	394,513,420
Cost of sales, excluding depreciation	(10,805,913,772)	(1,987,704,421)
Share of profit from associate Company	648,465,970	635,417,604
Other operating expenses, excluding depreciation	(451,656,034)	(580,290,467)
Total value added	5,869,661,772	4,706,795,316
Distribution of added value:		
To employees as salaries and allowances	328,723,326	240,428,155
To directors as salaries and allowances	73,767,178	69,695,627
To banks and other lenders	529,097,571	216,345,414
To shareholders	3,203,631,717	1,487,548,395
	4,135,219,792	2,014,017,591
Retained for reinvestment & future growth:		
Depreciation and amortization	1,003,627,753	718,419,106
Retained profit	159,238,703	1,974,358,619
	1,162,866,456	2,117,009,302
	5,869,661,772	4,706,795,316



FINANCIALS



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SUMMIT POWER LIMITED

Report on the financial statements

We have audited the accompanying consolidated financial statements of Summit Power Limited and its subsidiary and associates ("the Group") as well as the separate financial statements of Summit Power Limited ("the Company"), which comprise the consolidated and the separate statements of financial position as at 30 June 2017, statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the eighteen-month period then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of four subsidiaries and one associate as disclosed in Note 46 to these financial statements were not audited by us.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Company in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, the Securities and Exchange Rules 1987, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements of the Group and the separate financial statements of the Company that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements of the Group and the separate financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the separate financial statements of the Company. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Company, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Company 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 consolidated financial statements of the Group and the separate financial statements of the Company.

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 consolidated financial statements of the Group and the separate financial statements of the Company give a true and fair view of the financial position of the Group as well as the Company as at 30 June 2017, and of their financial performance and their cash flows for the eighteen-month period then ended in accordance with Bangladesh Financial Reporting Standards.

Emphasis of Matters

We draw users' attention to the following notes to the financial statements:

Note 1.3: Management explains the amalgamation process of Summit Purbanchol Power Company Limited, Summit Uttaranchal Power Company Limited and Summit Narayananj Power Limited with Summit Power Limited and the grounds for preparing merged financial statements for these companies as a single entity with retroactive effect from the appointed date;

Note 11.1: Management explains that the receivables from Bangladesh Rural Electrification Board is recoverable based on the outcome of writ petition in the High Court Division of the Supreme Court.

Our opinion is not qualified with regard to any of the above matters.

Other Matters

Prior to the Group changing its reporting period to 1 July to 30 June as explained in Note 2.5 to the financial statements, the Company's Board approved consolidated and separate financial statements of the Group/Company as at and for the year ended 30 June 2016 on 6 October 2016. We issued our audit report on those separate and consolidated financial statements on the same date.

Report on other legal and regulatory requirements

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

- 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;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- the consolidated and the separate statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purposes of the Company's/Group's business; and
- according to the property, plant and equipment revaluation report issued by independent valuers on 11 August 2016, the valuation was undertaken in accordance with the International Valuation Standards. In our opinion, the outcome of the valuation has been treated in accordance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards and other applicable laws, rules, regulations and guidelines. We also certify that proper accounting treatments including provisions, tax and other liabilities, have been made in the financial statements to consider the valuation.



Dhaka, 9 September 2017

SUMMIT POWER LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figure in Taka

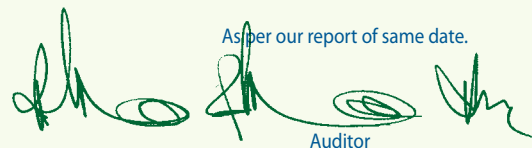
Particulars	Note	30 June 2017	30 June 2016	31 December 2015	1 January 2015
			Restated	Restated	Restated
Assets					
Property, plant and equipment	4	20,856,702,751	21,221,864,797	13,397,729,330	14,073,348,284
Intangible assets	5	37,947,095	38,280,429	7,666,678	8,033,343
Capital work in progress	6	946,236,882	32,868,078	6,335,225,569	35,966,453
Investment in associates	7	4,945,646,874	4,597,180,903	4,371,429,514	3,801,772,452
Available-for-sale financial assets	8	3,786,733,685	4,145,658,775	4,784,316,743	3,647,104,361
Non-current assets		30,573,267,287	30,035,852,982	28,896,367,834	21,566,224,893
Inventories	10	51,956,482	71,569,451	43,394,661	39,938,300
Trade receivables	11	6,563,528,738	5,964,943,313	3,012,872,796	2,674,376,589
Other receivables	12	100,760,659	46,897,746	127,285,944	87,466,579
Advances, deposits and prepayments	14	271,114,363	418,971,414	384,929,137	290,607,155
Cash and cash equivalents	15	4,913,073,317	1,896,508,536	2,232,299,446	1,909,098,832
Current assets		11,900,433,559	8,398,890,460	5,800,781,984	5,001,487,455
Total assets		42,473,700,846	38,434,743,442	34,697,149,818	26,567,712,348
Equity					
Share capital	16	10,678,772,390	8,760,007,210	8,264,157,750	7,870,626,430
Share premium	17	6,479,097,639	6,479,097,639	6,234,626,639	6,234,626,639
Revaluation reserve	18	1,002,086,449	1,018,339,901	655,518,559	671,772,007
Fair value reserve		153,137,382	512,062,473	1,148,434,744	7,583,115
Shares to be issued on amalgamation	19	-	1,918,765,180	-	-
Capital reserve		1,668,093,205	1,674,397,994	-	-
Retained earnings		11,011,327,651	6,983,158,258	6,665,365,567	4,887,121,597
Equity attributable to owners of the company		30,992,514,716	27,345,828,655	22,968,103,259	19,671,729,788
Non-controlling interests	21	1,752,360,157	1,017,339,650	4,047,085,332	3,485,521,189
Total equity		32,744,874,873	28,363,168,305	27,015,188,591	23,157,250,977
Liabilities					
Project loan - non-current	22	5,647,524,050	-	-	223,217,253
Redeemable preference shares - non-current	23	983,677,920	1,135,015,353	-	312,254,100
Deferred liabilities	24	212,824,787	167,688,619	142,239,650	117,816,013
Non-current liabilities		6,844,026,757	1,302,703,973	142,239,650	653,287,366
Unclaimed dividends	25	43,380,882	185,051,305	28,153,736	9,829,630
Trade payables	26	2,062,327,136	2,275,188,101	286,913,499	179,090,399
Other payables and accruals	27	203,355,423	313,918,815	244,711,919	218,320,156
Short term loan		-	-	-	1,012,846,312
Project Loan (short term bridge financing)	29	-	5,453,674,158	1,752,455,906	-
Liability for deferred LCs	30	103,626,866	374,372,119	4,696,138,667	-
Project loan - current	22	472,108,909	-	219,093,750	868,500,000
Redeemable pref shares - current	23	-	166,666,667	312,254,100	468,368,900
Finance lease - current		-	-	-	218,607
Current liabilities		2,884,799,216	8,768,871,164	7,539,721,577	2,757,174,004
Total liabilities		9,728,825,973	10,071,575,137	7,681,961,227	3,410,461,370
Total equity and liabilities		42,473,700,846	38,434,743,442	34,697,149,818	26,567,712,348

The annexed notes 1 to 46 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our report of same date.

Auditor

Dhaka, 9 September 2017

SUMMIT POWER LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figure in Taka

Particulars	Note	For the eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
				(Restated)	(Restated)
Revenue	31	22,634,556,443	16,213,948,334	6,420,608,109	10,012,534,686
Cost of sales	32	(16,110,610,911)	(11,760,405,446)	(4,350,205,466)	(6,760,139,272)
Gross profit		6,523,945,532	4,453,542,889	2,070,402,643	3,252,395,414
Other income	33	487,221,751	232,521,863	254,699,888	265,931,917
General and administrative expenses	34	(721,298,733)	(500,792,113)	(220,506,620)	(386,578,880)
Operating profit		6,289,868,550	4,185,272,639	2,104,595,911	3,131,748,451
Net finance income/(cost)	35	(505,929,159)	(496,802,160)	(9,126,999)	(91,321,093)
Share of profit of equity-accounted investees	8	874,217,360	648,465,970	225,751,390	569,657,062
Profit before tax		6,658,156,752	4,336,936,449	2,321,220,302	3,610,084,420
Income tax expenses		-	-	-	-
Profit after income tax		6,658,156,752	4,336,936,449	2,321,220,302	3,610,084,420
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Revaluation surplus on land		269,113,798	-	269,113,798	-
Items that will not be reclassified to profit or loss					
Available-for-sale financial assets-net change in fair value	9	(995,297,362)	(358,925,091)	(636,372,271)	1,140,851,629
Other comprehensive income		(726,183,564)	(358,925,091)	(367,258,473)	1,140,851,629
Total comprehensive income		5,931,973,188	3,978,011,358	1,953,961,829	4,750,936,049
Profit attributable to:					
Owners of the company		6,135,951,419	4,011,915,941	2,124,035,478	2,942,584,485
Non-controlling interests		522,205,333	325,020,508	197,184,825	667,499,935
		6,658,156,752	4,336,936,449	2,321,220,302	3,610,084,420
Total comprehensive income attributable to:					
Owners of the company		5,409,767,855	3,652,990,850	1,756,777,005	4,083,436,114
Non-controlling interests		522,205,333	325,020,508	197,184,825	667,499,935
Total comprehensive income		5,931,973,188	3,978,011,358	1,953,961,829	4,750,936,049
Earnings per share					
Basic earnings per share (face value Taka 10)	36.1	5.75	3.76	2.42	3.36

The annexed notes 1 to 46 form an integral part of these financial statements.



Managing Director

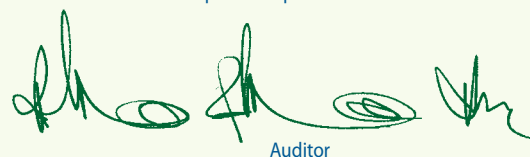


Director



Company Secretary

As per our report of same date.



Auditor

Dhaka, 9 September 2017

SUMMIT POWER LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017
Figure in Taka

Particulars	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve	Retained earnings	Total		
Balance as at 1 July 2017	8,760,007,210	6,479,097,639	1,018,339,901	512,062,473	1,918,765,180	1,674,397,994	6,983,158,258	27,345,828,655	1,017,339,650	28,363,168,305
Total comprehensive income										
Profit	-	-	-	-	-	-	4,011,915,941	4,011,915,941	325,020,507	4,336,936,448
Other comprehensive income	-	-	-	(358,925,091)	-	-	-	(358,925,091)	-	(358,925,091)
Total comprehensive income	-	-	-	(358,925,091)	-	-	4,011,915,941	3,652,990,849	325,020,507	3,978,011,357
Transaction with owners of the Company										
Issue of ordinary shares on amalgamation	1,918,765,180	-	-	-	(1,918,765,180)	-	-	-	-	-
Equity capital of non-controlling interest	-	-	-	-	-	-	-	-	410,000,000	410,000,000
Total transactions with owners of the Company	1,918,765,180	-	-	-	(1,918,765,180)	-	-	-	410,000,000	410,000,000
Transactions recognised directly in equity										
Expense on account of amalgamation	-	-	-	-	-	(6,304,789)	-	(6,304,789)	-	(6,304,789)
Transfer from revaluation reserve to retained earnings	-	-	(16,253,452)	-	-	-	16,253,452	-	-	-
Total transactions recognised directly in equity	-	-	(16,253,452)	-	-	(6,304,789)	16,253,452	(6,304,789)	-	(6,304,789)
Balance as at 30 June 2017	10,678,772,390	6,479,097,639	1,002,086,449	153,137,382	-	1,668,093,205	11,011,327,651	30,992,514,716	1,752,360,157	32,744,874,873

FOR THE PERIOD ENDED 30 JUNE 2016
Figure in Taka

Particulars	Note	Attributable to owners of the Company								Non-controlling interests	Total equity
		Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve	Retained earnings	Total		
Balance as at 1 January 2016 (before amalgamation)		8,264,157,750	6,234,626,639	655,518,559	1,148,434,744	-	-	6,665,365,567	22,968,103,259	4,047,085,332	27,015,188,591
Adjustments on amalgamation	20	-	244,471,000	101,834,268	-	1,918,765,180	1,674,397,994	-	3,939,468,442	(3,939,468,442)	-
Adjusted balance as at 1 January 2016 after amalgamation		8,264,157,750	6,479,097,639	757,352,827	1,148,434,744	1,918,765,180	1,674,397,994	6,665,365,567	26,907,571,701	107,616,888	27,015,188,589
Total comprehensive income											
Profit		-	-	-	-	-	-	2,124,035,478	2,124,035,478	197,184,825	2,321,220,302
Other comprehensive income		-	-	269,113,798	(636,372,271)	-	-	-	(367,258,473)	-	(367,258,473)
Total comprehensive income		-	-	269,113,798	(636,372,271)	-	-	2,124,035,478	1,756,777,005	197,184,825	1,953,961,829
Transaction with owners of the Company											
Cash dividend		-	-	-	-	-	-	(1,318,520,051)	(1,318,520,051)	-	(1,318,520,051)
Issue of bonus shares		495,849,460	-	-	-	-	-	(495,849,460)	-	-	-
Equity capital of non-controlling interest		-	-	-	-	-	-	-	-	714,122,172	714,122,172
Acquisition of Ace Alliance Power Limited		-	-	-	-	-	-	-	-	(1,584,234)	(1,584,234)
Total transactions with owners of the Company		495,849,460	-	-	-	-	-	(1,814,369,511)	(1,318,520,051)	712,537,938	(605,982,113)
Transactions recognised directly in equity											
Transfer from revaluation reserve to retained earnings		-	-	(8,126,724)	-	-	-	8,126,724	-	-	-
Total transactions recognised directly in equity		-	-	(8,126,724)	-	-	-	8,126,724	-	-	-
Balance as at 30 June 2016		8,760,007,210	6,479,097,639	1,018,339,901	512,062,473	1,918,765,180	1,674,397,994	6,983,158,258	27,345,828,655	1,017,339,650	28,363,168,305

SUMMIT POWER LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015
Figure in Taka

Particulars	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve premium	Retained earnings	Total		
Balance as at 1 January 2015	7,870,626,430	6,234,626,639	671,772,007	(8,692,023)	-	-	5,518,012,736	20,286,345,789	3,473,935,549	23,760,281,338
Prior year adjustments	-	-	-	16,275,138	-	-	(630,891,139)	(614,616,001)	11,585,640	(603,030,361)
Balance as at 1 January 2015 (Restated)	7,870,626,430	6,234,626,639	671,772,007	7,583,115	-	-	4,887,121,597	19,671,729,788	3,485,521,189	23,157,250,977
Total comprehensive income										
Profit	-	-	-	-	-	-	2,942,584,485	2,942,584,485	667,499,935	3,610,084,420
Other comprehensive income	-	-	-	1,140,851,629	-	-	-	1,140,851,629	-	1,140,851,629
Total comprehensive income	-	-	-	1,140,851,629	-	-	2,942,584,485	4,083,436,114	667,499,935	4,750,936,049
Transaction with owners of the Company										
Cash dividend	-	-	-	-	-	-	(787,062,643)	(787,062,643)	(202,835,792)	(989,898,435)
Share money deposit	-	-	-	-	-	-	-	-	96,900,000	96,900,000
Issue of bonus shares	393,531,320	-	-	-	-	-	(393,531,320)	-	-	-
Total transactions with owners of the Company	393,531,320	-	-	-	-	-	(1,180,593,963)	(787,062,643)	(105,935,792)	(892,998,435)
Transactions recognised directly in equity										
Transfer from revaluation reserve to retained earnings	-	-	(16,253,448)	-	-	-	16,253,448	-	-	-
Total transactions recognised directly in equity	-	-	(16,253,448)	-	-	-	16,253,448	-	-	-
Balance as at 31 December 2015	8,264,157,750	6,234,626,639	655,518,559	1,148,434,744	-	-	6,665,365,567	22,968,103,259	4,047,085,332	27,015,188,591

The annexed notes 1 to 46 form an integral part of these financial statements.

SUMMIT POWER LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

Figure in Taka

Particulars	For the eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
Cash flows from operating activities				
Cash receipts from customers	18,254,343,547	15,615,362,909	2,638,980,638	6,091,913,039
Cash paid to suppliers and employees	(13,090,474,589)	(11,368,387,976)	(1,722,086,613)	(2,614,289,748)
Receipts from other sources	593,864,892	210,954,361	382,910,531	357,068,134
Interest and other charges paid	(577,370,299)	(529,097,571)	(48,272,728)	(207,953,289)
Net cash from operating activities	5,180,363,551	3,928,831,723	1,251,531,828	3,626,738,136
Cash flows from investing activities				
Acquisition of property, plant and equipment	(867,707,639)	(638,132,374)	(229,575,265)	(214,068,297)
Payment for capital work in progress	(1,965,173,897)	(913,368,804)	(1,051,805,093)	(1,604,801,355)
Investment in subsidiary	(7,885,569)	-	(7,885,569)	-
Investment in associates	-	-	-	-
Dividend received from associates	300,000,000	300,000,000	-	-
Inter company loan to subsidiary	-	-	-	-
Net cash used in investing activities	(2,540,767,105)	(1,251,501,178)	(1,289,265,927)	(1,818,869,652)
Cash flows from financing activities				
Receipt/(payment) of project loan	5,900,679,834	6,119,632,959	(218,953,125)	(881,015,628)
Payment of short term loan	(5,724,419,411)	(5,724,419,411)	-	(1,012,846,312)
Receipt/(payment) of redeemable preference shares	671,423,820	(318,004,100)	989,427,920	(468,368,900)
(Payment)/receipt of short term project loan	(620,548,296)	-	(620,548,296)	1,752,455,906
Share money deposit	1,124,122,172	410,000,000	714,122,172	96,900,000
Share issuance costs	(6,304,789)	(6,304,789)	-	(218,607)
Financing (to)/from inter company	-	-	-	-
Payment of cash dividend	(1,303,775,905)	(141,670,423)	(1,162,105,482)	(971,574,329)
Net cash from/(used) in financing activities	41,177,425	339,234,236	(298,056,811)	(1,484,667,870)
Net changes in cash and cash equivalents	2,680,773,871	3,016,564,781	(335,790,910)	323,200,614
Opening cash and cash equivalents	2,232,299,446	1,896,508,536	2,232,299,446	1,909,098,832
Closing cash and cash equivalents	4,913,073,317	4,913,073,317	1,896,508,536	2,232,299,446

The annexed notes 1 to 46 form an integral part of these financial statements.

SUMMIT POWER LIMITED
SEPARATE STATEMENT OF FINANCIAL POSITION

Figure in Taka

Particulars	Notes	30 June 2017	30 June 2016	31 December 2015	1 January 2015
			Restated	Restated	Restated
Assets					
Property, plant and equipment	4	12,742,506,784	13,257,761,064	3,658,144,870	3,965,204,492
Intangible assets	5	7,166,678	7,500,012	7,666,678	8,000,010
Investment in subsidiaries	7	1,156,981,381	816,981,381	2,209,689,350	1,974,789,350
Investment in associates	8	3,801,772,452	3,801,772,452	3,801,772,452	3,801,772,452
Available-for-sale financial assets	9	3,786,733,685	4,145,658,775	4,784,316,743	3,647,104,361
Non-current assets		21,495,160,980	22,029,673,684	14,461,590,093	13,396,870,665
Inventories	10	36,826,038	39,325,553	13,845,040	8,273,615
Trade receivables	11	4,952,812,172	4,003,827,572	2,420,797,031	1,818,892,396
Other receivables	12	95,309,287	39,568,207	116,766,861	85,651,079
Inter company receivables	13	182,083,933	25,313,590	15,970,401	231,886,666
Advances, deposits and prepayments	14	178,723,919	359,802,682	89,693,807	105,940,668
Cash and cash equivalents	15	3,530,471,298	1,454,935,674	195,041,346	770,762,695
Current assets		8,976,226,647	5,922,773,278	2,852,114,486	3,021,407,120
Total assets		30,471,387,627	27,952,446,962	17,313,704,579	16,418,277,784
Equity					
Share capital	16	10,678,772,390	8,760,007,210	8,264,157,750	7,870,626,430
Share premium	17	6,479,097,639	6,479,097,639	5,634,556,499	5,634,556,499
Revaluation reserve	18	1,002,086,453	1,018,339,901	457,014,453	473,267,901
Fair value reserve		153,137,382	512,062,473	1,148,434,744	7,583,115
Shares to be issued on amalgamation	19	-	1,918,765,180	-	-
Capital reserve		1,668,093,205	1,674,397,994	-	-
Retained earnings		9,367,535,318	5,997,801,102	1,607,031,024	1,253,676,236
Total equity		29,348,722,387	26,360,471,499	17,111,194,470	15,239,710,181
Liabilities					
Deferred liabilities	24	197,668,379	162,244,335	70,222,857	62,549,847
Non-current liabilities		197,668,379	162,244,335	70,222,857	62,549,847
Unclaimed dividends	25	43,380,882	185,051,305	20,668,594	6,270,188
Trade payables	26	799,400,063	859,677,640	39,284,109	43,917,451
Other payables and accruals	27	82,215,916	72,748,083	63,253,804	65,830,117
Short term loan		-	-	-	1,000,000,000
Inter company payables	28	-	-	9,080,745	-
Redeemable preference shares	23	-	312,254,100	-	-
Current liabilities		924,996,861	1,429,731,128	132,287,252	1,116,017,756
Total liabilities		1,122,665,240	1,591,975,463	202,510,109	1,178,567,603
Total equity and liabilities		30,471,387,627	27,952,446,962	17,313,704,579	16,418,277,784

The annexed notes 1 to 46 form an integral part of these financial statements.



Managing Director

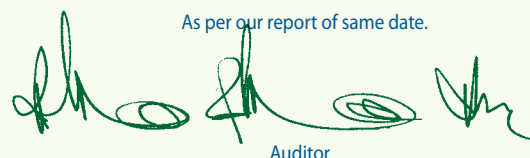


Director



Company Secretary

As per our report of same date.



Auditor

Dhaka, 9 September 2017

SUMMIT POWER LIMITED

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figure in Taka

Particulars	Note	For the eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
				Restated	Restated
Revenue	31	13,300,275,833	8,840,783,465	4,459,492,368	2,280,795,763
Cost of sales	32	(8,496,451,461)	(5,689,222,761)	(2,807,228,700)	(1,226,151,838)
Gross profit		4,803,824,372	3,151,560,704	1,652,263,668	1,054,643,925
Other income	33	785,895,377	531,195,489	254,699,888	655,466,675
General and administrative expenses	34	(641,308,808)	(440,267,611)	(201,041,197)	(166,655,778)
Operating profit		4,948,410,941	3,242,488,582	1,705,922,359	1,543,454,822
Net finance income/(costs)	35	113,901,825	110,992,182	2,909,643	(25,759,519)
Profit before tax		5,062,312,766	3,353,480,764	1,708,832,002	1,517,695,303
Income tax expenses		-	-	-	-
Profit after income tax		5,062,312,766	3,353,480,764	1,708,832,002	1,517,695,303
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Revaluation surplus on land		269,113,798	-	269,113,798	-
Items that will not be reclassified to profit or loss					
Available-for-sale financial assets-net change in fair value	9	(995,297,362)	(358,925,091)	(636,372,271)	1,140,851,629
Other comprehensive income		(726,183,564)	(358,925,091)	(367,258,473)	1,140,851,629
Total comprehensive income		4,336,129,202	2,994,555,673	1,341,573,529	2,658,546,932
Earnings per share					
Basic earnings per share (face value Taka 10)	36.1	4.74	3.14	1.95	1.73

The annexed notes 1 to 46 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our report of same date.

Auditor

Dhaka, 9 September 2017

SUMMIT POWER LIMITED
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017
FIGURE IN TAKA

Particulars	Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve	Retained earnings	Total equity
Balance at 1 July 2016	8,760,007,210	6,479,097,639	1,018,339,905	512,062,473	1,918,765,180	1,674,397,994	5,997,801,102	26,360,471,503
Total comprehensive income								
Profit	-	-	-	-	-	-	3,353,480,764	3,353,480,764
Other comprehensive income	-	-	-	(358,925,091)	-	-	-	(358,925,091)
Total comprehensive income	-	-	-	(358,925,091)	-	-	3,353,480,764	2,994,555,673
Transaction with owners of the company								
Issue of ordinary shares on amalgamation	1,918,765,180	-	-	-	(1,918,765,180)	-	-	-
Total transactions with owners of the company	1,918,765,180	-	-	-	(1,918,765,180)	-	-	-
Transactions recognised directly in equity								
Transfer from revaluation reserve to retained earnings	-	-	(16,253,452)	-	-	-	16,253,452	-
Expense on account of amalgamation	-	-	-	-	-	(6,304,789)	-	(6,304,789)
Total transactions recognised directly in equity	-	-	(16,253,452)	-	-	(6,304,789)	16,253,452	(6,304,789)
Balance as at 30 June 2017	10,678,772,390	6,479,097,639	1,002,086,453	153,137,382	-	1,668,093,205	9,367,535,318	29,348,722,387

FOR THE PERIOD ENDED 30 JUNE 2016
FIGURE IN TAKA

Particulars	Note	Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve	Retained earnings	Total equity
Balance at 1 January 2016									
As a separate entity		8,264,157,750	5,634,556,499	457,014,453	1,148,434,744	-	-	1,607,031,024	17,111,194,470
Effect of change in accounting policies of amalgamating companies		-	-	-	-	-	-	(450,174,282)	(450,174,282)
Attributable to the owners of the Company from subsidiaries at 1 January 2016	21	-	600,070,140	198,504,105	-	-	-	4,938,355,145	5,736,929,390
		8,264,157,750	6,234,626,639	655,518,558	1,148,434,744	-	-	6,095,211,887	22,397,949,578
Adjustments on amalgamation	21	-	244,471,000	101,834,269	-	1,918,765,180	1,674,397,994	-	3,939,468,443
Adjusted balance at 1 January 2016		8,264,157,750	6,479,097,639	757,352,827	1,148,434,744	1,918,765,180	1,674,397,994	6,095,211,887	26,337,418,021
Total comprehensive income									
Profit		-	-	-	-	-	-	1,708,832,002	1,708,832,002
Other comprehensive income		-	-	269,113,798	(636,372,271)	-	-	-	(367,258,473)
Total comprehensive income		-	-	269,113,798	(636,372,271)	-	-	1,708,832,002	1,341,573,529
Transaction with owners of the company									
Cash dividend		-	-	-	-	-	-	(1,318,520,051)	(1,318,520,051)
Issue of bonus shares		495,849,460	-	-	-	-	-	(495,849,460)	-
Total transactions with owners of the company		495,849,460	-	-	-	-	-	(1,814,369,511)	(1,318,520,051)
Transactions recognised directly in equity									
Transfer from revaluation reserve to retained earnings		-	-	(8,126,724)	-	-	-	8,126,724	-
Total transactions recognised directly in equity		-	-	(8,126,724)	-	-	-	8,126,724	-
Balance as at 30 June 2016		8,760,007,210	6,479,097,639	1,018,339,901	512,062,473	1,918,765,180	1,674,397,994	5,997,801,102	26,360,471,499

FOR THE YEAR ENDED 31 DECEMBER 2015
FIGURE IN TAKA

Particulars	Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve	Retained earnings	Total equity
Balance at 1 January 2015	7,870,626,430	5,634,556,499	473,267,901	(8,692,023)	-	-	1,485,354,444	15,455,113,251
Effect on change in accounting policies	-	-	-	16,275,138	-	-	(231,678,208)	(215,403,070)
Restated balance at 1 January 2015	7,870,626,430	5,634,556,499	473,267,901	7,583,115	-	-	1,253,676,236	15,239,710,181
Total comprehensive income								
Profit	-	-	-	-	-	-	1,517,695,303	1,517,695,303
Other comprehensive income	-	-	-	1,140,851,629	-	-	-	1,140,851,629
Total comprehensive income	-	-	-	1,140,851,629	-	-	1,517,695,303	2,658,546,932
Transaction with owners of the Company								
Cash dividend	-	-	-	-	-	-	(787,062,643)	(787,062,643)
Issue of bonus shares	393,531,320	-	-	-	-	-	(393,531,320)	-
Total transactions with owners of the Company	393,531,320	-	-	-	-	-	(1,180,593,963)	(787,062,643)
Transactions recognised directly in equity								
Transfer from revaluation reserve to retained earnings	-	-	(16,253,448)	-	-	-	16,253,448	-
Total transactions recognised directly in equity	-	-	(16,253,448)	-	-	-	16,253,448	-
Balance at 31 December 2015	8,264,157,750	5,634,556,499	457,014,453	1,148,434,744	-	-	1,607,031,024	17,111,194,470

The annexed notes 1 to 46 form an integral part of these financial statements.

SUMMIT POWER LIMITED
SEPARATE STATEMENT OF CASH FLOWS

Figure in Taka

Particulars	For the eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
Cash flows from operating activities				
Cash receipts from customers	10,530,779,503	7,891,798,865	2,638,980,638	1,678,891,128
Cash paid to suppliers and employees	(6,808,522,416)	(5,230,569,787)	(1,577,952,629)	(1,054,395,882)
Receipts from other sources	991,349,352	615,105,802	376,243,550	697,530,633
Interest and other charges paid	(58,145,198)	(28,659,211)	(29,485,987)	(95,363,297)
Net cash from operating activities	4,655,461,241	3,247,675,669	1,407,785,572	1,226,662,582
Cash flows from investing activities				
Acquisition of property, plant and equipment	(437,168,900)	(215,140,390)	(222,028,510)	(19,816,704)
Payment for capital work in progress	-	-	-	-
Investment in subsidiary	(353,964,000)	(340,000,000)	(13,964,000)	-
Investment in associates	(219,117,381)	-	(219,117,381)	(234,900,000)
Inter company loan to subsidiary	(25,313,590)	-	(25,313,590)	-
Net cash used in investing activities	(1,035,563,871)	(555,140,390)	(480,423,481)	(254,716,704)
Cash flows from financing activities				
Payment of project loan	(218,953,125)	-	(218,953,125)	-
Payment of short term loan	-	-	-	(1,000,000,000)
Payments of redeemable preference shares	(312,254,100)	(312,254,100)	-	-
Share issuance costs on amalgamation	(6,304,789)	(6,304,789)	-	-
Financing (to)/from inter company	(156,770,343)	(156,770,343)	-	224,997,010
Payment of cash dividend	(1,303,775,905)	(141,670,423)	(1,162,105,482)	(772,664,237)
Net cash used in financing activities	(1,998,058,262)	(616,999,655)	(1,381,058,607)	(1,547,667,227)
Net changes in cash and cash equivalents	1,621,839,108	2,075,535,624	(453,696,516)	(575,721,349)
Opening cash and cash equivalents				
Of Summit Power Limited	1,908,632,190	1,454,935,674	195,041,346	770,762,695
Of other amalgamating companies	-	-	1,713,590,844	-
Closing cash and cash equivalents	3,530,471,298	3,530,471,298	1,454,935,674	195,041,346

The annexed notes 1 to 46 form an integral part of these financial statements.

1 Reporting entity

1.1 Company profile

Summit Power Limited (hereinafter referred to as “the Company”) was incorporated in Bangladesh 30 March 1997 as a private limited company under the Companies Act 1994 under registration no. C 32630(1751)/97 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215. The Company was subsequently converted into a public limited company on 7 June 2004. During October-November 2005, the Company listed its shares with both Dhaka and Chittagong Stock Exchanges. The Company took majority interest of Summit Purbanchol Power Company Limited (SPPCL) in 2007, of Summit Uttaranchol Power Company Limited (SUPCL) in 2007 and of Summit Narayanganj Power Limited (SNPL) in 2010. The Company also took majority interest of Ace Alliance Power Limited (AAPL) in 2016. SPPCL, SUPCL and SNPL have been amalgamated with their parent company Summit Power Limited with effect from 31 December 2015. Profiles of all transferee companies and subsidiary are as under:

Summit Purbanchol Power Company Limited (SPPCL) was incorporated in Bangladesh on 15 August 2007 as a private limited company under Companies Act 1994 under registration no: C 68123(674)/07 and subsequently converted into a Public Limited Company on 3 May 2010 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh. The shares of the Company were approved for listing by Dhaka and Chittagong Stock Exchanges in January 2013. The shares started to trade from 4 February 2013 in both the stock exchange.

Summit Uttaranchol Power Company Limited (SUPCL) was incorporated in Bangladesh on 15 August 2007 as a Private Limited Company under Companies Act 1994 under registration no: C 68122(673)/07 and subsequently converted into a Public Limited Company on 14 November 2010 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh.

Summit Narayanganj Power Limited (SNPL) was incorporated in Bangladesh on 4 May 2010 as a Private Limited Company under Companies Act 1994 under registration no: C 84422/10 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh.

Summit Barisal Power Limited (SBPL) was incorporated in Bangladesh on 10 February 2011 as a Private Limited Company under the Companies Act 1994 with its registered office located at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Saidpur Power Limited. On 18 November 2013 the name of Summit Saidpur Power Limited was changed as Summit Barisal Power Limited.

Summit Narayanganj Power Unit II Limited (SNPL II) was incorporated in Bangladesh on 10 February 2011 as a Private Limited Company under Companies Act 1994 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Shantahar Power Limited. On 18 November 2013 the name of Summit Shantahar Power Limited was changed as Summit Narayanganj Power Unit II Limited.

Summit Chittagong Power Limited (SCPL) was incorporated in Bangladesh on 27 October 2015 as a Private Limited Company under Companies Act 1994 with its registered office located at Summit Centre, 18 Kawran Bazar, Dhaka-1215, Bangladesh.

Ace Alliance Power Limited (AAPL) was incorporated on 5 September 2011 as a private limited company under the Companies Act 1994 with its registered office at The Alliance Building, 63/A Pragati Sarani, Baridhara, Dhaka-1212. Initially, 64% of its shares were owned by Aitken Spence Plc, Sri Lanka and 36% by Alliance Holdings Limited, Bangladesh. In June 2016, Summit Power Limited took 64% of shares from Aitken Spence Plc, Sri Lanka.

1.2 Nature of business

The principal activity of the Company/Group is to generate and supply of electricity. Operational details of the Company including its subsidiary are as under:

Name of Company	Name of plant	Location	Plant capacity (MW)	Operation starting date	Period of PPA (Year)
Summit Power Limited	Ashulia Power Plant (Unit-1)	Savar, Dhaka	11	1 Sep 2003	15
	Ashulia Power Plant (Unit-2)	Savar, Dhaka	33.75	4 Dec 2007	15
	Madhabdi Power Plant (Unit-1)	Narsingdi	11	1 Sep 2003	15
	Madhabdi Power Plant (Unit-2)	Narsingdi	24.3	16 Dec 2006	15
	Chandina Power Plant (Unit-1)	Comilla	11	1 Sep 2003	15
	Chandina Power Plant (Unit-2)	Comilla	13.5	15 Nov 2006	15
	Rupganj Power Plant	Narayanganj	33	9 Jun 2009	15
	Jangalia Power Plant	Comilla	33	25 Jun 2009	15
	Maona Power Plant	Gazipur	33	12 May 2009	15
	Ullapara Power Plant	Sirajganj	11	3 Mar 2009	15
	Madanganj Power Plant	Narayanganj	102	1 Apr 2011	5
Ace Alliance Power Limited	Gazipur Power Plant	Gazipur	149	Under development	In progress
Summit Barisal Power Limited	Rupatoli Power Plant	Barisal	110	5 Apr 2016	15
Summit Narayanganj Unit II Power Limited	Madanganj Power Plant-II	Narayanganj	55	29 Feb 2016	15
Summit Chittagong Power Limited	Chittagong Power Plant	Chittagong	-	Under development	In progress

All the above power plants are natural gas based, except Madanganj power plant, Rupatoli Power Plant and Madanganj Power Plant-II, which are based on furnace oil (HFO).

Formerly, Rupganj Power Plant, Narayanganj and Jangalia Power Plant, Comilla were owned, operated and maintained by Summit Purbanchol Power Company Limited. Maona Power Plant, Gazipur and Ullapara Power Plant, Sirajganj were owned, operated and maintained by Summit Uttaranchol Power Company Limited and Madanganj Power Plant, Narayanganj was owned, operated and maintained by Summit Narayanganj Power Limited. After the amalgamation of all these companies with Summit Power Limited (SPL) effective from 01 January 2016, electricity is now being generated at these plants under the management of SPL.

1.3 Amalgamation of Summit Purbanchol Power Company Limited, Summit Uttaranchol Power Company Limited and Summit Narayanganj Power Limited with Summit Power Limited

On 14 July 2016, the High Court Division of the Honourable Supreme Court of Bangladesh issued an order giving effect to a Scheme of Amalgamation ("the Scheme") under Company Matter No. 68 of 2016. The High Court ordered that under the Scheme, the entire undertakings of Summit Purbanchol Power Company Limited, Summit Uttaranchol Power Company Limited and Summit Narayanganj Power Limited ("the Transferor Companies") as going concerns will be transferred to and vested in Summit Power Limited ("the Transferee Company") and will be continued under the name and title of the Transferee Company. The appointed date mentioned in the Scheme is 31 December 2015 though the scheme became effective from 23 August 2016 upon filing the certified copy of the High Court Order to Registrar of Joint Stock Companies and Firms (RJSC&F).

Earlier, contemplating to merge together Summit Power Limited along with its subsidiaries, Summit Purbanchol Power Company Limited, Summit Uttaranchol Power Company Limited and Summit Narayanganj Power Limited, filed an application before the High Court Division of the Honourable Supreme Court of Bangladesh under Section 228 being read with Section 229 of the Companies Act 1994 for amalgamation of the companies and submitted the Scheme of Amalgamation for consideration of the Court. Subsequently upon the Court's order, the Scheme of Amalgamation, duly approved by the shareholders of all the four companies in their respective Extraordinary General Meeting held on 27 April 2016, was submitted before the Court. Thereafter the Hon'ble High Court heard the application and issued an order dated 14 July 2016 approving the Scheme.

Certified copy of the Court order was received on 26 July 2016 and on filing of the said certified copy of the Order with Registrar of Joint Stock Companies and Firms (RJSC&F), Dhaka, Bangladesh on 23 August 2016, SPPCL, SUPCL and SNPL automatically stood dissolved from 24 August 2016 and were amalgamated with Summit Power Limited.

Thus, although the Scheme of Amalgamation became effective on the date i.e. 23 August 2016 when the certified copy of the order made by the High Court is filed with RJSC&F, for financial reporting purposes the recording of assets and liabilities on an amalgamated basis is deemed to be retroactive from 31 December 2015 which is the appointed date. External legal opinion has been obtained confirming that it is from the appointed date that all the assets and liabilities of the Transferor Companies are vested in the Transferee Company. The financial statements of Summit Power Limited have been prepared considering the impact of merger.

The audited financial statements of the Transferor Companies as at 31 December 2015 will be used to account for the assets and liabilities of the Transferor Companies in the books of the Transferee Company. The Transferor Companies will not continue as separate entities as a result of the amalgamation, rather all the undertakings will entirely be transferred to the Transferee Company at its continuing value. The consideration to be paid to the minority shareholders of the Transferor Companies have already been fixed based on the net asset value per share as per audited financial statements of the Transferor Companies as at 31 December 2015.

The High Court Order also includes the following:

- i. All the licenses, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancies, exemptions from income tax or other taxes, benefits, rights and privileges and right to extension under the Contract for Supply of Electricity as per the terms of the Power Purchase Agreement executed with Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB) vide IPP Contracts dated 11 October 2007 (for Summit Purbanchol Power Company Limited) and with Bangladesh Rural Electrification Board vide IPP Contracts dated 11 October 2007 (for Summit Uttaranchol Power Company Limited) and Rental Contract No. 09752 dated 23 June 2010 (for Summit Narayanganj Power Limited) shall be transferred to and vested in to the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.
- ii. All inter-party transactions between any/or all of the Transferor Companies and the Transferee Company shall be considered as inter-party transactions for all purpose from the Appointed Date i.e. 31 December 2015.
- iii. According to the existing Rental Contract No. 09752 dated 23 June 2010 with BPDB pertaining to the Madanganj Power Plant (for Summit Narayanganj Power Limited), BPDB is responsible for payment of income taxes, other taxes, VAT, duties, levies, all other charges imposed or incurred inside Bangladesh on any payments made by BPDB to Summit Narayanganj Power Limited and for the importation of any plant/equipment (excluding consumables) and/or spare parts before Commercial Operation Date and/or replacement equipment and spare parts of operation throughout the contract period. In case of any extension of this Contract, this provision shall be incorporated duly and without any change.
- iv. The employees and personnel of the Transferor Companies in service on the Effective Date shall become the employees of the Transferee Company on such date without any breach or interruption in service and on such terms and conditions that were agreed between employees and the Transferor Companies.
- v. The existing provident, gratuity or other employee related funds created and administered by the Transferor Companies shall duly and expeditiously be transferred to the relevant funds of the Transferee Company.
- vi. The costs, charges and expenses, including any taxes, duties etc., arising in connection with the Scheme and incidental to the completion of the amalgamation as envisaged therein, including those related to this application, shall be borne and paid for by the Petitioner Transferee Company, SPL.
- vii. Any legal proceedings, claims, demands etc., pending by or against the Transferor Companies shall be continued and be enforced by or against the Transferee Company.

2 Basis of accounting

2.1 Statement of compliance

The financial statements (consolidated and separate financial statements) have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. The titles and format of these financial statements follow the requirements of BFRS which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management BFRS titles and format give better presentation to the shareholders.

2.2 Authorisation for issue

The financial statements (both consolidated and separate financial statements) were authorised by the Board of Directors on 9 September 2017 for publication.

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.

2.4 Functional and presentational currency and level of precision

These financial statements are presented in Bangladeshi Taka (Taka/Tk./BDT) which is both functional currency and presentation currency of the Group/ Company. All amounts have been rounded to the nearest integer, unless otherwise indicated.

2.5 Reporting period

Pursuant to changes in the provision of section 2 (35) of the Income Tax Ordinance 1984 following the enactment of Finance Act 2015, the Company has changed its reporting period to 1 July to 30 June from 1 January to 31 December. Accordingly, these financial statements cover a eighteen-month period from 1 January 2016 to 30 June 2017. As a result, the comparative figures stated in the financial statements and the related notes are not entirely comparable.

Details of the Group's accounting policies are included in note 45.

3 Use of estimates and judgements

In preparing these financial statements, management has made 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 30 June 2017 is included in the following notes:

Note 4.1 and 45.2.v	Depreciation
Note 5 and 45.3.iii	Amortisation
Note 24	Deferred liabilities
Note 27	Other payables and accruals
Note 40	Contingent liabilities

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
4. Property, plant and equipment
Consolidated
a) Own assets : i) Cost
FOR THE YEAR ENDED 30 JUNE 2017
FIGURE IN TAKA

Particulars	Cost/Revaluation				Depreciation					Written down value as at 30 June 2017
	Balance as at 1 July 2016	Addition	(Disposal)/ Transfer	Balance as at 30 June 2017	Rate %	Balance as at 1 July 2016	Addition	(Disposal)/ Transfer	Balance as at 30 June 2017	
Land and land development	835,064,623	89,706,927	-	924,771,550	-	-	-	-	-	924,771,550
Furniture and fixtures	20,996,729	5,074,417	-	26,071,146	10	8,476,359	2,293,011	-	10,769,370	15,301,776
Office and electrical equipment	42,933,247	8,496,852	-	51,430,099	20	27,308,179	5,859,250	-	33,167,429	18,262,670
Office decoration	26,791,843	1,258,496	-	28,050,339	20	25,810,893	790,108	-	26,601,001	1,449,338
Motor vehicles	101,641,294	39,477,500	(4,992,250)	136,126,544	20	90,574,274	3,470,871	(4,992,250)	89,052,895	47,073,649
Maintenance equipment	22,242,020	4,938,333	-	27,180,353	20	13,781,860	4,127,080	-	17,908,940	9,271,413
Civil works and others	199,375,959	9,425,361	-	208,801,320	20	113,661,457	32,262,425	-	145,923,882	62,877,438
Plant and machinery:										
Ashulia Power Plant (Unit-1)	431,267,519	22,937,150	-	454,204,669	3.33 - 10	207,257,061	20,997,027	-	228,254,087	225,950,582
Ashulia Power Plant (Unit-2)	1,441,671,569	72,555,324	(48,646,346)	1,465,580,547	3.33 - 16.67	424,733,948	78,698,919	(48,646,346)	454,786,521	1,010,794,026
Madhabdi Power Plant (Unit-1)	411,746,264	1,687,636	-	413,433,900	3.33 - 10	250,371,047	17,515,185	-	267,886,231	145,547,669
Madhabdi Power Plant (Unit-2)	983,650,435	4,588,728	-	988,239,163	3.33 - 16.67	349,713,663	33,290,328	-	383,003,991	605,235,172
Chandina Power Plant (Unit-1)	454,834,809	7,501,284	-	462,336,093	3.33 - 10	239,226,267	18,572,689	-	257,798,955	204,537,138
Chandina Power Plant (Unit-2)	605,843,852	2,527,483	-	608,371,335	3.33 - 16.67	214,674,079	18,337,751	-	233,011,830	375,359,505
Jangalia Power Plant	1,488,096,009	87,512,577	(63,154,140)	1,512,454,446	3.33 - 16.67	389,725,222	69,745,848	(63,154,140)	396,316,931	1,116,137,515
Rupganj Power Plant	1,452,657,756	14,915,059	(10,255,112)	1,457,317,703	3.33 - 16.67	349,428,593	60,939,310	(10,255,112)	400,112,792	1,057,204,911
Maona Power Plant	1,390,126,488	-	-	1,390,126,488	3.33 - 16.67	360,404,783	66,455,337	-	426,860,119	963,266,369
Ullapara Power Plant	509,367,795	-	-	509,367,795	3.33 - 16.67	148,718,295	27,921,395	-	176,639,691	332,728,104
Madanganj Power Plant	5,134,835,936	-	-	5,134,835,936	3.33 - 16.67	912,761,991	218,453,589	-	1,131,215,579	4,003,620,357
Rupatoli Power Plant	5,023,479,717	139,400,405	-	5,162,880,122	3.33	42,785,551	174,370,861	-	217,156,412	4,945,723,710
Madanganj Power Plant (Unit-2)	2,592,454,713	81,603,163	-	2,674,057,876	3.33	29,425,937	89,597,706	-	119,023,643	2,555,034,233
Total (i)	23,169,078,577	593,606,695	(127,047,848)	23,635,637,424		4,198,839,458	943,698,689	(127,047,848)	5,015,490,299	18,620,147,124

a) Own assets : ii) Revaluation

Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machinery :										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	36,154,214	4,709,744	-	40,863,958	125,363,945
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	720,017	93,796	-	813,813	2,496,609
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	35,161,428	4,580,416	-	39,741,844	121,921,497
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	17,346,094	2,259,644	-	19,605,738	60,147,253
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	31,838,372	4,147,528	-	35,985,900	110,398,842
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	3,549,016	462,324	-	4,011,340	12,306,126
Total (ii)	1,156,322,955	-	-	1,156,322,955		137,771,278	16,253,452	-	154,024,730	1,002,298,224
Total assets (i+ii)	24,325,401,532	593,606,695	(127,047,848)	24,791,960,379		4,336,610,736	959,952,141	(127,047,848)	5,169,515,029	19,622,445,349

b) Leased assets

Motor vehicles	-	-	-	-	20	-	-	-	-	-
Total (a+b)	24,325,401,532	593,606,695	(127,047,848)	24,791,960,379		4,336,610,736	959,952,141	(127,047,848)	5,169,515,029	19,622,445,349

c) Spare parts

Stock in hand	1,135,120,010	943,342,544	(854,056,370)	1,224,406,184	3.33 - 50	60,027,375	43,342,276	-	103,369,651	1,121,036,533
Stock in transit	157,981,366	948,947,443	(993,707,940)	113,220,869	-	-	-	-	-	113,220,869
	1,293,101,376	1,892,289,987	(1,847,764,310)	1,337,627,053		60,027,375	43,342,276	-	103,369,651	1,234,257,402
Total (a+b+c)	25,618,502,908	2,485,896,682	(1,974,812,158)	26,129,587,432		4,396,638,111	1,003,294,417	(127,047,848)	5,272,884,680	20,856,702,751

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Consolidated
a) Own assets : i) Cost

FOR THE PERIOD ENDED 30 JUNE 2016

FIGURE IN TAKA

Particulars	Cost/Revaluation				Rate %	Depreciation				Written down value as at 30 June 2016
	Balance as at 1 January 2016	Addition	(Disposal)/ Transfer	Balance as at 30 June 2016		Balance as at 1 January 2016	Addition	(Disposal)/ Transfer	Balance as at 30 June 2016	
Land and land development	755,156,480	79,908,143	-	835,064,623	-	-	-	-	-	835,064,623
Furniture and fixtures	19,986,335	1,010,394	-	20,996,729	10	7,490,069	986,290	-	8,476,359	12,520,370
Office and electrical equipment	37,442,540	5,490,707	-	42,933,247	20	24,881,455	2,426,724	-	27,308,179	15,625,068
Office decoration	26,784,243	18,000	(10,400)	26,791,843	20	24,501,787	1,309,106	-	25,810,893	980,950
Motor vehicles	101,641,294	-	-	101,641,294	20	85,640,966	4,933,308	-	90,574,274	11,067,020
Maintenance equipment	21,488,907	753,113	-	22,242,020	20	11,840,572	1,941,288	-	13,781,860	8,460,160
Civil works and others	188,270,220	11,105,739	-	199,375,959	20	98,581,259	15,080,198	-	113,661,457	85,714,502
Plant and machinery:										
Ashulia Power Plant (Unit-1)	431,267,519	-	-	431,267,519	3.33 - 10	194,243,237	13,013,823	-	207,257,061	224,010,458
Ashulia Power Plant (Unit-2)	1,441,671,569	-	-	1,441,671,569	3.33 - 16.67	394,172,642	30,561,306	-	424,733,948	1,016,937,621
Madhabdi Power Plant (Unit-1)	411,746,264	-	-	411,746,264	3.33 - 10	233,684,990	16,686,056	-	250,371,047	161,375,217
Madhabdi Power Plant (Unit-2)	983,650,435	-	-	983,650,435	3.33 - 16.67	325,140,035	24,573,628	-	349,713,663	633,936,772
Chandina Power Plant (Unit-1)	454,834,809	-	-	454,834,809	3.33 - 10	222,986,567	16,239,700	-	239,226,267	215,608,542
Chandina Power Plant (Unit-2)	605,843,852	-	-	605,843,852	3.33 - 16.67	198,594,294	16,079,786	-	214,674,079	391,169,773
Jangalia Power Plant	1,488,096,009	-	-	1,488,096,009	3.33 - 16.67	356,671,789	33,053,433	-	389,725,222	1,098,370,787
Rupganj Power Plant	1,446,478,759	24,258,823	(18,079,826)	1,452,657,756	3.33 - 16.67	326,659,698	40,848,722	(18,079,826)	349,428,593	1,103,229,163
Maona Power Plant	1,378,847,798	22,047,230	(10,768,540)	1,390,126,488	3.33 - 16.67	336,016,280	35,157,042	(10,768,540)	360,404,783	1,029,721,705
Ullapara Power Plant	509,367,795	-	-	509,367,795	3.33 - 16.67	134,185,694	14,532,601	-	148,718,295	360,649,500
Madanganj Power Plant	5,122,967,893	84,983,116	(73,115,073)	5,134,835,936	3.33 - 16.67	835,841,913	150,035,150	(73,115,073)	912,761,991	4,222,073,945
Rupatoli Power Plant	-	5,023,479,717	-	5,023,479,717	3.33	-	42,785,551	-	42,785,551	4,980,694,166
Madanganj Power Plant (Unit-2)	-	2,592,454,713	-	2,592,454,713	3.33	-	29,425,937	-	29,425,937	2,563,028,776
Total (i)	15,425,542,721	7,845,509,695	(101,973,839)	23,169,078,577		3,811,133,248	489,669,649	(101,963,439)	4,198,839,458	18,970,239,119

a) Own assets : ii) Revaluation

Land and land development	300,550,154	269,113,798	-	569,663,952	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138.00	-
Plant and machinery:										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	33,799,342	2,354,871	-	36,154,214	130,073,689
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	673,120	46,897	-	720,017	2,590,405
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	32,871,220	2,290,207	-	35,161,428	126,501,913
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	16,216,271	1,129,822	-	17,346,093	62,406,897
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	29,764,609	2,073,763	-	31,838,372	114,546,370
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	3,317,854	231,162	-	3,549,016	12,768,450
Total (ii)	887,209,157	269,113,798	-	1,156,322,955		129,644,554	8,126,724	-	137,771,278	1,018,551,676
Total assets (i+ii)	16,312,751,878	8,114,623,493	(101,973,839)	24,325,401,532		3,940,777,802	497,796,373	(101,963,439)	4,336,610,736	19,988,790,796

b) Leased assets

Motor vehicles	-	-	-	-	20	-	-	-	-	-
Total (a+b)	16,312,751,878	8,114,623,493	(101,973,839)	24,325,401,532		3,940,777,802	497,796,373	(101,963,439)	4,336,610,736	19,988,790,796

c) Spare parts

Stock in hand	988,169,552	459,998,082	(313,047,624)	1,135,120,010	3.33 - 50	48,230,920	11,796,455	-	60,027,375	1,075,092,635
Stock in transit	85,816,622	533,062,294	(460,897,550)	157,981,366	-	-	-	-	-	157,981,366
	1,073,986,174	993,060,376	(773,945,174)	1,293,101,376		48,230,920	11,796,455	-	60,027,375	1,233,074,001
Total (a+b+c)	17,386,738,052	9,107,683,869	(875,919,013)	25,618,502,908		3,989,008,722	509,592,828	(101,963,439)	4,396,638,111	21,221,864,797

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Consolidated
a) Own assets : i) Cost

FOR THE YEAR ENDED 31 DECEMBER 2015

FIGURE IN TAKA

Particulars	Cost/Revaluation				Depreciation					Written down value as at 31 December 2015
	Balance as at 1 January 2015	Addition	(Disposal)/ Transfer	Balance as at 31 December 2015	Rate %	Balance as at 1 January 2015	Addition	(Disposal)/ Transfer	Balance as at 31 December 2015	
Land and land development	688,333,437	66,823,043	-	755,156,480	-	-	-	-	-	755,156,480
Furniture and fixtures	16,633,395	3,352,940	-	19,986,335	10	5,744,465	1,745,604	-	7,490,069	12,496,266
Office and electrical equipment	31,638,068	5,804,472	-	37,442,540	20	20,926,346	3,955,109	-	24,881,455	12,561,085
Office decoration	26,560,588	223,655	-	26,784,243	20	21,829,122	2,672,665	-	24,501,787	2,282,456
Motor vehicles	99,841,844	1,799,450	-	101,641,294	20	74,293,084	10,323,385	1,024,497	85,640,966	16,000,328
Maintenance equipment	21,445,907	43,000	-	21,488,907	20	7,960,863	3,879,709	-	11,840,572	9,648,335
Civil works and others	168,200,272	20,069,948	-	188,270,220	20	70,543,147	28,038,112	-	98,581,259	89,688,961
Plant and machinery:										
Ashulia Power Plant (Unit-1)	431,267,519	-	-	431,267,519	3.33 - 10	168,215,590	26,027,647	-	194,243,237	237,024,282
Ashulia Power Plant (Unit-2)	1,436,764,389	4,907,180	-	1,441,671,569	3.33 - 16.67	334,031,467	60,141,175	-	394,172,642	1,047,498,927
Madhabdi Power Plant (Unit-1)	411,746,264	-	-	411,746,264	3.33 - 10	200,312,878	33,372,113	-	233,684,990	178,061,274
Madhabdi Power Plant (Unit-2)	983,650,435	-	-	983,650,435	3.33 - 16.67	275,992,780	49,147,256	-	325,140,035	658,510,400
Chandina Power Plant (Unit-1)	454,834,809	-	-	454,834,809	3.33 - 10	190,507,168	32,479,399	-	222,986,567	231,848,242
Chandina Power Plant (Unit-2)	605,843,852	-	-	605,843,852	3.33 - 16.67	166,434,723	32,159,571	-	198,594,294	407,249,558
Jangalia Power Plant	1,488,096,009	-	-	1,488,096,009	3.33 - 16.67	283,960,922	72,710,866	-	356,671,789	1,131,424,220
Rupganj Power Plant	1,443,857,814	13,919,551	(11,298,606)	1,446,478,759	3.33 - 16.67	270,514,712	67,443,594	(11,298,609)	326,659,698	1,119,819,061
Maona Power Plant	1,377,116,732	11,827,911	(10,096,845)	1,378,847,798	3.33 - 16.67	271,605,451	74,507,675	(10,096,845)	336,016,280	1,042,831,518
Ullapara Power Plant	509,137,961	229,834	-	509,367,795	3.33 - 16.67	105,129,054	29,056,640	-	134,185,694	375,182,101
Madanganj Power Plant	5,103,829,649	86,723,763	(67,585,519)	5,122,967,893	3.33 - 16.67	658,592,293	244,835,139	(67,585,519)	835,841,913	4,287,125,980
Total (i)	15,298,798,944	215,724,747	(88,980,970)	15,425,542,721		3,126,594,064	772,495,660	(87,956,476)	3,811,133,248	11,614,409,473

a) Own assets : ii) Revaluation

Land and land development	300,550,154	-	-	300,550,154	-	-	-	-	-	300,550,154
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machinery :										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	29,089,598	4,709,744	-	33,799,342	132,428,561
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	579,324	93,796	-	673,120	2,637,302
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	28,290,804	4,580,416	-	32,871,220	128,792,121
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	13,956,627	2,259,644	-	16,216,271	63,536,720
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	25,617,081	4,147,528	-	29,764,609	116,620,133
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	2,855,530	462,324	-	3,317,854	12,999,612
Total (ii)	887,209,157	-	-	887,209,157		113,391,102	16,253,452	-	129,644,554	757,564,603
Total assets (i+ii)	16,186,008,101	215,724,747	(88,980,970)	16,312,751,878		3,239,985,166	788,749,112	(87,956,476)	3,940,777,802	12,371,974,076

b) Leased assets

Motor vehicles	1,656,450	-	(1,656,450)	-	20	855,950	168,547	(1,024,497)	-	-
Total (a+b)	16,187,664,551	215,724,747	(90,637,420)	16,312,751,878		3,240,841,116	788,917,659	(88,980,973)	3,940,777,802	12,371,974,076

c) Spare parts

Stock in hand	1,139,640,581	472,196,522	(623,667,551)	988,169,552	3.33 - 50	27,501,837	20,729,083	-	48,230,920	939,938,632
Stock in transit	14,386,105	516,935,328	(445,504,811)	85,816,622	-	-	-	-	-	85,816,622
	1,154,026,686	989,131,850	(1,069,172,362)	1,073,986,174		27,501,837	20,729,083	-	48,230,920	1,025,755,254
Total (a+b+c)	17,341,691,237	1,204,856,597	(1,159,809,782)	17,386,738,052		3,268,342,953	809,646,742	(88,980,973)	3,989,008,722	13,397,729,330

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Separate

a) Own assets : i) Cost

FOR THE YEAR ENDED 30 JUNE 2017

Figure in Taka

Particulars	Cost/Revaluation				Rate %	Depreciation				Written down value as at 30 June 2017
	Balance as at 1 July 2016	Addition	(Disposal)/ Transfer	Balance as at 30 June 2017		Balance as at 1 July 2016	Addition	(Disposal)/ Transfer	Balance as at 30 June 2017	
Land and land development	426,716,004	85,214,107	-	511,930,111	-	-	-	-	-	511,930,111
Furniture and fixtures	18,531,296	1,279,984	-	19,811,280	10	8,274,395	1,799,283	-	10,073,678	9,737,602
Office and electrical equipments	37,076,947	3,758,433	-	40,835,380	20	26,670,467	3,975,541	-	30,646,008	10,189,372
Office decoration	26,791,843	979,176	-	27,771,019	20	25,810,893	738,899	-	26,549,792	1,221,227
Motor vehicles	99,498,294	35,444,500	(4,992,250)	129,950,544	20	89,755,208	2,773,404	(4,992,250)	87,536,362	42,414,182
Maintenance equipments	21,488,907	4,594,933	-	26,083,840	20	13,781,860	3,959,287	-	17,741,147	8,342,693
Civil works and others	199,375,959	9,425,361	-	208,801,320	20	113,661,457	32,262,425	-	145,923,882	62,877,438
Plant and machineries :										
Ashulia Power Plant (Unit-1)	431,267,519	22,937,150	-	454,204,669	3.33 - 10	207,257,061	20,997,027	-	228,254,087	225,950,582
Ashulia Power Plant (Unit-2)	1,441,671,569	72,555,324	(48,646,346)	1,465,580,547	3.33 - 16.67	424,733,948	78,698,919	(48,646,346)	454,786,521	1,010,794,026
Madhabdi Power Plant (Unit-1)	411,746,264	1,687,636	-	413,433,900	3.33 - 10	250,371,047	17,515,185	-	267,886,231	145,547,669
Madhabdi Power Plant (Unit-2)	983,650,435	4,588,728	-	988,239,163	3.33 - 16.67	349,713,660	33,290,328	-	383,003,988	605,235,175
Chandina Power Plant (Unit-1)	454,834,809	7,501,284	-	462,336,093	3.33 - 10	239,226,267	18,572,689	-	257,798,955	204,537,138
Chandina Power Plant (Unit-2)	605,843,852	2,527,483	-	608,371,335	3.33 - 16.67	214,674,079	18,337,751	-	233,011,830	375,359,505
Jangalia Power Plant	1,488,096,009	87,512,577	(63,154,140)	1,512,454,446	3.33 - 16.67	389,725,222	69,745,848	(63,154,140)	396,316,931	1,116,137,515
Rupganj Power Plant	1,452,657,756	14,915,059	(10,255,112)	1,457,317,703	3.33 - 16.67	349,428,593	60,939,310	(10,255,112)	400,112,792	1,057,204,911
Maona Power Plant	1,390,126,488	-	-	1,390,126,488	3.33 - 16.67	360,404,783	66,455,337	-	426,860,119	963,266,369
Ullapara Power Plant	509,367,795	-	-	509,367,795	3.33 - 16.67	148,718,295	27,921,395	-	176,639,691	332,728,104
Madanganj Power Plant	5,134,835,936	-	-	5,134,835,936	3.33 - 16.67	912,761,991	218,453,589	-	1,131,215,579	4,003,620,357
Total (i)	15,133,577,682	354,921,735	(127,047,848)	15,361,451,569		4,124,969,225	676,436,216	(127,047,848)	4,674,357,594	10,687,093,975

a) Own assets : ii) Revaluation

Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machineries :										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	36,154,214	4,709,744	-	40,863,958	125,363,945
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	720,017	93,796	-	813,813	2,496,609
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	35,161,428	4,580,416	-	39,741,844	121,921,497
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	17,346,094	2,259,644	-	19,605,738	60,147,253
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	31,838,372	4,147,528	-	35,985,900	110,398,842
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	3,549,016	462,324	-	4,011,340	12,306,126
Total (ii)	1,156,322,955	-	-	1,156,322,955		137,771,278	16,253,452	-	154,024,730	1,002,298,225
Total assets (i+ii)	16,289,900,637	354,921,735	(127,047,848)	16,517,774,524		4,262,740,504	692,689,668	(127,047,848)	4,828,382,324	11,689,392,200

b) Spare parts

Stock in hand	1,134,926,010	682,493,931	(770,706,086)	1,046,713,855	3.33 - 50	60,027,375	37,705,002	-	97,732,377	948,981,478
Stock in transit	155,702,296	682,893,819	(734,463,009)	104,133,106	-	-	-	-	-	104,133,106
	1,290,628,306	1,365,387,750	(1,505,169,095)	1,150,846,961		60,027,375	37,705,002	-	97,732,377	1,053,114,584
Total (a+b)	17,580,528,943	1,720,309,485	(1,632,216,943)	17,668,621,485		4,322,767,879	730,394,670	(127,047,848)	4,926,114,701	12,742,506,784

Addition to the plant and machinery had resulted from major overhauling completed in Ashulia Power Plant (Unit 2) at 64,000 running hours (all units of gen sets), in Jangalia Power Plant at 48,000 running hours (all units of gen sets), in Rupganj Power Plant at 48,000 running hours (1 unit out of 4 gen sets) and from additional provision made for Assets Retirement Obligation (ARO) for Ashulia Power Plant Unit 1 and Unit 2, Chandina Power Plant Unit 1 & Unit 2, Madhabdi Power Plant Unit 1 & Unit 2, Maona Power Plant and Ullapara Power Plant.

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Separate
a) Own assets : i) Cost

FOR THE PERIOD ENDED 30 JUNE 2016

Figure in Taka

Particulars	Cost/Revaluation				Depreciation						Written down value as at 30 June 2016	
	Balance as at 1 January 2016		Addition	(Disposal)/ Transfer	Balance as at 30 June 2016	Rate %	Balance as at 1 January 2016		Addition	(Disposal)/ Transfer		Balance as at 30 June 2016
	SPL	Others					SPL	Others				
Land and land development	26,504,350	321,879,698	78,331,956	-	426,716,004	-	-	-	-	-	-	426,716,004
Furniture and fixtures	8,806,883	9,587,419	136,994	-	18,531,296	10	4,022,344	3,377,129	874,922	-	8,274,395	10,256,901
Office and electrical equipments	22,964,826	12,965,468	1,146,653	-	37,076,947	20	16,225,418	8,404,652	2,040,397	-	26,670,467	10,406,480
Office decoration	26,481,091	292,752	18,000	-	26,791,843	20	24,251,584	250,203	1,309,106	-	25,810,893	980,950
Motor vehicles	74,461,031	25,037,263	-	-	99,498,294	20	61,639,788	23,396,412	4,719,008	-	89,755,208	9,743,086
Maintenance equipment	8,412,651	13,076,256	-	-	21,488,907	20	5,245,914	6,594,658	1,941,288	-	13,781,860	7,707,047
Civil works and others	58,771,240	129,498,980	11,105,739	-	199,375,959	20	43,594,325	54,986,934	15,080,198	-	113,661,457	85,714,502
Plant and machinery :												
Ashulia Power Plant (Unit-1)	431,267,519	-	-	-	431,267,519	3.33 - 10	194,243,237	-	13,013,823	-	207,257,061	224,010,458
Ashulia Power Plant (Unit-2)	1,441,671,569	-	-	-	1,441,671,569	3.33 - 16.67	394,172,642	-	30,561,306	-	424,733,948	1,016,937,621
Madhabdi Power Plant (Unit-1)	411,746,264	-	-	-	411,746,264	3.33 - 10	233,684,990	-	16,686,056	-	250,371,047	161,375,217
Madhabdi Power Plant (Unit-2)	983,650,435	-	-	-	983,650,435	3.33 - 16.67	325,140,032	-	24,573,628	-	349,713,660	633,936,775
Chandina Power Plant (Unit-1)	454,834,809	-	-	-	454,834,809	3.33 - 10	222,986,567	-	16,239,700	-	239,226,267	215,608,542
Chandina Power Plant (Unit-2)	605,843,852	-	-	-	605,843,852	3.33 - 16.67	198,594,294	-	16,079,786	-	214,674,079	391,169,773
Jangalia Power Plant	-	1,488,096,009	-	-	1,488,096,009	3.33 - 16.67	-	356,671,789	33,053,433	-	389,725,222	1,098,370,787
Rupganj Power Plant	-	1,446,478,759	24,258,823	(18,079,826)	1,452,657,756	3.33 - 16.67	-	326,659,698	40,848,722	(18,079,826)	349,428,593	1,103,229,163
Maona Power Plant	-	1,378,847,798	22,047,230	(10,768,540)	1,390,126,488	3.33 - 16.67	-	336,016,280	35,157,042	(10,768,540)	360,404,783	1,029,721,705
Ullapara Power Plant	-	509,367,795	-	-	509,367,795	3.33 - 16.67	-	134,185,694	14,532,601	-	148,718,295	360,649,500
Madanganj Power Plant	-	5,122,967,893	84,983,116	(73,115,073)	5,134,835,936	3.33 - 16.67	-	835,841,913	150,035,150	(73,115,073)	912,761,991	4,222,073,945
Total (i)	4,555,416,520	10,458,096,090	222,028,511	(101,963,439)	15,133,577,682		1,723,801,136	2,086,385,362	416,746,166	(101,963,439)	4,124,969,225	11,008,608,457

a) Own assets : ii) Revaluation

Land and land development	-	300,550,154	269,113,798	-	569,663,952	-	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	-	13,002,138	20	13,002,138	-	-	-	13,002,138	-
Plant and machinery :												
Ashulia Power Plant (Unit-1)	166,227,903	-	-	-	166,227,903	3.33 - 10	33,799,342	-	2,354,872	-	36,154,214	130,073,689
Ashulia Power Plant (Unit-2)	3,310,422	-	-	-	3,310,422	3.33 - 16.67	673,120	-	46,897	-	720,017	2,590,405
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	-	161,663,341	3.33 - 10	32,871,220	-	2,290,208	-	35,161,428	126,501,913
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	-	79,752,991	3.33 - 16.67	16,216,271	-	1,129,823	-	17,346,094	62,406,897
Chandina Power Plant (Unit-1)	146,384,742	-	-	-	146,384,742	3.33 - 10	29,764,609	-	2,073,763	-	31,838,372	114,546,370
Chandina Power Plant (Unit-2)	16,317,466	-	-	-	16,317,466	3.33 - 16.67	3,317,854	-	231,162	-	3,549,016	12,768,450
Total (ii)	586,659,003	300,550,154	269,113,798	-	1,156,322,955		129,644,554	-	8,126,724	-	137,771,278	1,018,551,677
Total assets (i+ii)	5,142,075,523	10,758,646,244	491,142,309	(101,963,439)	16,289,900,637		1,853,445,690	2,086,385,362	424,872,890	(101,963,439)	4,262,740,504	12,027,160,133

b) Spare parts

Stock in hand	356,757,969	631,411,583	459,804,082	(313,047,624)	1,134,926,010	3.33 - 50	48,230,920	-	11,796,455	-	60,027,375	1,074,898,635
Stock in transit	60,987,988	24,828,634	530,783,224	(460,897,550)	155,702,296	-	-	-	-	-	-	155,702,296
	417,745,957	656,240,217	990,587,306	(773,945,174)	1,290,628,306		48,230,920	-	11,796,455	-	60,027,375	1,230,600,931
Total (a+b)	5,559,821,480	11,414,886,461	1,481,729,615	(875,908,613)	17,580,528,943		1,901,676,610	2,086,385,362	436,669,345	(101,963,439)	4,322,767,879	13,257,761,064

Notes:

Addition to the plant and machinery had resulted from major overhauling completed in Madanganj Power Plant at 24,000 running hours (3 units out of 6 engines sets).

Land and land development of the Company were revalued by the independent professional valuer S. F. Ahmed & Co., Chartered Accountants as on 30 June 2016. Such revaluation is made with sufficient regularity to ensure that carrying amount does not differ materially from their fair value. As per requirements of BSEC Notification No. SEC/CMRRCD/2009-193/150/Admin, dated 18 August 2013, the revaluation report of S. F. Ahmed & Co. is presented in Annexure- A. The items of property, plant and equipment were also revalued last in 2013 and 2008 accordingly.

Due to amalgamation effective from 1 January 2016, balances of assets at cost/revaluation and accumulated depreciation thereon as on this date as per books of SPPCL, SUPCL and SNPL have been shown in the books of SPL. Thus, the balances of property, plant and equipments in separate financial statements of SPL as on 1 January 2016 has been different from those as on 31 December 2015.

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Separate
a) Own assets : i) Cost

FOR THE YEAR ENDED 31 DECEMBER 2015

Figure in Taka

Particulars	Cost/Revaluation				Rate %	Depreciation				Written down value as at 31 Dec 2015
	Balance as at 1 January 2015	Additions	(Disposals)/ Transfers	Balance as at 31 Dec 2015		Balance as at 1 January 2015	Additions	(Disposals)/ Transfers	Balance as at 31 Dec 2015	
Land and land development	26,504,350	-	-	26,504,350	-	-	-	-	-	26,504,350
Furniture and fixtures	7,686,655	1,120,228	-	8,806,883	10	3,249,338	773,006	-	4,022,344	4,784,539
Office and electrical equipments	20,841,833	2,122,993	-	22,964,826	20	13,793,175	2,432,243	-	16,225,418	6,739,408
Office decoration	26,319,136	161,955	-	26,481,091	20	21,596,392	2,655,192	-	24,251,584	2,229,507
Motor vehicles	74,461,031	-	-	74,461,031	20	53,217,168	8,422,620	-	61,639,788	12,821,243
Maintenance equipments	8,369,651	43,000	-	8,412,651	20	3,878,449	1,367,465	-	5,245,914	3,166,737
Civil works and others	47,309,892	11,461,348	-	58,771,240	20	40,312,108	3,282,217	-	43,594,325	15,176,915
Plant and machineries :										
Ashulia Power Plant (Unit-1)	431,267,519	-	-	431,267,519	3.33 - 10	168,215,590	26,027,647	-	194,243,237	237,024,282
Ashulia Power Plant (Unit-2)	1,436,764,389	4,907,180	-	1,441,671,569	3.33 - 16.67	334,031,467	60,141,175	-	394,172,642	1,047,498,927
Madhabdi Power Plant (Unit-1)	411,746,264	-	-	411,746,264	3.33 - 10	200,312,878	33,372,113	-	233,684,990	178,061,274
Madhabdi Power Plant (Unit-2)	983,650,435	-	-	983,650,435	3.33 - 16.67	275,992,780	49,147,256	-	325,140,032	658,510,403
Chandina Power Plant (Unit-1)	454,834,809	-	-	454,834,809	3.33 - 10	190,507,168	32,479,399	-	222,986,567	231,848,242
Chandina Power Plant (Unit-2)	605,843,852	-	-	605,843,852	3.33 - 16.67	166,434,723	32,159,571	-	198,594,294	407,249,558
Total (i)	4,535,599,816	19,816,704	-	4,555,416,520		1,471,541,235	252,259,904	-	1,723,801,136	2,831,615,384
a) Own assets : ii) Revaluation										
Land and land development	-	-	-	-	-	-	-	-	-	-
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machineries :										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	29,089,598	4,709,744	-	33,799,342	132,428,561
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	579,324	93,796	-	673,120	2,637,302
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	28,290,804	4,580,416	-	32,871,220	128,792,121
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	13,956,627	2,259,644	-	16,216,271	63,536,720
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	25,617,081	4,147,528	-	29,764,609	116,620,133
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	2,855,530	462,324	-	3,317,854	12,999,612
Total (ii)	586,659,003	-	-	586,659,003		113,391,102	16,253,452	-	129,644,554	457,014,449
Total assets (i+ii)	5,122,258,819	19,816,704	-	5,142,075,523		1,584,932,337	268,513,356	-	1,853,445,690	3,288,629,833
b) Spare parts										
Stock in hand	441,689,569	181,591,430	(266,523,030)	356,757,969	3.33 - 50	27,501,837	20,729,083	-	48,230,920	308,527,049
Stock in transit	13,690,278	188,975,853	(141,678,143)	60,987,988		-	-	-	-	60,987,988
	455,379,847	370,567,283	(408,201,173)	417,745,957		27,501,837	20,729,083	-	48,230,920	369,515,037
Total (a+b)	5,577,638,666	390,383,987	(408,201,173)	5,559,821,480		1,612,434,174	289,242,439	-	1,901,676,610	3,658,144,870

4.1 Allocation of depreciation

Figure in Taka

Particulars	Note	Consolidated				Separate			
		Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 Dec 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 Dec 2015
Cost of sales	27	1,437,407,586	954,491,672	482,915,914	758,863,611	1,095,590,257	684,885,831	410,704,426	270,309,696
General and administrative expenses	29								
Own assets		75,479,659	48,802,745	26,676,914	50,614,584	71,473,758	45,508,839	25,964,919	18,932,743
Leased assets		-	-	-	168,547	-	-	-	-
		75,479,659	48,802,745	26,676,914	50,783,131	71,473,758	45,508,839	25,964,919	18,932,743
		1,512,887,245	1,003,294,417	509,592,828	809,646,742	1,167,064,015	730,394,670	436,669,345	289,242,439

5 Intangible assets, net

Particulars	Consolidated				Separate		
	Software	Brand	License*	Total	Software	Brand	Total
Cost							
Balance as at 1 January 2015	2,004,238	10,000,000	-	12,004,238	1,504,238	10,000,000	11,504,238
Additions	-	-	-	-	-	-	-
Expiry and disposals	-	-	-	-	-	-	-
Balance as at 31 December 2015	2,004,238	10,000,000	-	12,004,238	1,504,238	10,000,000	11,504,238
Balance as at 1 January 2016							
Of SPL	2,004,238	10,000,000	-	12,004,238	1,504,238	10,000,000	11,504,238
Of SPPCL, SUPCL and SNPL	-	-	-	-	500,000	-	500,000
	2,004,238	10,000,000	-	12,004,238	2,004,238	10,000,000	12,004,238
Additions	-	-	30,780,417	30,780,417	-	-	-
Expiry and disposals	-	-	-	-	-	-	-
Balance as at 30 June 2016	2,004,238	10,000,000	30,780,417	42,784,655	2,004,238	10,000,000	12,004,238
Balance as at 1 July 2016	2,004,238	10,000,000	30,780,417	42,784,655	2,004,238	10,000,000	12,004,238
Additions	-	-	-	-	-	-	-
Expiry and disposals	-	-	-	-	-	-	-
Balance as at 30 June 2017	2,004,238	10,000,000	30,780,417	42,784,655	2,004,238	10,000,000	12,004,238
Accumulated amortisation							
Balance as at 1 January 2015	1,970,905	1,999,990	-	3,970,895	1,504,238	1,999,990	3,504,228
Amortisation	33,333	333,332	-	366,665	-	333,332	333,332
Retirement and disposals	-	-	-	-	-	-	-
Balance as at 31 December 2015	2,004,238	2,333,322	-	4,337,560	1,504,238	2,333,322	3,837,560
Balance as at 1 January 2016							
Of SPL	2,004,238	2,333,322	-	4,337,560	1,504,238	2,333,322	3,837,560
Of SPPCL, SUPCL and SNPL	-	-	-	-	500,000	-	500,000
	2,004,238	2,333,322	-	4,337,560	2,004,238	2,333,322	4,337,560
Amortisation	-	166,666	-	166,666	-	166,666	166,666
Retirement and disposals	-	-	-	-	-	-	-
Balance as at 30 June 2016	2,004,238	2,499,988	-	4,504,226	2,004,238	2,499,988	4,504,226
Balance as at 1 July 2016	2,004,238	2,499,988	-	4,504,226	2,004,238	2,499,988	4,504,226
Additions	-	333,334	-	333,334	-	333,334	333,334
Expiry and disposals	-	-	-	-	-	-	-
Balance as at 30 June 2017	2,004,238	2,833,322	-	4,837,560	2,004,238	2,833,322	4,837,560
Carrying amounts							
At 1 January 2015	33,333	8,000,010	-	8,033,343	-	8,000,010	8,000,010
At 31 December 2015	-	7,666,678	-	7,666,678	-	7,666,678	7,666,678
At 30 June 2016	-	7,500,012	30,780,417	38,280,429	-	7,500,012	7,500,012
At 30 June 2017	-	7,166,678	30,780,417	37,947,095	-	7,166,678	7,166,678

* This license has been acquired due to purchase of 64% shares in Ace Alliance Power Limited. This will be amortised over 15-years period beginning from commercial operation date (COD) of Ace Alliance Power Limited.

6 Capital work-in-progress

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Opening balance	32,868,078	6,335,225,569	35,966,453	-	-	-
Addition during the period	913,368,804	1,313,576,939	6,299,259,116	-	-	-
Transfer to property, plant and equipment/disposal	-	(7,615,934,430)	-	-	-	-
	946,236,882	32,868,078	6,335,225,569	-	-	-

7 Investment in subsidiaries

Particulars	30 June 2017				30 June 2016			31 December 2015			1 January 2015		
	Note	No. of shares	% of holding	Value	No. of shares	% of holding	Value	No. of shares	% of holding	Value	No. of shares	% of holding	Value
Summit Purbanchol Power Company Limited		-	-	-	-	-	-	107,989,891	71.05%	571,020,100	107,989,891	71.05%	571,020,100
Summit Uttaranchol Power Company Limited		-	-	-	-	-	-	34,995,327	51.48%	202,519,250	34,995,327	51.48%	202,519,250
Summit Narayanganj Power Limited		-	-	-	-	-	-	118,243,125	69.21%	866,250,000	118,243,125	69.21%	866,250,000
Summit Barisal Power Limited	7.1	50,699,516	49.00%	506,995,160	50,699,516	49.00%	506,995,160	4,900,000	49.00%	400,000,000	9,800	49.00%	240,000,000
Summit Narayanganj Unit II Power Limited	7.1	27,712,222	49.00%	277,122,221	27,712,222	49.00%	277,122,221	4,900,000	49.00%	165,000,000	9,800	49.00%	95,000,000
Summit Chittagong Power Limited	7.1	490,000	49.00%	4,900,000	490,000	49.00%	4,900,000	490,000	49.00%	4,900,000	-	-	-
Ace Alliance Power Limited	7.2	6,400	64.00%	367,964,000	6,400	64.00%	27,964,000	-	-	-	-	-	-
		78,908,138		1,156,981,381	78,908,138		816,981,381	271,518,343		2,209,689,350	261,247,943		1,974,789,350

- 7.1 Summit Power Limited (SPL) hold 49% shares in Summit Barisal Power Limited (SBPL), Summit Narayanganj Power Unit II Limited (SNPL-II) and Summit Chittagong Power Limited (SCPL). Bangladesh Financial Reporting Standard 10: *Consolidated Financial Statements* requires presentation and preparation of consolidated financial statements when an entity controls one or more other entities unless falls within the scope of exceptions. According to control procedures as detailed in paragraph 7 of the said BFRS under reference, SBPL, SNPL-II and SCPL are under the control of SPL because SPL directly manages the activities/ operations of those entities since their commercial operation date (COD) through common corporate management and thus it has the power over these three entities and has established both exposure and rights to significantly affect returns of the investee companies. Therefore SPL is in compliance with BFRS 10 to prepare and present its financial statements in consolidation with that of SBPL, SNPL II and SCPL.
- 7.2 This amount represents the consideration paid to Aitken Spence Plc., Sri Lanka and Alliance Holdings Limited, Bangladesh under a memorandum of understanding to acquire 64% shares of Ace Alliance Power Limited. Transfer of shares of Ace Alliance Power Limited to Summit Power Limited has been effective from 24 June 2016.
- 7.3 In accordance with paragraph 10 of Bangladesh Accounting Standard 27: *Separate Financial Statements*, investments in subsidiaries have been accounted for at cost. Details of holding structure in subsidiaries are described in Note 45.1.i

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

8 Investment in associates

Figure in Taka

Particulars	30 June 2017			30 June 2016			31 December 2015			1 January 2015		
	Consolidated	Separate	% of holding	Consolidated	Separate	% of holding	Consolidated	Separate	% of holding	Consolidated	Separate	% of holding
Summit Meghnaghat Power Company Limited	4,597,180,904	3,801,772,452	30%	4,371,429,514	3,801,772,452	30%	3,801,772,452	3,801,772,452	30%	3,801,772,452	3,801,772,452	30%
Share of profit of equity-accounted investees:												
Summit Meghnaghat Power Company Limited	648,465,970	-		225,751,390	-		569,657,062	-		-	-	
Dividend received from SMPCL	(300,000,000)	-		-	-		-	-		-	-	
	4,945,646,874	3,801,772,452		4,597,180,904	3,801,772,452		4,371,429,514	3,801,772,452		3,801,772,452	3,801,772,452	

8.1 Summit Power Limited has acquired 203,971,500 shares at Taka 18.64 (fair value), including share premium Taka 8.64, of Summit Meghnaghat Power Company Limited from Summit Corporation Limited by issuing 106,791,361 shares each @ Taka 35.60 (at fair value), including share premium Taka 25.60, of its own in 2014.

9 Available-for-sale financial assets

Particulars	No. of shares	Rate per share	Market value at				Change in fair value at			Cost price
			30 June 2017	30 June 2016	31 Dec 2015	1 January 2015	30 June 2017	30 June 2016	31 Dec 2015	
Khulna Power Company Limited	63,734,728	59.20	3,773,095,898	4,136,383,847	4,773,731,127	3,632,879,499	(363,287,950)	(637,347,280)	1,140,851,629	3,625,296,384
People's Leasing and Financial Services Limited	408,160	10.40	4,244,864	3,550,992	5,836,688	8,571,377	693,872	(2,285,696)	(2,734,689)	20,500,000
Popular Life First Mutual Fund	1,322,947	7.10	9,392,924	5,723,936	4,748,927	5,653,485	3,668,987	975,009	(904,558)	10,000,000
	65,465,835		3,786,733,685	4,145,658,775	4,784,316,743	3,647,104,361	(358,925,091)	(638,657,967)	1,137,212,382	3,655,796,384

On 28 December 2011, Summit Power Limited (SPL) had acquired 53,955,326 shares of Khulna Power Company Limited (KPCL) at Taka 67 each from Summit Corporation Limited (SCL) amounting to Taka 3,625,296,384 including other transaction costs. Now the SPL's ownership in KPCL 17.64%. Since the percentage of ownership in KPCL is below the threshold limit of 20% to recognise KPCL as an associate, management classified such investment as Available-for-Sale (AFS) financial asset.

10 Inventories

Particulars	Note	Consolidated			Separate		
		30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Stock in hand	10.1	51,956,482	71,569,451	43,394,661	36,826,038	39,325,553	13,845,040
Stock in transit		-	-	-	-	-	-
		51,956,482	71,569,451	43,394,661	36,826,038	39,325,553	13,845,040

10.1 Stock in hand

Figure in Taka

Particulars	Consolidated		Separate	
	Fuel	Total	Fuel	Total
Balance at 1 January 2015	39,938,300	39,938,300	8,273,615	8,273,615
Purchase/transfer during the year	229,011,604	229,011,604	63,025,294	63,025,294
Consumption/transfer during the year	(225,555,243)	(225,555,243)	(57,453,869)	(57,453,869)
Balance at 31 December 2015	43,394,661	43,394,661	13,845,040	13,845,040
Balance at 1 January 2016				
Of SPL	43,394,661	43,394,661	13,845,040	13,845,040
Of SPPCL, SNPL and SUPCL	-	-	29,549,621	29,549,621
Purchase/transfer during the period	145,858,095	145,858,095	92,678,377	92,678,377
Consumption/transfer during the period	(117,683,305)	(117,683,305)	(96,747,485)	(96,747,485)
Balance at 30 June 2016	71,569,451	71,569,451	39,325,553	39,325,553
Balance at 1 July 2016	71,569,451	71,569,451	39,325,553	39,325,553
Purchase/transfer during the year	342,359,371	342,359,371	205,719,361	205,719,361
Consumption/transfer during the year	(361,972,340)	(361,972,340)	(208,218,876)	(208,218,876)
Balance at 30 June 2017	51,956,482	51,956,482	36,826,038	36,826,038

11 Trade receivables

Particulars	Notes	Consolidated			Separate		
		30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Bangladesh Rural Electrification Board (BREB):	11.1						
Dhaka Palli Bidyut Samity - 1		17,832,285	15,229,393	15,356,628	17,832,285	15,229,393	15,356,628
Dhaka Palli Bidyut Samity - 1 (Expansion)		1,564,381,565	1,262,876,140	1,105,659,264	1,564,381,565	1,262,876,140	1,105,659,264
Narsingdi Palli Bidyut Samity - 1		15,761,995	14,710,910	15,501,946	15,761,995	14,710,910	15,501,946
Narsingdi Palli Bidyut Samity - 1 (Expansion)		1,188,149,616	954,985,118	833,729,411	1,188,149,616	954,985,118	833,729,411
Comilla Palli Bidyut Samity - 1		15,851,531	14,858,809	10,948,407	15,851,531	14,858,809	10,948,407
Comilla Palli Bidyut Samity - 1 (Expansion)		648,683,911	504,172,584	439,601,375	648,683,911	504,172,584	439,601,375
Narayanganj Palli Bidyut Samity (PBS)		160,104,310	54,878,770	54,068,021	160,104,310	54,878,770	-
Mymensingh Palli Bidyut Samity (PBS) - 2		155,135,274	62,216,882	63,750,724	155,135,274	62,216,882	-
Sirajganj Palli Bidyut Samity		48,591,688	43,014,006	36,575,656	48,591,688	43,014,006	-
Bangladesh Power Development Board (BPDB):							
Jangalia Power Plant		177,595,909	63,932,959	120,049,325	177,595,909	63,932,959	-
Madanganj Power Plant	11.2	1,129,482,491	1,181,710,404	486,390,442	1,129,482,491	1,181,710,404	-
Barisal Power Plant		1,124,770,867	1,214,970,152	-	-	-	-
Narayanganj Unit II Power Plant		485,945,699	746,145,589	-	-	-	-
		6,732,287,141	6,133,701,716	3,181,631,199	5,121,570,575	4,172,585,975	2,420,797,031
Less: Provision for doubtful debt		(168,758,403)	(168,758,403)	(168,758,403)	(168,758,403)	(168,758,403)	-
		6,563,528,738	5,964,943,313	3,012,872,796	4,952,812,172	4,003,827,572	2,420,797,031

11.1 Out of total receivables from BREB, invoices amounting to BDT 3,304,174,528 raised by the Company, pertaining to the three Expansion Power Plants, have yet not been accepted by BREB due to using different unit rate in calculating revenue. As per contracts for supply of electricity and Government's gazette notification, the Company has been raising invoices at the rate of Taka 3.1141 per kWh from December 2011 to January 2012, for February 2012 at the rate of Taka 3.3741, from March to August 2012 at the rate of Taka 3.6216 per kWh, from September 2012 to August 2015 at the rate of Taka 4.2316 per kWh and onward September 2015 at the rate of Taka 4.4791 per kWh due to rise in BST (Bulk Supply Tariff). BREB has been paying at the rate 2.8333 per kWh. In order to resolve the above matter, the Company went for arbitration carried by Bangladesh Energy Regulatory Commission (BERC) and a favourable verdict was given upon the Company. Later on, upon request from BREB, the verdict is reviewed again by BERC and the reviewed verdict was also in favour of the Company. After this, BERC solely submitted a writ petitions in the High Court Division of Supreme Court of Bangladesh on 8 September 2016. On 17 August 2017 the Honourable High Court Division of Bangladesh Supreme Court was pleased to pass a judgement discharging the rule issued in the writ petitions. The management believes the amount is recoverable.

NOTES TO THE FINANCIAL STATEMENTS

11.2 In accordance with the clause 26.1 of the previous Power Purchase Agreement (PPA), "Bangladesh Petroleum Corporation (BPC) will be the liquid fuel supplier (furnace oil/HFO) and BPDB will make payment for the fuel". But since the start of the operation of the plant, the quality and quantity of the supplied fuel were not as per given specifications in the PPA. For this reason, the actual fuel consumption was higher per unit of electricity generation. On account of the actual fuel consumption, BPDB started deduction from some of the Company's monthly invoices which amounted to Taka 164.30 million up to March 2013. The Company made a writ petition to the High Court Division for further non deduction on account of excess fuel outage amounting to USD 1.96 million (approximately). The High Court granted an order of injunction from deducting any money from monthly invoices. On 6 July 2014, the High Court Division of Supreme Court of Bangladesh has extended the order of injunction granted earlier till disposal of the Rule. Subsequently, an application is made on 23 February 2016 to Bangladesh Energy Regulatory Commission (BERC) to take up the matter and commence an arbitration proceedings for full and final settlement of the dispute between the parties as per law after vacating the order of injunction. However, the Company has made a provision for doubtful debt on said amount of Taka 164.30 million.

12 Other receivables

Figure in Taka

Particulars	Notes	Consolidated			Separate		
		30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Insurance claims		48,167,675	20,593,597	17,687,085	48,167,675	20,593,597	17,687,085
Interest on FDRs		29,399,489	3,110,654	10,519,083	29,399,489	1,232,487	-
Dividend receivables		-	-	81,337,653	-	-	81,337,653
VAT deducted at sources	12.1	22,195,381	22,195,381	22,195,381	22,195,381	22,195,381	17,742,123
Bhairob Power Limited		5,451,372	5,451,372	-	-	-	-
		105,213,917	51,351,004	131,739,202	99,762,545	44,021,465	116,766,861
Less: Provision for doubtful debt		(4,453,258)	(4,453,258)	(4,453,258)	(4,453,258)	(4,453,258)	-
		100,760,659	46,897,746	127,285,944	95,309,287	39,568,207	116,766,861

12.1 VAT at source up to June 2009 amounting to Taka 22,195,381 was deducted by Bangladesh Rural Electrification Board (BREB) under the purview of regulations declared by the National Board of Revenue (NBR). But in the Power Purchase Agreement (PPA) it was declared that "Nothing herein, however, shall in any way limit or override any provisions of the Implementation Agreement, that provide certain Tax exemptions under this Agreement, that allow certain Taxes and charges to be reimbursed to the Company in accordance with Article X of this Agreement". Hence, as per PPA the Group has been claiming refund of the VAT at source so far deducted by BREB. The Group has kept close contact with BREB and negotiation for collection of the amount is under process.

13 Inter company receivables

Particulars	Note	Consolidated			Separate		
		30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Summit Purbanchol Power Company Limited		-	-	-	-	-	4,517,303
Summit Narayanganj Power Limited		-	-	-	-	-	11,453,098
Summit Barisal Power Limited		-	-	-	3,004,848	-	-
Summit Narayanganj Power Unit II Limited		-	-	-	388,183	-	-
Summit Chittagong Power Limited		-	-	-	1,089,507	-	-
Ace Alliance Power Limited	13.1	-	-	-	177,601,395	25,313,590	-
		-	-	-	182,083,933	25,313,590	15,970,401

13.1 This amount represents advances for development works for the implementation of project for Ace Alliance Power Limited.

14 Advances, deposits and prepayments

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Advances						
Initial Public Offer (IPO)	2,084,693	2,084,693	2,231,693	2,084,693	2,084,693	-
C & F agents	1,690,298	1,190,298	715,298	240,298	1,190,298	715,298
Energypac Engineering Limited	1,000,000	1,000,000	1,150,000	1,000,000	1,000,000	1,000,000
Wartsila Bangladesh Limited	-	-	750,000	-	-	-
Precision Tech	1,265,000	-	450,000	1,265,000	-	450,000
Silicon Engineers	-	3,366,000	4,095,011	-	3,366,000	-
Alam Associate	11,350,000	2,600,000	-	11,350,000	2,600,000	-
Resources & Solutions Management Agencies Limited	1,550,000	12,030,000	-	1,550,000	12,030,000	-
R.M. Trade International	-	180,000	1,587,000	-	180,000	338,000
Land for AAPL project	9,601,506	4,680,000	2,925,000	9,601,506	4,680,000	2,925,000
Alliance Holdings Limited	-	-	14,000,000	-	-	14,000,000
Center for Management Development	200,000	200,000	200,000	200,000	200,000	200,000
Jakir Construction Limited	2,315,138	-	-	-	-	-
UDECO Limited	25,000,000	-	-	-	-	-
SBS Int Business Ltd.	7,595,000	-	-	-	-	-
Scienetech Engineering and Services	2,691,215	-	-	-	-	-
Land lord	241,000	197,000	197,000	145,000	101,000	101,000
Tax advisor	100,000	100,000	400,000	100,000	100,000	300,000
Advance income tax	55,182,485	53,224,828	52,645,180	52,164,447	52,164,447	52,164,447
Other suppliers	14,579,411	16,168,600	182,331,972	3,828,254	3,200,064	100,000
Car purchase	1,129,173	645,834	833,838	1,129,173	645,834	770,838
Employees	17,965,743	5,152,987	7,622,015	16,938,597	3,355,387	505,000
Environmental consultancy	1,229,330	526,830	-	-	-	-
	156,769,992	103,347,070	272,134,007	101,596,968	86,897,723	73,569,583
Less: Provision for doubtful advance	(445,000)	(445,100)	(445,000)	(445,000)	(445,100)	(445,000)
	156,324,992	102,901,970	271,689,007	101,151,968	86,452,623	73,124,583
Deposits						
Security deposit (non-interest bearing)	4,215,240	2,681,650	2,681,650	1,758,045	1,758,045	1,145,495
Bank guarantee margin:						
Controller of Import and Export (SJIBL)	1,545,053	1,545,053	1,545,053	1,545,053	1,545,053	1,545,053
Pashchimanchal Gas Co. Ltd.	823,441	823,441	823,441	823,441	823,441	-
Bakhrabad Gas System Ltd.	2,470,323	2,470,323	2,470,323	2,470,323	2,470,323	-
Bangladesh Power Development Board (BPDB)	11,176,610	39,342,692	31,234,850	11,176,610	11,176,610	-
Bangladesh Rural Electrification Board (BREB)	9,260,359	9,260,359	9,260,359	9,260,359	9,260,359	-
Titas Gas Transmission and Distribution Co. Ltd.	4,940,646	4,940,646	4,940,646	4,940,646	4,940,646	-
	30,216,432	58,382,514	50,274,672	30,216,432	30,216,432	1,545,053
	34,431,672	61,064,164	52,956,322	31,974,477	31,974,477	2,690,548
Prepayments						
Annual license fees	716,056	2,336,961	2,750,000	716,056	2,336,961	750,000
Standby letter of credit commission	2,964,765	1,016,285	243,195	2,964,765	1,016,285	193,195
Bank guarantee/operation bond commission	6,355,925	4,321,980	12,403,505	5,051,825	2,810,430	2,185,055
Insurance premium	53,764,782	28,180,761	16,057,335	24,019,502	25,161,078	3,501,426
Land lease rental	988,954	986,303	969,775	988,954	986,303	255,489
Annual agency fee	3,700,845	-	-	-	-	-
Others	10,000	92,200	-	-	-	-
	68,501,327	36,934,490	32,423,810	33,741,102	32,311,057	6,885,165
Related party transactions						
Summit Corporation Limited	9,368,879	3,785,750	3,574,958	9,368,879	3,785,750	3,574,958
Cosmopolitan Traders (Pvt.) Limited	2,487,493	3,418,553	3,418,553	2,487,493	3,418,553	3,418,553
Summit Oil & Shipping Co. Limited	-	210,866,487	20,866,487	-	201,860,222	-
	11,856,372	218,070,790	27,859,998	11,856,372	209,064,525	6,993,511
	271,114,363	418,971,414	384,929,137	178,723,919	359,802,682	89,693,807

Bank guarantee margin had been deposited with various scheduled banks in Bangladesh as security for compliance with the Company's/Group's operational obligation.

15 Cash and cash equivalents

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Cash in hand	1,755,306	1,381,439	1,150,354	834,959	808,683	425,601
Cash at bank						
Bank Al-Falah Limited	-	244,183	244,183	-	244,183	244,183
Bank Asia Limited	137,380,328	113,244,906	29,410,888	48,370,651	105,736,217	17,565,597
BRAC Bank Limited	4,235,972	153,340,524	727,777,754	4,235,972	138,502,149	3,145,392
Commercial Bank of Ceylon	2,035,819	2,039,029	2,039,834	2,035,819	2,039,029	2,039,834
Dhaka Bank Limited	4,855,412	13,475,996	7,442,770	4,855,412	13,475,996	7,442,770
The City Bank Limited	1,278,451,628	4,187,261	26,455,974	15,730	15,399	15,226
Dutch-Bangla Bank Limited	317,604,973	212,058,643	184,531,266	308,226,358	198,528,843	96,305,941
Eastern Bank Limited	976,923	-	-	-	-	-
Mutual Trust Bank Limited	-	8,316,178	8,621,991	-	8,316,178	-
Southeast Bank Limited	247,266	247,587	247,572	247,266	247,587	247,572
One Bank Limited	1,569,267	21,911,684	70,395,229	1,202,493	21,911,684	1,490,417
Exim Bank Limited	422,473	653,847	1,156,125	422,473	653,847	-
Premier Bank Limited	19,989,161	166,160,926	33,136,603	19,989,161	35,683,401	16,863,900
Prime Bank Limited	460,785	-	-	-	-	-
Rupali Bank Limited	25,767	661,592	95,474	25,767	661,592	95,474
Standard Chartered Bank	27,389,625	33,629,844	47,945,124	27,389,625	27,551,412	47,945,123
Shahjalal Islami Bank Limited	1,169,881	1,213,741	1,214,316	1,169,881	1,213,741	1,214,316
Sonali Bank Limited	593,257	259,332	573,612	593,257	259,332	-
	1,797,408,537	731,645,273	1,141,288,715	418,779,865	555,040,590	194,615,745
Fixed deposit receipts (FDR)						
AB Bank Limited	180,000,000	-	-	180,000,000	-	-
Bank Asia Limited	7,071,000	87,395,423	85,266,532	4,018,000	-	-
BRAC Bank Limited	520,000,000	-	-	520,000,000	-	-
The Farmers Bank Limited	100,000,000	109,876,989	277,622,204	100,000,000	109,876,989	-
The City Bank Limited	-	177,000,000	177,000,000	-	-	-
Mutual Trust Bank Limited	50,625,000	-	-	50,625,000	-	-
Trust Bank Limited	204,795,447	-	-	204,795,447	-	-
One Bank Limited	501,447,832	-	10,578,935	501,447,832	-	-
Meghna Bank Limited	337,202,412	71,312,500	70,000,000	337,202,412	71,312,500	-
Mercantile Bank Limited	50,000,000	-	-	50,000,000	-	-
Modhumoti Bank Limited	205,553,994	163,000,000	-	205,553,994	163,000,000	-
Premier Bank Limited	643,054,272	277,415,162	154,550,469	643,054,272	277,415,162	-
Exim Bank Limited	314,159,517	277,481,750	314,842,237	314,159,517	277,481,750	-
	3,113,909,474	1,163,481,824	1,089,860,377	3,110,856,474	899,086,401	-
	4,913,073,317	1,896,508,536	2,232,299,446	3,530,471,298	1,454,935,674	195,041,346

16 Share capital

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Authorised						
300,000,000 Ordinary shares of Tk 10 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
400,000,000 Ordinary shares of Tk 10 each	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
500,000,000 Ordinary shares of Tk 10 each	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
30,000,000 Preference shares of Tk 100 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
	15,000,000,000	15,000,000,000	15,000,000,000	15,000,000,000	15,000,000,000	15,000,000,000
Issued, subscribed and paid-up						
65,000,000 Ordinary shares of Tk 10 each	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000
6,500,000 Bonus shares of Tk 10 each in 2006	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000
14,300,000 Bonus shares of Tk 10 each in 2007	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000
68,640,000 Right shares of Tk 10 each in 2008	686,400,000	686,400,000	686,400,000	686,400,000	686,400,000	686,400,000
30,888,000 Bonus shares of Tk 10 each in 2008	308,880,000	308,880,000	308,880,000	308,880,000	308,880,000	308,880,000
37,065,600 Bonus shares of Tk. 10 each in 2009	370,656,000	370,656,000	370,656,000	370,656,000	370,656,000	370,656,000
55,598,400 Bonus shares of Tk. 10 each in 2010	555,984,000	555,984,000	555,984,000	555,984,000	555,984,000	555,984,000
25,361,973 Ordinary shares of Tk 10 each in 2010	253,619,730	253,619,730	253,619,730	253,619,730	253,619,730	253,619,730
91,006,191 Bonus shares of Tk. 10 each in 2011	910,061,910	910,061,910	910,061,910	910,061,910	910,061,910	910,061,910
98,590,041 Bonus shares of Tk. 10 each in 2012	985,900,410	985,900,410	985,900,410	985,900,410	985,900,410	985,900,410
98,590,041 Bonus shares of Tk. 10 each in 2013	985,900,410	985,900,410	985,900,410	985,900,410	985,900,410	985,900,410
88,731,037 Bonus shares of Tk. 10 each in 2014	887,310,360	887,310,360	887,310,360	887,310,360	887,310,360	887,310,360
106,791,361 Ordinary shares of Tk. 10 each in 2014*	1,067,913,610	1,067,913,610	1,067,913,610	1,067,913,610	1,067,913,610	1,067,913,610
39,353,132 Bonus shares of Tk. 10 each in 2015	393,531,320	393,531,320	393,531,320	393,531,320	393,531,320	393,531,320
49,584,946 Bonus shares of Tk. 10 each in 2016	495,849,460	495,849,460	-	495,849,460	495,849,460	-
191,876,518 ordinary shares of Tk. 10 each in 2016**	1,918,765,180	-	-	1,918,765,180	-	-
	10,678,772,390	8,760,007,210	8,264,157,750	10,678,772,390	8,760,007,210	8,264,157,750

* Details are given in the Note 8.1.

** This represents the amount of ordinary share capital issued to non-controlling shareholders of Summit Purbanchol Power Company Limited, Summit Uttaranchol Power Company Limited and Summit Narayanganj Power Limited as compensation for amalgamation with Summit Power Limited. On the basis of the approval of Bangladesh Securities and Exchange Commission for issue of 191,876,518 ordinary shares at BDT 10 each, these shares were issued on 4 October 2016.

16.1 Shareholding position

Name of shareholders	Percentage of shareholdings			Number of shares		
	30 June 2017	30 June 2016	31 Dec 2015	30 June 2017	30 June 2016	31 Dec 2015
Summit Corporation Limited	56.61%	53.52%	53.52%	604,555,430	468,835,292	442,297,446
Euro Hub Investments Ltd.	3.65%	4.45%	4.45%	38,940,126	38,940,126	36,735,968
Institutional investors	24.34%	24.77%	24.77%	259,900,891	216,962,884	204,681,966
General public	15.40%	17.27%	17.27%	164,480,792	151,262,419	142,700,395
	100%	100%	100%	1,067,877,239	876,000,721	826,415,775

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

16.2 Classification of shareholders by holding:

Figure in Taka

Particulars	Number of holders			% of holdings		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Less than 500 shares	28,564	20,490	22,722	59.87%	51.88%	51.47%
500 to 5,000 shares	14,575	14,639	17,031	30.55%	37.06%	38.58%
5,001 to 10,000 shares	2,403	2,336	2,303	5.04%	5.91%	5.22%
10,001 to 20,000 shares	990	961	991	2.08%	2.43%	2.24%
20,001 to 30,000 shares	368	357	351	0.77%	0.90%	0.80%
30,001 to 40,000 shares	158	142	154	0.33%	0.36%	0.35%
40,001 to 50,000 shares	130	96	99	0.27%	0.24%	0.22%
50,001 to 100,000 shares	219	218	232	0.46%	0.55%	0.53%
100,001 to 1,000,000 shares	242	203	213	0.51%	0.51%	0.48%
Over 1,000,000 shares	60	56	49	0.13%	0.14%	0.11%
	47,709	39,498	44,145	100%	100%	100%

17 Share premium

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Share premium from issue of 2,000,000 shares in 2005	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Share premium from issue of 6,864,000 shares in 2008	308,880,000	308,880,000	308,880,000	308,880,000	308,880,000	308,880,000
Share premium from issue of 25,361,973 shares in 2010	2,745,940,817	2,745,940,817	2,745,940,817	2,745,940,817	2,745,940,817	2,745,940,817
	3,134,820,817	3,134,820,817	3,134,820,817	3,134,820,817	3,134,820,817	3,134,820,817
Issue costs	(234,123,160)	(234,123,160)	(234,123,160)	(234,123,160)	(234,123,160)	(234,123,160)
	2,900,697,657	2,900,697,657	2,900,697,657	2,900,697,657	2,900,697,657	2,900,697,657
Share premium on dilution of ownership in SPPCL	600,385,917	600,385,917	600,385,917	600,385,917	600,385,917	-
Share premium on issue of shares to SCL*	2,733,858,842	2,733,858,842	2,733,858,842	2,733,858,842	2,733,858,842	2,733,858,842
Transaction costs	(315,777)	(315,777)	(315,777)	(315,777)	(315,777)	-
	6,234,626,639	6,234,626,639	6,234,626,639	6,234,626,639	6,234,626,639	5,634,556,499
Share premium on amalgamation	244,471,000	244,471,000	-	244,471,000	244,471,000	-
	6,479,097,639	6,479,097,639	6,234,626,639	6,479,097,639	6,479,097,639	5,634,556,499

* Details are given in the Note 8.1.

18 Revaluation reserve

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Balance at 1 July 2016, 1 January 2016 and 1 January 2015						
Of SPL	1,018,339,901	655,518,559	671,772,007	1,018,339,901	457,014,453	473,267,901
Of SPPCL, SUPCL and SNPL (equity-holders' portion)	-	-	-	-	198,504,106	-
Gain on revaluation during the period/year	-	269,113,798	-	-	269,113,798	-
Transfer from non-controlling interest on amalgamation	-	101,834,268	-	-	101,834,268	-
Transfer to retained earnings for depreciation during the period/year	(16,253,452)	(8,126,724)	(16,253,448)	(16,253,448)	(8,126,724)	(16,253,448)
Balance at 30 June 2017, 30 June 2016 and 31 December 2015	1,002,086,449	1,018,339,901	655,518,559	1,002,086,453	1,018,339,901	457,014,453

The Company carried out revaluation as on 30 June 2016 against which there is an upward revaluation of Tk. 269,113,798. For more details, please see Note 4. The Company also performed such revaluation of land in 2008 and 2013 and the amount of Tk. 269,113,798 has been added after making necessary adjustment with the surplus and loss balances of last revaluation of 2013.

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
19 Shares to be issued on amalgamation

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Shares to be issued (face value)	-	1,918,765,180	-	-	1,918,765,180	-
	-	1,918,765,180	-	-	1,918,765,180	-

* Details are given in the Note 16.

20 Scheme on amalgamation of SPPCL, SUPCL and SNPL with SPL

Particulars	SPPCL	SUPCL	SNPL	Total
Shareholding by Summit Power Limited	107,989,891	34,995,327	161,240,625	304,225,843
Shareholding by others	43,990,812	32,983,156	53,746,875	130,720,843
No. of shares outstanding at 31 December 2015	151,980,703	67,978,483	214,987,500	434,946,686
Exchange ratio of SPL share for each share of transferor	1.309	1.668	1.475	
No. of shares to be issued	57,583,973	55,015,904	79,276,641	191,876,518
Share premium				
Recognised in SPL consolidated accounts as at 31 Dec 2015	600,070,140	-	-	600,070,140
Non-controlling interest as at 31 Dec 2015	244,471,000	-	-	244,471,000
Total	844,541,140	-	-	844,541,140
Revaluation reserve				
Recognised in SPL consolidated accounts as at 31 Dec 2015	147,480,260	-	51,018,034	198,498,294
Non-controlling interest as at 31 Dec 2015	60,092,240	-	41,742,028	101,834,268
Total	207,572,500	-	92,760,062	300,332,562

Assets acquired & consideration paid to the transferor companies

Particulars	SPPCL	SUPCL	SNPL	Total
Total NCI at 31 Dec 2015 in SPL consolidated accounts	1,417,214,738	986,327,560	1,535,926,144	3,939,468,442
Share capital of SPL to be issued to NCI	575,839,730	550,159,040	792,766,410	1,918,765,180
Total gain on amalgamation	841,375,008	436,168,520	743,159,734	2,020,703,262

Allocation of gain on amalgamation to equity

Particulars	SPPCL	SUPCL	SNPL	Total
Share premium	244,471,000	-	-	244,471,000
Revaluation reserve	60,092,240	-	41,742,028	101,834,268
Capital reserve	536,811,768	436,168,520	701,417,706	1,674,397,994
Total	841,375,008	436,168,520	743,159,734	2,020,703,262

Post-merger equity position

Particulars	As at 31 December 2015	Adjustment due to amalgamation	Equity after amalgamation
Share capital (consolidated)	8,264,157,750	-	8,264,157,750
Shares to be issued on amalgamation	-	1,918,765,180	1,918,765,180
Share premium (consolidated)	6,234,626,639	244,471,000	6,479,097,639
Revaluation reserve (consolidated)	655,518,559	101,834,268	757,352,827
Fair value reserve (consolidated)	1,128,520,359	-	1,128,520,359
Retained Earnings (consolidated)	7,457,334,331	-	7,457,334,331
Capital reserve	-	1,674,397,994	1,674,397,994
Non-controlling interest	3,939,468,442	(3,939,468,442)	-
	27,679,626,080	-	27,679,626,080

In this amalgamation, all transferor companies (SPPCL, SUPCL and SNPL) are ultimately controlled by the same party (i.e. SPL) both before and after the amalgamation and this control is not transitory. Since this is a common control transaction as described in BFRS 3: *Business Combinations* and this is the net assets from the books of SPPCL, SUPCL and SNPL have been transferred to the books of SPL using the book values in the financial statements of the transferor companies. Thus, instead of treating this amalgamation on the basis of acquisition accounting as mentioned in BFRS 3 and recognising the difference between the consideration paid and the equity interests of the shareholders in those companies in profit or loss, it has been recognised in equity.

21 Non-controlling interests

Figure in Taka

Particulars	30 June 2017							
	SPPCL	SUPCL	SNPL	SBPL	SNPL Unit II	SCPL	AAPL	Total
NCI percentage	-	-	-	51.00%	51.00%	51.00%	36%	
Non-current assets	-	-	-	5,227,429,244	2,882,826,949	313,285	949,863,376	9,060,432,855
Current assets	-	-	-	1,973,805,655	996,023,530	10,699,522	125,762,138	3,106,290,846
Non-current liabilities	-	-	-	(4,215,670,842)	(2,430,687,536)	-	-	(6,646,358,378)
Current liabilities	-	-	-	(1,302,129,935)	(500,762,031)	(1,129,807)	(337,864,514)	(2,141,886,287)
Net assets	-	-	-	1,683,434,122	947,400,912	9,883,000	737,761,000	3,378,479,035
Net assets attributable to NCI	-	-	-	858,551,402	483,174,465	5,040,330	265,593,960	1,612,360,158
Less: Intra-group elimination	-	-	-	-	-	-	140,000,000	140,000,000
				858,551,402	483,174,465	5,040,330	405,593,960	1,752,360,157
Revenue	-	-	-	5,278,016,886	2,095,147,983	-	-	7,373,164,869
Profit	-	-	-	428,278,359	214,620,707	(71,000)	(7,838,349)	634,989,717
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	428,278,359	214,620,707	(71,000)	(7,838,349)	8,008,154,586
Profit allocated to NCI	-	-	-	218,421,963	109,456,561	(36,210)	(2,821,806)	325,020,508
Other comprehensive income allocated to NCI	-	-	-	-	-	-	-	-
Less: Intra-group elimination	-	-	-	-	-	-	-	-
								325,020,508
Net cash flow from operating activities	-	-	-	664,356,621	334,111,199	(76,700)	-	998,391,120
Net cash used in investing activities	-	-	-	(251,537,940)	(167,235,083)	(15,309)	-	(418,788,332)
Net cash flow (used)/from financing activities	-	-	-	125,082,471	164,147,242	-	-	289,229,713
Net increase in cash and cash equivalents	-	-	-	537,901,152	331,023,358	(92,009)	-	868,832,501

Particulars	30 June 2016							
	SPPCL	SUPCL	SNPL	SBPL	SNPL Unit II	SCPL	AAPL	Total
NCI percentage	-	-	-	51.00%	51.00%	51.00%	36%	
Non-current assets	-	-	-	5,155,191,781	2,808,911,954	297,976	7,256,512	7,971,658,223
Current assets	-	-	-	1,558,214,296	921,447,818	9,702,024	12,066,633	2,501,430,770
Non-current liabilities	-	-	-	(638,645,591)	(356,226,613)	-	-	(994,872,204)
Current liabilities	-	-	-	(4,819,604,723)	(2,641,352,951)	(46,000)	(23,723,796)	(7,484,727,470)
Net assets	-	-	-	1,255,155,763	732,780,208	9,954,000	(4,400,651)	1,993,489,319
Net assets attributable to NCI	-	-	-	640,129,439	373,717,906	5,076,540	(1,584,234)	1,017,339,651
Less: Intra-group elimination	-	-	-	-	-	-	-	-
				640,129,439	373,717,906	5,076,540	(1,584,234)	1,017,339,650
Revenue	-	-	-	1,214,970,152	746,145,589	-	-	1,961,115,741
Profit	-	-	-	219,860,251	166,799,660	(23,000)	-	386,636,911
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	219,860,251	166,799,660	(23,000)	-	2,347,752,652
Profit allocated to NCI	-	-	-	112,128,728	85,067,827	(11,730)	-	197,184,825
Other comprehensive income allocated to NCI	-	-	-	-	-	-	-	-
Less: Intra-group elimination	-	-	-	-	-	-	-	-
								197,184,825
Net cash flow (used)/from operating activities	-	-	-	(65,452,163)	(90,801,582)	-	-	(156,253,745)
Net cash (used in)/from investing activities	-	-	-	(703,336,858)	(330,803,825)	102,425	-	(1,034,038,258)
Net cash flow (used)/from financing activities	-	-	-	830,759,308	471,359,869	5,100,000	-	1,307,219,177
Net increase in cash and cash equivalents	-	-	-	61,970,287	49,754,462	5,202,425	-	116,927,174

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Figure in Taka

Particulars	31 December 2015							Total
	SPPCL	SUPCL	SNPL	SBPL	SNPL Unit II	SCPL	AAPL	
NCI percentage	28.95%	48.52%	30.79%	51.00%	51.00%	51.00%	-	
Non-current assets	4,455,334,695	1,484,296,396	4,772,610,023	4,329,873,017	2,416,035,514	400,401	-	17,458,550,046
Current assets	718,530,685	722,197,448	1,630,060,183	379,268,000	163,494,353	9,599,599	-	3,623,150,268
Non-current liabilities	(18,207,058)	(24,831,665)	(22,342,662)				-	(65,381,385)
Current liabilities	(260,270,625)	(148,835,386)	(236,622,964)	(4,257,529,505)	(2,363,104,872)	(23,000)	-	(7,266,386,352)
Net assets	4,895,387,697	2,032,826,793	6,143,704,580	451,611,512	216,424,995	9,977,000	-	13,749,932,577
Net assets attributable to NCI	1,417,214,738	986,327,560	1,891,646,640	230,321,871	110,376,747	5,088,270	-	4,640,975,827
Less: Intra-group elimination*			(355,720,495)	(179,010,000)	(59,160,000)	-	-	(593,890,495)
	1,417,214,738	986,327,560	1,535,926,145	51,311,871	51,216,747	5,088,270	-	4,047,085,332
Revenue	1,359,111,351	957,116,458	1,647,835,608	-	-	-	-	3,964,063,417
Profit	795,448,592	405,673,383	965,014,373	(1,223,129)	(457,304)	(23,000)	-	2,164,432,915
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	795,448,592	405,673,383	965,014,373	(1,223,129)	(457,304)	(23,000)	-	2,164,432,915
Profit allocated to NCI	230,282,367	196,832,725	297,127,925	(623,796)	(233,225)	(11,730)	-	723,374,267
Other comprehensive income allocated to NCI	-	-	-	-	-	-	-	-
Less: Intra-group elimination								(55,874,332)
								667,499,935
Net cash flow (used)/from operating activities	971,297,539	562,065,477	1,326,254,788	(31,487,007)	(28,987,310)	-	-	2,799,143,487
Net cash used in investing activities	(2,613,979)	(12,831,767)	(88,374,707)	(1,036,924,949)	(636,176,995)	(631,801)	-	(1,777,554,198)
Net cash flow (used)/from financing activities	(662,703,957)	(364,959,153)	(1,147,550,680)	1,279,962,943	762,583,520	10,000,000	-	(122,667,327)
Net increase in cash and cash equivalents	305,979,603	184,274,557	90,329,401	211,550,987	97,419,215	9,368,199	-	898,921,962

* Intra-group elimination arisen on account of SPPCL's equity investment in SNPL.

22 Project loan

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
DEG and FMO	-	219,093,750	1,091,717,253	-	219,093,750	-
Infrastructure Development Company Limited (IDCOL)	3,550,500,000	-	-	-	-	-
Islamic Cor for the Dev of the Private Sector (ICD)	1,578,000,000	-	-	-	-	-
OPEC Fund for International Development (OFID)	997,296,000	-	-	-	-	-
Amortisation of transaction costs	-	353,712	2,694,663	-	353,712	-
	6,125,796,000	219,447,462	1,094,411,916	-	219,447,462	-
Repayment during the period/year	-	(218,953,125)	881,015,628	-	(218,953,125)	-
Transaction costs, net of transaction costs	(137,762,841)	-	-	-	-	-
Exchange rate fluctuation effect	131,599,800	(494,337)	5,697,462	-	(494,337)	-
	6,119,632,959	-	219,093,750	-	-	-
Non-current	5,647,524,050	-	-	-	-	-
Current	472,108,909	-	219,093,750	-	-	-
	6,119,632,959	-	219,093,750	-	-	-

Infrastructure Development Company Limited (IDCOL) provided USD 30,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018 and Islamic Corporation for the Development of the Private Sector (ICD) also provided USD 20,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 10.5 years including 6 months grace period, repayable quarterly starting on 15 September 2017 for Summit Barisal Power Limited. On receipt of the loan the Group/Company had incurred an amount of Taka 82,978,510 as transaction costs. Further, the Group/Company had decided to capitalise such costs and to amortise the same over the years of loan repayment. Fixed and floating charges have been created on all assets of the borrowing company. The sponsor company, Summit Power Limited, has also given sponsor and corporate guarantee on such borrowings to the lenders to pay all money time to time, if there is any due.

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Infrastructure Development Company Limited (IDCOL) provided USD 15,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018 and OPEC Fund for International Development (OFID) also provided USD 12,640,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018 for Summit Narayanganj Power Unit II Limited. On receipt of the loan the Group/Company had incurred an amount of Taka 60,961,468 as transaction costs. Further, the Group/Company had decided to capitalise such costs and to amortise the same over the years of loan repayment. Fixed and floating charges have been created on all assets of the borrowing company. The sponsor company, Summit Power Limited, has also given sponsor and corporate guarantee on such borrowings to the lenders to pay all money time to time if there is any due.

23 Redeemable preference shares

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Opening balance						
Of SPL	1,301,682,020	-	-	312,254,100	-	-
Of SPPCL, SUPCL and SNPL	-	312,254,100	780,623,000	-	312,254,100	-
Addition during the period	1,000,000,000	1,000,000,000	-	-	-	-
Transaction costs	(5,750,000)	(10,572,080)	-	-	-	-
	2,295,932,020	1,301,682,020	780,623,000	312,254,100	312,254,100	-
Repayment/settlement of installment	(1,312,254,100)	-	(468,368,900)	(312,254,100)	-	-
	983,677,920	1,301,682,020	312,254,100	-	312,254,100	-
Current	-	166,666,667	312,254,100	-	312,254,100	-
Non-current	983,677,920	1,135,015,353	-	-	-	-
	983,677,920	1,301,682,020	312,254,100	-	312,254,100	-

Out of total redeemable preference shares, Tk 2,822,467,500 has been converted from project loan on 12 August 2010 and Tk 300,000,000 has been issued on 30 September 2010 bearing dividend at 10-10.5% per annum payable half yearly commencing from December 2010. Preference shares are being redeemed over 6 years or by 7 installments payable at the end of each year commencing from December 2010 for the former Summit Purbanchol Power Company Limited and Summit Uttaranchol Power Company Limited.

The preference shares were fully subscribed and paid up on 18 April 2016 bearing dividend @ 8.75% per annum payable half yearly commencing from October 2016. Preference shares were to be redeemed over 7 years or by 7 instalments payable at the end of each year commencing from April 2017. Subsequently, after making the first instalment, rest of the amount was fully repaid in earlier by replacement of issuance of new redeemable preference shares for Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited.

The new redeemable preference shares are fully subscribed and paid up on 29 June 2017 bearing dividend @ 8.25% per annum payable yearly commencing from June 2018. Preference shares will be redeemed over 7 years or by 6 instalments payable at the end of each year commencing from June 2019.

24 Deferred liabilities

Particulars	Notes	Consolidated			Separate		
		30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Gratuity fund	24.1	115,162,895	87,485,817	71,884,968	105,514,293	84,161,276	30,328,978
Other deferred liabilities	24.2	97,661,892	80,202,802	70,354,682	92,154,086	78,083,059	39,893,879
		212,824,787	167,688,619	142,239,650	197,668,379	162,244,335	70,222,857

24.1 Gratuity fund

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Opening balance						
Of SPL	87,485,817	71,884,968	57,298,908	84,161,276	30,328,978	26,089,867
Of SPPCL, SUPCL and SNPL	-	-	-	-	38,898,050	-
Addition during the year/period	27,677,078	16,017,383	19,015,774	21,353,017	15,350,782	8,428,015
Payment during the year/period	-	(416,534)	(4,429,714)	-	(416,534)	(4,188,904)
Closing balance	115,162,895	87,485,817	71,884,968	105,514,293	84,161,276	30,328,978

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The Company, for its present eligible local employees, operates a gratuity scheme. This gratuity scheme is not recognised by the National Board of Revenue. Every eligible employee covered by this scheme is entitled to get benefit equal to one last basic salary for every year of service.

Valuation of the gratuity fund of Summit Power Limited and its subsidiaries were being done by an independent valuer but not completed by the reporting date. However, management believes that the amount of gratuity fund to be provided for upon the report of independent valuer would not materially differ from what have actually been provided for.

24.2 Other deferred liabilities

Figure in Taka

Particulars	Note	Consolidated			Separate		
		30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Liability for earned leave	24.2.1	61,158,850	46,143,881	37,472,063	55,651,044	44,024,138	15,591,843
Liability for assets retirement obligation	24.2.2	36,503,042	34,058,921	32,882,619	36,503,042	34,058,921	24,302,036
		97,661,892	80,202,802	70,354,682	92,154,086	78,083,059	39,893,879

24.2.1 Liability for earned leave

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Opening balance						
Of SPL	46,143,881	37,472,063	29,943,046	44,024,138	15,591,843	13,782,159
Of SPPCL, SUPCL and SNPL		-	-	-	20,155,210	-
Provision made during the year/period	16,189,410	9,256,326	10,205,650	12,779,928	8,861,593	4,096,451
Payment during the year/period	(1,174,441)	(584,508)	(2,676,633)	(1,153,022)	(584,508)	(2,286,767)
Closing balance	61,158,850	46,143,881	37,472,063	55,651,044	44,024,138	15,591,843

24.2.2 Liability for assets retirement obligation (ARO)

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016 (Restated)	31 December 2015 (Restated)	30 June 2017	30 June 2016 (Restated)	31 December 2015 (Restated)
Opening balance						
Of SPL	34,058,921	32,882,619	30,574,059	34,058,921	24,302,036	22,677,821
Of SPPCL, SUPCL and SNPL		-	-	-	8,580,583	-
Provision made during the year/period	2,444,121	1,176,302	2,308,560	2,444,121	1,176,302	1,624,215
Adjustment/payment made during the year/period		-	-	-	-	-
Closing balance	36,503,042	34,058,921	32,882,619	36,503,042	34,058,921	24,302,036

SUMMIT POWER LIMITED
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25 Unclaimed dividends

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Opening balance						
Of SPL	185,051,305	28,153,736	9,829,630	185,051,305	20,668,594	6,270,188
Of SPPCL, SUPCL and SNPL			-	-	7,485,142	-
Cash dividend declared during the period/year	-	1,318,520,051	989,898,435		1,318,520,051	787,062,643
Proceeds from sale of fractional shares	199,495	483,000	611,348	199,495	483,000	604,700
Cash dividend paid during the period/year	(141,869,918)	(1,162,105,482)	(972,185,677)	(141,869,918)	(1,162,105,482)	(773,268,937)
Closing balance	43,380,882	185,051,305	28,153,736	43,380,882	185,051,305	20,668,594

These amounts represent dividends that remained unclaimed by the shareholders as at 30 June 2016. These amounts are deposited in a bank account and are payable on demand.

26 Trade payables

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Gas bill:						
Ashulia Power Plant	5,199,540	5,010,226	4,606,842	5,199,540	5,010,226	4,606,842
Ashulia Power Plant (Expansion)	14,312,022	14,920,713	12,970,551	14,312,022	14,920,713	12,970,551
Narsingdi Power Plant	5,087,132	4,564,315	3,258,045	5,087,132	4,564,315	3,258,045
Narsingdi Power Plant (Expansion)	9,757,606	10,970,824	10,345,356	9,757,606	10,970,824	10,345,356
Chandina Power Plant	5,386,261	4,674,855	3,590,139	5,386,261	4,674,855	3,590,139
Chandina Power Plant (Expansion)	6,282,869	5,436,760	4,513,176	6,282,869	5,436,760	4,513,176
Bakhrabad Gas Transmission and Dist. Co. Ltd.	26,321,286	27,754,509	11,776,156	26,321,286	27,754,509	-
Titas Gas Transmission and Dist. Co. Ltd.	71,775,043	62,896,395	46,111,388	71,775,043	62,896,395	-
Pashchimanchal Gas Co. Ltd.	10,626,562	5,126,338	4,004,282	10,626,562	5,126,338	-
Heavy furnace oil bill						
Madanganj Power Plant	632,653,798	718,236,047	185,550,067	632,653,797	718,236,047	-
Rupatoli Power Plant	891,568,824	900,747,165	-	-	-	-
Madanganj-II Power Plant	363,448,361	514,763,296	-	-	-	-
Navana Petroleum Limited	5,704,000	86,658	187,497	5,704,000	86,658	-
Mobile Jamuna Lubricants Bangladesh Limited	6,972,152	-	-	6,293,945	-	-
Rangs Petroleum Limited	7,231,680	-	-	-	-	-
	2,062,327,136	2,275,188,101	286,913,499	799,400,063	859,677,640	39,284,109

27 Other payables and accruals

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Provision for income tax	56,152,325	54,462,450	54,462,450	56,152,325	54,462,450	54,462,450
Liability for withholding tax and VAT	43,235,028	11,862,871	18,488,274	2,710,600	803,888	78,316
Utility bills (gas, rent, rate and others)	5,470,689	365,640	532,617	5,415,971	365,640	532,617
Provision for liquidated damage	-	1,750,000	3,250,000	-	1,750,000	-
Refundable IPO subscription of SPPCL	156,566	156,566	156,566	156,566	156,566	-
Summit Oil and Shipping Limited	15,307,280	76,739,530	107,341,610	2,400,000	4,637,638	-
Provision for C & F agents	67,148	111,349	406,238	67,148	111,349	339,089
CRISL- for credit rating purpose	-	-	230,000	-	-	230,000
Wartsila Bangladesh Limited	10,298,632	5,570,426	8,831,522	10,298,632	5,570,426	4,428,072
Aitken Spence Plc., Sri Lanka	16,979,306	16,979,306	-	-	-	-
Alliance Holdings Limited	-	2,827,541	-	-	-	-
CSD Filling Station	-	-	400,000	-	-	400,000
Otobi Limited	-	-	214,021	-	-	214,021
Liability to UDECO Ltd.	-	15,295,000	295,000	-	-	-
Poly Cable Ltd./Bazlur Rahman	-	24,495,108	-	-	-	-
Security deposit money from suppliers	23,528,775	74,333,414	34,116,432	-	-	-
Preference issue management fees	4,250,000	-	-	-	-	-
Dividend payable on preference shares	1,760,000	18,229,170	-	-	-	-
Interest payable on loan	15,067,351	-	10,096,124	-	-	-
Energypac Engineering	642,800	187,395	740,000	642,800	187,395	-
Operation bond	-	-	391,323	-	-	391,323
Green Dot Limited	1,108,900	552,000	-	-	-	-
Corona International/Baltic Control Ltd.	174,125	341,319	-	-	-	-
Audit and certification fees	2,346,575	1,993,550	2,221,250	1,409,900	1,060,300	828,000
Security service expenses	1,204,705	885,916	1,221,859	1,204,705	613,494	552,547
Bangla Trac Ltd.	332,869	332,869	332,869	332,869	332,869	332,869
Security deposit from employees	215,000	145,000	245,000	215,000	145,000	245,000
Others	5,057,349	6,302,395	738,764	1,209,400	2,551,068	219,500
	203,355,423	313,918,815	244,711,919	82,215,916	72,748,083	63,253,804

28 Inter company payables

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Summit Uttaranchol Power Company Limited	-	-	-	-	-	9,080,745
Summit Narayananj Power Limited	-	-	-	-	-	-
	-	-	-	-	-	9,080,745

29 Project Loan (short term bridge financing)

Figure in Taka

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Loan from Off-shore Banking Unit						
Opening balance	5,453,674,158	995,747,087	-	-	-	-
Loan received and interest charged during the period	-	54,229,727	995,747,087	-	-	-
Transfer from liabilities for deferred LCs to OBU loan	130,958,101	4,473,723,236	-	-	-	-
Payment made during the period	(5,584,632,259)	(70,025,892)	-	-	-	-
Closing Balance	-	5,453,674,158	995,747,087	-	-	-
BDT Loan						
Opening balance	-	756,708,819	-	-	-	-
Loan received and interest charged during the period	-	36,973,076	756,708,819	-	-	-
Payment made during the period	-	(793,681,895)	-	-	-	-
Closing Balance	-	-	756,708,819	-	-	-
		5,453,674,158	1,752,455,906	-	-	-

30 Liability for deferred LCs

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Opening balance	374,372,119	4,696,138,667	-	-	-	-
Addition during the period, net of repayment	103,626,866	151,956,688	4,696,138,667	-	-	-
Transfer/adjustment during the period	(374,372,119)	(4,473,723,236)	-	-	-	-
Closing Balance	103,626,866	374,372,119	4,696,138,667	-	-	-

31 Revenue

Figure in Taka

Particulars	Consolidated				Separate			
	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015
Ashulia Power Plant	259,392,831	174,174,364	85,218,467	166,358,193	259,392,831	174,174,364	85,218,467	166,358,193
Ashulia Power Plant (expansion)	919,759,101	831,208,650	88,550,451	859,684,913	919,759,101	831,208,650	88,550,451	859,684,913
Madhabdi Power Plant	268,491,471	183,259,433	85,232,038	166,618,256	268,491,471	183,259,433	85,232,038	166,618,256
Madhabdi Power Plant (expansion)	1,100,950,177	656,422,135	444,528,042	563,416,907	1,100,950,177	656,422,135	444,528,042	563,416,907
Chandina Power Plant	524,767,591	179,484,095	345,283,496	167,655,192	524,767,591	179,484,095	345,283,496	167,655,192
Chandina Power Plant (expansion)	582,275,235	401,840,907	180,434,328	357,062,302	582,275,235	401,840,907	180,434,328	357,062,302
Jangalia Power Plant	1,044,508,424	643,554,637	400,953,787	679,280,202	1,044,508,424	643,554,637	400,953,787	-
Rupganj Power Plant	1,019,032,166	739,048,597	279,983,569	679,831,149	1,019,032,166	739,048,597	279,983,569	-
Maona Power Plant	1,123,437,179	766,175,495	357,261,684	716,460,815	1,123,437,179	766,175,495	357,261,684	-
Ullapara Power Plant	352,219,614	234,422,560	117,797,054	240,655,643	352,219,614	234,422,560	117,797,054	-
Madanganj Power Plant	6,105,442,044	4,031,192,592	2,074,249,452	5,415,511,114	6,105,442,044	4,031,192,592	2,074,249,452	-
Rupatoli Power Plant	6,492,987,038	5,278,016,886	1,214,970,152	-	-	-	-	-
Madanganj Power Plant (Unit II)	2,841,293,572	2,095,147,983	746,145,589	-	-	-	-	-
	22,634,556,443	16,213,948,334	6,420,608,109	10,012,534,686	13,300,275,833	8,840,783,465	4,459,492,368	2,280,795,763

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

32 Cost of sales

Figure in Taka

Particulars	Consolidated				Separate			
	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015
Gas consumption:								
Ashulia Power Plant	82,734,003	54,442,469	28,291,534	54,890,104	82,734,003	54,442,469	28,291,534	54,890,104
Ashulia Power Plant (expansion)	218,275,519	141,390,076	76,885,443	152,076,252	218,275,519	141,390,076	76,885,443	152,076,252
Madhabdi Power Plan	82,025,039	54,704,020	27,321,019	44,956,755	82,025,039	54,704,020	27,321,019	44,956,755
Madhabdi Power Plant (expansion)	183,855,861	121,083,278	62,772,583	109,621,578	183,855,861	121,083,278	62,772,583	109,621,578
Chandina Power Plant	84,039,714	58,850,710	25,189,004	53,563,602	84,039,714	58,850,710	25,189,004	53,563,602
Chandina Power Plant (expansion)	98,779,215	67,988,566	30,790,649	61,971,092	98,779,215	67,988,566	30,790,649	61,971,092
Jangalia Power Plant	241,735,044	154,319,394	87,415,650	176,030,994	241,735,044	154,319,394	87,415,650	-
Rupganj Power Plant	285,547,734	198,146,943	87,400,791	180,380,401	285,547,734	198,146,943	87,400,791	-
Maona Power Plant	315,679,208	217,473,158	98,206,050	200,104,041	315,679,208	217,473,158	98,206,050	-
Ullapara Power Plant	90,482,573	60,144,119	30,338,454	62,401,111	90,482,573	60,144,119	30,338,454	-
HFO consumption:								
Madanganj Power Plant	4,036,083,267	2,673,840,333	1,362,242,934	3,767,675,506	4,036,083,267	2,673,840,333	1,362,242,934	-
Rupatoli Power Plant	4,895,458,910	3,994,711,745	900,747,165	-	-	-	-	-
Madanganj Power Plant (Unit II)	1,945,775,853	1,431,012,557	514,763,296	-	-	-	-	-
Tankage handling charge	97,458,802	71,792,768	25,666,034	27,693,931	43,001,557	29,117,250	13,884,307	-
Tools and spare consumption	880,231,836	687,584,992	192,646,844	526,591,983	795,421,147	604,052,617	191,368,530	287,549,184
Lube and other oil expenses	476,922,017	358,711,401	118,210,616	226,214,607	302,420,104	205,177,502	97,242,602	57,905,513
Lube oil, meter and water testing expenses	3,677,900	3,656,800	21,100	2,904,336	2,879,107	2,858,507	20,600	2,086,536
Salaries and allowances	352,138,754	248,306,249	103,832,505	169,118,597	295,287,953	201,754,958	93,532,995	73,727,160
Insurance premium	88,003,619	61,861,897	26,141,722	42,648,069	52,955,096	33,707,410	19,247,686	6,495,402
Daily labor charges	28,742,108	20,897,914	7,844,194	13,395,755	21,750,681	15,401,860	6,348,821	4,932,626
Lease land rental	7,911,101	5,443,379	2,467,722	5,418,377	7,911,101	5,443,379	2,467,722	2,818,377
Security service expenses	24,120,447	18,597,299	5,523,148	9,564,936	16,257,754	11,589,329	4,668,425	2,545,525
BERC licence fees	4,611,994	2,543,688	2,068,306	5,750,000	3,421,994	1,853,688	1,568,306	1,500,000
Plant maintenance expenses	148,912,804	98,410,017	50,502,787	108,303,634	140,317,533	90,997,364	49,320,169	39,202,435
Depreciation on plant and machineries	1,437,407,590	954,491,674	482,915,916	758,863,611	1,095,590,257	684,885,831	410,704,426	270,309,697
	16,110,610,911	11,760,405,446	4,350,205,466	6,760,139,272	8,496,451,461	5,689,222,761	2,807,228,700	1,226,151,838

33 Other income, net

Particulars	Consolidated				Separate			
	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015
Sale of empty lube oil drums	8,681,969	7,640,059	1,041,910	6,416,648	5,080,025	4,038,115	1,041,910	2,626,450
Dividend income	478,029,470	223,071,548	254,957,922	254,957,915	778,029,470	523,071,548	254,957,922	654,025,849
Impairment loss on AFS	(2,285,696)	-	(2,285,696)	(3,639,247)	(2,285,696)	-	(2,285,696)	(3,639,247)
Miscellaneous, net of expenses	1,646,008	660,256	985,752	8,196,601	3,921,578	2,935,826	985,752	2,453,623
Gain/(loss) from disposal of assets	1,150,000	1,150,000	-	-	1,150,000	1,150,000	-	-
	487,221,751	232,521,863	254,699,888	265,931,917	785,895,377	531,195,489	254,699,888	655,466,675

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

34 General and administrative expenses

Figure in Taka

Particulars	Note	Consolidated				Separate			
		Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015
Salaries and allowances		101,173,579	68,411,480	32,762,099	44,498,118	102,906,999	69,307,914	33,599,085	9,194,555
Employer's contribution to provident fund		17,031,565	12,005,597	5,025,968	10,373,828	17,442,115	11,914,305	5,527,810	5,556,158
Gratuity		43,694,461	27,677,078	16,017,383	16,437,612	36,703,799	21,353,017	15,350,782	8,428,015
Directors and CEO's remuneration	34.1	92,326,007	62,086,553	30,239,454	57,787,907	76,825,222	51,910,602	24,914,620	42,997,075
Tax on directors remuneration		18,689,000	11,680,625	7,008,375	11,907,720	18,689,000	11,680,625	7,008,375	11,907,720
Security service and temporary contract worker		9,508,968	6,598,605	2,910,363	2,680,291	8,986,542	6,195,069	2,791,473	1,046,322
Education and training		7,796,365	7,154,981	641,384	2,832,087	7,434,145	7,009,321	424,824	1,052,549
Employee welfare		410,090	319,533	90,557	469,532	410,090	319,533	90,557	180,148
Board meeting attendance fees		951,091	677,091	274,000	630,000	951,091	677,091	274,000	360,000
Audit committee attendance fees		466,000	290,000	176,000	460,000	466,000	290,000	176,000	280,000
Communication		16,025,310	11,067,509	4,957,801	10,104,129	14,439,759	9,787,912	4,651,847	3,386,695
Travelling and conveyance		11,409,104	7,684,942	3,724,162	4,910,526	6,965,243	4,444,119	2,521,124	1,475,957
Vehicle fuel and maintenance		24,077,532	15,670,687	8,406,845	16,499,476	23,025,300	14,794,595	8,230,705	6,005,809
Entertainment		22,926,515	15,934,668	6,991,847	8,393,014	14,555,472	10,074,170	4,481,302	2,668,705
Food and lodging		1,353,113	932,338	420,775	244,757	1,353,113	932,338	420,775	244,757
Printing and stationery		4,433,012	2,883,010	1,550,002	2,269,752	3,495,071	2,306,067	1,189,004	819,792
Office expenses		1,720,614	1,198,959	521,655	588,585	1,370,671	908,434	462,237	200,109
General repair and maintenance		13,085,190	9,924,201	3,160,989	5,890,011	8,485,913	6,272,528	2,213,385	2,223,901
Land lease rental		465,530	465,530	-	-	465,530	465,530	-	-
Rent, rates and taxes		22,698,899	13,898,648	8,800,251	16,926,980	19,525,242	11,327,291	8,197,951	6,055,501
Utility expenses		10,056,077	7,324,673	2,731,404	6,929,461	8,129,205	5,697,113	2,432,092	655,426
Insurance premium		2,505,496	1,658,672	846,824	1,529,740	2,425,315	1,617,172	808,143	1,425,521
Advertisement and publicity		7,625,687	5,490,657	2,135,030	5,890,475	7,525,687	5,390,657	2,135,030	1,884,990
Gift and compliments		1,518,267	1,320,032	198,235	995,930	1,418,267	1,230,032	188,235	287,407
Donation and subscription		62,256,122	43,037,830	19,218,292	52,813,707	53,194,362	37,476,070	15,718,292	17,351,833
Legal and professional consultancy fees		26,552,957	17,930,879	8,622,078	13,170,192	24,413,200	15,886,300	8,526,900	4,069,860
Uniform and liveries		7,745,042	5,732,982	2,012,060	4,680,990	5,312,867	3,891,627	1,421,240	2,028,409
Audit fees		3,684,000	2,302,000	1,382,000	1,706,750	1,672,000	750,000	922,000	450,000
Credit rating fees		920,000	230,000	690,000	891,250	690,000	230,000	460,000	230,000
Environmental compliance		2,046,097	1,332,014	714,083	757,217	1,817,697	1,103,614	714,083	350,783
ISO certification		363,975	363,975	-	780,850	363,975	363,975	-	189,258
Annual General Meeting expenses		10,252,941	-	10,252,941	10,431,824	10,252,941	-	10,252,941	6,887,051
Extra ordinary General Meeting expenses		2,391,500	2,154,250	237,250	-	2,391,500	2,154,250	237,250	-
Depreciation	4.1	75,479,658	48,802,745	26,676,913	50,783,132	71,473,758	45,508,839	25,964,919	18,932,743
Amortisation	5	500,000	333,334	166,666	366,665	500,000	333,334	166,666	333,332
Tender document expenses		1,286,349	1,004,662	281,687	175,825	1,286,349	1,004,662	281,687	171,729
Annual fees	34.2	15,625,455	10,935,776	4,689,679	7,874,186	8,569,358	5,102,929	3,466,429	6,863,581
Business Development expenses		15,231,750	10,442,036	4,789,714	2,311,893	10,473,048	6,814,047	3,659,001	354,187
Liquidated damages		60,566,602	60,566,602	-	10,094,655	60,566,602	60,566,602	-	-
Miscellaneous		4,448,813	3,266,959	1,181,854	489,813	4,336,360	3,175,927	1,160,433	105,900
		721,298,733	500,792,113	220,506,620	386,578,880	641,308,808	440,267,611	201,041,197	166,655,778

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

34.1 Directors & CEO's remuneration

Figure in Taka

Particulars	Consolidated				Separate			
	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015
Salary and allowances	75,318,737	50,919,645	24,399,092	47,159,196	61,317,301	41,434,801	19,882,500	34,320,000
Festival bonus	11,768,420	7,787,828	3,980,592	7,387,416	10,714,551	7,235,801	3,478,750	6,050,000
Utility expenses	2,888,600	1,980,000	908,600	1,980,000	2,888,600	1,980,000	908,600	1,980,000
Board meeting attendance fees	2,350,250	1,399,080	951,170	1,261,295	1,904,770	1,260,000	644,770	647,075
	92,326,007	62,086,553	30,239,454	57,787,907	76,825,222	51,910,602	24,914,620	42,997,075

34.2 Annual fees include BOI registration fee, trade license and other renewal fees, consent fees of BSEC, DSE, CSE, CDBL and others.

35 Net finance costs

Particulars	Consolidated				Separate			
	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015
Finance Income								
Interest on FDRs	152,478,109	120,274,896	32,203,213	91,937,503	136,319,020	106,880,537	29,438,483	41,084,340
Interest on STDs	24,960,501	16,499,307	8,461,194	11,999,624	10,182,468	5,706,643	4,475,825	4,478,726
Interest on Inter-company financing	-	-	-	15,800,473	-	-	-	23,977,427
Foreign exchange gain/(loss)	(104,638,869)	(104,478,792)	(160,077)	5,204,656	26,904,136	27,064,213	(160,077)	-
	72,799,741	32,295,411	40,504,330	124,942,256	173,405,624	139,651,393	33,754,231	69,540,493
Finance expenses								
Interest on loan								
Bank Asia Limited	7,453,678	3,586,317	3,867,361	87,854,364	7,453,678	3,586,317	3,867,361	87,854,364
Brac Bank Limited	-	-	-	101,966	-	-	-	-
Inter company	-	-	-	1,458,835	-	-	-	535,114
Liquidated damage	96,369	30,545	65,824	288,548	96,369	30,545	65,824	-
Dividend on redeemable preference shares	128,445,137	94,387,156	34,057,981	79,360,231	24,156,287	8,327,476	15,828,811	-
Interest on term loan	402,022,286	400,381,754	1,640,532	31,742,686	1,640,532	-	1,640,532	-
United Finance Limited	-	-	-	6,073	-	-	-	-
	538,017,470	498,385,772	39,631,698	200,812,703	33,346,866	11,944,338	21,402,528	88,389,478
Others								
Bank charges and others	9,227,609	6,726,823	2,500,786	3,506,381	8,262,694	6,319,479	1,943,215	2,516,258
Bank guarantee commission	7,177,193	6,115,044	1,062,149	2,855,917	5,230,943	4,168,794	1,062,149	122,436
Amortisation on ARO	3,620,423	2,444,121	1,176,302	2,308,560	3,620,423	2,444,121	1,176,302	1,624,215
Operation and insurance bond commission	3,945,411	2,632,479	1,312,932	2,647,625	3,945,411	2,632,479	1,312,932	2,647,625
Amortisation of transaction costs	6,530,849	6,177,137	353,712	2,694,663	353,712	-	353,712	-
Annual fees	10,209,945	6,616,195	3,593,750	1,437,500	4,743,750	1,150,000	3,593,750	-
	40,711,430	30,711,799	9,999,631	15,450,646	26,156,933	16,714,873	9,442,060	6,910,534
Finance expenses	-	578,728,900	529,097,571	216,263,349	59,503,799	28,659,211	30,844,588	95,300,012
Net finance income/(costs)	(505,929,159)	(496,802,160)	(9,126,999)	(91,321,093)	113,901,825	110,992,182	2,909,643	(25,759,519)

36 Earnings per share (EPS)**36.1 Basic earnings per share**

Figure in Taka

Particulars	Consolidated				Separate			
	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015	Eighteen-month period ended 30 June 2017	For the year ended 30 June 2017	Six-month period ended 30 June 2016	For the year ended 31 December 2015
Basic earnings per share								
Profit attributable to the ordinary shareholders (basic)	6,135,951,419	4,011,915,941	2,124,035,478	2,942,584,485	5,062,312,766	3,353,480,764	1,708,832,002	1,517,695,303
Weighted average number of shares outstanding (basic)								
Ordinary shares fully outstanding	787,062,643	787,062,643	787,062,643	787,062,643	787,062,643	787,062,643	787,062,643	787,062,643
Bonus shares issued in 2015	39,353,132	39,353,132	39,353,132	39,353,132	39,353,132	39,353,132	39,353,132	39,353,132
Bonus shares issued in 2016	49,584,946	49,584,946	49,584,946	49,584,946	49,584,946	49,584,946	49,584,946	49,584,946
Shares issued on amalgamation in 2016	191,876,518	191,876,518	-	-	191,876,518	191,876,518	-	-
	1,067,877,239	1,067,877,239	876,000,721	876,000,721	1,067,877,239	1,067,877,239	876,000,721	876,000,721
Earnings per share (EPS)	5.75	3.76	2.42	3.36	4.74	3.14	1.95	1.73

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated in case of bonus share by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

* According to Paragraph 64 of Bangladesh Accounting Standard 33: *Earnings per Share*, if the number of ordinary shares outstanding increases as a result of a bonus issue, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. Therefore, both the consolidated and the separate basic earnings per share (EPS) for the year ended 31 December 2015 have been restated to reflect the bonus shares issued in 2016 on the basis of profit attributable to the ordinary shareholders for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

37 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Figure in thousand Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2017													
Financial assets measured at fair value													
Available-for-sale financial assets	8	-	-	-	-	-	3,786,734	-	3,786,734	3,786,734	-	-	3,786,734
		-	-	-	-	-	3,786,734	-	3,786,734	3,786,734	-	-	3,786,734
Financial assets not measured at fair value													
Trade receivables	11	-	-	-	-	6,563,529	-	-	6,563,529	-	-	-	-
Other receivables	12	-	-	-	-	100,761	-	-	100,761	-	-	-	-
Deposits	14	-	-	-	-	34,432	-	-	34,432	-	-	-	-
Cash and cash equivalents (except cash in hand)	15	-	-	-	-	4,911,318	-	-	4,911,318	-	-	-	-
		-	-	-	-	11,610,039	-	-	11,610,039	-	-	-	-
Financial liabilities not measured at fair value													
Project loan	17	-	-	-	-	-	-	6,119,633	6,119,633	-	-	-	-
Redeemable preference shares	18	-	-	-	-	-	-	983,678	983,678	-	-	-	-
Unclaimed dividends	25	-	-	-	-	-	-	43,381	43,381	-	-	-	-
Trade payables	26	-	-	-	-	-	-	2,062,327	2,062,327	-	-	-	-
Other payables and accruals	27	-	-	-	-	-	-	203,355	203,355	-	-	-	-
		-	-	-	-	-	-	9,412,374	9,412,374	-	-	-	-
30 June 2016													
Financial assets measured at fair value													
Available-for-sale financial assets	8	-	-	-	-	-	4,145,659	-	4,145,659	4,145,659	-	-	4,145,659
		-	-	-	-	-	4,145,659	-	4,145,659	4,145,659	-	-	4,145,659
Financial assets not measured at fair value													
Trade receivables	11	-	-	-	-	5,964,943	-	-	5,964,943	-	-	-	-
Other receivables	12	-	-	-	-	46,898	-	-	46,898	-	-	-	-
Deposits	14	-	-	-	-	61,064	-	-	61,064	-	-	-	-
Cash and cash equivalents (except cash in hand)	15	-	-	-	-	1,895,127	-	-	1,895,127	-	-	-	-
		-	-	-	-	7,968,032	-	-	7,968,032	-	-	-	-
Financial liabilities not measured at fair value													
Project loan	17	-	-	-	-	-	-	-	-	-	-	-	-
Redeemable preference shares	18	-	-	-	-	-	-	1,301,682	1,301,682	-	-	-	-
Unclaimed dividends	25	-	-	-	-	-	-	185,051	185,051	-	-	-	-
Trade creditors	26	-	-	-	-	-	-	2,275,188	2,275,188	-	-	-	-
Sundry creditors and accruals	27	-	-	-	-	-	-	313,919	313,919	-	-	-	-
		-	-	-	-	-	-	4,075,840	4,075,840	-	-	-	-

Figure in thousand Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2015													
Financial assets measured at fair value													
Available-for-sale financial assets	8	-	-	-	-	-	4,784,317	-	4,784,317	4,784,317	-	-	4,784,317
		-	-	-	-	-	4,784,317	-	4,784,317	4,784,317	-	-	4,784,317
Financial assets not measured at fair value													
Trade receivables	11	-	-	-	-	3,012,873	-	-	3,012,873	-	-	-	-
Sundry receivables	12	-	-	-	-	127,286	-	-	127,286	-	-	-	-
Deposits	14	-	-	-	-	52,956	-	-	52,956	-	-	-	-
Cash and cash equivalents (except cash in hand)	15	-	-	-	-	2,231,149	-	-	2,231,149	-	-	-	-
		-	-	-	-	5,424,264	-	-	5,424,264	-	-	-	-
Financial liabilities not measured at fair value													
Project loan	17	-	-	-	-	-	-	219,094	219,094	-	-	-	-
Redeemable preference shares	18	-	-	-	-	-	-	312,254	312,254	-	-	-	-
Unclaimed dividends	25	-	-	-	-	-	-	28,154	28,154	-	-	-	-
Trade creditors	26	-	-	-	-	-	-	286,913	286,913	-	-	-	-
Sundry creditors and accruals	27	-	-	-	-	-	-	244,712	244,712	-	-	-	-
		-	-	-	-	-	-	1,091,127	1,091,127	-	-	-	-

The Group has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair values.

B. Financial risk management

The Group has exposures to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's/Group'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 Company/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.

i) Credit risk

Credit risk is the risk of financial loss to the Company/Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company/Group's receivable from customers and investment securities. The Group's sales are made to Government entity, viz, Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB) under the conditions of the fixed term Power Purchase Agreement (PPA).

NOTES TO THE FINANCIAL STATEMENTS

a) Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

Figure in Taka

Particulars	Notes	Consolidated			Separate		
		30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Trade receivables	11	6,563,528,738	5,964,943,313	3,012,872,796	4,952,812,172	4,003,827,572	2,420,797,031
Other receivables	13	100,760,659	46,897,746	127,285,944	95,309,287	39,568,207	116,766,861
Deposits	15	34,431,672	61,064,164	52,956,322	31,974,477	31,974,477	2,690,548
Cash and cash equivalents (except cash in hand)	16	4,911,318,011	1,895,127,097	2,231,149,092	3,529,636,339	1,454,126,991	194,615,745
		11,610,039,080	7,968,032,320	5,424,264,154	8,609,732,275	5,529,497,247	2,734,870,185

b) Aging of trade receivables (net of bad debt provision)

Particulars	Consolidated			Separate		
	30 June 2017	30 June 2016	31 December 2015	30 June 2017	30 June 2016	31 December 2015
Invoiced 0 - 30 days	2,916,590,775	2,438,462,330	702,590,359	1,326,866,812	1,198,008,877	194,574,791
Invoiced 31 - 180 days	748,254,093	1,326,426,493	372,494,770	729,513,835	605,764,206	288,434,573
Invoiced over 180 days	2,898,683,870	2,200,054,489	1,937,787,667	2,896,431,525	2,200,054,489	1,937,787,667
	6,563,528,738	5,964,943,313	3,012,872,796	4,952,812,172	4,003,827,572	2,420,797,031

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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 Group's reputation. Typically, the Group ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

It may be noted that the Group repaid a portion of its liabilities (liabilities for project development) in 2017 on due dates. Rest of the financial liabilities are expected to be repaid in due time which are expected to be financed from operational cash flow.

The following are the contractual maturities of financial liabilities of Group:

30 June 2017

Figure in thousand Taka

Particulars	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Project loan	6,119,633	6,125,796	78,900	240,286	480,573	1,441,718	3,884,319
Trade payables	2,062,327	2,062,327	2,062,327	-	-	-	-
Other payables and accruals	203,355	203,355	203,355	-	-	-	-
Redeemable preference shares	983,678	1,000,000	-	-	166,667	500,000	333,333
	9,368,993	9,391,478	2,344,583	240,286	647,240	1,941,718	4,217,652

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

Figure in thousand Taka

Particulars	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Short term loan	5,828,046	5,828,046	5,828,046	-	-	-	-
Trade creditors	2,275,188	2,275,188	2,275,188	-	-	-	-
Other payables and accruals	313,919	313,919	313,919	-	-	-	-
Redeemable preference shares	1,301,682	1,312,254	312,254	166,667	166,667	500,000	166,667
	9,718,835	9,729,407	8,729,407	166,667	166,667	500,000	166,667

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31 December 2015

Figure in thousand Taka

Particulars	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Project loan	219,094	219,094	219,094	-	-	-	-
Short term loan	6,448,595	6,448,595	-	6,448,595	-	-	-
Trade creditors	286,913	286,913	286,913	-	-	-	-
Other payables and accruals	244,712	244,712	244,712	-	-	-	-
Redeemable preference shares	312,254	312,254	-	312,254	-	-	-
	7,511,568	7,511,568	750,719	6,760,849	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding 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

The Group is exposed to currency risk on purchases of spare parts and capital machinery that are denominated in a currency other than the functional currency primarily the United State Dollar (USD) and Euro (EUR). The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2017.

i) Exposure to currency risk

The Group's exposure to foreign currency risk arising from foreign currency denominated liabilities was as follows:

Particulars	30 June 2017		30 June 2016		31 December 2015	
	EUR	USD	EUR	USD	EUR	USD
Foreign currency denominated assets						
Trade receivables	-	6,223,896	-	5,949,607	-	3,861,879
Cash at bank	-	516,050	-	206,098	-	9,132,584
	-	6,739,946	-	6,155,705	-	12,994,463
Foreign currency denominated liabilities:						
Project loan	-	77,640,000	-	-	-	(2,812,500)
	-	77,640,000	-	-	-	(2,812,500)
Net exposure -assets/(liabilities)	-	(70,900,054)	-	6,155,705	-	10,181,963

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A reasonably possible change of 3% in foreign currencies at 30 June 2017, 30 June 2016 and 31 December 2015 would have increased/(decreased) equity and profit or loss of the

Group by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Figure in Taka

Particulars	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2017				
USD (3% movement)	(169,734,728)	169,734,728	(169,734,728)	169,734,728
Exchange rate sensitivity	(169,734,728)	169,734,728	(169,734,728)	169,734,728
30 June 2016				
USD (3% movement)	14,339,715	(14,339,715)	14,339,715	(14,339,715)
Exchange rate sensitivity	14,339,715	(14,339,715)	14,339,715	(14,339,715)
31 December 2015				
USD (3% movement)	23,795,247	(23,795,247)	23,795,247	(23,795,247)
Exchange rate sensitivity	23,795,247	(23,795,247)	23,795,247	(23,795,247)

The following significant exchange rates are applicable:

	30 June	30 June	31 December
	2017	2016	2015
USD	79.80	77.65	77.90
EUR	90.35	85.15	84.39

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Foreign loans and borrowings are affected by fluctuations in interest rates as the rate is of LIBOR plus 4%. The Group has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date. However, the management feels the risk arising from interest rate fluctuation is immaterial to the financials of the Group.

38 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

39 Commitments

39.1 Capital commitment

The Company has no capital expenditure commitment as at 30 June 2017 including its subsidiaries.

39.2 Other commitment

The Group has the following letters of credit (LC) in hand as at 30 June 2017:

Name of power plants	LC number	LC opening date	Currency type	Invoice value
Summit Barisal Power Limited	209717010231	1 Feb 2017	USD	9,257
	308517010739	30 April 2017	USD	29,162
	209717011072	31-May-17	USD	37,735
	209717011204	14-Jun-17	USD	8,625
	209717011290	29 June 2017	USD	10,157
	308517010802	30 April 2017	Euro	216,071
Summit Narayananj Power Unit II Limited	209717010234	30 April 2017	Euro	182,973

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40. Contingent liability

Contingent liability existed for the group represents amount in relation to issue of construction bond, operation bond, insurance bond and bank guarantee by third parties as listed below:

Figure in Taka

Nature of contingent liability	Expiry date	Consolidated			Separate		
		30 June 2017	30 June 2016	31 Dec 2015	30 June 2017	30 June 2016	31 Dec 2015
Operation Bond							
All 11 MWh plants	31 August 2018	USD 1,200,000	USD 1,200,000	USD 1,200,000	USD 1,200,000	USD 1,200,000	USD 1,200,000
Savar expansion plant	16 December 2017	USD 780,000	USD 780,000	USD 780,000	USD 780,000	USD 780,000	USD 780,000
Narsingdi expansion plant	16 December 2017	USD 560,000	USD 560,000	USD 560,000	USD 560,000	USD 560,000	USD 560,000
Chandina expansion plant	16 December 2017	USD 320,000	USD 320,000	USD 320,000	USD 320,000	USD 320,000	USD 320,000
BPDB AG. Jangalia Project	5 August 2010	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	-
BREB AG. Rupganj Project	5 August 2010	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	-
BREB AG. Maona Project	5 August 2010	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	BDT 39,368,234	-
BREB AG. Ullapara Project	4 August 2010	BDT 13,867,126	BDT 13,867,126	BDT 13,867,126	BDT 13,867,126	BDT 13,867,126	-
Bank Guarantee							
BPDB - Madanganj	19 June 2018	BDT 252,259,587	BDT 252,259,587	BDT 252,259,587	BDT 252,259,587	BDT 252,259,587	-
Titas gas T&D- Rupganj	25 January 2019	BDT 26,690,849	BDT 26,690,849	BDT 26,690,849	BDT 26,690,849	BDT 26,690,849	-
Bakhrabad- Jangalia	25 January 2019	BDT 24,703,233	BDT 24,703,233	BDT 24,703,233	BDT 24,703,233	BDT 24,703,233	-
Titas gas T&D- Maona	25 January 2019	BDT 24,703,233	BDT 24,703,233	BDT 24,703,233	BDT 24,703,233	BDT 24,703,233	-
Paschimanchal Gas - Ullapara	6 January 2019	BDT 8,234,409	BDT 8,234,409	BDT 8,234,409	BDT 8,234,409	BDT 8,234,409	-

Negotiations are in progress with Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB) for extension of the operational bonds which expired in 2010.

41 Foreign currency transactions

The Group has the following payments during the year:

	Foreign currency	Consolidated			Separate		
		30 June 2017	30 June 2016	31 Dec 2015	30 June 2017	30 June 2016	31 Dec 2015
Repayment of foreign loan	USD	-	11,250,000	11,250,000	-	11,250,000	-
Spare parts	USD	496,014	1,788,796	1,788,796	496,014	1,788,796	854,897
Spare parts	EUR	14,160,407	4,921,604	3,264,830	14,160,407	4,921,604	883,829

42 Related party transaction

During the year, the Company/Group carried out a number of transactions with related parties in the normal course of business. In accordance with the provisions of BAS 24: *Related Party Disclosures*, the names of the related parties and nature of these transactions have been given below:

42.1 Transactions with key management personnel

	Consolidated			Separate		
	30 June 2017	30 June 2016	31 Dec 2015	30 June 2017	30 June 2016	31 Dec 2015
Employee benefits (short term)	73,944,720	27,845,142	59,950,068	63,460,752	9,989,000	19,834,027
Employee benefits (long term)	22,183,007	10,087,882	14,452,273	20,055,710	3,623,843	4,894,760
	96,127,727	37,933,024	74,402,341	83,516,462	13,612,843	24,728,786

Key management personnel includes managing director, senior general managers, deputy/assistant general managers, managers and deputy/ assistant managers.

SUMMIT POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
42.2 Other related party transactions

Figure in Taka

Name of related party <i>Particulars</i>	Relationship	Transaction during the year/ period		Balance outstanding	
		Consolidated	Separate	Consolidated	Separate
As at and for the period ended 30 June 2017					
Summit Corporation Limited	Ultimate parent of Group	18,334,620	18,334,620	9,368,879	9,368,879
Cosmopolitan Traders (Pvt.) Ltd.	Group company	931,060	931,060	2,487,493	2,487,493
Summit Oil and Shipping Co. Ltd.	Group company	-	-	-	-
Summit Barisal Power Limited	Associate	-	465,937,847	-	3,004,848
Summit Narayanganj Power Unit II Limited	Associate	-	128,323,301	-	388,183
Summit Chittagong Power Limited	Associate	-	1,089,507	-	1,089,507
As at and for the period ended 30 June 2016					
Summit Corporation Limited	Ultimate parent of Group	8,904,987	3,315,784	3,785,750	3,785,750
Cosmopolitan Traders (Pvt.) Ltd.	Group company	465,530	465,530	3,418,553	3,418,553
Summit Oil and Shipping Co. Ltd.	Group company	400,000,000	400,000,000	-	-
Summit Uttaranchol Power Company Limited	Subsidiary	-	133,318,604	-	5,834,113
Summit Purbanchol Power Company Limited	Subsidiary	-	70,501,564	-	7,977,699
Summit Narayanganj Power Limited	Subsidiary	-	591,109,218	-	(6,741,351)
Summit Barisal Power Limited	Associate	77,384,617	77,384,617	-	-
Summit Narayanganj Power Unit II Limited	Associate	15,183,435	15,183,435	-	-
As at and for the year ended 31 December 2015					
Summit Corporation Limited	Ultimate parent of Group	15,324,422	15,324,422	3,574,958	3,574,958
Cosmopolitan Traders (Pvt.) Ltd.	Group company	465,530	465,530	3,418,553	3,418,553
Summit Oil and Shipping Co. Ltd.	Group company	27,693,931	-	14,159,392	-
Summit Uttaranchol Power Company Limited	Subsidiary	-	121,186,603	-	(9,080,745)
Summit Purbanchol Power Company Limited	Subsidiary	-	87,260,864	-	4,517,303
Summit Narayanganj Power Limited	Subsidiary	-	98,329,555	-	11,453,098
Summit Barisal Power Limited	Associate	196,166,491	-	-	-
Summit Narayanganj Power Unit II Limited	Associate	124,761,770	-	-	-

43 Capacity

Figure in Taka

Name of plants	Licensed capacity	Plant factor (% on licensed)			Energy sold (MWH)		
		2016-17	2016	2015	2016-17	2016	2015
Ashulia - Savar	11 MW	Average: 66 Maximum: 76	Average: 70 Maximum: 83	Average: 70 Maximum: 78	63,938	33,716	67,401
Ashulia - Savar (Exp)	33.75 MW	Average: 62 Maximum: 77	Average: 69 Maximum: 78	Average: 67 Maximum: 80	182,308	102,634	197,558
Madhabdi - Narsingdi	11 MW	Average: 72 Maximum: 81	Average: 72 Maximum: 80	Average: 66 Maximum: 77	69,597	34,690	63,932
Madhabdi - Narsingdi (Exp)	24.30 MW	Average: 70 Maximum: 82	Average: 78 Maximum: 86	Average: 63 Maximum: 90	149,572	82,939	133,267
Chandina - Comilla	11 MW	Average: 73 Maximum: 80	Average: 64 Maximum: 72	Average: 68 Maximum: 83	70,701	30,774	65,576
Chandina - Comilla (Exp)	13.50 MW	Average: 76 Maximum: 87	Average: 68 Maximum: 75	Average: 72 Maximum: 83	90,182	40,118	84,809
Rupganj -Narayanganj	33.00 MW	Average: 85 Maximum: 94	Average: 75 Maximum: 84	Average: 79 Maximum: 89	244,446	108,595	229,642
Jangalia - Comilla	33.00 MW	Average: 67 Maximum: 85	Average: 79 Maximum: 89	Average: 81 Maximum: 93	194,552	114,113	234,070
Maona - Gazipur	33.00 MW	Average: 89 Maximum: 99	Average: 82 Maximum: 88	Average: 86 Maximum: 93	256,840	119,499	249,469
Ullapara- Sirajganj	11.00 MW	Average: 72 Maximum: 88	Average: 74 Maximum: 87	Average: 80 Maximum: 92	69,292	35,955	77,552
Madanganj - Narayanganj	102.00 MW	Average: 52 Maximum: 71	Average: 67 Maximum: 80	Average: 65 Maximum: 76	463,063	294,625	573,137
Rupatoli - Barisal	110.00 MW	Average: 74 Maximum: 92	Average: 85 Maximum: 94		710,876	219,845	-
Madanganj Unit II - Narayanganj	55.00 MW	Average: 53 Maximum: 84	Average: 80 Maximum: 90		254,069	135,369	-

44 Other disclosures**44.1 Number of employees**

The number of regular employees receiving remuneration of Tk. 36,000 or above per annum at reporting date was as follows:

	30 June 2017	30 June 2016	31 Dec 2015
Number of employees	313	292	289

44.2 Comparatives and Rearrangement

Comparative information has been disclosed in respect of 2016 and 2015 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged/restated/reclassified whenever considered necessary to conform to current year's/period's presentation.

44.3 Subsequent events

The Board of Directors of the Company recommended 30% (Tk 3 per share) cash dividend amounting to Tk 3,203,631,717 for the eighteen month period ended 30 June 2017 at the board meeting held on 9 September 2017. The dividend is subject to approval of the shareholders in the annual general meeting scheduled to be held on 26 October 2017.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

44.4 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient fund to meet the present requirements of its existing business.

45 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- 45.1 Basis of consolidated and separate financial statements
- 45.2 Property, plant and equipment
- 45.3 Intangible assets
- 45.4 Leased assets
- 45.5 Inventories
- 45.6 Provisions
- 45.7 Contingencies
- 45.8 Employee benefits
- 45.9 Revenue
- 45.10 Taxation
- 45.11 Foreign currency translation
- 45.12 Finance income and expenses
- 45.13 Financial instruments
- 45.14 Impairment
- 45.15 Earnings per share (EPS)
- 45.16 Dividends
- 45.17 Statement of cash flows
- 45.18 Materiality and aggregation
- 45.19 Events after the reporting period
- 45.20 Standards issued but not yet effective

45.1 Basis of consolidated and separate financial statements**i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

SUMMIT POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Name of Subsidiaries	% of controlling interest	% of non-controlling interests
Summit Barisal Power Limited	49	51
Summit Narayanganj Power Unit II Limited	49	51
Summit Chittagong Power Limited	49	51
Ace Alliance Power Limited	64	36

Summit Power Limited held 71.05% shares in Summit Purbanchol Power Company Limited, 51.48% shares in Summit Uttaranchol Power Company Limited and 55% shares in Summit Narayanganj Power Limited. Summit Purbanchol Power Company Limited held 20% shares in Summit Narayanganj Power Limited. On account of cross-holding, Summit Power Limited effectively held 69.21% shares in Summit Narayanganj Power Limited. Due to amalgamation effective from 1 January 2016, currently there is no existence of these three subsidiaries.

Also, Summit Power Limited (SPL) holds 49% shares in each of Summit Barisal Power Limited (SBPL), Summit Narayanganj Power Unit II Limited (SNPL II) and Summit Chittagong Power Limited (SCPL). However, according to control procedures outlined in BFRS 10: *Consolidated Financial Statements*, SBPL, SNPL-II and SCPL are under the control of SPL because SPL directly manages the activities/operations of those entities since their commercial operation date (COD) through common corporate management and thus it has the power over these three entities and has established both exposure and rights to significantly affect returns of the investee companies. Therefore, on this ground SPL treats these entities as its subsidiaries and consolidates these entities financial statements to its financial statements.

Furthermore, Summit Power Limited holds 64% shares in Ace Alliance Power Limited effective from 24 June 2016.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

ii) Transactions eliminated on consolidation

The financial statements of the subsidiaries have been consolidated with those of Summit Power Limited in accordance with BFRS 10: *Consolidated Financial Statements*. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees (that means in any company wherein Summit Power Limited has made investments, if any) are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. However, on 30 June 2017, the Company has no such investments.

iii) Basis of preparation of separate financial statements

The Group has presented separate financial statements in addition to consolidated financial statements.

iv) Disclosure of interests in other entities

As a result of BFRS 12: *Disclosure of Interests in Other Entities*, the Group has extended its disclosures about its interests in subsidiaries and equity-accounted investees.

v) Business combination of subsidiaries with the Group entity

When any of the subsidiaries of Summit Power Limited (SPL) is amalgamated with the Group entity, this implies that the amalgamating company is ultimately controlled by the same party (i.e. SPL) both before and after the amalgamation. According to BFRS 3: *Business Combinations*, this is a common control transaction where control is not transitory. BFRS is silent in case of common control transaction. Therefore, in such cases,, all assets and liabilities from the amalgamating company are transferred to the books of the Group entity applying book value (carry-over basis) accounting instead of fair value under acquisition accounting approach as described in BFRS 3. Any difference between the consideration paid and interest acquired is recognised directly in equity.

45.2 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

Applying the requirement of Bangladesh Financial Reporting Interpretation (BFRI) 4: *Determining whether an Arrangement contains a Lease*, the Power Purchase Agreement (PPA) between the Company/Group units and BPDB/BREB can be said to contain a lease arrangement. This could be interpreted as resulting in the transfer of substantially all of the risks and rewards incidental to the ownership to the underlying assets (power plant) to the off taker (BPDB/BREB) who would effectively be the lessee. However, management concluded that the PPA does not transfer substantially all risks incidental to ownership as per the requirement of paragraph 17 of BAS 17. As such, all these lease arrangements are considered as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

ii) *Capitalisation of borrowing cost*

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with BAS 23: *Borrowing Costs*. Capitalisation of borrowing costs ceases upon receipt of independent engineers' report which, in accordance with Power Purchase Agreement, confirms the availability of plants for use.

iii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised 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/Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred. Spare parts whose estimated useful life is more than two years are capitalised and depreciated using the straight-line method over the estimated useful life of between 2 to 10 years when used in major repair and maintenance processes. The spare parts which are replaced by a major overhaul will be removed from the cost of property, plant and equipment.

iv) *Revaluation of land and plant and machinery*

The Company and the Group units have revalued the plant and machinery, civil works and land of their own units on various dates. The Company/Group transfers the excess depreciation on revalued assets to retained earnings. Details are as follows:

Name of Company	Items revalued	Name of Valuer
Ashulia (Savar), Madhabdi (Narsingdi) and Chandina (Comilla) Power Plants (under Summit Power Limited)	Plant, machineries and civil works Land and land development	S. F. Ahmed & Co., Chartered Accountants S. F. Ahmed & Co., Chartered Accountants
Rupganj (Narayanganj) and Jangalia (Comilla) Power Plants (formerly under Summit Purbanchol Power Company Limited)	Land and land development	S. F. Ahmed & Co., Chartered Accountants
Madanganj (Narayanganj) Power Plant (formerly under Summit Narayanganj Power Limited)	Land and land development Land and land development	ACNABIN, Chartered Accountants S. F. Ahmed & Co., Chartered Accountants

v) *Depreciation*

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment including leased assets except land and land developments. Land and land developments are not depreciated.

Plant and machinery are depreciated from the month in which the asset comes into use or is capitalised other than revalued plant and machinery which are depreciated from the calendar year following the year of revaluation. According to the Power Purchase Agreement independent engineers' report confirms the availability of plants for use. Other items of property, plant and equipment continue to be depreciated from the month immediately following the month on which the asset comes into use or is capitalised. In case of disposals, depreciation is charged for full month in the month of disposal.

Depreciation of power plant has been charged considering 30 years useful life and residual value of 15% of original cost, on straight line basis on the ground that management intends to continue with operation after completion of 5 to 15 years as stated in the Power Purchase Agreement (PPA). According to PPA the management can apply for extension of the agreement two years before the expiry of the agreement and management has decided to exercise this option unless it would clearly be not in the interest of the Company/Group at that stage except Madanganj power plant.

The estimated useful lives of property, plant and equipment as determined have been shown below:

In Years	2017	2016	2015
Furniture and fixtures	10	10	10
Office and electrical equipment	5	5	5
Office decoration	5	5	5
Motor vehicles	5	5	5
Maintenance equipment	5	5	5
Civil works and others	5	5	5
Plant and machinery:			
Main transformer	20	20	20
Genset	30	30	30
Electrical substation	20	20	20
Mechanical parts	30	30	30
Balance of plant (BOP)	30	30	30
Critical and capital spare parts	2 to 30	2 to 30	2 to 30

vi) *Retirements and disposals*

An asset is derecognised upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income in statement of profit or loss and other comprehensive income.

vii) *Asset retirement obligations*

Asset retirement obligations are recognised when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The periodic unwinding of the discount is recognised in statement of profit or loss and other comprehensive income as a finance cost as it occurs.

viii) *Capital work in progress*

Capital work in progress consists of acquisition costs of plant and machinery, capital components and related installation cost until the date placed in service. In case of import of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company/Group, i.e. at the time shipment is confirmed by the supplier.

ix) *Spare parts*

Spare parts consist of critical and capital spare parts and consumable spare parts. Critical and capital spare parts are those which are used particularly for scheduled maintenance and overhauling. These are depreciated over their estimated useful lives. On the other hand, consumable spare parts are directly recognised in statement of profit or loss and other comprehensive income as consumed.

45.3 Intangible assets

i) *Recognition and measurement*

Intangible assets that are acquired by the Company/Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per BAS 38: *Intangible assets* are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

ii) *Subsequent costs*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in statement of profit or loss and other comprehensive income as incurred.

iii) *Amortisation*

IT software and brand are amortised over 5 and 30 years respectively from the year of first utilisation. The brand represents a payment made by the Summit Power Limited in 2008 to Summit Corporation Limited to use name and other intellectual properties of Summit Corporation Limited. Amortisation of intangible assets is charged from the year of acquisition and are amortised under straight line method.

45.4 Leased assets**45.4.1 Finance lease**

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Each lease payment is allocated to the principal amount and to the finance charges in a such a way to achieve a constant rate on the finance balance outstanding.

i) Recognition and measurement

Finance leases have been recognised as assets and liabilities in the statement of financial position at amounts equal at the inception of lease to the lower of fair value of leased property and present value of minimum lease payments. The interest implicit in the lease has been spread equally over the lease term.

ii) Depreciation

Finance leases give rise to depreciation expense for a depreciable asset as well as a finance expense for each accounting year. The depreciation policy for depreciable assets is consistent with that for depreciable assets which are owned.

45.4.2 Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognised in the statement of financial position. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income.

45.5 Inventories

Inventories consist of lube oil and fuel. These are for use in the operation and maintenance of power plants. Inventories are measured at lower of cost and net realisable value less allowance for obsolescence. Cost is calculated on First In First Out (FIFO) basis.

45.6 Provisions

A provision is recognised on the date of statement of financial position if, as a result of past events, the Company/Group has a present 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 except the amount payable for letter of credit.

45.7 Contingencies**i) Contingent liability**

Contingent liability is a possible obligation that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity/Group.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

ii) Contingent asset

Contingent asset is a possible asset that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company/Group.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

45.8 Employee benefits

The Company/Group maintains both defined benefit plan (gratuity), defined benefit plan (leave encashment) and defined contribution plan (Contributory Provident Fund) plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective employee benefit policies.

i) Defined benefit plan (gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company/Group operates an un-funded gratuity scheme which is a defined benefit scheme. A provision in respect of this is made periodically covering all permanent employees by applying year of employment to latest basic salary. Although no actuarial valuation was done to quantify actuarial liabilities as per BAS 19: *Employment Benefits*, such valuation is not likely to yield a result significantly different from the current provision as the number of permanent employee who fall under this plan is only three hundred and thirteen. Gratuity scheme is not recognised by the National Board of Revenue.

ii) Defined benefit plan (leave encashment)

The Company accrues annual leave for each permanent employee, if one does not avail the leave, at 1.5 times of basic salary. The upper limit is 15 days accrual per year per employee.

iii) Defined contribution plan (provident fund)

The Company/Group operates Contributory Provident Fund (CPF) for all its permanent employees, which is a defined contribution plan. The provident fund is administered by the Board of Trustee and is funded by contributions from employees and from the Company at 10% of the basic pay. These contributions are invested separately from the Company's/Group's business. This fund is recognised by National Board of Revenue.

iv) *Workers' Profit Participation Fund (WPPF)*

According to the Labour Act 2006 (amended in 2013) ("the Act"), any company that fulfills the prescribed criterion of this Act is required to set up a workers' profit participation and welfare fund. With effect from 1 January 2014 the management of the Company/Group underwent an internal Human Resource restructuring exercise. The Company/Group employs only managers and all of their employees are part of the management authority entrusted with managerial responsibilities and all other services are outsourced. As such, the Company/Group does not have any "beneficiary" for the purpose of the Act and therefore no such fund is required to be created. This is supported by opinion obtained by the Company from external legal counsel.

45.9 Revenue

Revenue is recognised in the profit or loss upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprises capacity payments and energy payments. Capacity payments are recognised according to the terms set out in the PPA. Energy payments are calculated based on electricity delivered.

45.10 Taxation

i) *Current tax*

No provision is required for income tax on the Company's/Group's profits as the Company/Group has received exemption from all such taxes from the Government of Bangladesh under the Private Sector Power Generation Policy for a period of 15 years from start of its commercial operation. Such exemption is applicable for the power plants and the period as stated below:

Name of plants	Tax exemption expires on
Ashulia (Savar), Madhabdi (Narsingdi) and Chandina (Comilla) Power Plants (under Summit Power Limited)	August 2018
Ashulia Power Plant (Unit-2) (under Summit Power Limited)	December 2022
Madhabdi Power Plant (Unit-2) (under Summit Power Limited)	December 2021
Chandina Power Plant (Unit-2) (under Summit Power Limited)	November 2021
Rupganj (Narayanganj) and Jangalia (Comilla) Power Plants (formerly under Summit Purbanchol Power Company Limited)	June 2024
Maona (Gazipur) and Ullapara (Sirajganj) Power Plants (formerly under Summit Uttaranchol Power Company Limited)	March 2024

In case of Madanganj (Narayanganj) Power Plant, no provision is required for income tax on the Company's profits as the Bangladesh Power Development Board (BPDB) is responsible for payment of income taxes, other taxes, VAT, duties, levies and all other charges imposed inside Bangladesh on any payments made by BPDB to the Company for a period of 5 years from start of its commercial operation, which has also been extended for further 5 years.

ii) *Deferred tax*

As there is considerable uncertainty with regard to the taxation of such companies after the expiry of the tax exemption period, the management feels it is not possible to make a reasonable estimate of deferred tax assets/liabilities at this stage.

45.11 Foreign currency translation

Foreign currency transactions are translated into Bangladesh Taka at the rates ruling on the transaction date. All monetary assets and liabilities at the statement of financial position date are retranslated using rates prevailing on that day. Foreign currency differences arising on retranslation are recognised on the statement of profit or loss and other comprehensive income.

45.12 Finance income and expenses

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

Finance expenses comprise interest expense on loan, overdraft, finance lease, forex gain/(loss) and bank charges. All borrowing costs are recognised in profit or loss using effective interest method except to the extent that they are capitalised during construction period of the plants in accordance with BAS 23: *Borrowing costs*.

45.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accounting policies relating to different type of financial instruments are described below:

45.13.1 Financial assets

The Company/Group initially recognises receivables on the date that they are originated. All other financial assets are recognised initially on the date at which the Company/Group becomes a party to the contractual provisions of the transaction.

The Company/Group derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents except cash in hand, trade receivables, other receivables, available-for-sale financial assets and deposits.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks and fixed deposits receipt which are held and available for use by the Company/Group without any restriction. For the purposes of statement of cash flow, cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's/Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Trade receivables

Trade receivables consists of unpaid bills receivable from Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB). Trade receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowances for doubtful receivables at the year end.

(iii) Other receivables

Other receivables are stated at amounts which are considered realisable.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale by management. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

v) Deposits

Deposits are measured at payment value.

45.13.2 Financial liabilities

Financial liabilities are recognised initially on the transaction date at which the Company/Group becomes a party to the contractual provisions of the liability except the amount payable for letter of credit. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include project loan, redeemable preference shares, inter company payables, trade creditors and other current liabilities.

(i) Project loan

Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(ii) Trade payables

Trade creditors consist of unpaid bills payable to different parties for heavy fuel oil and lubricant consumption. The Company/Group recognises a trade creditor when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

(iii) Redeemable preference shares

Formerly, Summit Purbanchol Power Company Limited and Summit Uttaranchol Power Company Limited (which have been amalgamated with Summit Power Limited) had issued redeemable preference shares in 2010. Later, Summit Barisal Power Limited and Summit Narayananj Power Unit II Limited also issued redeemable preference shares in 2017. As per BAS 32: *Financial Instruments: Presentation*, the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in these financial statements.

45.13.3 Offsetting financial asset and financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company/Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

45.14 Impairment**i) Financial assets**

Receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

(ii) Non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The Company/Group assesses at each reporting date whether there is any indication that an asset or a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company/Group estimates the recoverable amount of the asset or CGU. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in profit or loss and other comprehensive income, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease. As at 30 June 2017, the assessment of indicators of impairment reveals that impairment testing is not required for the Company/Group.

(iii) Inventories

Inventories are measured at the lower of cost and net realisable value. These are for use in the operation and maintenance of power plants. As inventories are for internal use, the value is unlikely to diminish.

45.15 Earnings per share (EPS)

The Company/Group represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company/Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by the adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the affects of all dilutive potential ordinary shares.

45.16 Dividends

Final dividend distributions to the Company's/Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's/Group's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the year in which the dividends are declared and paid.

45.17 Statement of cash flows

Cash flows from operating activities have been presented under direct method as per BAS 7: *Statement of Cash Flows*.

45.18 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.

45.19 Events after the reporting period

Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

45.20 Standards issued but not yet effective

The Group has consistently applied the accounting policies to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2015 have been considered. However, these amendments have no material impact on the financial statements of the Group.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Group has not early applied the following new standards in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(i) *BFRS 9 Financial Instruments*

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39: *Financial Instruments: Recognition and Measurement*. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of BFRS 9.

(ii) *BFRS 15 Revenue from Contracts with Customers*

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including BAS 18 *Revenue*, BAS 11 *Construction Contracts* and BFRS 13 *Customer Loyalty Programs*. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is yet to assess the potential impact of BFRS 15 on its financial statements.

(iii) *BFRS 14 Regulatory Deferral Accounts*

BFRS 14 specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. BFRS 14 is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted. However, the Company does not perform any activity that is subject to rate regulation.

(iv) *BFRS 16 Leases*

BFRS 16 eliminates the current operating/financing lease dual accounting model for leases. Instead, there is a single, on-balance sheet accounting model, similar to current finance lease accounting. Issued in January 2016, the new BFRS will replace the existing guidance in BAS 17 *Leases*. BFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption is permitted if BFRS 15 Revenue from Contracts with Customers is also adopted. The Group is yet to assess the potential impact of BFRS 16 on its financial statements.

46 Name of auditors of the Group companies

Name of the company	Status	Name of auditors
Summit Purbanchol Power Company Limited	Subsidiary (amalgamated)	-
Summit Uttaranchol Power Company Limited	Subsidiary (amalgamated)	-
Summit Narayananj Power Limited	Subsidiary (amalgamated)	-
Summit Barisal Power Limited	Subsidiary	A. Qasem & Co.
Summit Narayananj Power Unit II Limited	Subsidiary	A. Qasem & Co.
Summit Chittagong Power Limited	Subsidiary	MAK & Co.
Ace Alliance Power Limited	Subsidiary	Rahman Rahman Huq
Summit Meghnaghat Power Company Limited	Associate	Hoda Vasi Chowdhury & Co.

SUMMIT POWER LIMITED

Report on Valuation of Lands as at June 30, 2016

August 2016



S. F. Ahmed & Co.
Chartered Accountants since 1958

Address:	Contacts:
House # 51(2nd Floor), Road # 09	Phones : (880-2) 989434, 9870975 & 9894026
Block-F, Banani,	Fax : (880-2) 9845135
Dhaka-1213, Bangladesh	E-mails : sfali@connectbd.com, sfaco@dhaka.net

REPORT ON VALUATION OF LANDS

Date: August 11, 2016

The Managing Director
Summit Power Limited
Summit Centre,
18 Kawran Bazar C/A,
Dhaka-1215.

Subject: Report on Valuation of Lands of Summit Power Limited as at June 30, 2016.

Dear Sir,

Pursuant to the appointment as Valuer dated 18 July 2016 issued by Summit Power Limited we have performed Valuation of Lands of Summit Power Limited as at June 30, 2016 and submit the required report.

Purpose of Valuation

The fair value of land as of a cut-off-date is required to be incorporated in the financial statements to comply with Bangladesh Financial Reporting Standards (BAS-16). Valuation and recording of 566.03 decimals land are, therefore, essential from the Financial Management point of view.

Cut-Off-Date of Valuation

The land of Summit Power Limited were revalued by S. F. Ahmed & Co. (SFACO) as at June 30, 2016.

Standard of Valuation

Fair Value and valuation techniques

Fair Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction wherein the parties had each acted knowledgeably, prudently, and without compulsion. Bangladesh Financial Reporting Standard (BFRS) defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (i.e., an exit price). This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset is not relevant when measuring fair value.

Fair value measurement requires determination of the following:

- the particular asset being measured;
- for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis;
- the market in which an orderly transaction would take place for the asset; and
- the appropriate valuation technique(s) to use when measuring fair value.

An entity is required to use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Three widely used valuation techniques are

- the market approach,
- the replacement cost approach and
- the income approach.

An entity may use valuation techniques consistent with one or more of those approaches to measure fair value.

Basis of revaluation

We have estimated the value of land of the Summit Power Limited under Estimated Net Realizable Value method (the market approach) depending on the nature of assets and rationale mentioned in the detailed report.

Summary of revaluation

Based on the observable and unobservable data, information, analysis and estimates contained in our detailed report fair value of land under valuation of Summit Power Limited as of June 30, 2016 stood at Tk. 84,904,500. Thus, an amount of Tk. 58,400,150 arrive as surplus against Book value of Tk. 26,504,350. Details are given below:

REPORT ON VALUATION OF LANDS

(Amount in Taka)

Class of Assets	Revalued amount as on June 30,2016	Book value as on June 30,2016	Revaluation surplus as on June 30,2016
Land	84,904,500	26,504,350	58,400,150

Disclaimer

This report on valuation of lands has been prepared with due care and diligence. The statements and conclusions in our report are given in good faith and in the belief on reasonable grounds that such statements and conclusions are not misleading. We have made certain forecasts, which are inherently uncertain and we believe, these are realistically assumed. Actual results will vary and may be significantly more or less favorable. This report on valuation of lands has been considered total 566.03 decimals of land of Summit Power Limited. The purpose of valuation as indicated in the preceding paragraph was to arrive at a realistic value of the lands.

Limitations to the valuation assignment

This valuation is subject to the information provided to us by the management of Summit Power Limited as well as the assumptions, financial data and limiting conditions brought out in the report.

This appraisal fulfils the requirements of a valuation engagement under the given circumstances. The valuation has been done applying the skill and competence desired of us, but the fact remains that the major portion of the task is judgmental and valuation of this nature is subjective exercise and two valuation consultants are unlikely to arrive at the same valuation.

The above valuation may be relied upon for any other purpose but we do not assume any responsibility if the user differs with the conclusions arrived at in this report for any purpose other than those mentioned in this report.

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

We do not have any commercial liability regarding the actual realizable amount of the revalued lands of Summit Power Limited.

Conclusion

We would like to place on record our appreciation of the courtesy and co-operation extended to us by the concerned officials of Summit Power Limited, in particular, during the course of carrying out the assignment.

Yours faithfully,



S. F. Ahmed & Co.
Chartered Accountants

REPORT ON VALUATION OF LANDS

SUMMIT POWER LIMITED

REVALUATION OF LAND & LAND DEVELOPMENT AS OF JUNE 30, 2016

Appendix-1

LOCATION	DEED NO.	DATE OF DEED	MOUZA	C.S. (Khatian #)	S.A. (Khatian #)	R.S. (Khatian #)	AREA IN DECIMAL	Deed Value [Amount in Taka]	Registration Cost [Amount in Taka]	Development Cost [Amount in Taka]	Total Cost [Amount in Taka]	Revalued Amount in Taka as on June 30, 2016
Narayangonj Bondor	4835	30-06-13	Modongonj "Mo" Khondo	-	159	662	41.06	1,691,919	230,716.00	-	1,922,635.00	6,159,000.00
Narayangonj Bondor	6428	30-07-12	Modongonj "Mo" Khondo	-	-	662	450.27	18,553,823	2,530,065.00	-	21,083,888.00	67,540,500.00
Narayangonj Bondor	2222	03-04-14	Modongonj "Mo" Khondo		380	777	74.70	3,078,088	419,739.00	-	3,497,827.00	11,205,000.00
Grand Total							566.03	23,323,830	3,180,520	-	26,504,350	84,904,500

SUMMIT NARAYANGANJ POWER LIMITED

Report on Valuation of Lands as at June 30, 2016

August 2016



S. F. Ahmed & Co.
Chartered Accountants since 1958

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REPORT ON VALUATION OF LANDS

Date: August 11, 2016

The Managing Director
Summit Narayanganj Power Limited
Summit Centre,
18 Kawran Bazar C/A,
Dhaka-1215.

Subject: Report on Valuation of Lands of Summit Narayanganj Limited as at June 30, 2016.

Dear Sir,

Pursuant to the appointment as Valuer dated 11 July 2016 issued by Summit Narayanganj Power Limited we have performed Valuation of Lands of Summit Narayanganj Power Limited as at June 30, 2016 and submit the required report.

Purpose of Valuation

The fair value of land as of a cut-off-date is required to be incorporated in the financial statements to comply with Bangladesh Financial Reporting Standards (BAS-16). Valuation and recording of 660.27 decimals land are, therefore, essential from the Financial Management point of view.

Cut-Off-Date of Valuation

The land of Summit Narayanganj Power Limited were revalued by S. F. Ahmed & Co. (SFACO) as at June 30, 2016.

Standard of Valuation

Fair Value and valuation techniques

Fair Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction wherein the parties had each acted knowledgeably, prudently, and without compulsion. Bangladesh Financial Reporting Standard (BFRS) defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (i.e., an exit price). This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset is not relevant when measuring fair value.

Fair value measurement requires determination of the following:

- the particular asset being measured;
- for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis;
- the market in which an orderly transaction would take place for the asset; and
- the appropriate valuation technique(s) to use when measuring fair value.

An entity is required to use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Three widely used valuation techniques are

- the market approach,
- the replacement cost approach and
- the income approach.

An entity may use valuation techniques consistent with one or more of those approaches to measure fair value.

Basis of revaluation

We have estimated the value of land of the Summit Narayanganj Power Limited under Estimated Net Realizable Value method (the market approach) depending on the nature of assets and rationale mentioned in the detailed report.

Summary of revaluation

Based on the observable and unobservable data, information, analysis and estimates contained in our detailed report fair value of land under valuation of Summit Narayanganj Power Limited as of June 30, 2016 stood at Tk. 429,175,500. Thus, an amount of Tk. 221,748,665 arrive as surplus against Book value of Tk. 207,426,835. Details are given below:

REPORT ON VALUATION OF LANDS

(Amount in Taka)

Class of Assets	Revalued amount as on June 30,2016	Book value as on June 30,2016	Revaluation surplus as on June 30,2016
Land	429,175,500	207,426,835	221,748,665

Disclaimer

This report on valuation of lands has been prepared with due care and diligence. The statements and conclusions in our report are given in good faith and in the belief on reasonable grounds that such statements and conclusions are not misleading. We have made certain forecasts, which are inherently uncertain and we believe, these are realistically assumed. Actual results will vary and may be significantly more or less favorable. This report on valuation of lands has been considered total 660.27 decimals of land of SNPL. The purpose of valuation as indicated in the preceding paragraph was to arrive at a realistic value of the lands.

Limitations to the valuation assignment

This valuation is subject to the information provided to us by the management of SNPL as well as the assumptions, financial data and limiting conditions brought out in the report.

This appraisal fulfils the requirements of a valuation engagement under the given circumstances. The valuation has been done applying the skill and competence desired of us, but the fact remains that the major portion of the task is judgmental and valuation of this nature is subjective exercise and two valuation consultants are unlikely to arrive at the same valuation.

The above valuation may be relied upon for any other purpose but we do not assume any responsibility if the user differs with the conclusions arrived at in this report for any purpose other than those mentioned in this report.

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

We do not have any commercial liability regarding the actual realizable amount of the revalued lands of Summit Narayanganj Power Limited.

Conclusion

We would like to place on record our appreciation of the courtesy and co-operation extended to us by the concerned officials of Summit Narayanganj Power Limited, in particular, during the course of carrying out the assignment.

Yours faithfully,



S. F. Ahmed & Co.
Chartered Accountants

REPORT ON VALUATION OF LANDS

SUMMIT NARAYANGONJ POWER LIMITED

REVALUATION OF LAND & LAND DEVELOPMENT AS OF JUNE 30, 2016

Appendix-1

LOCATION	DEED NO.	DATE OF DEED	MOUZA	C.S. (Khatian #)	S.A. (Khatian #)	R.S. (Khatian #)	AREA IN DECIMAL	Deed Value [Amount in Taka]	Registration Cost [Amount in Taka]	Development Cost [Amount in Taka]	Total Cost [Amount in Taka]	Revalued Amount in Taka as on June 30, 2016
Narayangonj Bondor	6265	11-07-10	Modongonj "Mo" Khondo	463	46	545	115.00	24,150,000	2,898,000	9,908,771	36,956,771	74,650,000
Narayangonj Bondor	6264	11-07-10	Modongonj "Mo" Khondo	408, 231, 260, 526, 528, 399	34, 70, 43, 529, 40	12, 730, 110, 141, 434, 586	192.16	40,354,000	4,842,480	16,557,126	61,753,606	124,904,000
Narayangonj Bondor	5455	07-06-11	Modongonj "Mo" Khondo	265	50	526	46.00	9,345,000	1,121,400	3,963,509	14,429,909	29,900,000
Narayangonj Bondor	11202	27-12-10	Modongonj "Mo" Khondo	362	49	774	29.00	6,305,000	756,600	2,498,734	9,560,334	18,850,000
Narayangonj Bondor	5510	16-06-10	Modongonj "Mo" Khondo	399, 400, 499, 274, 513	43, 44, 45	141, 586	176.17	32,001,000	3,840,120	15,179,376	51,020,496	114,510,500
Narayangonj Bondor	5454	07-06-11	Modongonj "Mo" Khondo	463	46,47	545	10.00	2,122,000	254,640	861,632	3,238,272	6,500,000
Narayangonj Bondor	6429	31-07-12	Modongonj "Mo" Khondo	463	46,47	545	4.94	1,130,000	135,600	425,646	1,691,246	3,211,000
Narayangonj Bondor	5631	02-07-12	Modongonj "Mo" Khondo	408	70	12	39.00	8,920,000	1,070,400	3,360,366	13,350,766	25,350,000
Narayangonj Bondor	6266	11-07-2010	Modongonj "Mo" Khondo	399	43	12	48.00	10,080,000	1,209,600	4,135,835	15,425,435	31,200,000
Grand Total							660.27	134,407,000.00	16,128,840.00	56,890,995	207,426,835	429,175,500

SUMMIT PURBANCHAL POWER COMPANY LIMITED

Report on Valuation of Lands as at June 30, 2016

August 2016



S. F. Ahmed & Co.
Chartered Accountants since 1958

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Block-F, Banani,	Fax : (880-2) 9845135
Dhaka-1213, Bangladesh	E-mails : sfali@connectbd.com, sfaco@dhaka.net

REPORT ON VALUATION OF LANDS

Date: August 11, 2016

The Managing Director
Summit Purbanchal Power Company Limited
Summit Centre,
18, Kawran Bazar C/A,
Dhaka-1215.

Subject: Report on Valuation of Lands and Land Developments of Summit Purbanchal Power Company Limited as at June 30, 2016.

Dear Sir,

Pursuant to the appointment as Valuer dated 11 July 2016 issued by Summit Purbanchal Power Company Limited we have performed Valuation of Lands of Summit Purbanchal Power Company Limited as at June 30, 2016 and submit the required report.

Purpose of Valuation

The fair value of land as of a cut-off-date is required to be incorporated in the financial statements to comply with Bangladesh Financial Reporting Standards (BAS-16). Valuation and recording of 673.28 decimals land are, therefore, essential from the Financial Management point of view.

Cut-Off-Date of Valuation

The land of Summit Purbanchal Power Company Limited were revalued by S. F. Ahmed & Co. as at the Cut-off-date June 30, 2016.

Standard of Valuation

Fair Value and valuation techniques

Fair Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction wherein the parties had each acted knowledgeably, prudently, and without compulsion. Bangladesh Financial Reporting Standard (BFRS) defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (i.e., an exit price). This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset is not relevant when measuring fair value.

Fair value measurement requires determination of the following:

- the particular asset being measured;
- for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis;
- the market in which an orderly transaction would take place for the asset; and
- the appropriate valuation technique(s) to use when measuring fair value.

An entity is required to use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Three widely used valuation techniques are

- the market approach,
- the replacement cost approach and
- the income approach.

An entity may use valuation techniques consistent with one or more of those approaches to measure fair value.

Basis of revaluation

We have estimated the value of land of the Summit Purbanchal Power Company Limited under Estimated Net Realizable Value method (the market approach) depending on the nature of assets and rationale mentioned in the detailed report.

Summary of revaluation

Based on the observable and unobservable data, information, analysis and estimates contained in our detailed report fair value of land under valuation of Summit Purbanchal Power Company Limited as of June 30, 2016 stood at Tk. 403,968,000. Thus, an amount of Tk. 289,297,545 arrive as surplus against Book value of Tk. 114,670,455. Details are given below:

REPORT ON VALUATION OF LANDS

(Amount in Taka)

Class of Assets	Revalued amount as on June 30,2016	Book value as on June 30,2016	Revaluation surplus as on June 30,2016
Land	403,968,000	114,670,455	289,297,545

Disclaimer

This report on valuation of lands has been prepared with due care and diligence. The statements and conclusions in our report are given in good faith and in the belief on reasonable grounds that such statements and conclusions are not misleading. We have made certain forecasts, which are inherently uncertain and we believe, these are realistically assumed. Actual results will vary and may be significantly more or less favorable. This report on valuation of lands has been considered total 673.28 decimals of land of Summit Purbanchal Power Company Limited. The purpose of valuation as indicated in the preceding paragraph was to arrive at a realistic value of the lands.

Limitations to the valuation assignment

This valuation is subject to the information provided to us by the management of Summit Purbanchal Power Company Limited as well as the assumptions, financial data and limiting conditions brought out in the report.

This appraisal fulfils the requirements of a valuation engagement under the given circumstances. The valuation has been done applying the skill and competence desired of us, but the fact remains that the major portion of the task is judgmental and valuation of this nature is subjective exercise and two valuation consultants are unlikely to arrive at the same valuation.

The above valuation may be relied upon for any other purpose but we do not assume any responsibility if the user differs with the conclusions arrived at in this report for any purpose other than those mentioned in this report.

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

We do not have any commercial liability regarding the actual realizable amount of the revalued lands of Summit Purbanchal Power Company Limited.

Conclusion

We would like to place on record our appreciation of the courtesy and co-operation extended to us by the concerned officials of Summit Purbanchal Power Company Limited, in particular, during the course of carrying out the assignment.

Yours faithfully,



S. F. Ahmed & Co.
Chartered Accountants

REPORT ON VALUATION OF LANDS

SUMMIT PURBANCHOL POWER COMPANY LIMITED
REVALUATION OF LAND & LAND DEVELOPMENT AS OF JUNE 30, 2016

Appendix-1

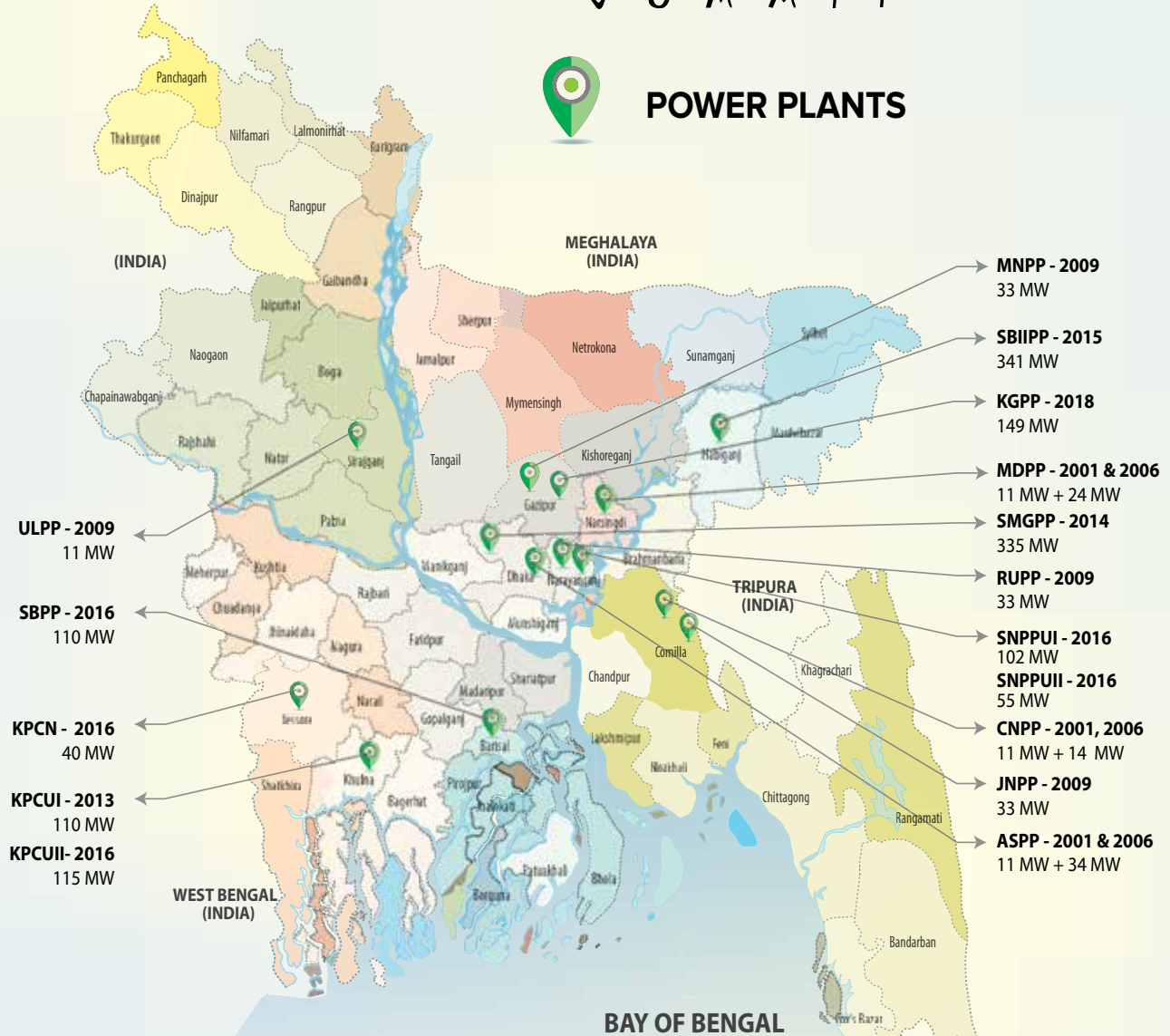
LOCATION	DEED NO.	DATE OF DEED	MOUZA	C.S. (Khatian #)	S.A. (Khatian #)	R.S. (Khatian #)	AREA IN DECIMAL	Deed Value [Amount in Taka]	Registration Cost [Amount in Taka]	Development Cost [Amount in Taka]	Total Cost [Amount in Taka]	Revalued Amount in Taka as on June 30, 2016
Rupgonj	19405	30-12-07	Tethlab	200, 216, 06, 151, 154	138, 153, 205, 108, 141	134, 52	8.80	1,000,000	120,000	290,365	1,410,365	5,280,000
Rupgonj	19406	30-12-07	Tethlab	197, 216, 200, 189, 195, 198, 191	135, 153, 138, 128, 134, 136, 130	205, 134, 64, 87, 191, 148, 70, 172, 149, 192, 52, 162	272.50	42,300,000	5,076,000	8,991,421	56,367,421	163,500,000
Rupgonj	19406	30-12-07	Tethlab	197, 216, 200, 189, 195, 198, 191	135, 153, 138, 128, 134, 136, 130	205, 134, 64, 87, 191, 148, 70, 172, 149, 192, 52, 162	80.50	9,650,000	1,158,000	2,656,181	13,464,181	48,300,000
Sub total							361.80	52,950,000	6,354,000	11,937,968	71,241,968	217,080,000
Comilla Sadar (Dakkin)	767	24-01-08	Batabaria	20	-	20	14.76	5,904,000	708,480	487,022	7,099,502	8,856,000
Comilla Sadar (Dakkin)	769	24-01-08	Batabaria	49	-	49	8.08	3,232,000	387,840	266,608	3,886,448	4,848,000
Comilla Sadar (Dakkin)	765	24-01-08	Batabaria	09	-	15	0.80	260,000	31,200	26,397	317,597	480,000
Comilla Sadar (Dakkin)	771	24-01-08	Batabaria	45/08	-	45/08	5.78	1,878,500	225,420	190,717	2,294,637	3,468,000
Comilla Sadar (Dakkin)	2336	13-03-08	Batabaria	15	-	15	5.06	1,644,500	197,340	166,960	2,008,800	3,036,000
Comilla Sadar (Dakkin)	814	24-01-08	Joypur	83	-	83	26.00	1,560,000	187,200	857,897	2,605,097	15,600,000
Comilla Sadar (Dakkin)	810	24-01-08	Joypur	83	-	83	13.00	780,000	93,600	428,949	1,302,549	7,800,000
Comilla Sadar (Dakkin)	816	24-01-08	Joypur	83	-	83	13.00	780,000	93,600	428,949	1,302,549	7,800,000
Comilla Sadar (Dakkin)	812	24-01-08	Joypur	83	-	83	13.00	780,000	93,600	428,949	1,302,549	7,800,000
Comilla Sadar (Dakkin)	773	24-01-08	Joypur	57	-	57	30.00	1,800,000	216,000	989,881	3,005,881	18,000,000
Comilla Sadar (Dakkin)	799	24-01-08	Joypur	169/277	-	169/277	5.50	330,000	39,600	181,478	551,078	3,300,000
Comilla Sadar (Dakkin)	785	24-01-08	Joypur	169/277	-	169/277	5.50	330,000	39,600	181,478	551,078	3,300,000
Comilla Sadar (Dakkin)	808	24-01-08	Joypur	31	-	31	15.00	900,000	108,000	494,941	1,502,941	9,000,000
Comilla Sadar (Dakkin)	783	24-01-08	Joypur	124	-	124	4.00	240,000	28,800	131,984	400,784	2,400,000
Comilla Sadar (Dakkin)	777	24-01-08	Joypur	169/277	-	169/277	2.50	150,000	18,000	82,490	250,490	1,500,000

REPORT ON VALUATION OF LANDS

LOCATION	DEED NO.	DATE OF DEED	MOUZA	C.S. (Khatian #)	S.A. (Khatian #)	R.S. (Khatian #)	AREA IN DECL-MAL	Deed Value [Amount in Taka]	Registration Cost [Amount in Taka]	Development Cost [Amount in Taka]	Total Cost [Amount in Taka]	Revalued Amount in Taka as on June 30, 2016
Comilla Sadar (Dakkin)	779	24-01-08	Joypur	169/277	-	169/277	2.50	150,000	18,000	82,490	250,490	1,500,000
Comilla Sadar (Dakkin)	787	24-01-08	Joypur	169/277	-	169/277	2.50	150,000	18,000	82,490	250,490	1,500,000
Comilla Sadar (Dakkin)	781	24-01-08	Joypur	169/277	-	169/277	2.50	150,000	18,000	82,490	250,490	1,500,000
Comilla Sadar (Dakkin)	795	24-01-08	Joypur	169/277	-	169/277	2.50	150,000	18,000	82,490	250,490	1,500,000
Comilla Sadar (Dakkin)	793	24-01-08	Joypur	169/277	-	169/277	2.50	150,000	18,000	82,490	250,490	1,500,000
Comilla Sadar (Dakkin)	797	24-01-08	Joypur	124	-	124	2.68	160,000	19,200	88,429	267,629	1,608,000
Comilla Sadar (Dakkin)	791	24-01-08	Joypur	124	-	124	2.66	160,000	19,200	87,769	266,969	1,596,000
Comilla Sadar (Dakkin)	789	24-01-08	Joypur	124	-	124	2.66	160,000	19,200	87,769	266,969	1,596,000
Comilla Sadar (Dakkin)	2427	24-01-08	Joypur	-	-	-	12.00	780,000	93,600	395,953	1,269,553	7,200,000
Comilla Sadar (Dakkin)	801	24-01-08	Joypur	169	-	169	51.00	3,060,000	367,200	1,682,798	5,109,998	30,600,000
Comilla Sadar (Dakkin)	805	24-01-08	Joypur	169	-	169	15.00	900,000	108,000	494,941	1,502,941	9,000,000
Comilla Sadar (Dakkin)	803	24-01-08	Joypur	169	-	169	15.00	900,000	108,000	494,941	1,502,941	9,000,000
Comilla Sadar (Dakkin)	2332	13-03-08	Joypur	60	-	60	6.00	360,000	43,200	197,976	601,176	3,600,000
Comilla Sadar (Dakkin)	2345	13-03-08	Joypur	61/43	-	61/43	15.00	900,000	108,000	494,941	1,502,941	9,000,000
Comilla Sadar (Dakkin)	2344	13-03-08	Joypur	61/43	-	61/43	15.00	900,000	108,000	494,941	1,502,941	9,000,000
Sub total							311.48	29,599,000	3,551,880	10,277,607	43,428,487	186,888,000
Grand Total:							673.28	82,549,000	9,905,880	22,215,575	114,670,455	403,968,000



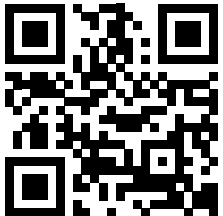
POWER PLANTS



- KGPP **Kodda Gazipur Power Plant**
- MNPP **Maona Power Plant**
- ULPP **Ullapara Power Plant**
- ASPP **Ashulia Power Plant**
- KPCN **Khulna Power Company Noapara**
- KPCUI **Khulna Power Company Unit I**
- KPCUII **Khulna Power Company Unit II**
- SBIIPP **Summit Bibiana II Power Plant**
- MDPP **Madhabdi Power Plant**
- SMGPP **Summit Meghnaghat Power Plant**
- RUPP **Rupganj Power Plant**
- SNPPUI **Summit Narayanganj Power Plant Unit I**
- SNPPUII **Summit Narayanganj Power Plant Unit II**
- CNPP **Chandina Power Plant**
- JNPP **Jangalia Power Plant**
- SBPP **Summit Barisal Power Plant**



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