



Empowering Bangladesh
we can and we will

SUMMIT POWER LIMITED

ANNUAL REPORT 2007

Empowering Bangladesh
we can and we will

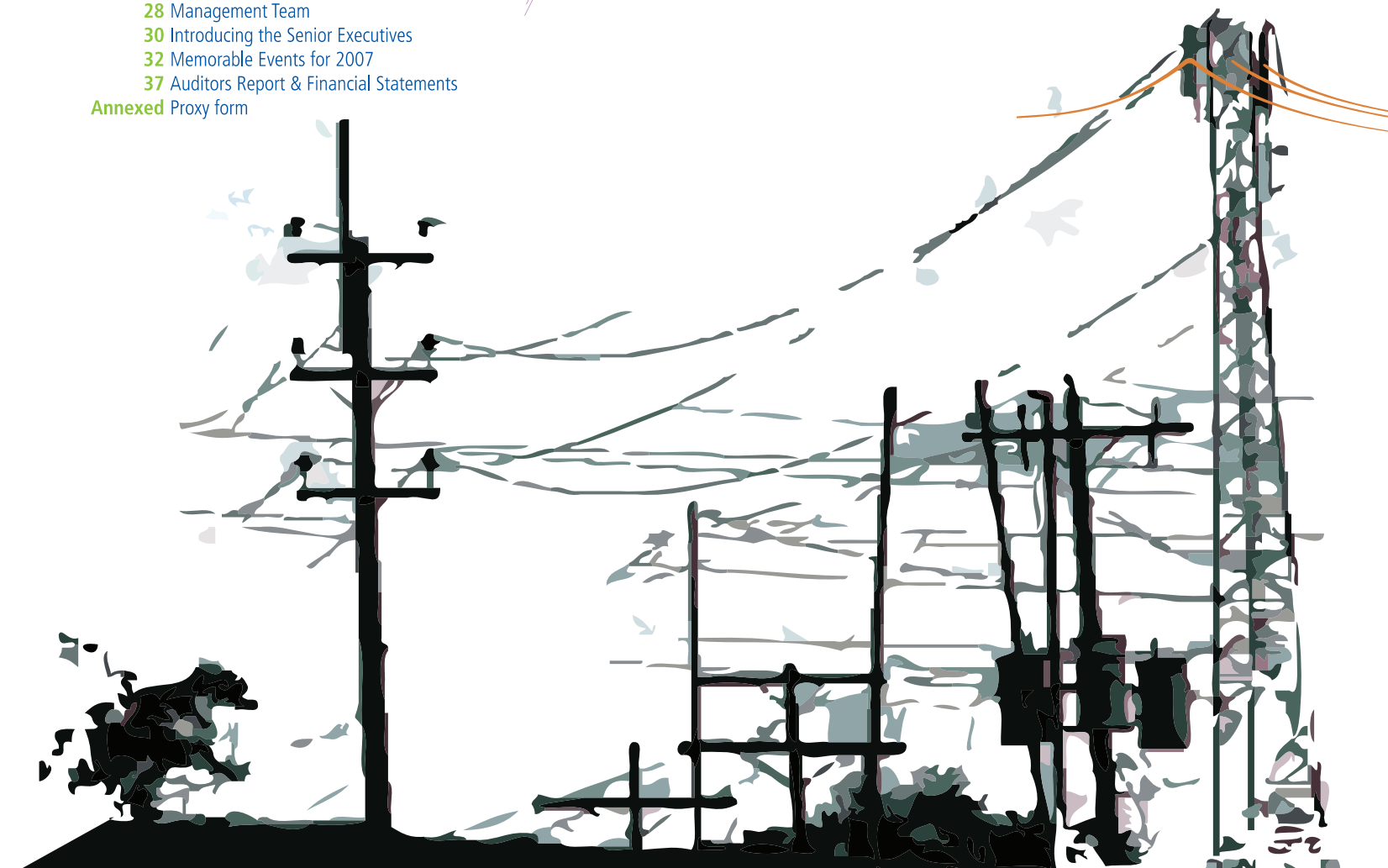
SUMMIT'S COMMITMENT



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Objectives

- Generate and provide uninterrupted reasonably priced electricity to our customers.
- Efficient utilization of Capital, Machines, Material and Human Resources.
- Continuous improvement of customer satisfaction and resource management.

Vision

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

Mission

"Empowering Bangladesh, we can & we will."

To expand the company into a power generation capacity to the tune of 1000 MW which is a modest 20% of the electricity requirement of Bangladesh.



Empowering Bangladesh
we can and we will

Company Information



Summit Power Limited (SPL), sponsored by Summit Group, is the first Bangladeshi Independent Power Producer (IPP) in Bangladesh and until now the only local company in private electricity generation and supply business 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 to Public Limited Company under the Companies Act 1994.

Summit Power Limited has successfully established in the year 2001 three power plants each with 11 MW capacity for sale of electricity to Rural Electrification Board (REB) under Build, Own and Operate basis at Savar, Narsingdi and Comilla. The company has already expanded its total generation capacity to 105 MW. Summit Power Limited is also going to implement another four power plants totaling a capacity of 110 MW through its two subsidiary companies Summit Uttaranchol Power Company Limited and Summit Purbanchol Power Company Limited. Out of the four power plants, two 33 MW power plants each located at Jangalia, in Comilla and Rupganj in Narayanganj will be established through Summit Purbanchol Power Company Limited and one 33 MW power plant located at Maona in Gazipur and one 11 MW power plant located at Ullapara in Sirajgonj will be established through Summit Uttaranchol Power Company Limited. With the establishment of the new projects generation capacity will be raised to 215 MW.

Considering the immense opportunities, the company is striving to establish more small power plants ranging 10MW to 50MW around the country. The fast-growing company has set a mission to expand the company with a power generation capacity to the tune of 1000 MW, which is a modest 20% of the electricity requirement in Bangladesh.

Corporate Directories

Board of Directors

Muhammed Aziz Khan
Md. Farid Khan
Tauhidul Islam
Anjuman Aziz Khan
Md. Latif Khan
Ayesha Aziz Khan
Sanadina Khan
Helal Uddin Ahmed
Tapan Krishna Podder FCA, FCMA
Abbas Uddin Ahmed
Syed Fazlul Haque FCA
Faisal Karim Khan

Chairman
Vice-Chairman
Managing Director
Director
Director
Director
Director
Director
Director
Director
Director
Alternate Director

Company Secretariat

Mahmud Hasan FCMA
Md. Monirul Islam

Company Secretary
Manager



ummit

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

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

Auditors

Rahman Rahman Huq
Member Firm of KPMG
9, Mohakhali C/A, Dhaka

Main Bankers

Standard Chartered Bank
Dutch Bangla Bank
Commercial Bank of Ceylon
The Premier Bank Ltd
Bank Al Falah Limited
Shahjalal Islami Bank Limited

Notice of the 11th Annual General Meeting

Notice is hereby given that the 11th Annual General Meeting of the Shareholders of Summit Power Limited will be held on Thursday the **07th day of August, 2008**, at **Bashundhara Convention Centre, Bashundhara R/A, Baridhara, Dhaka**, at **11.00 A.M** to transact the following businesses:

Agenda :

1. To receive and adopt the Directors Report and the audited financial statements for the year ended December 31, 2007 together with the auditors report thereon.
2. To declare dividend for the year 2007 as recommended by the Board of Directors.
3. To elect Directors in place of those retiring under Article 20(c) and 23(a) of the Company's Articles of Association.
4. To ratify appointment of the Managing Director as per section 109 of the Companies Act-1994.
5. To appoint auditors for the year 2008 and to fix their remuneration.

By order of the Board



(Mahmud Hasan FCMA)
Company Secretary

Dhaka. July 03, 2008

Notes :

1. The record date of the company was June 12, 2008 for closing of share transfer book. Members whose name will appear in the members 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.



Partial view of august gathering of 10th Annual General Meeting.



The 10th Annual General Meeting of Summit Power Limited was held on 31st day of May 2007 at 11.30 a.m. at Bangladesh-China Friendship Conference Centre, Agargaon, Sher-E-Banglanagar, Dhaka-1207. This was the 2nd AGM since the company went public.



From Left- Member of the Board of Directors Mr. Helal Uddin Ahmed, Mr. Mr. Tapan Krishna Podder, Syed Fazlul Haque, Mr. Md. Farid Khan, Mr. Muhammed Aziz Khan, Mrs. Anjuman Aziz Khan, Ms. Ayesha Aziz Khan, Mr. Md. Latif Khan and Mr. Md. Mamunur Rashid, Company Secretary are seen on the dias of 10th Annual General Meeting

Introducing the Directors



Muhammed Aziz Khan
Chairman

Mr. Muhammed Aziz Khan, a renowned and pioneering leading business personality in power sector of Bangladesh. After graduation Mr. Khan did his MBA in 1980 from the Institute of Business Administration (IBA), University of Dhaka. Mr. Khan has established himself as a dynamic and pro-active entrepreneur who has built Summit Group-recognized as the largest infrastructure Industrial organization of Bangladesh. He is also the Chairman of Khulna Power Co. Ltd., country's first Independent Power Producer (IPP). Mr. Khan has helped to formulate the Private Sector Power Generation Policy of Bangladesh. He has 36 years of business experience, setting up country's first Inland Container Depot (ICD)-"Ocean Container Ltd", First Tanks Terminal- "Summit United Tanks Terminal", now known as "South Eastern Tanks Terminal". Mr. Khan was the Founder President of Bangladesh Energy Companies Association (BECA), which is formed to represent and to promote the interests of private sector business organizations engaged in the energy sector.

Mr. Khan has set up "Siraj Khaleda Trust"- a social wing of Summit Group, which is setting up 200 beds for medical services on charitable basis in Dhaka Cantonment. He enthusiastically takes part & contributes to social activities such as to help to acid burn and drug victims to mention a few amongst host of other activities.



Md. Farid Khan
Vice-Chairman

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.



Tauhidul Islam
Managing Director

Mr. Islam is the Managing Director of Summit Power Limited and has got 36 (thirty six) years of experience in the power sector. Mr. Islam obtained his B. Sc. in Engineering (Mechanical) from Bangladesh University of Engineering & Technology (BUET). Prior to joining Summit, Mr. Islam held the positions of the Chairman of Rural Electrification Board, Chairman (Including in Charge) of Dhaka Electricity Supply Authority (DESA) and DESCO. Mr. Islam has vast experience in Planning & Operation, Electrical Engineering, Communication Engineering, Mechanical Engineering, Material Management & commercial matters. Moreover, Mr. Islam has obtained various training in foreign countries as well as in local institutions.





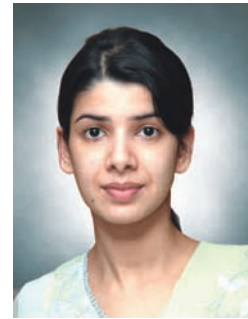
Anjuman Aziz Khan
Director

Mrs. Anjuman Aziz Khan, wife of Mr. Muhammed Aziz Khan has 22 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".



Md. Latif Khan
Director

Mr. Md. Latif Khan was born in 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. Mr. Khan has established himself as a sound and dynamic businessman of the country.

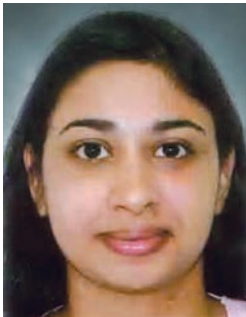


Ayesha Aziz Khan
Director

Born in 1981, Ms. Ayesha Aziz Khan has completed her graduation in Economics and Business from the University College of London in 2002 and Masters in Business Administration from Columbia University, New York, USA. Presently, Ms. Khan is also holding the position of Director in several companies of Summit Group.



Introducing the Directors (Cont.)



Sanadina Khan
Director

Sanadina Khan, Daughter of Mr. Jafer Ummeed Khan and Mrs. Shafina Khan was born in 1979. She completed her Masters in Computing Science from the University of Nottingham, England in 2002. After the completion of her Masters, she joined in the management position of Summit Group. Presently Ms. Khan is holding the position of Director in several companies of Summit Group. She completed her second Masters in Applied Finance & Professional Accounting from the University of Queensland Australia.



Helal Uddin Ahmed
Director

Mr. Helal Uddin Ahmed completed his Masters from Dhaka University in 1978. After completion 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.



Tapan Krishna Podder FCA, FCMA
Director

A Qualified Chartered Accountant as well as Cost & Management Accountant by profession Mr. Podder started his career as a Senior Principal Officer in Investment Corporation of Bangladesh (ICB) in 1984. He rendered his long 15-years of services in Industrial Development & Leasing Company (IDLC) for the period from 1985 to 2000. Mr. Podder left IDLC from its position as the General Manager and joined Prime Finance & Investment Limited (PFI) as its Managing Director. He served in PFI till January 2006. Mr. Podder did his Masters of Commerce in Accounting from University of Dhaka in 1979.





Abbas Uddin Ahmed
Director

Mr. Abbas Uddin Ahmed, a leading light of the banking industry of Bangladesh carries with him 41 years of commercial banking experience of which almost 12 years as Managing Director & CEO of three very large and successful private sector Banks – The City Bank Limited and IFIC Bank Limited in Bangladesh and Nepal-Bangladesh Bank Limited in Kathmandu, Nepal. He is a Professional Member of the “Institute of Bankers, Bangladesh”. Starting his career in 1966 with the Habib Bank – the then top private sector bank of the country- he has worked his way through both public and private sector banks at home and abroad. He has successfully opened a new bank in Maldives as CEO. He is credited to have steered and consolidated the process of turnaround of the City Bank Limited and got it removed from the Bangladeshi banks list of the problem bank. He is a pioneer in computerizing the entire operation of a bank in Bangladesh. Mr. Ahmed also has rich experience of the ethos of both public and private sector banks of Bangladesh.



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 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. Leaving Biman in May 1978, Fazlul went to Libya to serve in Ammonia Plant, Benghazi for a short span of two years. On return, Fazlul joined Burmah Eastern Limited (now Padma Oil Co. Ltd) in January 1981 as Finance Manager & Company Secretary and was promoted as CEO of the Company in September 1991. Fazlul left Padma in January 1993 to join Glaxo Bangladesh as Finance Director where he was made Managing Director of the Company in August 1997. Fazlul served the Company (subsequently renamed as GlaxoSmithKline Bangladesh after merger with SmithKline Beecham in November 2000) until he retired on 31st December 2002.

During the tenure of his long career, Fazlul served as committee member of Metropolitan Chamber of Commerce & Industries, Foreign Chamber of Commerce & Industries and Bangladesh Employers Federation. Fazlul is married to Rebecca and they are blessed with one daughter and a son.



Faisal Karim Khan
Alternate Director

Mr. Faisal Karim Khan was born on 29th July 1985. He has completed Mechanical Engineering with Finance Degree from Imperial College London (ICL), UK on June 2007. From February 2007 he has engaged himself with Ocean Containers Ltd. and Summit Alliance Ports Ltd. as a director. After that he has increased his responsibility by taking the Directorship of Summit Industrial and Mercantile Corporation (Pvt) Ltd. and Cosmopolitan Traders Ltd.

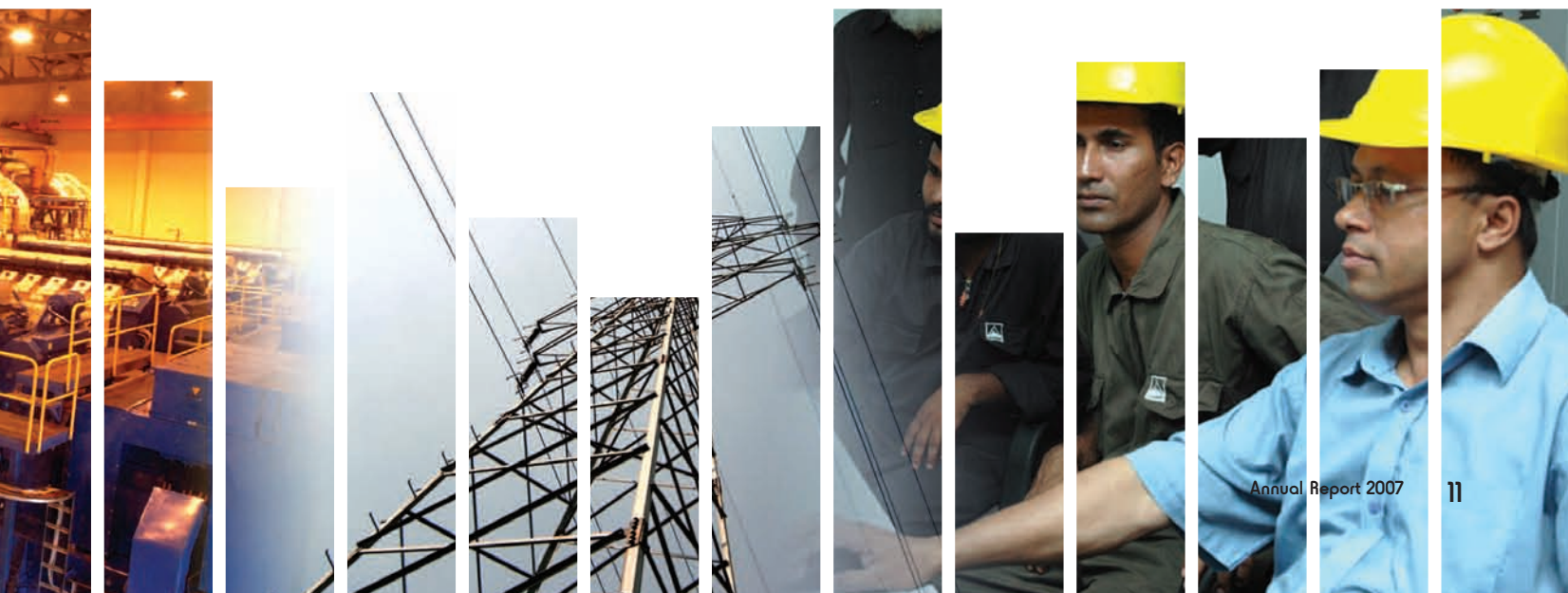
Success Milestones





Incorporation of the company	March 30, 1997
Signing of Project Agreements with REB & GOB	February 10, 2000
Commercial operation at Savar	February 8, 2001
Commercial operation at Narshingdi	April 01, 2001
Commercial operation at Comilla	June 02, 2001
Conversion from private to public limited company	June 07, 2004
Appointment of Issue Manager	January 13, 2005
Credit Rating by CRISL	March 29, 2005
Agreement with CDBL	June 19, 2005
Approval of Prospectus from Securities & Exchange Commission	June 25, 2005
Signing of Project Agreements for expansion at Madhabdi and Comilla with REB & GOB	June 28, 2005
Publication of Prospectus	June 28, 2005
Subscription opens for public	August 27, 2005
Allotment of IPO shares	October 03, 2005
Listing with Chittagong Stock Exchange Limited	October 23, 2005
Listing with Dhaka Stock Exchange Limited	November 10, 2005
First Trading in Stock Exchanges	November 15, 2005
Signing of Project Agreements for expansion at Savar with REB & GOB	March 20, 2006
Commercial operation at Comilla expansion project	November 15, 2006
Commercial operation at Madhabdi expansion project	December 16, 2006
Incorporation of the Summit Purbanchol Power Company Limited (99% subsidiary of Summit Power Limited)	August 15, 2007
Incorporation of the Summit Uttaranchol Power Company Limited (99% subsidiary of Summit Power Limited)	August 15, 2007
Increase the Authorized Share Capital of the Company (SPL) through EGM for issuance of Rights Share at the ratio of 5:4	September 29, 2007
Signing of Project Agreements with REB, BPDB & GOB to implement total 110 MW power plants (04 nos) through its two subsidiary companies	October 11, 2007
Commercial operation at Savar expansion project	December 04, 2007

- CDBL - Central Depository Bangladesh Limited
- CRISL - Credit Rating Information & Services Limited
- GOB - Government of Bangladesh
- REB - Rural Electrification Board
- SEC - Securities & Exchange Commission
- DSE - Dhaka Stock Exchange Limited
- CSE - Chittagong Stock Exchange Limited
- IPO - Initial Public Offering
- SPL - Summit Power Limited



Statement of Corporate Governance

The corporate governance philosophy of the Company is aimed at assisting the top management in efficient conduct of its affairs as well as in meeting obligations to all the stakeholders and is guided by strong emphasis on transparency, accountability and integrity. It provides the Company with strategic guidance as to how the objectives are set and achieved, how risk is monitored and assessed and how the performance is maximized.

Keeping in view the size, complexity and operations, the governance framework of the 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 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 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 same is well established.
- That all regulatory and statutory rules and regulations are complied with.

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 in implementing those objectives and supervises management of the company's affairs. In Summit, Board of Directors is in full control of 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:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and 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 requirement.
- Monitoring implementation and effectiveness of the approved strategic and operating plans.
- Establish company's value.
- Oversee the corporate governance of the company

The Company's policy is to maintain optimum combination of Directors from both Sponsors and general public. The Managing Director of the Company is a non-shareholder ex-officio director and the Board has appointed one independent Director as per the Security and Exchange Commission's requirement. The short introduction of the Directors has been described in page –..... The Board ensures that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders.

Board meetings and procedures

The number of meetings held during the financial year ended 31 December 2007 was 10. 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.

Internal Control Framework

The Management recognizes its responsibilities to present a balanced and understandable assessment of the company's position and prospect. The management has accountability for reviewing and approving the effectiveness of internal controls operated by the company, including financial, operational and compliance controls and risk management.

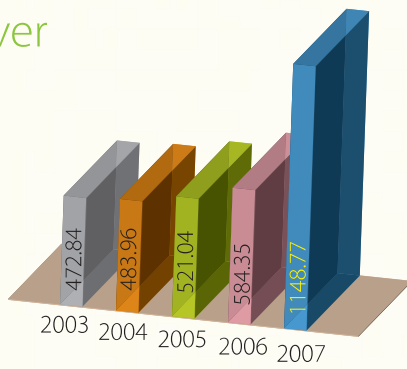
The company has adequate system of internal control in place. The well defined organization structure, predefined authority levels, documented policy guidelines and an extensive system of internal controls ensure optimal utilization and protection of resources, reporting of financial transactions and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



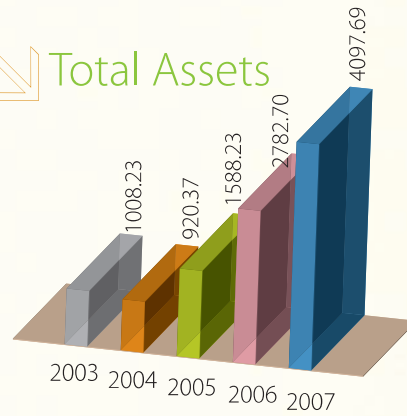
Financial Highlights

	2007	2006	2005	2004	2003
Operating data (Taka in million)					
Turnover	1148.77	584.35	521.04	483.96	472.84
Operating Expenses	562.15	274.19	237.15	234.40	240.87
Gross Profit	586.62	310.16	283.89	249.56	231.97
General & Admin Expenses	134.80	102.83	73.76	57.29	53.30
Interest & Financial Charges	189.39	46.76	48.05	51.24	70.80
Net Profit	268.10	175.10	174.21	137.61	115.40
Balance Sheet data (Taka in million)					
Paid up Capital	858.00	715.00	650.00	350.00	350.00
Shareholders Equity	1412.13	1154.49	1044.38	508.63	455.11
Total Debt	2268.12	1494.80	512.29	387.94	508.14
Current Assets	478.59	253.79	385.63	107.12	104.83
Current Liabilities	886.29	644.39	205.48	140.51	162.37
Total Assets	4097.69	2782.70	1588.23	920.37	1008.23
Total Liabilities	2685.56	1628.21	543.85	411.74	553.12
Financial ratios					
Gross profit ratio (%)	51.07	53.08	54.49	51.57	49.06
Net profit ratio (%)	23.34	29.96	33.43	28.43	24.41
Return on total assets (%)	6.54	6.29	10.97	14.95	11.45
Debt Equity ratio	62: 38	56: 44	33: 67	43:57	53:47
Other data					
Earning Per share (Taka)	31.25	25.66	37.33	39.32	39.97
Dividend (%)	20.00	20.00	20.00	10.00	47.65
Total No of shares outstanding	85,80,000	71,50,000	65,00,000	35,00,000	35,00,000
Weighted average no of shares outstanding	79,84,167	68,25,000	46,66,667	35,00,000	24,67,500
Total no of sponsors shares under lock in	45,00,000	45,00,000	45,00,000	-	-
Total no of free float shares	40,80,000	26,50,000	20,00,000	-	-

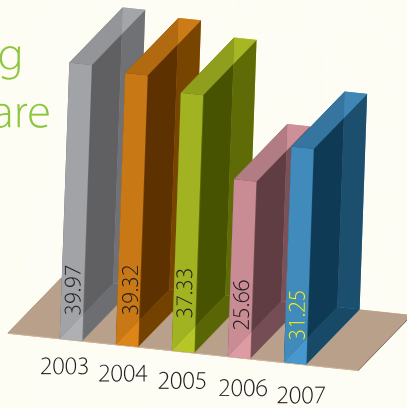
Turnover



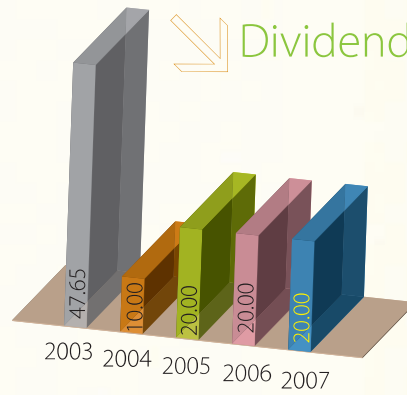
Total Assets



Earning Per share



Dividend



Directors' report to the Shareholders For the year ended December 31, 2007

Dear Shareholders,

Assalamualykum,

The Board of Directors of Summit Power Limited (SPL) welcomes you all to the 11th Annual General Meeting of the company. We are pleased to submit before you the operational activities and audited financial statements of the company for the year which ended on December 31, 2007.

The Directors' Report is prepared in compliance with section 184 of the Companies Act 1994 and Securities & Exchange Commission's notification no-SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February 2006

Business Activities

The principal activity of the Company is to generate electricity and transmission of the output to its customer, which during the year was Rural Electrification Board (REB) alone. In the year 2007, the Company exported about 488 million units (KWH) of electricity from its three power plants and earned a total revenue of Tk. 1,148.77 million representing 96.6% growth over 2006.

Financial Results

During the year 2007, the company's net profit amounted to Tk. 265.15 million as compared to Tk. 160.19 million in the year 2006. As you know during the year, 2008 we are expanding our capacity by 110 MW through establishment of four new plants by the two subsidiaries of SPL, substantial investment will be required. Therefore adequate fund is available for uninterrupted progress of the projects. Keeping these in view, the Directors would like to report the company's financial results for the year ended 31st December 2007 with the recommendations for appropriation as follows:

Appropriation of Profit

	Figure in million taka
Net Profit for the year 2007	Tk. 265.15
Profit brought Forward	Tk. 201.57
Profit available for appropriation	Tk. 466.73
Appropriations:	
Proposed Stock Dividend	Tk. 308.88
Transferred to Retained Earning	Tk. 157.85

Dividend

Your Board recommends a final dividend of 20% for the year 2007 in Bonus Share i.e. 1 (one) share of Tk. 100 each for 5 (five) shares held on the record date, subject to approval by the shareholders at the 11th Annual General Meeting.

প্রিয় শেয়ার হোল্ডারবন্দ,

আসসালামু আলাইকুম,

সামিট পাওয়ার লিমিটেড এর একাদশ বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সবাইকে স্বাগত জানাচ্ছি। আমরা অত্যন্ত আনন্দের সাথে আপনাদের সামনে ৩১ ডিসেম্বর ২০০৭ ইং সমাপ্ত বছরের কোম্পানী পরিচালনা কার্যক্রম, নিরীক্ষিত আর্থিক বিবরণী ও নিরীক্ষকের প্রতিবেদন উপস্থাপন করছি।

পরিচালনা পর্ষদের প্রতিবেদন প্রনয়নের ক্ষেত্রে ১৯৯৪ সালের কোম্পানী আইনের ১৮৪ ধারা এবং সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং - এস ই সি / সি এম আর সি ডি / ২০০৬-১৫৮ / এডমিন / ০২-০৮, তারিখ ফেব্রুয়ারী ২০, ২০০৬ ইং অনুসরণ করা হয়েছে।

ব্যবসায়িক কার্যক্রম

কোম্পানীর প্রধান কার্যক্রম হচ্ছে বিদ্যুৎ উৎপাদন এবং এ শক্তি স্থানান্তরের মাধ্যমে তা কোম্পানীর একমাত্র ক্রেতা পল্লী বিদ্যুতায়ন বোর্ড (আর ই বি) এর কাছে পৌঁছে দেয়া। কোম্পানী ২০০৭ সালে ৩টি বিদ্যুৎ কেন্দ্রের মাধ্যমে মোট ৪৮৮ মিলিয়ন কিলোওয়াট আওয়ার বিদ্যুৎ বিতরণ করেছে। উপরোক্ত বিক্রয় থেকে ২০০৭ সালে কোম্পানীর মোট রাজস্ব আয় ছিল ১,১৪৮.৭৭ মিলিয়ন টাকা, রাজস্ব বৃদ্ধির হার ২০০৬ সালের তুলনায় ৯৬.৬০ শতাংশ।

আর্থিক ফলাফল

২০০৭ সালে কোম্পানীর নীট মুনাফা ছিল ২৬৫.১৫ মিলিয়ন টাকা যার বিপরীতে ২০০৬ সালে ছিল ১৬০.১৯ মিলিয়ন টাকা। আপনারা নিশ্চয় অবগত আছেন যে, আপনাদের কোম্পানী সামিট পাওয়ার লিমিটেড তার দুটি সহায়ক অঙ্গ প্রতিষ্ঠানের মাধ্যমে ইতিমধ্যেই বর্তমান উৎপাদন ক্ষমতাকে ৪টি নতুন প্লান্টের মাধ্যমে মোট ১১০ মেগাওয়াট এ উন্নীতকরণের পদক্ষেপ গ্রহণ করেছেন। প্রকল্পের কাজের ধারাবাহিক ও অব্যাহত অগ্রগতির জন্য পর্যাপ্ত পরিমানে অর্থের চাহিদা বিদ্যমান রয়েছে। সে প্রেক্ষিতে পরিচালক মন্ডলী কোম্পানীর আর্থিক ফলাফল পেশসহ ৩১ শে ডিসেম্বর ২০০৭ইং সমাপ্ত বছরের জন্য নিম্নলিখিত আবন্টন সুপারিশ করেছে :

লাভ আবন্টন

	মিলিয়ন টাকা
২০০৭ সালে সমাপ্ত সালের নীট লাভ	২৬৫.১৫
পূর্ববর্তী বছরের আনীত লাভ	২০১.৫৭
বন্টন যোগ্য লাভ	৪৬৬.৭৩
বন্টন সমূহ :	
প্রস্তাবিত সঞ্চিত লভ্যাংশ	৩০৮.৮৮
লাভ লোকসান আবন্টন হিসাবে স্থানান্তর	১৫৭.৮৫
মোট	৪৬৬.৭৩

লভ্যাংশ

পরিচালনা পর্ষদ ৩১ শে ডিসেম্বর ২০০৭ ইং সমাপ্ত বছরের জন্য প্রতিটি ১০০ টাকা মূল্যের সাধারণ শেয়ারের উপর ২০% চূড়ান্ত লভ্যাংশ (প্রতি ৫টি শেয়ারের বিপরীতে ১ টি শেয়ার) সুপারিশ করেছেন, যা একাদশ বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারগণের অনুমোদনের জন্য পেশ করা হবে।



Directors

Directors meeting & attendance

During the year ended December 31, 2007, the Board of Directors held 10 meetings. Directors who attended the Board meetings are given below:

Name of Directors	Attended	
Mr. Muhammed Aziz Khan	04	
Mrs. Anjuman Aziz Khan	03	
Mr. Md. Farid Khan	06	
Mr. Md. Latif Khan	08	
Ms. Ayesha Aziz Khan	02	
Ms. Sanadina Khan	00	
Mr. Helal Uddin Ahmed	07	
Advocate Salahuddin Ahmad	02	Resigned on 18th September, 2007
Mr. Tapan Krishna Podder FCA, FCMA	08	
Syed Fazlul Haque FCA	09	Resigned on 03rd January, 2008 & re-appointed on 10th July 2008.
Mr. Tauhidul Islam	04	

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

Directors' Election & re-appointment

As per Article 23(b) of the Articles of Association Mr. Muhammed Aziz Khan and Mr. Md. Farid Khan shall retire in the 11th Annual General Meeting by rotation and being eligible, offer them for re-election. In view of resignation of Mr. Syed Fazlul Haque FCA as independent Director, your Board in its meeting held on 17th March, 2008 appointed Mr. Abbas Uddin Ahmed as Independent Director of the Board. Mr. Abbas Uddin Ahmed brings with him years of experience in the Banking Sector. He is a seasoned Chief Executive with a track record of 9 (nine) years of proven success as Managing Director of two private sector banking companies of the country. The Board also in terms of Articles of Association 20 (c), inducted Mr. Syed Fazlul Haque FCA as a Director in its meeting held on 10th July, 2008 to fill in the vacancy caused due to resignation of Advocate Salahuddin Ahmad. Both Mr. Abbas Uddin Ahmed and Mr. Syed Fazlul Haque FCA shall retire in the 11th Annual General Meeting and they being eligible, offers themselves for re-election.

পরিচালক মন্ডলীর সভা এবং উপস্থিতি

২০০৭ সালের ৩১ শে ডিসেম্বর সমাপ্ত বছরের পরিচালনা পর্ষদের মোট ১০টি সভা অনুষ্ঠিত হয়। নিম্নে পরিচালকগণের নাম সহ উপস্থিতির তালিকা দেওয়া হলোঃ

পরিচালকগণের নাম	উপস্থিতির সংখ্যা	
জনাব মুহাম্মদ আজিজ খান	০৪	
মিসেস আনজুমান আজিজ খান	০৩	
জনাব মোঃ ফরিদ খান	০৬	
জনাব মোঃ লতিফ খান	০৮	
আয়েশা আজিজ খান	০২	
সানাদিনা খান	০০	
জনাব হেলাল উদ্দিন আহমেদ	০৭	
এডভোকেট সালাহ উদ্দিন আহমেদ	০২	(ইস্তফা ১৮ সেপ্টেম্বর ২০০৭)
জনাব তপন কৃষ্ণ পোদ্দার	০৮	
সৈয়দ ফজলুল হক	০৯	(ইস্তফা ০৩ জানুয়ারী ২০০৮ এবং পুনর্নিয়োগ ১০ জুলাই ২০০৮)
জনাব তৌহিদুল ইসলাম	০৪	

যে সকল পরিচালকবৃন্দ সভায় উপস্থিত থাকতে পারেননি তাদেরকে ছুটি মঞ্জুর করা হয়েছে।

পরিচালকবৃন্দের নির্বাচন এবং পুনর্নিয়োগ

কোম্পানীর আর্টিকেল অব এসোসিয়েশন এর ২৩ (খ) বিধান মোতাবেক জনাব মুহাম্মদ আজিজ খান এবং জনাব মোঃ ফরিদ খান একাদশ বার্ষিক সাধারণ সভায় পর্যায়ক্রমে অবসর গ্রহন এবং বিধি মোতাবেক যোগ্য বিধায় নিজেদের পুনর্নিয়োগের প্রস্তাব করেছেন। স্বতন্ত্র পরিচালক সৈয়দ ফজলুল হক এফসিএ ইস্তফা দেওয়ায় তাঁর পরিবর্তে আপনাদের পরিচালনা পর্ষদ ১৭ মার্চ ২০০৮ ইং তারিখে অনুষ্ঠিত সভায় জনাব আব্বাস উদ্দিন আহমেদকে স্বতন্ত্র পরিচালক হিসাবে নিয়োগ দান করেন। জনাব আব্বাস উদ্দিন ব্যাংকিং খাতের একজন অভিজ্ঞ ব্যক্তিত্ব। তিনি বাংলাদেশের দুটি ব্যাংকে ব্যবস্থাপনা পরিচালক হিসাবে ৯ বছর সাফল্যের সাথে কাজ করেছেন। পরিচালনা পর্ষদ কোম্পানীর আর্টিকেল অব এসোসিয়েশন এর ২০ (সি) বিধান অনুযায়ী জনাব সৈয়দ ফজলুল হক এফসিএ কে ১০ জুলাই, ২০০৮ ইং তারিখে এ অনুষ্ঠিত সভায় পরিচালক পদে নিয়োগ দান করেন যা এডভোকেট সালাহ উদ্দিন আহমেদের ইস্তফার কারণে খালি হয়েছিল। জনাব আব্বাস উদ্দিন এবং সৈয়দ ফজলুল হক দুজনেই একাদশ বার্ষিক সাধারণ সভায় অবসর গ্রহন এবং বিধি মোতাবেক যোগ্য বিধায় পুনর্নিয়োগ প্রস্তাব করেছেন।



Directors' report to the Shareholders

Appointment of Managing Director

On relinquish of the position as Managing Director by Company's Chairman Mr. Muhammed Aziz Khan, the Board appointed Mr. Tauhidul Islam, as the Company's Managing Director from 01st August, 2007. Mr. Islam, a Mechanical Engineer with years of experience in the power sector, as a successful Chief Executive having a track record of serving two years as Chairman of DESA, DESCO and REB. As per section 109 of the Company's Act 1994, the Directors recommend for ratification of the appointment of Mr. Islam by the shareholders in the ensuing AGM for a term of five years from the date of his joining the Company as Managing Director.

Auditors

The present auditors, Messrs Rahman Rahman Huq, Chartered Accountants retire and being eligible, offered themselves for re-appointment for the year 2008. However, since they have completed a tenure of consecutive three years of service as auditor, the Securities and Exchange Commission's clearance is necessary for further term. Your Board recommended the re-appointment of M/s Rahman Rahman Huq as auditor of the Company for the year 2008 subject to the clearance from the Securities and Exchange Commission and Board's recommendation will be placed at the forthcoming Annual General Meeting for approval.

Business Expansion

Established in 1997, your company is the first independent power company in the private sector. The company commenced its commercial operation in 2001 with a total capacity of 33 MW power generations from its three power plants located at Savar, Narsingdi and Comilla. Proven track record of Company's good performance earned the confidence and trust of REB and PPA was signed with your Company for supply of additional 71 MW power into the REB grid. With implementation of the expansion, the Company's capacity has increased to 104.55 MW from its three plants as under:

Comilla Plant	- 24.50 MW
Narshingdi Plant	- 35.30 MW
Savar Plant	- 44.75 MW

Further the Company is implementing four more power plants totaling a capacity of 110 MW through its two 99% shareholding subsidiary companies, Summit Uttaranchol Power Company Limited and Summit Purbanchol Power Company Limited. Both the Companies signed the Power Purchase Agreements, Implementation Agreements, Gas Supply Agreements and Land Lease agreements with the related authorities on 11th October, 2007. With the implementation of the new projects generation capacity will be raised to 214.55 MW. The Company is pursuing to expand by around 200 MW in 2009 to 2010.

Business Risk & uncertainties

Natural gas is used as input for operation of the power generating sets of the company. REB is contractually bound to supply required gas to the company





ব্যবস্থাপনা পরিচালকের নিয়োগ

কোম্পানীর চেয়ারম্যান মুহাম্মদ আজিজ খান কর্তৃক ব্যবস্থাপনা পরিচালক পদ হতে অব্যাহতি/ইস্তফা দেওয়ার কারণে বোর্ড কোম্পানীর নতুন ব্যবস্থাপনা পরিচালক পদে জনাব তৌহিদুল ইসলামকে ১ আগস্ট ২০০৭ ইং তারিখে নিয়োগ প্রদান করেন। তিনি বিদ্যুৎ খাতে অভিজ্ঞ ও একজন সফল প্রকৌশলী, একজন সফল প্রধান নিবাহী, তিনি ডেসা, ডেসকো ও পল্লী বিদ্যুতায়ন বোর্ড চেয়ারম্যান পদে দু বৎসর কৃতিত্বের সাথে কার্যনির্বাহ করেন। ১৯৯৪ সালের কোম্পানী আইনের ১০৯, ধারা অনুযায়ী পরিচালকবৃন্দ আসন্ন এজিএম এ সম্মানিত শেয়ারহোল্ডার কর্তৃক ব্যবস্থাপনা পরিচালক পদে জনাব তৌহিদুল ইসলামকে তার নিয়োগের তারিখ হতে পাঁচ বছর পর্যন্ত উক্ত পদে বহাল থাকার জন্য অনুমোদনের সুপারিশ করছেন।

নিরীক্ষক

বর্তমান নিরীক্ষক মেসার্স রহমান রহমান হক, চার্টার্ড একাউন্টেন্ট অবসর গ্রহণ করে বিধি মোতাবেক যোগ্য বিধায় ২০০৮ সালের জন্য পুনর্নিয়োগ প্রাপ্তির আবেদন করেছেন। নিরীক্ষক হিসাবে সফলতার সাথে তিন বছর কার্যক্রম অতিবাহিত করার পর সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশন কর্তৃক তাদের পরবর্তী কাজের জন্য অনুমতিপত্র/ছাড়পত্র প্রয়োজন। আপনাদের কোম্পানী বোর্ড ও পরিচালনা পর্ষদের সুপারিশক্রমে পুনর্নিয়োগের জন্য তাদের আবেদন আসন্ন একাদশ বার্ষিক সাধারণ সভায় পেশ করা হবে।

ব্যবসায়িক প্রসার

১৯৯৭ সালে প্রতিষ্ঠিত আপনাদের এই সামিট পাওয়ার কোম্পানী বেসরকারী খাতে সর্বপ্রথম স্বাধীন বিদ্যুৎ উৎপাদনকারী প্রতিষ্ঠান। কোম্পানী সাভার, নরসিংদী ও কুমিল্লার স্থাপিত বিদ্যুৎ কেন্দ্র হতে মোট ৩৩ মেগাওয়াট ক্ষমতা সম্পন্ন বিদ্যুৎ কেন্দ্র থেকে ২০০১ সাল থেকে নিরবচ্ছিন্ন বিদ্যুৎ উৎপাদন করে আসছে। কোম্পানী তার ক্রমাগত সাফল্য এবং স্বতস্কৃত অংশগ্রহণের জন্য আর ই বি এর পূর্ণ বিশ্বাস ও আস্থা অর্জন করতে সক্ষম হয়েছে। যার পরিপেক্ষিতে আরইবির সাথে বর্ধিত ৭১ মেগাওয়াট বিদ্যুৎ ক্রয়ের চুক্তি স্বাক্ষর করে। বর্তমানে কোম্পানীর বিদ্যুৎ উৎপাদন ক্ষমতা ১০৪.৫৫ মেগাওয়াটে উন্নীত হয়েছে যার বিবরণ নিম্নে উপস্থাপিত হল :

☞ কুমিল্লা প্লান্ট	২৪.৫০ মেগাওয়াট
☞ নরসিংদী প্লান্ট	৩৫.৩০ মেগাওয়াট
☞ সাভার প্লান্ট	৪৪.৭৫ মেগাওয়াট

এছাড়াও কোম্পানী বর্তমানে আরও নতুন চারটি বিদ্যুৎ কেন্দ্র হতে মোট ১১০ মেগাওয়াট বিদ্যুৎ উৎপাদনের লক্ষে কাজ শুরু করেছে, যা উক্ত কোম্পানীর সহায়ক দুটি কোম্পানী সামিট উত্তরাঞ্চল ও সামিট পূর্বাঞ্চল পাওয়ার কোম্পানী লিমিটেড দ্বারা পরিচালিত হচ্ছে, যে দুটি কোম্পানীর ৯৯ শতাংশ শেয়ার এর মালিক সামিট পাওয়ার। উক্ত কোম্পানী দুটি বিদ্যুৎ ক্রয়, বাস্তবায়ন, গ্যাস সরবরাহ চুক্তি এবং জমি ইজারার জন্য যথাযথ কর্তৃপক্ষের সাথে ১১ অক্টোবর ২০০৭ ইং তারিখে চুক্তি সম্পাদন করেছে। এ নতুন প্রকল্পগুলো বাস্তবায়ন হলে কোম্পানী মোট বিদ্যুৎ উৎপাদন ক্ষমতা বর্তমান থেকে বৃদ্ধি পেয়ে ২১৪.৫৫ মেগাওয়াটে পৌছাবে। আশার কথা যে, কোম্পানী ২০০৯ থেকে ২০১০ সালের মধ্যে এ বর্ধিত ক্ষমতাকে ১১০ মেগাওয়াট থেকে ২০০ মেগাওয়াটে উন্নীত করতে আশ্রয় চেষ্টা করে যাচ্ছে।

ব্যবসায়িক ঝুঁকি ও অনিশ্চয়তা

বিদ্যুৎ উৎপাদনের ক্ষেত্রে প্রাকৃতিক গ্যাস প্রধান কাঁচামাল হিসাবে ব্যবহার হচ্ছে। পল্লী বিদ্যুতায়ন বোর্ড কোম্পানীকে বিদ্যুৎ উৎপাদনের নিমিত্তে চুক্তি মোতাবেক

Directors' report to the Shareholders

from Titas Gas Transmission & Distribution Co. Ltd. and Bakhrabad Gas systems Ltd. The risk of non-availability of spare parts in operation & maintenance is mitigated through a Spare Parts Support Agreements (SPSA) with original equipment manufacturers, M/S Wartsila, Finland OY and with Caterpillar. REB is agreement bound to pay tariff within a specific period on billing.

Going concern

While approving the financial statements, Directors have made appropriate enquires and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operations for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future. Therefore the company adopted the going concern basis in preparing these financial statements

Corporate Governance

Corporate Governance is the system through which companies are directed, guided and controlled by the Board, keeping in view its accountability to the shareholders. Your company strives to maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest standards.

Since corporate governance is not a static process, we always continue to improve our practices; including formation of an Audit Committee, Executive Committee, Technical Committee, Purchase Committee, Operation & Maintenance Committee, which may be seen in Annexure-3. A separate chapter on corporate governance has been reported before.

Corporate Social Responsibility

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

- Summit's contribution through its welfare wing, Siraj-Khaleda Trust, in the construction of a 200 Bed Hospital in Dhaka Cantonment to facilitate availability of modern medical treatment at low cost to the underprivileged people of the adjoining area is a landmark example of our commitment. We still remain committed to this cause of humanity and given the opportunity we shall extend our all out support.
- We have been continuing our financial support to the meritorious students of the underprivileged community.
- We have contributed to Prothom Alo Sahayak Tahabil to support acid burn victims and remain committed to the sponsors for our continued support.
- Sponsoring Summit Cup Golf Tournament (Pro-Am) every year to promote goodwill and quality of sports.

On the Environmental issue, the Company gives high priority in protecting the environment and our humble efforts in this regard include extensive number





তিতাস গ্যাস ট্রান্সমিশন ও ডিষ্ট্রিবিউশন কোঃ লিঃ ও বাখরাবাদ গ্যাস সিস্টেমস লিঃ হতে প্রয়োজনীয় গ্যাস সরবরাহের নিশ্চয়তা প্রদান করেছে। বিদ্যুৎ কেন্দ্রের মেরামত ও রক্ষনাবেক্ষন কার্যে ব্যবহৃত খুচরা যন্ত্রাংশের সহজলভ্যতা নিশ্চিত এবং ব্যবসায়িক ঝুঁকি কমানোর লক্ষ্যে কোম্পানী মূল ইকুইপমেন্ট প্রস্তুতকারী প্রতিষ্ঠান ওয়ার্টসিলা ফিনল্যান্ড ও ওয়াই এবং ক্যাটার পিলার এর সাথে খুচরা যন্ত্রাংশ সরবরাহ চুক্তি সম্পাদন করেছে। আরইবি চুক্তি মোতাবেক বিদ্যুৎ বিলের অর্থ নির্ধারিত সময়ের মধ্যে পরিশোধ করায় ব্যবসায়িক ঝুঁকি অনেকাংশে কম থাকে।

চলমান ব্যবসা

কোম্পানীর পরিচালনা পর্ষদ হিসাব বিবরণী অনুমোদনের সময় কোম্পানী চলমান ব্যবসায় হিসাবে টিকে থাকতে সক্ষম কিনা তা পরিচালন, আর্থিক এবং অন্যান্য সূচক সমূহ অনুসন্ধান ও বিশ্লেষণের মাধ্যমে নিশ্চিত হয়েছেন। পরিচালনা পর্ষদ এই মর্মে আশাবাদ ব্যক্ত করেন যে, কোম্পানীর পর্যাপ্ত সম্পদের উপর ভিত্তি করে ভবিষ্যতে এর কার্যক্রম সফলতার সাথে চালিয়ে যেতে সক্ষম। এই কারণে চলমান ব্যবসায় ধারনার উপর ভিত্তি করে হিসাব বিবরণী প্রণয়নের সিদ্ধান্ত গ্রহণ করেন।

কর্পোরেট সুশাসন

কর্পোরেট সুশাসন এমন একটি পদ্ধতি যার মাধ্যমে কোন প্রতিষ্ঠান পরিচালনা পর্ষদ কর্তৃক নির্দেশিত, পরিচালিত ও নিয়ন্ত্রিত হয়। আপনাদের কোম্পানী প্রচলিত আইন, রুলস ও রেগুলেশন অনুসরণের মাধ্যমে ব্যবসায়িক সর্বোচ্চ সুনাম রক্ষায় সদা সচেত্ন। যদিও কর্পোরেট সুশাসন একটি চলমান প্রক্রিয়া, তথাপি আমরা আমাদের প্রতিষ্ঠানে কর্পোরেট সুশাসন প্রতিষ্ঠা অব্যাহত রেখেছি। আমরা ইতি মধ্যে অডিট কমিটি, নির্বাহী কমিটি, কারিগরী কমিটি, ক্রয় কমিটি, অপারেশন ও মেইনটেন্যান্স কমিটি গঠন করেছি যা “Annexure-3” এ দেখা যেতে পারে। এ ছাড়াও কর্পোরেট সুশাসনের উপর আলাদাভাবে প্রতিবেদন উপস্থাপন করা হয়েছে।

কর্পোরেট সামাজিক দায়িত্ব

সমাজের কর্পোরেট নাগরিক হিসাবে আপনাদের কোম্পানীর উদ্দোক্তাগণ সমাজ ও পরিবেশের প্রতি তাদের অঙ্গীকার হতেই বিভিন্ন সামাজিক দায়িত্ব পালন করে আসছে। গত কয়েক বছর আপনাদের কোম্পানী কর্তৃক অংশগ্রহনকৃত কয়েকটি উল্লেখযোগ্য সামাজিক কর্মকাণ্ডের বিবরণ নিম্নে উপস্থাপন করা হলো :

- ☞ সামিটের একটি কল্যাণমুখী প্রতিষ্ঠান হলো সিরাজ-খালেদা ট্রাস্ট। এই ট্রাস্ট ঢাকা ক্যান্টনমেন্ট এলাকায় ২০০ শয্যা বিশিষ্ট একটি হাসপাতাল নির্মাণ করেছে, যার মাধ্যমে এলাকার সুবিধা বঞ্চিত লোকজন অল্প খরচে উন্নত চিকিৎসার সুবিধা পাচ্ছে। যা সমাজ ও জনগণের প্রতি আমাদের অঙ্গীকারের একটি উজ্জ্বল নিদর্শন। সামিট এ ধরনের আরো কর্মকাণ্ডে হাত প্রসারিত করতে সর্বদা প্রস্তুত।
- ☞ আপনাদের কোম্পানী সমাজের সুবিধা বঞ্চিত মেধাবী শিক্ষার্থীদেরও আর্থিক সহায়তা দিয়ে আসছে।
- ☞ আপনাদের কোম্পানী “প্রথম আলো সহায়ক তহবিল” কে সর্বদা সাহায্য ও সহযোগিতা করে আসছে। এ সংস্থাটির মাধ্যমে এসিড দন্ধদের সাহায্যের জন্য ও মাদক বিরোধী আন্দোলনে সামিট জনগণের সহায়তা বৃদ্ধিতে ক্রমাগত কাজ করে যাচ্ছে।
- ☞ খেলাধুলার মান উন্নয়নে সামিট প্রতি বৎসর “সামিট কাপ গলফ টুর্নামেন্ট (প্রো-এম)” এর আয়োজন করে আসছে।
- ☞ পরিবেশ সংরক্ষনে সামিট সর্বোচ্চ গুরুত্ব দিয়ে থাকে। এ প্রচেষ্টায়

Directors' report to the Shareholders

of sapling plantation in the Company's power plants and other places. We remain committed to this cause and shall continue our drive whenever opportunity arises.

Human Resources Management

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

Status of Compliance

In accordance with the requirement stipulated in condition no-5.00 of the Securities & Exchange Commission's notification no-SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 the Corporate Governance Compliance Report is shown in Annexure -1.

Acknowledgement

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 have helped achieve SPL the success that it is today. The Board also recognizes and appreciates the critical support provided by the families of the employees which enables them to focus on their work in SPL.

The trust and confidence that our valued customers, REB and its members in Palli Bidyut Samities bestow in SPL is our main driving force. We accept this trust in all humility and shall continue to strive to live up to the expectations. Board expresses its heartfelt thanks and gratitude to Power Cell of the Power Division, MPEMR, Government of Bangladesh as well as Bangladesh Power Development Board (BPDB), Rural Electrification Board (REB), Titas Gas Transmission and Distribution Company Ltd., Bakhrabad Gas Systems Ltd. and Pashchimanchal Gas Company Ltd. for the support being extended in carrying out implementation of the new power plants at Ullapara, Maona, Rupganj and Jangalia.

The Board would also like to thank all the stakeholders including 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, Individual and agencies who have helped us achieve what we are today.

We look forward to seeing you at our 11th Annual General Meeting.

On behalf of the Board of Directors,



Tauhidul Islam
Managing Director
Dhaka : 10 July, 2008





কর্পোরেট দর্শনের অংশ হিসাবে প্রতিটি বিদ্যুৎ কেন্দ্রে পর্যাপ্ত পরিমাণ বৃক্ষ রোপন করা হয়েছে। এছাড়াও বিভিন্ন এলাকায় কর্পোরেট ও সামাজিক দায়িত্ববোধ থেকেই অধিক পরিমাণে বৃক্ষ রোপনে সামিট বদ্ধ পরিকর।

মানব সম্পদ ব্যবস্থাপনা

আপনাদের কোম্পানী মনে করে প্রতিষ্ঠানের উন্নতিকল্পে “ জনবল ” গুরুত্বপূর্ণ ভূমিকা পালন করে। তাই দক্ষ জনবল গঠনে আপনাদের কোম্পানী কর্মকর্তা-কর্মচারীদের নিয়মিত প্রশিক্ষণ ও ওয়ার্কশপের আয়োজন করে থাকে। যার মাধ্যমে কর্মকর্তা-কর্মচারীগণ স্ব স্ব ক্ষেত্রে পেশাগত দক্ষতা ও অভিজ্ঞতা অর্জন করার সুযোগ পায়।

নিয়ম প্রতিপালন

সিকিউরিটিজ এন্ড এক্সচেন্জ কমিশনের নোটিফিকেশন নং - এস ই সি / সি এম আর আর সি ডি / ২০০৬-১৫৮/ এডমিন / ০২-০৮, তারিখ ফেব্রুয়ারী ২০, ২০০৬ ইং এর শর্ত ৫.০০ এর ভিত্তিতে গৃহীত পদক্ষেপ এর একটি বিবরণ “Annexure-1” এ সন্নিবেশিত করা হয়েছে।

কৃতজ্ঞতা স্বীকার :

আপনাদের পরিচালনা পর্ষদ কোম্পানীর সকল স্তরের কর্মকর্তা-কর্মচারীদের আন্তরিক ধন্যবাদ জানাচ্ছে। তাঁদের ব্যক্তিগত এবং সম্মিলিত দায়িত্ববোধ ও কর্ম উদ্দীপনায় আপনাদের কোম্পানী আজকের সাফল্য অর্জনে সক্ষম হয়েছে। পর্ষদ কর্মকর্তা-কর্মচারীদের পরিবারের সদস্যদের ও আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছে, যারা সর্বদা কোম্পানীর প্রতিটি মহৎ পদক্ষেপে অন্তরাল থেকে অনুপ্রেরণার উৎস হয়ে থেকেছে।

কোম্পানীর সম্মানিত গ্রাহক পল্লী বিদ্যুতায়ন বোর্ড এবং ইহার সদস্য পল্লী বিদ্যুৎ সমিতির আস্থা ও বিশ্বাস কোম্পানীর প্রধান চালিকাশক্তি। আমরা বিনয়ের সাথে তাদের আস্থা ও বিশ্বাসকে মূল্যায়ন করছি এবং আশা করি তাদের আস্থা ও বিশ্বাস উত্তরোত্তর আরো বৃদ্ধি পাবে। পরিচালনা পর্ষদ উল্লাপাড়া, মাওনা, রূপগঞ্জ ও জাঙ্গালিয়ায় নতুন বিদ্যুৎ কেন্দ্র স্থাপনে সহযোগিতার জন্য পাওয়ার সেল, বিদ্যুৎ, জ্বালানী ও খনিজ সম্পদ মন্ত্রণালয়, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার তথা বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড, পল্লী বিদ্যুতায়ন বোর্ড, তিতাস গ্যাস ট্রান্সমিশন ও ডিস্ট্রিবিশন কোঃ লিঃ, বাখরাবাদ গ্যাস সিস্টেমস লিঃ এবং পশ্চিমাঞ্চল গ্যাস কোঃ লিঃ কে আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছে।

একই সাথে পরিচালনা পর্ষদ ধন্যবাদ জানাচ্ছে কোম্পানীর সকল বিনিয়োগকারী, সরবরাহকারী, আর্থিক প্রতিষ্ঠান, ইস্যুরেস কোম্পানী, সেবা প্রদানকারী, সিকিউরিটিজ এন্ড এক্সচেন্জ কমিশন, রেজিষ্টার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস, ঢাকা স্টক এক্সচেন্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেন্জ লিমিটেড, সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিমিটেড, বিভিন্ন সরকারী সংস্থা, ব্যক্তি এবং প্রতিনিধি সমূহকে যারা আমাদেরকে আজকের অবস্থানে আসতে সহায়তা করেছে।

একাদশ বার্ষিক সাধারণ সভায় আপনাদের উপস্থিতি একান্তভাবে কামনা করছি।

পরিচালনা পর্ষদের পক্ষে



তৌহিদুল ইসলাম
ব্যবস্থাপনা পরিচালক
ঢাকা। ১০ জুলাই, ২০০৮

Compliance Report

on SEC's Notification

ANNEXURE -1

Status of Compliance with the conditions imposed by the Commissions Notification No- SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 issued under section 2CC of the Security & Exchange Ordinance 1969.

(Report under condition no-5.00)

Condition	Title	Compliance status		Explanation for non-compliance with the condition
		Complied	Not complied	
1.1	Board's size	√		
1.2(i)	Independent Directors	√		
1.2(ii)	Appointment of Independent Non-shareholder Director	√		
1.3	Chairman and Chief Executive	√		
1.4	Directors' report to include declarations on:			
	a. Fairness of state of the affairs	√		
	b. Keeping proper books of accounts	√		
	c. Consistent application of Accounting Policies in preparation of financial statements	√		
	d. Observance of Bangladesh Accounting Standard(BAS)	√		
	e. Soundness and efficiency of Internal Control	√		
	f. Ability of Summit Power to continue as a going concern	√		
	g. Significant deviations from last year in operating results	√		
	h. Presentation of key operating and financial data for last three years	√		
	i. Declaration of dividend	√		
	j. Number of Board meeting held during the year and attendance by each Director	√		
	k. Shareholding pattern	√		
2.1	Appointment of CFO, Head of Internal Audit & Company Secretary	√		Appointment of Head of Internal Audit is in process.
2.2	Attendance of CFO and Company Secretary in the Board meeting	√		

Condition	Title	Compliance status		Explanation for non-compliance with the condition
		Complied	Not complied	
3	Audit Committee	√		
3.1	i. Composition of Audit Committee	√		
	ii. Audit Committee Members Appointment	√		
	iii. Filling of casual vacancy in Audit Committee	√		
3.2	i. Chairman of Audit Committee	√		
	ii. Audit Committee Chairman's Qualification	√		
3.3.1	i. Reporting to the Board of Directors	√		
	ii. Report on:			
	a. Conflicts of interests			No such incidence arose
	b. Suspected material defect in the internal control system			No such incidence arose
	c. Suspected infringement of laws			No such incidence arose
	d. Any other matter			No such incidence arose
3.3.2	Reporting to the Authorities			No such reportable incidence arose
3.4	Reporting to the shareholders			No such incidence arose
4	Statutory Auditors not to engage in:			
	i. Appraisal or valuation services	√		
	ii. Financial information systems design and implementation	√		
	iii. Book keeping or other services related to financial statements	√		
	iv. Broker-dealer services	√		
	v. Actuarial services	√		
	vi. Internal audit services	√		
	vii. Any other services that the Audit committee determines	√		

Shareholding information

ANNEXURE -2

Categories of Shareholder	No. of Shareholder	No. of Shares held
Sponsors:		
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	01	50,27,604
Euro Hub Investments Limited	01	462,000
Mr. Mainul Abedin	01	132
Dr. Mirza Khairuzzaman	01	66
Advocate Imtiaz Mahmood	01	66
Mr. Azharul Haque	01	66
Mr. A.N.M. Tariqur Rashid	01	66
Directors, CEO, Company Secretary, CFO Head of Internal Audit and their spouses:	Nil	Nil
Executives (Top 05 person other than CEO,CFO,CS,HIA)	Nil	Nil
Shareholders holding 10% or more voting rights:		
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	01	50,27,604

ANNEXURE -3

Audit Committee

Mr. Abbas Uddin Ahmed	Chairman
Mr. Tauhidul Islam, Managing Director	Member
Ms. Ayesha Aziz Khan, Director (Finance)	Member
Mr. A.N. M Tariqur Rashid, Executive Director (P&D)	Member
Mr. Mahmud Hasan FCMA, Financial Controller	Member Secretary

Executive Committee

Mr. Tauhidul Islam, Managing Director	Chairman
Mr. Md. Latif Khan, Director	Member
Ms. Ayesha Aziz Khan, Director (Finance)	Member
Dr. Mirza Khairuzzaman, Senior Executive Director	Member
Mr. A.N. M Tariqur Rashid, Executive Director (P&D)	Member
Mr. Mahmud Hasan FCMA, Financial Controller	Member

Purchase Committee

Mr. Md. Latif Khan, Director	Chairman
Mr. Tauhidul Islam, Managing Director	Member
Mr. A.N. M Tariqur Rashid, Executive Director (P&D)	Member
Mr. Mahmud Hasan FCMA, Financial Controller	Member

Technical Committee

Mr. A.N. M Tariqur Rashid, Executive Director (O&M)	Chairman
Mr. Solaiman Patwary, General Manager (O&M)	Member
Mr. Abdus Sobhan, General Manager (P&D)	Member
Md. Nazrul Islam Khan, Manager (E&I)	Member
Mr. A.K.M Asadul Alam Siddique, Plant Manager	Member

Operation & Maintenance Committee

Mr. Faisal Karim Khan	Chairman
Mr. A.N. M Tariqur Rashid, Executive Director (O&M)	Member
Mr. Solaiman Patwary, General Manager (O&M)	Member
Md. Nazrul Islam Khan, Manager (E&I)	Member
Plant Manager	Member

Management Team





From left to right (sitting) : **Dr. Mirza Khairuzzaman**, Senior Executive Director, **Faisal Karim Khan** Director, **Ayesha Aziz Khan**, Director - Finance, **Md. Latif Khan**, Director, **Tauhidul Islam**, Managing Director

From left to right (Standing) **A.K.M. Asadul Alam Siddique**, Plant Manager, Comilla Power Plant, **Md. Fazle Elahi Khan**, Plant Manager, Jangalia Power Plant, **Md. Nazmul Hasan**, Plant Manager, Rugganj Power Plant, **Md. Solaiman Patwary**, General Manager (Operation & Maintenance), **A.N.M Tariqur Rashid**, Executive Director, **Md. Abdus Sobhan**, General Manager (Planning & Development), **Md. Sirajul Islam**, Plant Manager, Narshingdi Power Plant, **Commander M Emdadul Haque, (E), psc, BN (Retd)** Plant Manager, Savar Power Plant **Md. Nazrul Islam Khan**, Manager (Electrical & Instrumentation), **Mahmud Hasan FCMA**, Financial Controller & Company Secretary,

Introduction of the Senior Executives

Dr. Mirza Khairuzzaman

Senior Executive Director

Dr. Mirza Khairuzzaman obtained his degree in Engineering in 1964 from BUET, Dhaka and PhD. in 1973 from University of Aston in Birmingham, UK. He is a Fellow (Life) of Institution of Engineers, Bangladesh. He joined teaching in Engineering College, Rajshahi, (now RUET) in 1965 and left to join Bangladesh Steel and Engineering Corporation in 1974. He served in different management positions in BSEC including MD of Machine Tools Factory, National Tubes Limited and Head of Planning department of BSEC. He was later Member (Eng.) of Board of Directors of BSEC, Chairman of Board of Directors of General Electricity Manufacturing Company, Chittagong Dry Dock, Khulna Shipyard Ltd. and Eastern Tubes Ltd. He joined Summit Power Limited in 1999 during its inception and is the Executive Director (COO) of the company.

Dr. Khairuzzaman served at different national level Committees on Engineering, Quality Control and Safety and was Convener of the Committee on Sick Engineering Industries in Bangladesh. He is an external member of the Selection Committee of teachers of Department of Materials and Metallurgical Engineering of BUET.



Md. Solaiman Patwary

General Manager (Operation & Maintenance)

A Marine Engineer Mr. Patwary started his career as Junior Engineer in a foreign Ship. Prior to joining Summit Mr. Patwary has got 21 years professional experience as 5th Engineer, 4th Engineer, 3rd Engineer, 2nd Engineer and as Chief Engineer in foreign flag vessel since 1979. He obtained certificate of competency of Class-1(motor), Marine Engineer, U.K. Mr. Patwary did his class-2 Marine Engineering from Singapore and class 1 Marine Engineering degree from England. He attended various training, workshops and seminars at both home and abroad.



Mahmud Hasan FCMA

Financial Controller & Company Secretary

Mr. Mahmud is the Financial Controller & Company Secretary and joined Summit in June 2007. Mr. Mahmud is a qualified Cost & Management Accountant and obtained his Masters of Commerce in Accounting under National University and secured First Class. He is a fellow member of the Institute of Cost & Management Accountants of Bangladesh (ICMAB). He has 17 years of professional experience. Prior to joining Summit, Mr. Mahmud held various important positions in various organizations namely BRAC, ActionAid Bangladesh, Intertek Testing Service (Bangladesh) Limited, West Zone Power Distribution Company Ltd. etc.



A.N.M Tariqur Rashid

Executive Director

A.N.M. Tariqur Rashid obtained bachelor degree in engineering. After passing the graduation, he joined Bangladesh Power Development Board (BPDB) and worked in wide range of fields within BPDB ranging from power plant operation and maintenance to commercial section for more than eight years. He also took part in designing, evaluating and developing the first ever bidding packages to seek private participation in power sector. Sensing the opportunity in private sector, he resigned from BPDB in the middle of 1999 and has been working in Summit Group since then. During last fifteen years, the career of Mr. Rashid has transformed into a professional level, by working different areas of power sector spanning from planning to arranging and securing supply side equipment to administrating the project management to participating project financing to efficient structuring of project construction and O&M activities.



Md. Abdus Sobhan

General Manager (Planning & Development)

Mr. Sobhan is an Electrical Engineer, graduated from BUET in 1977 and secured 1st Class. He is a member 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.





A.K.M. Asadul Alam Siddique

Plant Manager, Comilla Power Plant

Mr. A.K.M Asadul Alam did his Naval Architecture & Marine Engineering from BUET, Dhaka and a member of The Institution of Engineers, Bangladesh. He did his class II and class I Marine Engineering from England in 1993 and 1996 respectively. Prior to joining Summit in 2003 Mr. Asad has accumulated 16 years of experience in different organization at home & abroad. He started his career as Naval Architect with the Ship Designer & Consultant in 1987. After that he served in MV Ocean Pride of OPSL, Singapore and MZ Ghazi of IRISL, Iran as Chief Engineer. He rendered his services as 3rd Engineer, 4th Engineer, 5th Engineer and as a Cadet in Bangladesh Shipping Corporation from 1989 to 1993.



Md. Nazrul Islam Khan

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 34 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.

Commander M Emdadul Haque, (E), psc, BN (Retd)

Plant Manager, Savar Power Plant

Commander M Emdadul Haque, (E), psc, BN (Retd) is a retired officer of Bangladesh Navy. He was graduated on Naval Architecture & Marine Engineering from BUET in 1984. He served the Navy for almost 24 years till July 2003. Mr. Emdad served as Chief Engineer of 3 Frigates and other vital posts of Navy. He is also trained as Marine Engineering Specialist from Royal Naval Engineering College UK in 1987. He has also attained degree on 'Masters on Defence Studies' (MDS) from National University. He has keen interest on subjects related to power generation and energy saving devices. He has also knacks on professional writings.



Md. Sirajul Islam

Plant Manager, Narshingdi Power Plant

Mr. Md. Sirajul Islam received his graduation degree in Engineering (Electronics) from Rajshahi University in the year 1979. He is a life fellow of Institute of Engineers, Bangladesh. Prior to joining Summit in 2008 Mr. Islam accumulated 25 years of professional experience in different place and position in Bangladesh Power Development Board (BPDB). He attended various seminar and training program in home and abroad.



Md. Nazmul Hasan

Plant Manager, Rupganj Power Plant

A Marine Engineer Mr. Md. Nazmul Hasan started his career as Cadet Engineer in Bangladesh Shipping Corporation in the year 1989. Prior to Join Summit Mr. Hasan has got 17 years of professional experience as 5th Engineer, 4th Engineer, 3rd Engineer, 2nd Engineer and as Chief Engineer in ocean going ship. He obtained his Class I Marine Engineering Certificate of Competency from Singapore Maritime Academy. He attended various training program, seminar in home & abroad. He also received a MBA degree.



Md. Fazle Elahi Khan

Plant Manager, Jangalia Power Plant

Mr. Md. Fazle Elahi Khan received his M. Sc. degree in Electrical and Electronics Engineering from Khulna University of Engineering and Technology (KUET). Before joining Summit in 2008 Mr. Md. Fazle Elahi Khan served in Bangladesh Navy (BN) for more than 14 years as an Officer in the Electrical Branch and retired as Lieutenant Commander. He took part in various training program and seminar in home and abroad.



Memorable Events for 2007

Summit Power Limited Issued rights share to venture into new power plants

Summit Power Limited issued rights share at a rate of four rights shares for every five shares each valuing Taka 145/- including a premium of Taka 45/- to the existing shareholders. The proceeds from the issuance of rights share will be utilized as equity participation for implementing four power plants totaling a capacity of 110 MW. Out of the four power plants, three will be 33 MW each located at Jangalia, Rupganj, Maona and one 11 MW located at Ullapara.



The Company announced to issue Rights Share as part of the Company's plan to venture into new power plants in the 9th Extra-Ordinary General Meeting held on September 29, 2007 at Bashundhara Convention Centre, Baridhara, Dhaka.

Summit Power subsidiaries sign agreement to set up 4 power plants with capacity of 110MW

Summit Uttaranchol Power Company Limited and Summit Purbanchol Power Company Limited, the subsidiaries of Summit Power Limited, on October 11, 2007, signed the Power Purchase Agreements, Implementation Agreements, Gas Supply Agreements and Land Lease agreements with Power Cell, Bangladesh Power Development Board (BPDB), Rural Electrification Board (REB), Titas Gas Transmission and Distribution Co. Ltd., Bakhrabad Gas Systems Ltd., and Pashchimanchal Gas Company Ltd.



Mr. Tauhidul Islam, Managing Director of the company, signed the contracts on behalf of Summit Purbanchol Power Company Limited and Mr. Md. Latif Khan, Director of the Company, signed the contracts on behalf of Summit Uttaranchol Power Company Limited. Director General of Power Cell, PDB Secretary, REB Secretary and high officials of the Gas Companies signed on behalf of their respective organizations. Dr. Mirza Khairuzzaman - Senior Executive Director and Mr. Faisal K. Khan - Director, Summit Group were also present at the function held at the Conference Room of Power Cell, Power Division, Biddiyut Bhaban, Dhaka.

Summit Power holds 10th EGM

Summit Power Limited on December 12, 2007 held its 10th Extra-Ordinary General Meeting at Bashundhara Convention Centre at Baridhara to pass a Special Resolution for incorporating a new qualifying object clause in the Memorandum of Association of the Company to assure the lenders for repayment of facilities granted to any associate or subsidiary Company (ies).



Presided over by director Mr. Syed Fazlul Haque FCA, the meeting was also attended by Mr. Tauhidul Islam, Managing Director; Mr. Md. Latif Khan, director; Ms. Ayesha Aziz Khan, director; Mr. Tapan Krishna Podder FCA FCMA, director; Mr. Helal Uddin Ahmed, director; Mr. Mahmud Hasan FCMA, Financial Controller and Company Secretary and other senior officials of the company.

Summit subsidiary Summit Uttaranchol Power Company Limited signed contract with M/s. GE Jenbacher GmbH & Co OHG, A-6200 Jenbach/Austria.

Summit Uttaranchol Power Company Limited signed Contract with M/s. GE Jenbacher GmbH & Co OHG, Achenseestraße 1-3, 6200 Jenbach, Austria ("GE Jenbacher") for Supply, Delivery, Erection Supervision and commissioning of 4 numbers JGS 620 GS. NL Generating Sets and ancillary equipment. The signing was done on 23rd November in London for purchase of 11mw power plant to be set up at Ullapara.



Muhammed Aziz Khan , Chairman of Summit Power Limited ; Mr.Eugen Laner, Sales & Service Director, GE Energy, and Wolfgang Berger, Sales Leader, GE Energy are seen at the contract signing ceremony.

Memorable Events for 2007

SPL reaches out to SIDR victims



Summit Group Director Mr. Md. Latif Khan hands a cheque for Taka 10 lakh to Army Chief General Moeen U Ahmed at Army Headquarters in Dhaka on December 10, 2007 on behalf of Summit Group to help the hurricane Sidr affected people in the Coastal areas, Summit Group Director Ms. Ayesha Aziz Khan is also seen in the picture.

Energy Adviser Inaugurates Summit Ashulia Expansion Power Plant

Honourable Adviser of Ministry of Energy & Mineral Resources Mr. Tapan Chowdhury visited the Power Plant of Summit Power Limited located at Ashulia, Savar on December 17, 2007 at 04.30 p.m. to inaugurate 35 MW Expansion Unit of the Power Plant. He expressed satisfaction at the quality and maintenance of the Power Plant. He praised Summit for its positive role in improving power generation scenario.



Honourable Adviser walking through the plant during his visit at the Power Plant of SPL located at Ashulia, Savar



Power and Energy Adviser Mr. Tapan Chowdhury presses button to inaugurate the 35 MW Expansion Unit of Power Plant implemented by Summit Power Limited at Ashulia in Savar. Ms. Ayesha Aziz Khan – Director Summit Group and Summit Power Limited, Dr. Fauzul Kabir Khan, Secretary Power Division, MPEMR; Chairman of Rural Electrification Board Mr. Habibullah Majumder Khan and Managing Director of Summit Power Limited Mr. Tauhidul Islam were also seen.

Summit Cup Golf Tournament (Pro-Am)

Summit has been sponsoring a golf tournament titled "Summit Cup Golf Tournament (Pro-Am)" every year. It is held at Kurmitola Golf Club where professional and amateur golfers participate to compete for the prized trophies.



Prize Distribution Ceremony of "Summit Cup Golf Tournament (Pro-Am)" held at Kurmitola Golf Club. Chief Guest, Air Marshall Shah Mohammed Ziaur Rahman, ndc, fawc, psc is seen with the winners of the trophies.



Ms. Ayesha Aziz Khan, Director Summit Group and Summit Power Limited handing over a crest to the honourable Chief Guest, Air Marshall Shah Mohammed Ziaur Rahman, ndc, fawc, psc on the occasion of prize distribution ceremony held at Kurmitola Golf Club.



Financials

Auditors' Report to the shareholders of Summit Power Limited

We have audited the accompanying balance sheet of Summit Power Limited as at 31 December 2007 and the related profit and loss account, statement of changes in equity and cash flow statement for the year then ended and all related consolidated financial statements. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit of the company and its subsidiaries, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of affairs of the company and its subsidiaries as at 31 December 2007 and of the results of their operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

Without qualifying our opinion above, we draw readers' attention to note 4 which explains how the company will continue in operational existence for the foreseeable future in spite of its large net current liability position as at year end.



Dhaka, 27 April 2008

Balance Sheet as at 31 December 2007

	Notes	2007 Taka	2006 Taka
Assets			
Property, plant and equipment	5	3,618,814,254	2,308,036,101
Capital work in progress	6	-	220,753,275
Investments	7	198,000	-
Intangible assets	8	84,400	113,400
Total non-current assets		3,619,096,654	2,528,902,776
Inventories	9	169,620,386	111,724,006
Accounts receivable	10	188,555,114	73,111,666
Other receivables	11	1,244,924	19,394,459
Inter company receivables	12	27,990,349	-
Advances, deposits and prepayments	13	21,544,037	22,210,038
Cash and bank balances	14	69,637,556	27,352,148
Total current assets		478,592,366	253,792,317
Total assets		4,097,689,020	2,782,695,093
Equity			
Share capital	15	858,000,000	715,000,000
Share premium	16	80,000,000	80,000,000
Share money deposit	17	4,457,764	4,457,764
Proposed stock dividend		-	143,000,000
Retained earnings		469,669,150	201,572,920
Total equity attributable to equity holders of the company		1,412,126,914	1,144,030,684
Liabilities:			
Project loan - Long term portion	18	1,792,800,415	979,717,696
Obligation under finance lease - long term portion	19	1,232,436	-
Deferred liability for gratuity	20	5,241,587	4,097,434
Total non-current liabilities:		1,799,274,438	983,815,130
Short term loan	21	263,156,798	49,211,134
Trade creditors	22	43,739,062	22,244,235
Other creditors and accruals	23	70,633,752	64,374,835
Inter company payable	24	3,710,294	893,796
Project loan - Short term portion	18	475,322,943	515,077,745
Obligation under finance lease - short term portion	19	568,633	1,188,775
Liability for spare parts		27,560,615	-
Dividend payable		1,595,571	1,858,759
Total current liabilities		886,287,668	654,849,279
Total liabilities		2,685,562,106	1,638,664,409
Total equity and liabilities		4,097,689,020	2,782,695,093

The annexed notes 1 to 40 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

As per our report of same date.



Auditor

Consolidated Balance Sheet as at 31 December 2007

	Notes	2007 Taka	2006 Taka
Assets			
Property, plant and equipment		3,618,814,254	2,308,036,101
Capital work in progress	6.1	329,970,556	220,753,275
Intangible assets		84,400	113,400
Total non-current assets		3,948,869,210	2,528,902,776
Inventories		169,620,386	111,724,006
Accounts receivable		188,555,114	73,111,666
Other receivables		1,244,924	19,394,459
Advances, deposits and prepayments	13.1	38,544,037	22,210,038
Cash and bank balances	14.1	69,888,076	27,352,148
Total current assets		467,852,537	253,792,317
Total assets		4,416,721,747	2,782,695,093
Equity			
Share capital		858,000,000	715,000,000
Share premium		80,000,000	80,000,000
Share money deposit		4,457,764	4,457,764
Proposed stock dividend		-	143,000,000
Retained earnings		466,725,933	201,572,920
Total equity attributable to equity holders of the company		1,409,183,697	1,144,030,684
Minority interest		2,000	-
Total Equity		1,409,185,697	1,144,030,684
Liabilities:			
Project loan - Long term portion		1,792,800,415	979,717,696
Obligation under finance lease - long term portion		1,232,436	-
Deferred liability for gratuity		5,241,587	4,097,434
Total non-current liabilities		1,799,274,438	983,815,130
Short term loan	21.1	585,047,142	49,211,134
Trade creditors		43,739,062	22,244,235
Other creditors and accruals	23.1	70,717,352	64,374,835
Inter company payable		3,710,294	893,796
Project loan - Short term portion		475,322,943	515,077,745
Obligation under finance lease - short term portion		568,633	1,188,775
Liability for spare parts		27,560,615	-
Dividend payable		1,595,571	1,858,759
Total current liabilities		1,208,261,612	654,849,279
Total liabilities		3,007,536,050	1,638,664,409
Total equity and liabilities		4,416,721,747	2,782,695,093

The annexed notes 1 to 40 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

As per our report of same date.



Auditor

Profit and Loss Account for the year ended 31 December 2007

	Notes	2007 Taka	2006 Taka Restated
Revenue	25	1,148,766,291	584,345,654
Cost of sales	26	(562,149,648)	(274,189,903)
Gross profit		586,616,643	310,155,751
General and administrative expenses	27	(134,796,007)	(117,745,448)
Other income	28	1,768,652	1,237,846
Exchange gain/(loss)		(40,574)	130,381
Result from operating activities		453,548,714	193,778,530
Finance income		3,938,143	13,170,411
Finance expenses	29	(189,390,627)	(46,760,130)
Net financial cost		(185,452,484)	(33,589,719)
Profit for the year		268,096,230	160,188,811
Earnings Per Share (EPS)	30	31.25	18.67

The annexed notes 1 to 40 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

As per our report of same date.



Auditor

Dhaka, 27 April 2008

Consolidated Profit and Loss Account

for the year ended 31 December 2007

	Notes	2007 Taka	2006 Taka Restated
Revenue		1,148,766,291	584,345,654
Cost of sales		(562,149,648)	(274,189,903)
Gross profit		586,616,643	310,155,751
General and administrative expenses	27.1	(137,717,734)	(117,745,448)
Other income		1,768,652	1,237,846
Exchange gain/(loss)		(40,574)	130,381
Result from operating activities		450,626,987	193,778,530
Finance income		3,938,143	13,170,411
Finance expenses	29.1	(189,412,117)	(46,760,130)
Net financial cost		(185,473,974)	(33,589,719)
Profit for the year		265,153,013	160,188,811
Attributable to:			
Equity holders of the company		265,153,013	160,188,811
Minority interest		-	-
Restated profit for the year		265,153,013	160,188,811
Earnings Per Share (EPS)	30.1	30.90	18.67

The annexed notes 1 to 40 form an integral part of these financial statements.



Company Secretary



Director



Managing Director

As per our report of same date.



Auditor

Dhaka, 27 April 2008

Statement of Changes in Equity

for the year ended 31 December 2007

	Share capital Taka	Share premium Taka	Share money deposit Taka	Proposed cash dividend Taka	Proposed stock dividend Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2006	650,000,000	80,000,000	4,457,764	65,000,000	65,000,000	184,384,109	1,048,841,873
Issue of bonus shares	65,000,000	-	-	-	(65,000,000)	-	-
Profit for the year	-	-	-	-	-	175,102,015	175,102,015
Proposed stock dividend	-	-	-	-	143,000,000	(143,000,000)	-
Dividend payable	-	-	-	(65,000,000)	-	-	(65,000,000)
Balance as at 31 December 2006 as reported previously	715,000,000	80,000,000	4,457,764	-	143,000,000	216,486,124	1,158,943,888
Adjustment due to liquidated damage regarding Narsingdi and Chandina expansion projects	-	-	-	-	-	(14,913,204)	(14,913,204)
Restated balance as at 31 December 2006	715,000,000	80,000,000	4,457,764	-	143,000,000	201,572,920	1,144,030,684
Issue of bonus shares	143,000,000	-	-	-	(143,000,000)	-	-
Profit for the year	-	-	-	-	-	268,096,230	268,096,230
Balance as at 31 December 2007	858,000,000	80,000,000	4,457,764	-	-	469,669,150	1,412,126,914

Consolidated Statement of Changes in Equity

for the year ended 31 December 2007

	Share capital Taka	Share premium Taka	Share money deposit Taka	Proposed cash dividend Taka	Proposed stock dividend Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2006	650,000,000	80,000,000	4,457,764	65,000,000	65,000,000	184,384,109	1,048,841,873
Issue of bonus shares	65,000,000	-	-	-	(65,000,000)	-	-
Profit for the year	-	-	-	-	-	175,102,015	175,102,015
Proposed stock dividend	-	-	-	-	143,000,000	(143,000,000)	-
Dividend payable	-	-	-	(65,000,000)	-	-	(65,000,000)
Balance as at 31 December 2006 as reported previously	715,000,000	80,000,000	4,457,764	-	143,000,000	216,486,124	1,158,943,888
Adjustment due to liquidated damage regarding Narsingdi and Chandina expansion projects	-	-	-	-	-	(14,913,204)	(14,913,204)
Restated balance as at 31 December 2006	715,000,000	80,000,000	4,457,764	-	143,000,000	201,572,920	1,144,030,684
Issue of bonus shares	143,000,000	-	-	-	(143,000,000)	-	-
Profit for the year	-	-	-	-	-	265,153,013	265,153,013
Balance as at 31 December 2007	858,000,000	80,000,000	4,457,764	-	-	466,725,933	1,409,183,697

Cash Flow Statement for the year ended 31 December 2007

	2007 Taka	2006 Taka
A. Cash flow from operating activities:		
Cash receipt from customers	1,033,322,843	559,269,412
Cash paid to suppliers and employees	(591,766,883)	(417,070,476)
Cash generated from operations	441,555,960	142,198,936
Cash receipt from sale of scrap items	1,768,652	1,237,846
Financial expenses	(189,381,939)	(46,390,174)
<i>Net cash flow from operating activities</i>	<u>253,942,673</u>	<u>97,046,608</u>
B. Cash flow from investing activities:		
Purchase of property, plant and equipment (Note 31.a)	(1,175,267,911)	(1,317,035,553)
Investment	(198,000)	-
Inter company receivable	(27,990,349)	-
Interest income	3,938,143	13,170,411
<i>Net cash used in investing activities</i>	<u>(1,199,518,117)</u>	<u>(1,303,865,142)</u>
C. Cash flow from financing activities:		
Long term loan taken (Note 31.b)	1,249,999,970	979,717,696
Project loan repaid	(476,393,315)	(176,344,714)
Lease finance	612,295	(1,062,172)
Short term loan	213,945,664	212,915,135
Dividend	(263,188)	(63,141,241)
<i>Net cash out flow from financing activities</i>	<u>987,901,426</u>	<u>952,084,704</u>
D. Net cash inflow/(outflow) for the year (A+B+C)	<u>42,325,982</u>	<u>(254,733,830)</u>
E. Opening cash and bank balances	27,352,148	281,955,597
Exchange gain/(loss)	(40,574)	130,381
	27,311,574	282,085,978
F. Closing cash and bank balances (D+E)	<u>69,637,556</u>	<u>27,352,148</u>

Consolidated Cash Flow Statement

for the year ended 31 December 2007

	2007	2006
	Taka	Taka
A. Cash flow from operating activities:		
Cash receipt from customers	1,033,322,843	559,269,412
Cash paid to suppliers and employees	(594,605,010)	(417,070,476)
Cash generated from operations	438,717,833	142,198,936
Cash receipt from sale of scrap items	1,768,652	1,237,846
Financial expenses	(189,403,429)	(46,390,174)
<i>Net cash flow from operating activities</i>	251,083,056	97,046,608
B. Cash flow from investing activities:		
Purchase of Property, plant and equipment (Note 31.1.a)	(1,175,267,911)	(1,317,035,553)
Capital work in progress	(329,970,556)	-
Advance for bank guarantee margin	(17,000,000)	-
Interest income	3,938,143	13,170,411
<i>Net cash used in investing activities</i>	(1,518,300,324)	(1,303,865,142)
C. Cash flow from financing activities:		
Long term loan taken (Note 31.1.b)	1,249,999,970	979,717,696
Project loan repaid	(476,393,315)	(176,344,714)
Lease finance	612,295	(1,062,172)
Short term loan	535,836,008	212,915,135
Minority interest	2,000	-
Dividend	(263,188)	(63,141,241)
<i>Net cash out flow from financing activities</i>	1,309,793,770	952,084,704
D. Net cash inflow/(outflow) for the year (A+B+C)	42,576,502	(254,733,830)
E. Opening cash and bank balances	27,352,148	281,955,597
Exchange gain/(loss)	(40,574)	130,381
	27,311,574	282,085,978
F. Closing cash and bank balances (D+E)	69,888,076	27,352,148

Notes to the Financial Statements

as at and for the year ended 31 December 2007

1. Reporting entity

1.1 Summit Power Limited (the "company") was incorporated in Bangladesh on 30 March 1997 as a Private Limited Company. On 7 June 2004 the company registered itself as a Public Limited Company under the Companies Act 1994. The consolidated financial statements of the Company as at and for the year ended 31 December 2007 comprise the Company and its subsidiaries. The subsidiaries are Summit Uttaranchol Power Company Limited and Summit Purbanchol Power Company Limited.

The principal activity of this company is to set up power plants for generation and supply of electricity. Earlier, the company had three power plants located at Ashulia (Savar), Madhabdi (Narsingdi) and Chandina (Comilla) having production capacity of 11 MW each. The plants started commercial production on 8 February 2001, 1 April 2001 and 2 June 2001 at Ashulia, Madhabdi and Chandina respectively. In 2006, the company expanded its Madhabdi (Narsingdi) and Chandina (Comilla) plants by additional 24.30 MW and 13.50 MW respectively and started commercial operation on 16 December and 15 November 2006 respectively. In 2007, the company has also expanded its Ashulia (Savar) plants by additional 33.75 MW and started commercial operation on 4 December 2007. The company supplies its generated electricity to Rural Electrification Board.

The Company is also going to implement four more power plants totaling a capacity of 110 MW through its two subsidiary companies Summit Uttaranchol Power Company Limited and Summit Purbanchol Power Company Limited (both are the 99% subsidiaries of the company). Both the Companies signed the Power Purchase Agreements, Implementation Agreements, Gas Supply Agreements and Land Lease agreements with the related authorities on 11 October 2007. With the establishment of the new projects generation capacity will be raised to 215 MW.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of Securities Exchange Rules 1987 and the Companies Act 1994.

2.2 Basis of measurement

Financial statements have been prepared on the historical cost basis. Exceptions are property, plant and equipment where foreign exchange gain or loss arising from debts incurred to finance the assets is adjusted against the value of the assets, as per Companies Act 1994 and financial assets and liabilities which are presented at carrying amount.

2.3 Functional and presentational currency and level of precision

The financial statements are prepared in Bangladesh Taka (Taka/Tk), which is the company's functional currency. All financial information presented in Taka have been rounded off to the nearest taka.

2.4 Use of estimates and judgment

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 - Inventory valuation

Note 13 - Apportionment of prepaid expenses

Note 19 - Lease classification

Note 20 - Measurement of deferred liability for gratuity

Note 21 - Other creditors and accruals

Note 32 - Contingent liability

2.5 Reporting period

The financial period of the company under review covers one year from 1 January to 31 December.

3. Significant accounting policies

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

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Items of property, plant and equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3.1.2 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 Cost, allowed alternative treatment. Capitalisation of borrowing costs cease from the date of independent engineer's report which, in accordance with Power Purchase Agreement, confirms the availability of plants for use.

3.1.3 Capitalisation of foreign exchange gain or loss

Foreign exchange gain or loss arising from debts incurred to finance the assets is adjusted against the value of the assets in accordance with Schedule XI, Part I of Companies Act 1994.

3.1.4 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 and its cost

Notes to the Financial Statements Continued

can be measured reliably. The costs of the day-to day servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

3.1.5 Depreciation

Depreciation is recognised in the profit and loss account on a straight line basis over the estimated useful lives of each property, plant and equipment.

Plant and machinery are depreciated from the month on which the asset comes into use or is capitalised. According to the Power Purchase Agreement independent engineer's report confirms the availability of plants for use. Other items of property, plant and equipment continue to be depreciated for a full year in the year of capitalisation irrespective of the date on which the asset comes into use or being capitalised. In case of disposals, no depreciation is charged in the year of disposal.

Depreciation of power plant has been charged considering 30 years useful life and residual value as 15% of original cost, on straight line basis on the ground that management intends to continue with operation after completion of 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 at that stage.

Rate of depreciation on other property, plant and equipment considering the useful life of assets are as follows:

Classes of assets	Rate
Furniture and fixtures	10%
Office and electrical equipment	20%
Office decoration	20%
Motor vehicles	20%
Maintenance equipment	20%
Civil works and others	20%

3.1.6 Retirements and disposals

An asset is derecognised on 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 and loss from disposal of asset under other income in the profit and loss account.

3.2 Intangible assets

Intangible assets include IT software.

3.2.1 Recognition and measurement

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably.

An intangible asset is measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment losses.

3.2.2 Amortization of intangible assets

IT software is amortized over 5 years from the year of first utilization.

Amortisation of addition to intangible assets is charged from the year of acquisition and are amortised under straight line method.

3.3 Lease assets

3.3.1 Classification

All the lease transactions have been classified based on the extent to which risks and rewards incident to ownership of the assets lie with the lessor or lessee. According to this classification, all the lease transactions have been identified as finance lease as per Bangladesh Accounting Standard No. 17: Leases, based on the substance of the transactions, not merely the legal form.

3.3.2 Recognition and measurement

Finance leases have been recognized as assets and liabilities in the balance sheet 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.

3.3.3 Depreciation

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

3.4 Inventories

Inventories are measured at lower of cost and estimated net realizable value. The cost of inventories is valued at first in first out cost method and includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. When inventories are used, the carrying amount of those inventories are recognised in the period in which the related revenue is recognised.

3.5.1 Trade receivables

Trade receivables are recognised at cost which is the fair value of the consideration given for them.

3.5.2 Bad debt

Provision for debts which are doubtful of recovery, is made at the discretion of the management.

3.6 Other receivables

Other receivables includes insurance claim receivable.

3.7 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

Deposits are measured at payment value.

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

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and cash at bank, which were held and available for use of the company without any restriction.

3.9 Provisions

A provision is recognised on the balance sheet date if, as a result of past events, the company 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.

Notes to the Financial Statements Continued

3.10 Contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

3.11 Retirement benefits

The company operates an unfunded gratuity scheme for its permanent employees, provision for which is made on the basis of latest applicable salary and length of services with the company as per gratuity rules. The scheme falls under the category of a Defined Benefits Scheme. Though no valuation was done during the year 2007 to quantify actuarial liabilities as per Bangladesh Accounting Standard 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision. The company also operates a recognised contributory provident fund for all its permanent employees. This is a defined contribution scheme.

Gratuity scheme is not recognised by the National Board of Revenue.

The provident fund is administered by the Board of Trustee and is funded by contributions from employees and from the company @ 10% of the basic pay. These contributions are invested separately from the company's business.

3.12 Revenue

Revenue is recognized in the income statement, upon supply of electricity, quantum of which is determined by survey of meter reading.

3.13 Taxation

No provision is required for current income tax on the company's profits as the company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation.

3.14 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.

3.15 Foreign currency translation

Foreign currency transactions are translated into Bangladeshi taka at the rates ruling on the transaction date. All monetary assets and liabilities at the balance sheet date are retranslated using rates prevailing on that day. In accordance with Schedule XI of Companies Act 1994 all differences arising on outstanding foreign currency loans are adjusted against the fixed assets for which such foreign currency borrowing took place. This treatment is not in accordance with Bangladesh Accounting Standard 21: The Effects of Changes in Foreign Exchange Rates, which requires all differences arising from foreign exchange transactions to be recognised in the profit and loss account. However management feel the impact on profits due to the difference in treatment is totally immaterial. All other differences are taken to the profit and loss account.

3.16 Lease

Lease payment under operating lease are recognised as an expense in the statement of profit and loss account on a straight line basis over the lease term.

3.17 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised on maturity.

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

3.18 Consolidation of financial statements

Summit Purbanchol Power Company Limited and Summit Uttaranchol Power Company Limited are 99% owned subsidiaries of Summit Power Limited. The subsidiaries are entities controlled by the Company.

The financial statements of the subsidiaries have been consolidated with those of Summit Power Limited in accordance with Bangladesh Accounting Standard no. 27. Intra group balances and unrealised income and expenses arising from intra-group transactions, are

eliminated in preparing the consolidated financial statements.

3.19 Earning per share

Basic earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the applicable number of ordinary shares outstanding during the period.

Diluted earning per share

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the applicable number of ordinary shares outstanding during the period after adjustment for the effects of all dilutive potential ordinary shares.

3.20 Cash flow statement

Cash flows from operating activities have been presented under direct method.

4. Future prospect

As at the balance sheet date, the company's net current liabilities stood at Tk 407,695,302 (2006: Tk 401,056,962). On that date, a substantial amount of current liabilities comprise of company's commitment for its debt service on account of project loans falling due within next 12 months. Management is confident of meeting the obligation from the resources generated from its operation coupled with continued support of bankers, equipment vendors and construction contractors.

Consolidated future prospect

As at the balance sheet date, the company's net current liabilities stood at Tk 740,409,075 (2006: Tk 401,056,962). On that date, a substantial amount of current liabilities comprise of company's commitment for its debt service on account of project loans falling due within next 12 months. Management is confident of meeting the obligation from the resources generated from its operation coupled with continued support of bankers, equipment vendors and construction contractors.

Current liabilities of the subsidiaries are expected to be adjusted against project loans now under negotiation with companies bankers.

Notes to the Financial Statements Continued

5. Property, plant and equipment

Particulars	Cost				Rate %	Depreciation				Written down value as at 31 December 2007 Taka
	Balance as at 1 January 2007 Taka	Addition during the year Taka	Adjustment during the year Taka	Balance as at 31 December 2007 Taka		Balance as at 1 January 2007 Taka	Addition during the year Taka	Adjustment during the year Taka	Balance as at 31 December 2007 Taka	
Own assets:										
Furniture and fixtures	1,151,964	419,624	-	1,571,588	10	609,034	157,158	-	766,192	805,396
Office and electrical equipment	5,056,052	2,592,900	-	7,648,952	20	4,326,359	822,674	-	5,149,033	2,499,919
Office decoration	12,379,735	434,824	-	12,814,559	20	4,745,826	2,011,207	-	6,757,033	6,057,526
Motor vehicles	12,014,748	-	-	12,014,748	20	6,732,176	2,402,945	-	9,135,121	2,879,627
Maintenance equipment	854,989	301,500	-	1,156,489	20	666,179	131,210	-	797,389	359,100
Civil works and others	26,844,882	4,821,217	-	31,666,099	20	11,439,436	6,312,272	-	17,751,708	13,914,391
Plant and machinery :										
Savar Power Plant (Unit-1)	312,950,615	-	90,696	312,859,919	3.33	68,787,400	8,275,955	3,779	77,059,576	235,800,343
Savar Power Plant (Unit-2)	-	1,385,450,121	-	1,385,450,121	3.33	-	3,271,202	-	3,271,202	1,382,178,919
Narsingdi Power Plant (Unit-1)	315,797,714	-	91,521	315,706,193	3.33	66,692,834	8,464,111	3,813	75,153,132	240,553,061
Narsingdi Power Plant (Unit-2)	956,423,751	-	-	956,423,751	3.33	-	27,098,673	-	27,098,673	929,325,078
Chandina Power Plant (Unit-1)	333,049,729	-	96,521	332,953,208	3.33	67,506,167	9,041,757	4,022	76,543,902	256,409,306
Chandina Power Plant (Unit-2)	562,423,950	-	-	562,423,950	3.33	1,326,617	15,935,345	-	17,261,962	545,161,988
	2,538,948,129	1,394,020,186	278,738	3,932,689,577		232,832,028	83,924,509	11,614	316,744,923	3,615,944,654
Leased assets:										
Motor vehicles	3,200,000	1,987,000	-	5,187,000	20	1,280,000	1,037,400	-	2,317,400	2,869,600
Total	2,542,148,129	1,396,007,186	278,738	3,937,876,577		234,112,028	84,961,909	11,614	319,062,323	3,618,814,254
Total 2006:										
Own	1,004,377,427	1,534,570,702	-	2,538,948,129		195,365,070	37,466,958	-	232,832,028	2,306,116,101
Leased	3,200,000	-	-	3,200,000		640,000	640,000	-	1,280,000	1,920,000
	1,007,577,427	1,534,570,702	-	2,542,148,129		196,005,070	38,106,958	-	234,112,028	2,308,036,101

In 2007, adjustments to power plants at Savar, Narsingdi and Chandina include exchange gains of Tk 90,696, Tk. 91,521 and Tk 96,521 respectively. These gains were incurred in the conversion of the company's USD loan to Taka.

In 2006, additions to power plants at Savar, Narsingdi and Chandina include exchange losses of Tk. 567,358, Tk 572,518 and Tk 603,797 respectively. These losses were incurred in the conversion of the company's USD loan to Taka.

6. Capital work in progress

	Balance as at 1 Jan 2007 Taka	Addition during the year Taka	Adjustment during the year Taka	Balance as at 31 Dec 2007 Taka
Plant and machinery	131,441,652	979,369,983	1,110,811,635	-
Construction contract	63,679,688	95,927,249	159,606,937	-
Other payment related to expansion project (loan arrangement fee, interest on loan, etc.)	25,631,935	89,399,614	115,031,549	-
	220,753,275	1,164,696,846	1,385,450,121	-

Notes to the Financial Statements Continued

6.1 Consolidated capital work in progress

	Balance as at 1 Jan 2007 Taka	Addition during the year Taka	Adjustment during the year Taka	Balance as at 31 Dec 2007 Taka
Plant and machinery	131,441,652	1,295,981,278	1,110,811,635	316,611,295
Construction contract	63,679,688	95,927,249	159,606,937	-
Other payment related to expansion project (loan arrangement fee, interest on loan, etc.)	25,631,935	102,758,875	115,031,549	13,359,261
	220,753,275	1,494,667,402	1,385,450,121	329,970,556

7. Investments

	2007 Taka	2006 Taka
Summit Purbanchol Power Company Limited	99,000	-
Summit Uttaranchol Power Company Limited	99,000	-
	198,000	-

These represents 990 shares in each of Summit Purbanchol Power Company Limited and Summit Uttaranchol Power Company Limited at the value of Tk. 100 each.

8. Intangible assets

Particulars	Cost			Amortisation			Written down value as at 31 December 2007 Taka
	Balance as at 1 January 2007 Taka	Addition during the year Taka	Balance as at 31 December 2007 Taka	Balance as at 1 January 2007 Taka	Addition during the year Taka	Balance as at 31 December 2007 Taka	
IT software	256,250	14,000	270,250	142,850	43,000	185,850	84,400
Total 2007	256,250	14,000	270,250	142,850	43,000	185,850	84,400
Total 2006	256,250	-	256,250	102,650	40,200	142,850	113,400

Notes to the Financial Statements Continued

9. Inventories

Particulars	Balance as at 1 January 2007 Taka	Cost Addition during the year Taka	Balance as at 31 December 2007 Taka	Balance as at 1 January 2007 Taka	Consumption Utilisation during the year Taka	Balance as at 31 December 2007 Taka	Stock of spare parts and fuel as at 31 December 2007 Taka
Compressor spare parts	462,946	-	462,946	35,741	47,523	83,264	379,682
Electrical spare parts	5,281,581	-	5,281,581	610,364	-	610,364	4,671,217
Schedule and protective spare parts	255,259,647	167,374,099	422,633,746	155,297,172	110,366,748	265,663,920	156,969,826
Spare parts - others	-	334,133	334,133	-	334,133	334,133	-
Fuel	65,612,344	28,157,929	93,770,273	58,949,235	27,221,377	86,170,612	7,599,661
Total 2007	326,616,518	195,866,161	522,482,679	214,892,512	137,969,781	352,862,293	169,620,386
Total 2006	196,102,285	130,514,233	326,616,518	150,611,146	64,281,366	214,892,512	111,724,006

10. Accounts receivable

	2007 Taka	2006 Taka
Dhaka Palli Bidyut Samity - 1	15,653,701	16,187,033
Dhaka Palli Bidyut Samity - 1 (Expansion)	46,817,208	-
Narsingdi Palli Bidyut Samity - 1	15,300,039	15,926,830
Narsingdi Palli Bidyut Samity - 1 (Expansion)	58,910,753	9,275,080
Comilla Palli Bidyut Samity - 1	15,167,517	15,619,374
Comilla Palli Bidyut Samity - 1 (Expansion)	36,705,896	16,103,349
	188,555,114	73,111,666

11. Other receivables

Insurance claim - Paramount Insurance Co. Ltd.	1,244,924	19,394,459
	1,244,924	19,394,459

12. Inter company receivables

Summit Purbanchol Power Company Limited	15,497,764	-
Summit Uttaranchol Power Company Limited	12,492,585	-
	27,990,349	-

Notes to the Financial Statements Continued

13. Advances, deposits and prepayments

	2007 Taka	2006 Taka
Advances:		
Projukti Annasha	-	185,000
Adroit Environment Consultant Ltd.	-	20,000
Bangla Trac Ltd.	32,827	489
Mobil Jamuna Lubricants Ltd.	327,600	-
ION Exchanges WTS Ltd.	-	85,000
J&J Corporation	-	30,000
Piyal International Ltd.	-	60,000
Advance against spare parts	202,851	385,655
Advance against rent	33,500	24,500
Advance to officers and employees	-	54,300
Deposits:		
Security deposit	884,133	918,988
(Security deposit is non interest bearing)		
Prepayments:		
Land lease rent	225,652	227,445
Operation bond commission	1,924,857	-
Insurance premium	3,983,960	2,399,750
Stand by letter of credit commission	-	96,927
	7,615,380	4,488,054
Rights issue expenses		
Application Fees - SEC	10,000	-
Credit Rating Expenses	300,000	-
Issue Management Fees	386,025	-
	696,025	-
Inter company transaction - prepaid rent:		
Summit Indus. & Mercantile Corp. (Pvt.) Ltd.	1,017,600	1,424,640
Summit Corporation	763,200	1,068,480
Cosmopolitan Traders (Pvt.) Ltd.	7,142,793	7,608,323
	8,923,593	10,101,443
Other prepayments:		
Bank guarantee margin	3,394,205	2,449,106
Margin for letter of credit	914,834	2,058,935
Legal fees for Savar extension plant	-	3,112,500
	4,309,039	7,620,541
	21,544,037	22,210,038

Notes to the Financial Statements Continued

13.1 Consolidated advances, deposits and prepayments

	2007 Taka	2006 Taka
Advances:		
Projukti Annasha	-	185,000
Adroit Environment Consultant Ltd.	-	20,000
Bangla Trac Ltd.	32,827	489
Mobil Jamuna Lubricants Ltd.	327,600	-
ION Exchanges WTS Ltd.	-	85,000
J&J Corporation	-	30,000
Piyal International Ltd.	-	60,000
Advance against spare parts	202,851	385,655
Advance against rent	33,500	24,500
Advance to officers and employees	-	54,300
Deposits:		
Security deposit	884,133	918,988
(Security deposit is non interest bearing)		
Prepayments:		
Land lease rent	225,652	227,445
Operation bond commission	1,924,857	-
Insurance premium	3,983,960	2,399,750
Stand by letter of credit commission	-	96,927
	7,615,380	4,488,054
Rights issue expenses		
Application Fees - SEC	10,000	-
Credit Rating Expenses	300,000	-
Issue Management Fees	386,025	-
	696,025	-
Inter company transaction - prepaid rent:		
Summit Indus. & Mercantile Corp. (Pvt.) Ltd.	1,017,600	1,424,640
Summit Corporation	763,200	1,068,480
Cosmopolitan Traders (Pvt.) Ltd.	7,142,793	7,608,323
	8,923,593	10,101,443
Other prepayments:		
Bank guarantee margin	20,394,205	2,449,106
Margin for letter of credit	914,834	2,058,935
Legal fees for Savar extension plant	-	3,112,500
	21,309,039	7,620,541
	38,544,037	22,210,038

Notes to the Financial Statements Continued

14. Cash and bank balances

	2007 Taka	2006 Taka
Cash in hand	311,377	238,061
Cash at bank:		
Arab Bangladesh Bank Ltd., Kawran Bazar Branch	-	806
Bank Al Falah Ltd.	86,552	108,910
Citibank N.A.	2,269,533	2,304,316
Dhaka Bank Ltd.	(1,612,985)	761,992
Dutch Bangla Bank Ltd.	(21,580,110)	2,189,211
Eastern Bank Ltd.	-	7,740
NCC Bank Ltd.	-	9,400
One Bank Ltd.	-	11,736
Premier Bank Ltd.	607,151	(3,984,200)
Rupali Bank Ltd.	8,696	8,741
Shahjalal Islami Bank Ltd.	3,699	-
Southeast Bank Ltd.	-	9,510
Standard Chartered Bank	76,604,716	10,516,424
The City Bank Ltd.	-	18,608
Southeast Bank Ltd.	243,602	231,195
Premier Bank Ltd.	1,894,071	2,037,325
FDR A/C :		
Bank Asia Ltd.	-	3,000,000
Commercial Bank of Ceylon Ltd.	10,801,254	9,882,373
	69,637,556	27,352,148

Notes to the Financial Statements Continued

14.1 Consolidated cash and bank balances

	2007 Taka	2006 Taka
Cash in hand	311,377	238,061
Cash at bank:		
Arab Bangladesh Bank Ltd.	-	806
Bank Al Falah Ltd.	86,552	108,910
Bank Asia Limited	50,760	-
Citibank N.A.	2,469,293	2,304,316
Dhaka Bank Ltd.	(1,612,985)	761,992
Dutch Bangla Bank Ltd.	(21,580,110)	2,189,211
Eastern Bank Ltd.	-	7,740
NCC Bank Ltd.	-	9,400
One Bank Ltd.	-	11,736
Premier Bank Ltd.	607,151	(3,984,200)
Rupali Bank Ltd.	8,696	8,741
Shahjalal Islami Bank Ltd.	3,699	-
Southeast Bank Ltd.	-	9,510
Standard Chartered Bank	76,604,716	10,516,424
The City Bank Ltd.	-	18,608
Southeast Bank Ltd.	243,602	231,195
Premier Bank Ltd.	1,894,071	2,037,325
FDR A/C :		
Bank Asia Ltd.	-	3,000,000
Commercial Bank of Ceylon Ltd.	10,801,254	9,882,373
	69,888,076	27,352,148

Notes to the Financial Statements Continued

15. Share capital

	2007 Taka	2006 Taka
Authorised:		
30,000,000 ordinary shares of Tk 100 each	3,000,000,000	1,000,000,000
Issued, subscribed and paid-up:		
6,500,000 ordinary shares of Tk 100 each	650,000,000	650,000,000
650,000 bonus shares of Tk 100 each issued in 2006	65,000,000	65,000,000
1,430,000 bonus shares of Tk 100 each issued in 2007	143,000,000	-
	858,000,000	715,000,000

Shareholding position was as follows:

Name of shareholders	Percentage of shareholdings		Value of shares (Taka)	
	2007	2006	2007	2006
Summit Industrial & Mercantile Corporation (Pvt.) Limited	58.60	63.84	502,760,400	456,467,000
Euro Hub Investments Ltd.	5.38	5.38	46,200,000	38,500,000
Other shareholders	36.02	30.77	309,039,600	220,033,000
	100.00	100.00	858,000,000	715,000,000

Classification of shareholders by holding:

Holdings	Number of holders		% of holdings	
	2007	2006	2007	2006
Less than 500 shares	14,163	8,710	14.83	7.13
500 to 5,000 shares	617	262	8.74	4.89
5,001 to 10,000 shares	24	13	1.85	1.11
10,001 to 20,000 shares	9	3	1.49	0.63
20,001 to 30,000 shares	2	2	0.64	0.68
30,001 to 40,000 shares	4	1	1.56	0.52
40,001 to 50,000 shares	-	3	-	1.72
50,001 to 100,000 shares	1	2	0.59	1.96
100,001 to 1,000,000 shares	4	4	11.70	17.53
1,000,001 to 10,000,000 shares	1	1	58.60	63.84
	14,825	9,001	100.00	100.00

16. Share premium - Tk. 80,000,000

This represents issue of 2,000,000 ordinary shares in October 2005 for Tk 140 each, including premium of Tk 40 per share.

17. Share money deposit - Tk. 4,457,764

Other creditors and accruals has been rearranged by taking out payable to 'Euro Hub Investments Ltd. - initial issue of shares', which has been brought under share money deposit account on the ground that the company is preparing to issue Rights to its existing shareholders and this amount shall be utilised for that purpose. The amount was initially paid by Euro Hub Investments Ltd. to purchase initial shares of the company.

Notes to the Financial Statements Continued

18. Project loan

	2007 Taka	2006 Taka
Long term portion:		
Existing Project:		
Standard Chartered Bank	30,000,000	81,400,000
IPDC of Bangladesh Limited	-	9,389,381
	30,000,000	90,789,381
Expansion Project - Narsingdi & Chandina:		
Standard Chartered Bank	180,000,000	240,000,000
Dutch-Bangla Bank Ltd.	245,909,793	245,000,000
Commercial Bank of Ceylon Ltd.	140,000,002	175,000,000
Bank Al-Falah Limited	96,000,000	128,000,000
The Premier Bank Limited	88,985,882	100,928,315
	750,895,677	888,928,315
Expansion Project - Savar		
Standard Chartered Bank	1,011,904,738	-
	1,011,904,738	-
	1,792,800,415	979,717,696
Short term portion:		
Existing Project:		
Standard Chartered Bank	51,400,000	133,600,000
IPDC of Bangladesh Limited	9,246,644	9,389,380
	60,646,644	142,989,380
Expansion Project - Narsingdi & Chandina:		
Standard Chartered Bank	60,000,000	60,000,000
Dutch-Bangla Bank Ltd.	34,032,826	35,000,000
Commercial Bank of Ceylon Ltd.	35,000,000	35,000,000
Bank Al-Falah Limited	32,000,000	32,000,000
The Premier Bank Limited	15,548,241	16,666,668
	176,581,067	178,666,668
Expansion Project - Savar:		
Standard Chartered Bank	238,095,232	123,387,377
The Premier Bank Limited	-	70,034,320
	238,095,232	193,421,697
	475,322,943	515,077,745

Repayment term

i) Standard Chartered Bank

This is repayable in 20 quarterly installments of Taka 27,400,000 each commencing from June 2003. Other two are repayable in 20 installments each of Taka 6,000,000 and Taka 15,000,000 commencing from June 2005 and from December 2006 respectively. Interest bearing rate of 12.50% per annum, is also payable on quarterly basis. Another syndication loan along with several other banks of Tk. 1,250,000,000 has been received. This is repayable in 21 quarterly installments of Taka 59,523,808 each commencing from February 2008 bearing interest at the rate of 14.50%.

Notes to the Financial Statements Continued

ii) The Premier Bank Limited

This is repayable in 24 quarterly installments of Taka 7,510,510 including interest each commencing from March 2007 bearing interest at the rate of 14.50% per annum.

iii) Commercial Bank of Ceylon Limited

This is repayable in 24 quarterly installments of Taka 8,750,000 each commencing from March 2007 bearing interest at the rate of 13.00% per annum, is also payable on quarterly basis.

iv) Dutch-Bangla Bank Limited

This is repayable in 24 quarterly installments of Taka 17,662,528 including interest each commencing from March 2008 bearing interest at the rate of 14.00% per annum.

v) Bank Al-Falah Limited

This is repayable in 20 quarterly installments of Taka 8,000,000 each commencing from March 2007 bearing interest at the rate of 14.50% per annum, is also payable on quarterly basis.

vi) IPDC of Bangladesh Limited

This is repayable in 15 half yearly installments of US\$ 66,667 each commencing from December 2001. Interest, bearing rate of LIBOR + 4% per annum, is payable on half yearly basis commencing from June 2001. In addition to this, supervision fee at the rate of 1% per annum is payable on half yearly basis commencing from June 2001.

Security details

i) Standard Chartered Bank

The loan from Standard Chartered Bank is secured by the plant and machinery and other assets of the company.

ii) The Premier Bank Limited

The loan from The Premier Bank Limited is secured by pari-passu charge with other lenders on the fixed and floating assets of the company.

iii) Commercial Bank of Ceylon Limited

The loan from Commercial Bank of Ceylon Limited is secured by pari-passu charge with other lenders on the fixed and floating assets of the expansion plant of the company.

iv) Dutch-Bangla Bank Limited

The loan from Dutch-Bangla Bank Limited is secured by pari-passu charge with other lenders on the fixed and floating assets of the company.

v) Bank Al-Falah Limited

The loan from Bank Al-Falah Limited is secured by first charge of the expansion plant and machinery of the power plant at Chandina, Comilla and Madhabdi, Narsingdi of the company.

vi) IPDC of Bangladesh Limited

The loan from IPDC of Bangladesh Limited is secured by insurance bond issued by Paramount Insurance Co. Ltd.

19. Obligation under finance lease

Obligation under finance lease has been recognised as liability in the balance sheet at amount equal at the inception of lease to the lower of fair value of leased property and present value of minimum lease payments. The interest rate implicit in the lease has been used to calculate the present value of minimum lease payments. The total of minimum lease payments at the balance sheet date and their present value, for each of the following periods are as follows:

Repayment of lease obligation under finance lease:

	2007			2006
	Principal Taka	Interest Taka	Total Taka	Total Taka
Due within one year	568,633	239,986	808,619	1,062,172
Due after one year	1,232,436	182,648	1,415,084	1,188,775
Later than five years	-	-	-	-
Total obligation under finance lease	1,801,069	422,634	2,223,703	2,250,947

Notes to the Financial Statements Continued

20. Deferred liability for gratuity

The company, for its present eligible local employees, operates a gratuity scheme.

This Gratuity scheme is not recognised by the National Board of Revenue.

One time gratuity equals to one basic salary per employee per year. See note 3.11 for further explanation.

	2007 Taka	2006 Taka
Opening balance	4,097,434	2,928,374
Addition during the year	1,643,629	1,676,567
	5,741,063	4,604,941
Less: payment during the year	499,476	507,507
Closing balance	5,241,587	4,097,434

21. Short term loan

	Interest rate		
Commercial Bank of Ceylon Ltd., Dhaka Main Br.	13.00%	39,252,538	17,453,031
The Premier Bank Ltd., Kawran Bazar Branch	15.50%	56,690,468	25,258,103
Shahjalal Islami Bank Ltd., Kawran Bazar Branch	15.00%	50,053,792	-
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	0%	114,660,000	6,500,000
Summit Shipping Ltd.	0%	2,500,000	-
		263,156,798	49,211,134

See note 18 for security details.

21.1 Consolidated short term loan

	Interest rate		
Commercial Bank of Ceylon Ltd., Dhaka Main Br.	13.00%	39,252,538	17,453,031
The Premier Bank Ltd., Kawran Bazar Branch	15.50%	56,690,468	25,258,103
Shahjalal Islami Bank Ltd., Kawran Bazar Branch	15.00%	50,053,792	-
Bank Asia Limited, Gulshan Branch	14.00%	162,427,861	-
National Credit & Commerce Bank Ltd., Gulshan Br.	14.00%	30,587,383	-
Industrial & Infrastructure Development Finance Co. Ltd.	14.00%	101,944,444	-
United Commercial Bank Ltd., Principal Branch	14.00%	26,930,656	-
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	0%	114,660,000	6,500,000
Summit Shipping Ltd.	0%	2,500,000	-
		585,047,142	49,211,134

Notes to the Financial Statements Continued

22. Trade creditors

	2007 Taka	2006 Taka
Gas bill - Savar power plant	4,337,917	4,730,787
Gas bill - Savar power plant (Expansion)	16,350,826	-
Gas bill - Narsingdi power plant	4,524,813	4,787,956
Gas bill - Narsingdi power plant (Expansion)	8,293,518	2,843,825
Gas bill - Chandina power plant	4,607,984	4,853,671
Gas bill - Chandina power plant (Expansion)	3,665,468	4,399,273
Mobil Jamuna Lubricants Ltd.	561,466	628,723
Ranks Petroleum Ltd.	1,091,576	-
Wartsila Bangladesh Limited	305,494	-
	43,739,062	22,244,235

23. Other creditors and accruals

	2007 Taka	2006 Taka Restated
Payable to C&F agents - Desh Bangla Enterprise	902,183	563,090
Payable to C&F agents - Projukti Annasha	124,187	36,202
Payable to suppliers	87,000	87,000
Payable to EPC Contractor	37,241,022	19,876,896
Payable to Rural Electrification Board	14,913,204	14,913,204
Operation & Insurance Bond Commission	-	292,750
Stand By Letter of Credit (SBLC) Commission	127,191	78,365
Bank charges and interest	-	40,138
Salary and allowances	23,790	24,586
Tax on directors' remuneration	1,208,913	497,500
Gas and utility	457,257	506,311
Communication expenses	180,797	252,991
Advertisement and publicity	288,165	-
EGM expenses	85,000	-
Repairs and maintenance	-	6,000
Audit and certification fees	431,565	222,063
Food and lodging expenses	-	12,400
Security service expenses	146,508	81,928
AIT and VAT - Deduction at source	13,953,970	25,977,411
Legal expenses and environmental fees	330,000	80,000
Technical assistance fee	-	693,000
Independent engineer's remuneration	133,000	133,000
	70,633,752	64,374,835

Notes to the Financial Statements Continued

23.1 Consolidated other creditors and accruals

	2007 Taka	2006 Taka Restated
Payable to C&F agents - Desh Bangla Enterprise	902,183	563,090
Payable to C&F agents - Projukti Annasha	124,187	36,202
Payable to suppliers	87,000	87,000
Payable to EPC Contractor	37,241,022	19,876,896
Payable to Rural Electrification Board	14,913,204	14,913,204
Operation & Insurance Bond Commission	-	292,750
Stand By Letter of Credit (SBLC) Commission	127,191	78,365
Bank charges and interest	-	40,138
Salary and allowances	23,790	24,586
Tax on directors' remuneration	1,208,913	497,500
Gas and utility	457,257	506,311
Communication expenses	180,797	252,991
Advertisement and publicity	288,165	-
EGM expenses	85,000	-
Repairs and maintenance	-	6,000
Audit and certification fees	515,165	222,063
Food and lodging expenses	-	12,400
Security service expenses	146,508	81,928
AIT and VAT - Deduction at source	13,953,970	25,977,411
Legal expenses and environmental fees	330,000	80,000
Technical assistance fee	-	693,000
Independent engineer's remuneration	133,000	133,000
	70,717,352	64,374,835

24. Inter company payable

Payable to Summit Corporation - Rent, rates and taxes	1,659,840	400,260
Payable to Summit Industrial & Mercantile Corporation (Pvt.) Ltd. - Rent, rates and taxes	2,050,454	493,536
	3,710,294	893,796

Notes to the Financial Statements Continued

25. Revenue

Turnover for the existing 3 plants consists of capacity component and energy component invoiced to Rural Electrification Board (REB).

Plants	2007			2006
	Capacity component Taka	Energy component Taka	Total Taka	Total Taka
Savar power plant	118,612,007	64,303,728	182,915,735	184,780,914
Narsingdi power plant	121,242,169	61,504,751	182,746,920	177,903,574
Chandina power plant	122,294,281	58,028,116	180,322,397	185,894,710
	362,148,457	183,836,595	545,985,052	548,579,198

Turnover for the expansion plants invoiced to Rural Electrification Board (REB).

Plants	2007 Taka	2006 Taka
Savar power plant	46,817,208	-
Narsingdi power plant	357,593,021	13,143,797
Chandina power plant	198,371,010	22,622,659
	602,781,239	35,766,456
	1,148,766,291	584,345,654

26. Cost of sales

Gas consumption - Savar	50,813,200	50,203,320
Gas consumption - Savar (Expansion Unit)	16,350,826	-
Gas consumption - Narsingdi	54,791,013	50,698,219
Gas consumption - Narsingdi (Expansion Unit)	102,748,851	6,712,542
Gas consumption - Chandina	55,834,932	59,752,706
Gas consumption - Chandina (Chandina Unit)	54,767,275	8,762,771
Tools and spare consumption	110,748,404	50,254,225
Lube and other oil expenses	27,221,377	14,027,141
Lube oil testing expenses	632,662	629,723
Meter and water testing expenses	594,321	77,600
Maintenance works expenses	15,571,358	5,951,602
Depreciation on plant and machinery	72,075,429	27,120,054
	562,149,648	274,189,903

Notes to the Financial Statements Continued

27. General and administrative expenses

	2007	2006
	Taka	Taka
Salary and allowances	37,541,400	29,926,085
Gratuity fund	1,643,629	1,676,567
Directors remuneration (Note 27.a)	10,606,750	7,700,000
Tax on directors remuneration	2,651,688	1,925,000
Board meeting attendance fees (including non-director participants)	461,100	347,700
Traveling and conveyance	4,140,476	5,879,199
Vehicle fuel and maintenance	3,554,898	3,021,416
Entertainment and others	1,293,827	1,057,607
Printing and stationery	1,164,762	968,070
General repair and maintenance	1,618,653	818,018
Office expenses	218,363	138,822
Communication expenses	3,051,774	2,698,017
Office rent (Note 27.b)	4,899,614	4,329,572
Utility expenses	2,801,485	2,492,604
Trade license and other fees	48,560	773,160
Advertisement and publicity	2,246,364	736,100
Gift and compliments	250,704	332,509
Food and lodging expenses	252,340	205,650
Miscellaneous expenses	81,132	327,448
Legal and professional consultancy fees	13,508,577	6,740,805
Uniform and liveries	351,626	212,520
Security services expenses	1,641,866	773,089
Insurance premium	6,906,812	4,957,902
Land lease rental	2,557,573	2,038,470
Environmental compliance cost	271,650	240,000
Donation and subscription	2,285,000	2,273,000
IPDC supervision charges	163,991	256,890
Audit fees	230,000	200,000
Other professional fees paid to auditors	63,603	97,284
Depreciation on other property, plant and equipment (Note 5)	11,837,466	10,346,904
Depreciation on leased assets (Note 5)	1,037,400	640,000
Amortisation (Note 8)	43,000	40,200
ISO Certification Expenses	-	375,588
Tender documents expenses	320,880	-
Technical assistance fee	-	2,838,545
AGM expenses	3,492,911	2,638,345
EGM expenses	2,516,883	-
Annual fees - DSE, CSE, CDBL & Custodian Service (SEBL)	1,215,558	920,203
Annual licence fees - BERC	1,225,000	-
Education and training	46,700	1,888,955
Liquidated damage regarding Narshingdi and Chandina expansion project	-	14,913,204
Write off of insurance claim on accident	6,551,992	-
	134,796,007	117,745,448

Notes to the Financial Statements Continued

General and administrative expenses for 2006 have been restated to incorporate the liquidated damage for Narshingdi and Chandina projects payable to Rural Electrification Board for delay in commencement of commercial operation of these projects, effect of which was not considered in 2006.

27.a Directors' remuneration

	2007 Taka	2006 Taka
Salaries and benefit	8,610,250	5,940,000
Bonus	1,996,500	1,760,000
	10,606,750	7,700,000
Fees for attending board meeting	288,000	216,000
Utility	1,705,000	1,320,000
	12,599,750	9,236,000

27.b Office rent (operating leases)

The company is obligated under cancelable and non-cancelable lease for office space that are renewable on a periodic basis at the option of both the lessor and lessee. During the year, rental expenses under cancelable and non-cancelable operating leases aggregated Tk. 4,422,614 (2006: Tk. 4,212,072).

The company is obligated under cancelable and non-cancelable lease for land leased out by REB and Cosmopolitan Traders (Pvt.) Ltd. that are renewable on a periodic basis at the option of both the lessor and lessee. During the year, rental expenses under cancelable and non-cancelable operating leases aggregated Tk. 2,092,043 plus 465,530 (2006: Tk. 2,038,470 plus 305,677).

The future minimum lease payments in respect of operating leases as at 31 December 2007 are as follows:

Amount due within one year from the balance sheet date	6,980,187	6,980,187
Amount due in the period between one year and five years	27,920,748	27,920,748
	34,900,935	34,900,935

The company intends to renew such leases in the normal course of its business. In the absence of a reliable long term dollar to taka exchange forecast, for REB lease payments current exchange rate has been considered for the calculation of future minimum lease payments to REB.

Notes to the Financial Statements Continued

27.1 Consolidated general and administrative expenses

	2007	2006
	Taka	Taka
Salary and allowances	37,541,400	29,926,085
Gratuity fund	1,643,629	1,676,567
Directors remuneration	10,606,750	7,700,000
Tax on directors remuneration	2,651,688	1,925,000
Board meeting attendance fees (including non-director participants)	710,100	347,700
Traveling and conveyance	5,058,888	5,879,199
Vehicle fuel and maintenance	3,554,898	3,021,416
Entertainment and others	1,644,090	1,057,607
Printing and stationery	1,194,212	968,070
General repair and maintenance	1,618,653	818,018
Office expenses	218,363	138,822
Communication expenses	3,051,774	2,698,017
Office rent	4,899,614	4,329,572
Utility expenses	2,801,485	2,492,604
Trade license and other fees	59,560	773,160
Advertisement and publicity	2,246,364	736,100
Gift and compliments	250,704	332,509
Food and lodging expenses	252,340	205,650
Miscellaneous expenses	81,134	327,448
Legal and professional consultancy fees	14,172,177	6,740,805
Uniform and liveries	351,626	212,520
Security services expenses	1,641,866	773,089
Insurance premium	6,906,812	4,957,902
Land lease rental	2,557,573	2,038,470
Environmental compliance cost	271,650	240,000
Donation and subscription	2,285,000	2,273,000
IPDC supervision charges	163,991	256,890
Audit fees	310,000	200,000
Other professional fees paid to auditors	63,603	97,284
Depreciation on other property, plant and equipment	11,837,466	10,346,904
Depreciation on leased assets	1,037,400	640,000
Amortisation	43,000	40,200
ISO Certification expenses	-	375,588
Tender documents expenses	320,880	-
Technical assistance fee	-	2,838,545
AGM expenses	3,492,911	2,638,345
EGM expenses	2,516,883	-
Annual fees - DSE, CSE, CDBL & Custodian Service (SEBL)	1,215,558	920,203
Annual licence fees - BERC	1,225,000	-
Application fee - SEC (Consent of issue zero coupon bond)	20,000	-
Credit rating expenses	600,000	-
Education and training	46,700	1,888,955
Liquidated damage regarding Narshingdi and Chandina expansion project	-	14,913,204
Write off of insurance claim on accident	6,551,992	-
	137,717,734	117,745,448

Notes to the Financial Statements Continued

Consolidated general and administrative expenses for 2006 have been restated to incorporate the liquidated damage for Narshingdi and Chandina projects payable to Rural Electrification Board for delay in commencement of commercial operation of these projects, effect of which was not considered in 2006.

28. Other income

	2007	2006
	Taka	Taka
Sale of empty lube oil drums	1,125,754	1,004,846
Miscellaneous	642,898	233,000
	1,768,652	1,237,846

29. Finance expenses

Interest on term loan:		
Standard Chartered Bank	68,211,790	37,200,058
Dutch-Bangla Bank Ltd.	40,553,389	1,042,067
Commercial Bank of Ceylon Ltd.	26,014,964	822,105
Bank Al-Falah Ltd.	21,746,778	595,467
The Premier Bank Ltd.	16,825,470	520,966
IPDC of Bangladesh Limited	1,536,965	2,432,233
Prime Finance & Investment Limited	146,001	200,706
	175,035,357	42,813,602
Interest on short term loan:		
Commercial Bank of Ceylon Ltd.	2,517,416	-
The Premier Bank Ltd.	6,076,020	-
Shahjalal Islami Bank Limited	1,276,826	-
	9,870,262	-
Bank charges & others :		
Bank guarantee commission	1,431,361	1,289,132
Operation bond commission	1,091,726	119,037
Insurance bond commission	1,757,993	878,250
	203,928	1,660,109
	4,485,008	3,946,528
	189,390,627	46,760,130

Notes to the Financial Statements Continued

29.1 Consolidated finance expenses

	2007 Taka	2006 Taka
Interest on term loan:		
Standard Chartered Bank	68,211,790	37,200,058
Dutch-Bangla Bank Ltd.	40,553,389	1,042,067
Commercial Bank of Ceylon Ltd.	26,014,964	822,105
Bank Al-Falah Ltd.	21,746,778	595,467
The Premier Bank Ltd.	16,825,470	520,966
IPDC of Bangladesh Limited	1,536,965	2,432,233
Prime Finance & Investment Limited	146,001	200,706
	175,035,357	42,813,602
Interest on short term loan:		
Commercial Bank of Ceylon Ltd.	2,517,416	-
The Premier Bank Ltd.	6,076,020	-
Shahjalal Islami Bank Limited	1,276,826	-
	9,870,262	-
Bank charges and others :	1,452,851	1,289,132
Bank guarantee commission	1,091,726	119,037
Operation bond commission	1,757,993	878,250
Insurance bond commission	203,928	1,660,109
	4,506,498	3,946,528
	189,412,117	46,760,130

30. Earnings per share (EPS)

	2007 Taka	2006 Taka
Basic earnings per share		
The computation of EPS is given below:		
a) Profit attributable to the ordinary shareholders	268,096,230	160,188,811
b) Number of shares outstanding	8,580,000	8,580,000
Earnings per share (EPS) (a/b)	31.25	18.67

Since the bonus issue is an issue without consideration, the issue has been treated as if it occurred prior to the beginning of 2007, the earliest period reported.

The comparatives for EPS has been restated to take into account the impact of prior year adjustments for 2006 made in 2007.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the period under review.

Notes to the Financial Statements Continued

30.1 Consolidated earnings per share (EPS)

Basic earnings per share

The computation of EPS is given below:

a) Profit attributable to the ordinary shareholders	265,153,013	160,188,811
b) Number of shares outstanding	8,580,000	8,580,000
Earnings per share (EPS) (a/b)	30.90	18.67

Since the bonus issue is an issue without consideration, the issue has been treated as if it occurred prior to the beginning of 2007, the earliest period reported.

The comparatives for EPS has been restated to take into account the impact of prior year adjustments for 2006 made in 2007.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the period under review.

31. Cash flow statement

31.a During the period, the company purchased property, plant and equipment with an aggregate cost of Tk. 1,175,267,911 and full amount was financed by project loan. No cash payment was made from the company's own source.

In 2006, the company purchased property, plant and equipment and paid for capital work in progress with an aggregate cost of Tk. 1,317,035,553 of which Tk. 1,143,421,697 was financed by means of long term and short term bank finance. Cash payment of Tk. 173,613,856 were made from the company's own source.

31.b During the period the company obtained long term loans from various banks aggregating to an amount of Tk. 1,249,999,970; out of this an amount of Tk. 1,175,267,911 was for purchase of property, plant and equipment. The balance of Taka 74,732,059 has effectively been borrowed to finance company's operation.

31.1 Consolidated cash flow statement

31.1.a During the period, the company purchased property, plant and equipment with an aggregate cost of Tk. 1,175,267,911 and full amount was financed by project loan. No cash payment was made from the company's own source.

In 2006, the company purchased property, plant and equipment and paid for capital work in progress with an aggregate cost of Tk. 1,317,035,553 of which Tk. 1,143,421,697 was financed by means of long term and short term bank finance. Cash payment of Tk. 173,613,856 were made from the company's own source.

31.1.b During the period the company obtained long term loans from various banks aggregating to an amount of Tk. 1,249,999,970; out of this an amount of Tk. 1,175,267,911 was for purchase of property, plant and equipment. The balance of Taka 74,732,059 has effectively been borrowed to finance company's operation.

During the period, the company along with its subsidiaries paid for capital work in progress with an aggregate cost of Tk. 329,970,556 of which Tk. 321,890,344 was financed by short term loan and 8,080,212 was made from own sources.

During the period the company along with its subsidiaries obtained short term loans from various banks aggregating to an amount of Tk. 321,890,344 and the full amount was used for purchase of property, plant and equipment and construction under progress.

Notes to the Financial Statements Continued

32. Contingent liability

Contingent liability existed for the company of Tk. 228,350,930 as at 31 December 2007 in relation to issue of construction bond, operation bond, insurance bond and bank guarantee by third parties.

Nature of contingent liability	Expiry date	2007	2006
		Taka	Taka
Construction Bond - Savar expansion plant	05.12.2007	-	175,000,000
Operation Bond - All existing plants	31.08.2008	70,260,000	70,260,000
Operation Bond - Savar expansion plant	03.12.2008	54,210,000	-
Operation Bond - Narsingdi expansion plant	16.12.2008	39,200,000	39,200,000
Operation Bond - Chandina expansion plant	13.11.2008	22,400,000	22,400,000
Insurance Bond - IPDC	30.06.2008	9,333,380	18,666,760
Bank Guarantee - Caterpillar (DBL)	31.08.2006	-	4,158,000
Bank Guarantee - Power Cell (PBL)	05.08.2008	12,500,000	-
Bank Guarantee - Power Cell (PBL)	05.08.2008	10,000,000	-
Bank Guarantee - Power Cell (PBL)	05.08.2008	7,500,000	-
Bank Guarantee - Rangs Petroleum Ltd. (PBL)	07.03.2008	2,837,050	-
Bank Guarantee - CCIE (PBL)	24.01.2008	55,000	-
Bank Guarantee - CCIE (PBL)	20.03.2008	55,500	-
Bank Guarantee - CCIE (SCB)	-	-	217,725
		228,350,930	329,902,485

32.1 Consolidated contingent liability

Contingent liability existed for the company of Tk. 398,350,930 as at 31 December 2007 in relation to issue of construction bond, operation bond, insurance bond and bank guarantee by third parties.

Nature of contingent liability	Expiry date	2007	2006
		Taka	Taka
Construction Bond - Savar expansion plant	05.12.2007	-	175,000,000
Operation Bond - All existing plants	31.08.2008	70,260,000	70,260,000
Operation Bond - Savar expansion plant	03.12.2008	54,210,000	-
Operation Bond - Narsingdi expansion plant	16.12.2008	39,200,000	39,200,000
Operation Bond - Chandina expansion plant	13.11.2008	22,400,000	22,400,000
Insurance Bond - IPDC	30.06.2008	9,333,380	18,666,760
Bank Guarantee - Caterpillar (DBL)	31.08.2006	-	4,158,000
Bank Guarantee - Power Cell (PBL)	05.08.2008	12,500,000	-
Bank Guarantee - Power Cell (PBL)	05.08.2008	10,000,000	-
Bank Guarantee - Power Cell (PBL)	05.08.2008	7,500,000	-
Bank Guarantee - Rangs Petroleum Ltd. (PBL)	07.03.2008	2,837,050	-
Bank Guarantee - CCIE (PBL)	24.01.2008	55,000	-
Bank Guarantee - CCIE (PBL)	20.03.2008	55,500	-
Bank Guarantee - CCIE (SCB)	-	-	217,725
Bank Guarantee - BPDB AG. Jangalia, Comilla Project	27.01.2009	50,000,000	-
Bank Guarantee - REB AG. Rupganj, Narayanganj Project	27.01.2009	50,000,000	-
Bank Guarantee - REB AG. Maona, Gazipur Project	27.01.2009	50,000,000	-
Bank Guarantee - REB AG. Ullapara, Sirajgonj Project	27.01.2009	20,000,000	-
		398,350,930	329,902,485

Notes to the Financial Statements Continued

33. Commitment of capital expenditure

The following letters of credit and local purchase were outstanding as of 31 December 2007 against which the company is committed to procure machinery and construction:

Company name	Currency	L/C value
M/s Business King Ltd.	Taka	7,500,000

The following letters of credit and local purchase were outstanding as of 31 December 2006 against which the company was committed to procure machinery and construction:

Company name	Currency	L/C value
Wartsila NSD	EURO	7,863,516
UDECO Ltd	USD	3,960,611
UDECO Ltd	Taka	143,525,607

33.1 Consolidated commitment of capital expenditure

The following letters of credit and local purchase were outstanding as of 31 December 2007 against which the company is committed to procure machinery and construction:

Company name	Currency	L/C value
M/s Business King Ltd.	Taka	7,500,000
Wartsila Finland OY	Euro	25,163,460
GE Jenbacher Gmbh	USD	3,465,000

The following letters of credit and local purchase were outstanding as of 31 December 2006 against which the company was committed to procure machinery and construction:

Company name	L/C no.	Currency	L/C value
Wartsila NSD	248607020010	EURO	7,863,516
UDECO Ltd	Under process	USD	3,960,611
UDECO Ltd	N/A	Taka	143,525,607

34. Commitment of working capital expenditure

The following letters of credit and local purchase were outstanding as of 31 December 2007 against which the company is committed to procure spare parts:

Company name	L/C no.	Currency	L/C value
Cater Pillar SARL, Singapore	248607013217	USD	68,200
Cater Pillar SARL, Singapore	248607013477	USD	63,795

The following letters of credit and local purchase were outstanding as of 31 December 2006 against which the company is committed to procure spare parts:

Company name	L/C no.	Currency	L/C value
Cater Pillar SARL, Singapore	248606012597	USD	55,450
Cater Pillar SARL, Singapore	248606013409	USD	55,450
Cater Pillar SARL, Singapore	248606011650	USD	15,559
Cater Pillar SARL, Singapore	265506011620	USD	320,058
ABB Ltd.	21530601020	USD	23,027

Notes to the Financial Statements Continued

35. Remittance of foreign currency

Purpose of payment	Currency	2007	2006
Technical assistance fee	USD	113,317	810,587
Dividend	USD	-	42,367
Spare parts	USD	1,094,215	1,087,369
Spare parts	EURO	218,445	-
Capital equipments	EURO	9,701,175	11,752,834
Capital equipments	USD	1,931,759	2,404,135

35.1 Consolidated remittance of foreign currency

Purpose of payment	Currency	2007	2006
Technical assistance fee	USD	113,317	810,587
Dividend	USD	-	42,367
Spare parts	USD	1,094,215	1,087,369
Spare parts	EURO	218,445	-
Capital equipments	EURO	12,497,115	11,752,834
Capital equipments	USD	2,316,759	2,404,135

36. Value of imports calculated on CIF basis

	2007	2006
	Taka	Taka
Spare parts (includes stock in transit)	164,349,828	104,427,939

37. Related party transaction

Name of the party	Nature of relationship	Nature of transaction	2007	2006
			Taka	Taka
Summit Industrial and Mercantile Corporation (Pvt) Ltd.	Parent company	Rental payment	-	2,340,480
Summit Industrial and Mercantile Corporation (Pvt) Ltd.	Parent company	Short term loan received	128,160,000	6,500,000
Summit Industrial and Mercantile Corporation (Pvt) Ltd.	Parent company	Short term loan payment	20,000,000	-
Cosmopolitan Traders (Pvt) Ltd.	Common shareholders/directors	Land lease rent payment	-	7,914,000
Summit Corporation	Common shareholders/directors	Rental payment	-	1,871,592
Summit Uttaranchol Power Company Ltd.	Subsidiary company	Short term loan given	12,492,585	-
Summit Purbanchol Power Company Ltd.	Subsidiary company	Short term loan given	15,497,764	-
Key management employee	Board of Directors	Salary, fees etc.	12,599,750	9,236,000
	Key employees	Salary and benefits	11,569,448	
		Bonus	1,119,107	

Notes to the Financial Statements Continued

37.1 Consolidated related party transaction

Name of the party	Nature of relationship	Nature of transaction	2007	2006
			Taka	Taka
Summit Industrial and Mercantile Corporation (Pvt) Ltd.	Parent company	Rental payment	0	2,340,480
Summit Industrial and Mercantile Corporation (Pvt) Ltd.	Parent company	Short term loan received	128,160,000	6,500,000
Summit Industrial and Mercantile Corporation (Pvt) Ltd.	Parent company	Short term loan payment	20,000,000	0
Cosmopolitan Traders (Pvt) Ltd.	Common shareholders/ directors	Land lease rent payment	0	7,914,000
Summit Corporation	Common shareholders/ directors	Rental payment	0	1,871,592
Key management employee	Board of Directors	Salary, fees etc.	12,599,750	9,236,000
	Key employees	Salary and benefits	11,569,448	
		Bonus	1,119,107	

Notes to the Financial Statements Continued

38. Capacity

Year ended on 31 Dec 2007

Name of plants	Licensed capacity	Installed capacity	Plant factor (% on licensed capacity)	Energy generated (MwH)	Energy sold (MwH)
Ashulia - Savar	11 MW	11.99 MW	Average 81.73 Maximum 97.90	81,156	78,739
Madhabdi - Narsingdi	11 MW	11.99 MW	Average 78.23 Maximum 100.00	78,771	75,302
Chandina - Comilla	11 MW	11.99 MW	Average 73.70 Maximum 94.16	74,196	71,058
Ashulia - Savar Unit - II	33.75 MW	34.92 MW	Average 76.34 Maximum 81.00	24,910	24,526
Madhabdi - Narsingdi Unit - II	24.30 MW	26.19 MW	Average 78.74 Maximum 100.00	153,817	152,169
Chandina - Comilla Unit - II	13.50 MW	13.94 MW	Average 79.84 Maximum 100.00	87,296	86,176

Year ended on 31 Dec 2006

Name of plants	Licensed capacity	Installed capacity	Plant factor (% on licensed capacity)	Energy generated (MwH)	Energy sold (MwH)
Ashulia - Savar	11 MW	11.99 MW	Average 83.03 Maximum 99.27	82,436	80,035
Madhabdi - Narsingdi	11 MW	11.99 MW	Average 76.37 Maximum 98.67	75,111	72,093
Chandina - Comilla	11 MW	11.99 MW	Average 79.44 Maximum 99.14	79,838	76,557
Madhabdi - Narsingdi Unit - II	24.30 MW	26.19 MW	Average 45.38 Maximum 84.00	9,084	9,026
Chandina - Comilla Unit - II	13.50 MW	13.94 MW	Average 61.97 Maximum 100.00	13,591	13,541

39. Post balance sheet event

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

40. General

40.1 Number of employees

During the year ended on 31 December 2007 there were 89 employees who received salary Tk 36,000 and above per year (2006: 87)

40.2 Previous year's figures have been rearranged, where necessary to conform to current year's presentation.

Notes

A series of horizontal dotted lines for writing notes.

SUMMIT POWER LIMITED

Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215

PROXY FORM

I/We _____ of _____
being a member of **Summit Power Limited** hereby appoint Mr./Ms. _____
_____ of _____

another member of the company, as my proxy to attend and vote for me on my behalf at the **11th Annual General Meeting** of the Company to be held on Thursday, the 7th day of August 2008, at 11.00 A.M and at any adjournment thereof.

As witness my hand this _____ day of _____, 2008 signed by the said in presence of _____



(Signature of the Proxy)

Folio/BO ID

Signature of the Shareholder(s)

Folio / BO ID

(Signature of Witness)

NOTE :

A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature Verified

Authorised Signatory



SUMMIT POWER LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my attendance at the 11th Annual General Meeting being held on Thursday, the 7th day of August 2008, at 11.00 A.M.

Name of Shareholder(s) _____

Folio/ BO ID _____ holding of _____ ordinary Shares of Summit Power Limited

Signature of Shareholder

NOTE :

1. Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
2. Please present this slip at the reception Desk.



Summit Power Limited, the first Bangladeshi Independent Power Producer (IPP) has been awarded A Credit Rating in the long term and ST-3 rating in the short term by an internationally linked joint venture rating agency Credit Rating Information & Services Limited (CRISL) in collaboration with Rating Agency Bernhard, Malaysia and JCR-VIS Rating Company Limited, Pakistan.

The rating is a unique distinction for a Bangladeshi company in private sector power generation to receive such an internationally recognized credit rating. Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations and adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The short term rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

Summit's Power plants are operated and maintained wholly by Bangladeshi engineers and technicians setting an example of growing entrepreneurial and technical sufficiency of Bangladeshi industrial enterprises. The company has also received ISO 9001:2000 certification in 2002 for its quality management and for the maintenance of high environmental standard.



Empowering Bangladesh
we can and we will

Empowering Bangladesh we can and we will

SUMMIT'S COMMITMENT

Power turns the wheels of the industry, illuminates the homes and offices and indeed serves as the most important catalyst for progress and prosperity of a nation. Summit, a pioneer in private sector power generation, has drawn up program to raise its generation capacity to 1000 MW, representing 20% of the country's requirement.

SUMMIT POWER LIMITED

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