

# SUMMIT POWER LIMITED



Empowering Bangladesh



MADHABDI POWER PLANT | 35.30 MW



MADANGANJ POWER PLANT | 102 MW



JANGALIA POWER PLANT | 33 MW



MAONA POWER PLANT | 33 MW



RUPGANJ POWER PLANT | 33 MW



INTERNATIONAL STAR FOR LEADERSHIP IN QUALITY



CHANDINA POWER PLANT | 24.50 MW



ASHULIA POWER PLANT | 44.75 MW



ULLAPARA POWER PLANT | 11 MW

## ANNUAL REPORT 2012



**VISION**

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

**MISSION**

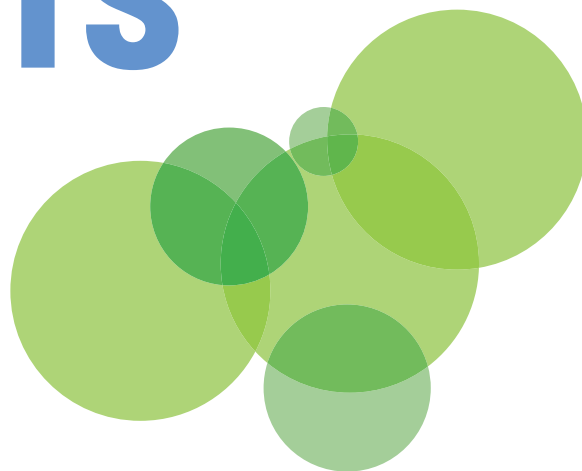
**“Empowering Bangladesh”**

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

**OBJECTIVES**

- Generate and provide uninterrupted reasonably priced electricity to our customers.
- Efficient utilization of capital, machines, material and human resources.
- Continuous improvement of customer satisfaction and resource management.

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# COMPANY INFORMATION





**Summit Power Limited (SPL), sponsored by Summit Group, is the first Bangladeshi Independent Power Producer (IPP) in Bangladesh in private sector providing power to national grid. SPL was incorporated in Bangladesh on March 30, 1997 as a Private Limited Company. On June 7, 2004 the Company was converted to Public Limited Company under the Companies Act 1994.**

Summit Power Limited in 2001, has successfully established three power plants of 11 MW capacity each, for sale of electricity to Rural Electrification Board (REB) on Build, Own and Operate basis at Savar, Narsingdi and Comilla. During 2006 and 2007 in each of the above three places, 2nd unit was commissioned enhancing the capacity of SPL to 105 MW. In 2009 SPL with its 99% owned two subsidiaries has established 4 new power plants raising its capacity to 215 MW. In 2011 SPL has commissioned another power plant of 102 MW capacity at Narayanganj under Summit Narayanganj Power Limited, where SPL has 55% ownership.

In the year 2011 Summit Power Limited has consolidated its position further by acquiring 53,955,326 numbers of ordinary shares of Khulna Power Company Limited (KPCL). It gives SPL the status of 18.7% of the ownership of KPCL and with that status an additional capacity of 50 MW (approximately) has been added with that of SPL being the total capacity of 367 MW.

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

# CORPORATE DIRECTORY



## BOARD OF DIRECTORS

Muhammed Aziz Khan	Chairman
Md. Latif Khan	Vice-Chairman
Tauhidul Islam	Managing Director
Anjuman Aziz Khan	Director
Md. Farid Khan	Director
Ayesha Aziz Khan	Director
Mr. Jafer Ummeed Khan	Director
Faisal Karim Khan	Director
Syed Fazlul Haque FCA	Director
Abbas Uddin Ahmed	Independent Director
Ziaul Hasan Siddiqui	Independent Director
Helal Uddin Ahmed	Director

## COMPANY SECRETARIAT

Mahmud Hasan FCMA	Company Secretary
Rahmat-e-Rabbi	Manager (Accounts)

## REGISTERED OFFICE

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

## AUDITORS

Hoda Vasi Chowdhury & Co  
(Independent Correspondent  
Firm to Deloitte Touche Tohmatsu)  
Chartered Accountants  
National Office  
BTMC Bhaban (Levels 7 & 8)  
7-9 Kawran Bazar  
Dhaka-1215, Bangladesh

## LEGAL ADVISOR

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

## POWER PLANTS

Ashulia-Savar  
Madhabdi-Narshingdi  
Chandina-Comilla  
Ullapara-Sirajgonj  
Maona-Gazipur  
Jangalia-Comilla  
Rupganj-Narayanganj  
Madanganj-Narayanganj

## MAIN BANKERS

Standard Chartered Bank  
Dutch Bangla Bank Limited  
Commercial Bank of Ceylon PLC.  
Shahjalal Islami Bank Limited  
IIDFC  
BRAC Bank Limited  
Sonali Bank Limited



# NOTICE

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





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

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of Summit Power Limited will be held on Sunday the 28th day of April, 2013, at Bashundhara Convention Center-02, Block-C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka-1229, at 11.30 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, 2012 together with the auditors report thereon.
2. To declare dividend for the year 2012 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 appoint auditors for the year 2013 and to fix their remuneration.

By order of the Board



(Mahmud Hasan FCMA)  
Company Secretary

Dhaka, April 14, 2013.

### NOTES:

1. Shareholders whose names appeared at the record date i.e. March 28, 2013 in the Share Register of the Company or in the Depository Register on that date will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.
2. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.
3. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy Form.

# COMMUNICATIONS WITH SHAREHOLDERS

Corporate Governance involves openness and trustful cooperation between all stakeholders of the Company. The Company has an effective policy in ensuring proper information disclosure and communication. In compliance with continuous disclosure requirements, the Company regularly communicates information regarding any development that has major impact on the operations of the business to its shareholders.

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## INFORMATION DISCLOSURE

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The Company follows these main forms of Information Disclosure:

- Continuous Disclosure – which is its core disclosure and primary method of informing the market and Shareholders.
- Periodic Disclosure – in the form of quarterly and yearly reporting of financial results and other issues and
- Event based disclosure - as and when required of administrative and corporate developments, usually in the form of press releases

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

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## GENERAL MEETING

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The Company recognizes the rights of the Shareholders and the Company will make sure their interests are guaranteed through the Annual General Meeting (AGM). The Company requires the whole Board of Directors and Auditors to attend the AGM so that they can answer the Shareholders' queries regarding the financial results of the Company.

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## WEBSITE

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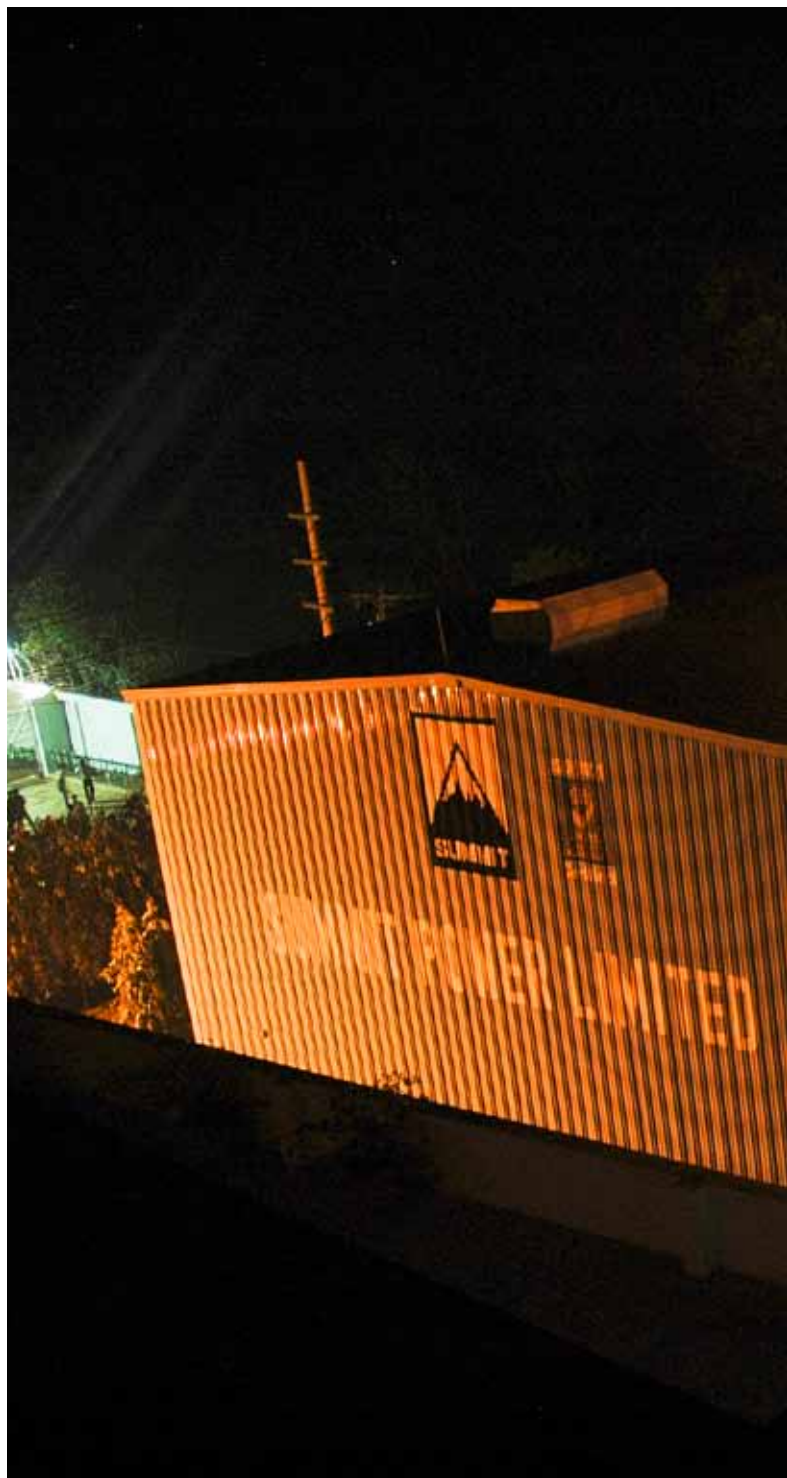
All financial results, key performance indicators, compliance reports, other important financial and non-financial data, shareholding information etc are posted on the Investors Relations section of the Company's website.

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## SHAREHOLDERS' QUERIES

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If shareholders have any queries relating to their shareholding, they may contact the Financial Controller & Company Secretary of the Company, Mr. Mahmud Hasan FCMA by calling at + (880) 2 – 9137485-6 or mail to [mahmud.hasan@summitpower.org](mailto:mahmud.hasan@summitpower.org)





# CHAIRMAN'S SPEECH



*My dear fellow Shareowners.*

It is my privilege to welcome you all to the Annual General Meetings, which provides me with an opportunity to inform you of the policy and strategy of your good Company, Summit Power Limited, so that you may appraise our performance. Well, we have delivered a robust performance about which we can all be justifiably proud.

Summit Power's vision is to become one of the largest integrated power generation Companies', certainly in Bangladesh and perhaps in Asia. As you know 560 MW is already operational, while our Sponsor Company Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (Summit) has under construction about 700 MW on which your company is seriously considering buying into. Yet, Summit Power is also pursuing many more power projects.

As you all know the biggest challenge to growth of capital intensive power generation companies' is capital itself. Your company has specialised in financing projects at the lowest costs i.e. lowest interest. Under its umbrella, companies such as Summit Narayanganj Power Limited, Khulna Power Company Unit II Ltd. are the only rental companies that could get financed by the multilaterals at less than 5% per annum. Similarly our technological and management prowess will ensure competitiveness. On the equity side even under severe market conditions of 2012, your subsidiary Summit Purbanchol Power Company Limited (SPPCL) issued shares to the public at a 300% premium or Taka 40 per share via an IPO in November 2012. The shares of your subsidiary received a very positive reception during its secondary market trading in February 2013 with the price increasing to more than Taka 60/share. Currently, Summit Power's investment of Taka 571 million is now estimated to be worth Tk 4,152.5 million (SPPCL trading at Tk 55/share) showing the significant capital appreciation of Summit Power Limited. In 2013 we will consolidate these gains and acquire more power assets. We will also try to consolidate our organizations to make these more management efficient, cost effective and with a much stronger balance sheet. These will enable us to get large scale financing at very competitive rates and capital from the international market place. The dedicated, knowledgeable shareholders, along with capable manpower, and a country of 160 million people with only 50% having access to electricity provides us with the opportunity to serve huge unmet demand. The government is committed to provide electricity for all by 2021, with regulators and electricity purchasing utilities with in depth understanding and desire to support generation growth, with low cost funding and best good will in the international community, your company will grow at levels unheard of in human history.

This year in 2013-2014 Bangladesh will have elections. A country with 160 million people in 56,000 square miles, GDP growing at almost 7% year on year, having parliamentary democracy but with strong feelings amongst larger political parties will result in Hartals / strikes and all that is connected with divisive politics. Yet, I believe like all times Bangladesh will come out a more democratic country, a more free market



oriented country providing us with much more opportunity to serve the nation while building her infrastructure. Bangladesh's infrastructure, especially electricity is so important that there is no difference of opinion amongst the politicians on the requirement of dynamic electricity generating companies, thus providing us unhindered growth opportunities today and beyond.

Last year your Managers bagged so many "BEST" awards including "Best Corporate Award" in the power companies' category in 2012 for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB). Your company has also received "International Star for Leadership in Quality Award" in Paris in Gold Category for its outstanding business achievements, for perseverance and leadership in excellence, and quality in accordance with the QC 100 Criteria from Business Initiative Directions (BID), an organization whose primary objective is oriented towards sharing quality culture in leading companies worldwide. The management deserves a huge CONGRATULATIONS from us which I have conveyed to them on your behalf.

Last year, I concluded by saying that we eventually supply 20% of Bangladesh's electricity grid, in 2013- 2014. We shall achieve that goal with all of your help and support.

Thank you for being with us in good days and bad, if there are any. All the best wishes.

Muhammed Aziz Khan

Chairman

# BUSINESS REVIEW - 2012

**Summit Power Limited and its subsidiaries at present operate 11 power plants. The Generation Capacity of these power plants is 317 MW (approximately). In 2012, all these power plants were made available to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of the Company. As a result these plants could deliver electrical energy to the national grid 1,805 million KWh approximately, which is a bit higher than that of 2011.**

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

- Total Energy Exported increased from 1,752,033 MWh in 2011 to 1,804,396 MWh in 2012.
- Jangalia, Chandina and Ashulia Power Plants performed quite better in terms of Energy Export in 2012
- The rate of Fuel Consumption of Ashulia, Jangalia and Ullapara Power Plants were slightly more in 2012 than 2011
- The total availability factor increased by 34% on an average
- The Availability Factor of Chandina and Ullapara Power Plants had the highest increase
- 11 MW Power Plant of Chandina, Ullapara Plant, Expansion Power Plant of Ashulia, and Maona Plant did well in terms of their Heat Rate.
- Chandina, Madanganj and Madhabdi Plants did well in reducing their internal electricity consumption

During the year, the percentage of cost of sales has improved and reduced to 38.50% from 40.56% of 2011 due to better operational and maintenance management of plants and substantial growth in per unit sales rate and therefore, gross profit margin has also increased from 59.44% to 61.50%. Despite growth in gross profit margin, net profit margin has decreased from 64.57% to 42.20% over last year due to substantial increase in financial costs arising out of the interest payment of foreign loan on account of Summit Narayanganj Power Limited. Beside this in the year 2011 there was an un-usual capital gain from transfer of shares/partial ownership of Summit Uttaranchol Power Company Limited.

The company strives to expand the capacity significantly in its Maona, Rupanj and Ullapara plants, which is in line with its mission - to expand the company into a power generation company having capacity to take a market share of 20% in the sector.





# 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. LATIF KHAN**  
Vice-Chairman

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





**MD. 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".

# INTRODUCING THE DIRECTORS



## MD. FARID KHAN

Director

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



## AYESHA AZIZ KHAN

Director

Ms. Ayesha Aziz Khan completed her graduation in Economics and Business from the University College of London (UCL) in 2002 and Masters in Business Administration (MBA) from the Columbia University, New York, USA. Ms. Khan holds the position of Director in several companies of Summit Group. Ms. Khan has extensive experience in the power sector of the country specifically in financial management for power generation companies, infrastructure finance and structured finance. In her career, she has spearheaded the financial close for multiple power projects, which includes - Summit Uttaranchal Power Company Limited (SUPCL) Summit Purbanchal Power Company Limited (SPPCL), Summit Narayanganj Power Limited and Summit Power Limited (SPL).

Her career as Director Finance has been enriched due to her expertise in building relationships and takes ownership of deal shaping and contract negotiations. Her responsibilities include reporting to the Board in the preparation of budgets and financial reports and reports for Government regulatory agencies. She works towards the company objectives by providing advice and guidance on financial strategy and overseeing all accounting procedures and systems used by the Company. She meets with the Board of Directors regularly to keep them informed, reviewing reports and analyzing projections of sales and income against actual figures and suggesting methods of improving the planning processes.

She is a valuable member of SAARC Chamber of Commerce and Industry, Federation of Bangladesh Chamber of Commerce & Industry (FBCCI), Prime Minister's business delegation to India & United States of America.



**MR. JAFER UMMEED KHAN**

Director

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



**MR. FAISAL KARIM KHAN**

Director

Mr. Faisal Karim Khan, born on 29th July 1985 began his career with Summit Group with a training stint at Summit Power Limited and Summit Alliance Ports Limited. From February 2008, Mr. Khan has engaged himself with Summit Alliance Ports Limited and Ocean Containers Limited as a member of the Board of Directors and as Deputy Managing Director.

Thereafter, Mr. Khan increased his responsibility by taking up Directorship of Summit Industrial & Mercantile Corporation Pvt. Limited, Cosmopolitan Traders Limited, Summit Power Limited and Summit Communications Limited. Mr. Khan also represents Summit Group in the Board of Directors in National Housing Finance & Investment Limited.

Mr. Khan is currently responsible for the Group's interest in large infrastructure development business, specifically in the power sector. Recently, the Dhaka Chamber of Commerce and Industry (DCCI) appointed Mr. Khan as Co-Convenor: Energy & Infrastructure Sector.

Mr. Khan completed his high school from United World College of the Atlantic, UK, in 2004, and thereafter completed Mechanical Engineering with Business Finance degree from University College London (UCL) and London School of Economics (LSE) in 2007.

# INTRODUCING THE DIRECTORS



**SYED FAZLUL HAQUE FCA**  
Director

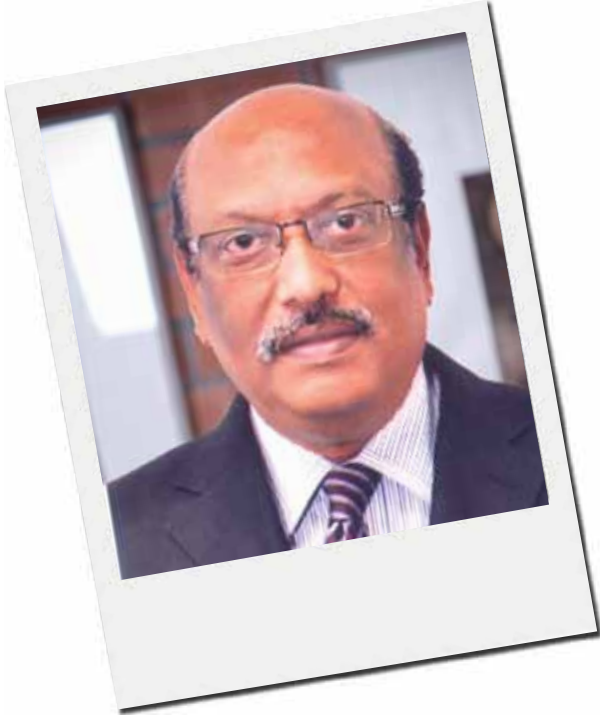
A Chartered Accountant by profession, Syed Fazlul Haque, started his career as Partner of A Qasem & Co., Chartered Accountants in mid-1971. In April 1975 he moved to executive career by joining Biman Bangladesh Airlines, as its Controller of Accounts and since then his long varied career included increasingly 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.



**ABBAS UDDIN AHMED**  
Independent 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.



#### **MR. ZIAUL HASAN SIDDIQUI**

Independent Director

Mr. Ziaul Hasan Siddiqui accomplished professional excellence in the area of Central Banking exceeding 35 years of extensive and versatile experience. He served as Deputy Governor for more than 5 years with specialization in monetary policy, foreign exchange policy and reserve management. He also served as the Head of Financial Intelligence Unit (FIU) of Bangladesh to upgrade Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT). He did his Masters in Public Administration (MPA) from Harvard University (USA) with outstanding skills of communication, management and leadership.

Mr. Siddiqui coordinated the entire arrangements for country's sovereign rating (Bangladesh achieved very good rating which is only next to India in South Asia and as good as Vietnam and Venezuela) by Moody's and S & P. He was involved in the negotiation of Industrial Sector Adjustment Credit and Railway Recovery Program with representatives of IMF, World Bank and Asian Development Bank. He contributed in drafting the current Guidelines for Foreign Exchange Transactions; initiated DIBOR, SWAP, Forward Contract, Hedging Product etc. He acted as the Managing Director of the Security Printing Corporation (Bangladesh) Ltd. and was a Member of the Board of directors of Karmashangthan Bank, Bangladesh Overseas Employment and Services Ltd. and Security Printing Corporation (Bangladesh) Ltd. Mr. Siddiqui also worked as a committee member of the "Third General Assembly" of APRACA in 1980.

Apart from his banking career, Mr. Siddiqui has teaching experience too. He taught microeconomics, macroeconomics, and managerial economics in different private universities in Bangladesh including University of Asia Pacific, Northern University, IUBAT, and National University. Currently he is engaged as Adviser of Prime Bank Limited and Adjunct Professor of BRAC University. He is also an Independent Director of Union Capital Ltd., a non-bank financial institution. He authored several research papers and articles on banking and finance.



#### **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.

# SUCCESS MILESTONES

## '06

**March 20, 2006**

Signing of Project Agreements for expansion at Ashulia, Savar with REB & GOB

**November 15, 2006**

Commercial operation at Comilla expansion project

**December 16, 2006**

Commercial operation at Madhabdi expansion project

## '04

**June 07, 2004**

Conversion from private to public limited company

## '05

**January 13, 2005**

Appointment of Issue Manager

**March 29, 2005**

Credit Rating by CRISL

**June 19, 2005**

Agreement with CDBL

**June 25, 2005**

Approval of Prospectus from Securities & Exchange Commission

**June 28, 2005**

Signing of Project Agreements for expansion at Madhabdi and Comilla with REB & GOB

**June 28, 2005**

Publication of Prospectus

**August 27, 2005**

Subscription opens for public

**October 03, 2005**

Allotment of IPO shares

**October 23, 2005**

Listing with Chittagong Stock Exchange Limited

**November 10, 2005**

Listing with Dhaka Stock Exchange Limited

**November 15, 2005**

First Trading in Stock Exchanges

## '07

**August 15, 2007**

Incorporation of Summit Purbanchal Power Company Limited (99% subsidiary of Summit Power Limited)

**August 15, 2007**

Incorporation of Summit Uttaranchol Power Company Limited (99% subsidiary of Summit Power Limited)

**September 29, 2007**

Increase the Authorized Share Capital of the company (SPL) through EGM For issuance of Rights Share at the ratio of 5:4

**October 11, 2007**

Signing of Project Agreements with REB, BPDB & GOB to implement total 110MW power plants (04 nos) through its two Subsidiary Companies.

**December 04, 2007**

Commercial Operation at Ashulia expansion project

## 1997-2000

**March 30, 1997**

Incorporation of the company

**February 10, 2000**

Signing of Project Agreements with REB & GOB

## '01

**February 08, 2001**

Commercial operation at Savar

**April 01, 2001**

Commercial operation at Narshingdi

**June 02, 2001**

Commercial operation at Comilla

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

**May 04, 2010**  
Incorporation of Summit Narayanganj Power Limited  
(55% subsidiary of Summit Power Limited)

**June 23, 2010**  
Signing of Project Agreement with BPDB to Implement Summit Narayanganj 102MW power plant Project.

## 2010

### '08

**January 29, 2008**  
Approval for issuance of Rights Share

**March 09, 2008**  
Subscription opens for Rights Share

**April 21, 2008**  
Allotment of Rights Share

**July 27, 2008**  
Signing of Syndicated Term Loan Facility of BDT 395.50 billion for setting up 110 MWh Power Plants of Summit's Subsidiaries.

### '09

**March 02, 2009**  
Commercial operation at Ullapara, Sirajgonj

**May 11, 2009**  
Commercial operation at Maona, Gazipur

**June 09, 2009**  
Commercial operation at Rugganj, Narayanganj

**June 24, 2009**  
Commercial operation at Jangalia, Comilla

### '11

**April 01, 2011:**  
Commercial Operation of 102 MW Dual Fuel Power Plant of Summit Narayanganj Power Limited at Madanganj, Narayanganj

**September 28, 2011**  
Asian Power Awards 2011- Best Fast Track Project in Asia for Construction of SNPL in 270 Days

**October 04, 2011**  
11th ICAB National Awards for Best Published Accounts and Reports 2010 (Manufacturing): 2nd Position

**November 29, 2011**  
Best Presented Accounts and Corporate Governance Disclosures Awards 2010 by South Asian Federation of Accounts (SAFA): Merit

**September 13, 2011**  
SNPL has achieved financial close by receiving a foreign currency term loan of USD 45 million from DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH and FMO - Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.

**December 28, 2011**  
Acquisition of 18.7%, i.e. - 53,955,326 numbers of ordinary shares of Khulna Power Company Limited (KPCL).

### '12

**January 12, 2012:**  
Summit Power Limited was awarded the "Best Corporate Award" in the power companies' category in 2012 for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

**June 25, 2012:**  
The Company received "International Star for Leadership in Quality Award" in Paris in Gold Category for its outstanding business achievements, for perseverance and leadership in excellence, and quality in accordance with the QC 100 Criteria from Business Initiative Directions (BID), an organization whose primary objective is oriented towards sharing quality culture in leading companies worldwide.

**October 08, 2012:**  
Summit Narayanganj Power Limited (SNPL) received the certificates of ISO 9001: 2000 - Quality Management System (QMS), ISO 14001: 2004 - Environmental Management System (EMS), BS OHSAS 18001: 2007 - Occupational Health & Safety (OH&S) for successful implementation of Integrated Management System (IMS).

**October 11, 2012:**  
Bangladesh Securities and Exchange Commission (BSEC) gave its consent for raising of capital through Initial Public Offer (IPO) and issuance of prospectus by Summit Purbanchol Power Company Limited.

**December 26, 2012:**  
Summit Power Limited (SPL) received the certificates of ISO 9001: 2000 - Quality Management System (QMS), ISO 14001: 2004 - Environmental Management System (EMS), BS OHSAS 18001: 2007 - Occupational Health & Safety (OH&S) for successful implementation of Integrated Management System (IMS).

# CORPORATE GOVERNANCE

**The philosophy of corporate governance 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.**

The corporate governance framework thus aims at promoting transparency and efficiency in conducting the business, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and implementation authorities.

Keeping in view the size, complexity and operations, the governance framework of 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.

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## THE RESPONSIBILITIES OF THE BOARD

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To ensure effective maintenance of corporate governance, the Board of Summit Power Limited (Summit) formulates strategic objectives and policies for the Company, provides leadership and supervises management actions in implementing those objectives of the Company. In Summit, 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. The Managing Director of the Company is a non-shareholder ex-officio director and the Board has appointed two independent Directors as per the Security and Exchange Commission's requirement. The short introduction of the Directors has been described in earlier pages. The Board ensures that the activities of the Company are always conducted with adherence to high ethical standard and in the best interest of the shareholders.

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## BOARD MEETINGS AND PROCEDURES

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The number of meetings held during the financial year ended 31 December 2012 was 05. The procedures of the board meeting are mentioned below:

- 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.
- 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.
- 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.

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## THE RESPONSIBILITIES OF THE MANAGEMENT

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

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

- Implementing and providing feedback about - the corporate strategy, major plans of action, risk policy, annual budgets and business plans; performance objectives.

- Assisting the Board to ensure the integrity of the Company's accounting & financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Assisting the Board to review the Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- Assisting the Board to monitor and implement the effectiveness of the approved strategic plant by adopting relevant tactical and operating plans.
- Establish Company's value as defined by the Board.
- Monitor and feedback about the corporate governance of the Company to the Board.

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

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## INTERNAL CONTROL FRAMEWORK

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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.

# CODE OF CONDUCT AND ETHICS

**This Code of Business Conduct and Ethics applies to all Summit Power Limited (SPL) directors, officers and employees, as well as to directors, officers and employees of each subsidiary and associate of SPL. SPL and its subsidiaries/associates are referred to herein collectively as the “SPL” and the directors, officers and employees are referred herein collectively as “Officers”.**

## A. OBJECTIVE

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

## B. ETHICAL STANDARDS

### 1. CONFLICTS OF INTEREST

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

Conflicts of interest may not always be clear-cut, so if anyone has a question, he/she should consult with his/her supervisor or manager or, the chief financial officer or chief legal counsel of SPL. Any officer who becomes aware of a conflict or potential conflict should bring it to the

attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section E of this Code.

All directors and executive officers of the Group, and the chief executive officers and chief financial officers shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Group.

### 2. CORPORATE OPPORTUNITIES

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

### 3. FAIR DEALING

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

### 4. INSIDER TRADING

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

## 5. CONFIDENTIALITY

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

## 6. PROTECTION AND PROPER USE OF SPL ASSETS

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

The obligation of officers to protect the SPL's assets includes its proprietary information. Proprietary information includes as trade secrets, trademarks, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate SPL policy. It could also be illegal and result in civil or criminal penalties.

## 7. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law, both in letter and in spirit, is the foundation on which the SPL's ethical standards are built. In conducting the business of SPL, the officers shall comply with applicable governmental laws, rules and regulations at all levels of government in Bangladesh.

## 8. TIMELY AND TRUTHFUL PUBLIC DISCLOSURE

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

## 9. SIGNIFICANT ACCOUNTING DEFICIENCIES

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

## C. WAIVERS

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

## D. VIOLATIONS OF ETHICAL STANDARDS

### 1. REPORTING KNOWN OR SUSPECTED VIOLATIONS

The SPL's directors, CEO, senior financial officers and chief legal officer shall promptly report any known or suspected violations of this Code to the Chairman. All other officers should talk to supervisors, managers or other appropriate personnel about known or suspected illegal or unethical behavior.

### 2. ACCOUNTABILITY FOR VIOLATIONS

If the SPL's Audit Committees or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending officers may be disciplined for non-compliance with penalties up to and including removal from office or dismissal. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending officers and SPL. All Covered Parties are expected to cooperate in internal investigations of misconduct.

## E. COMPLIANCE PROCEDURES

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

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







# FINANCIAL HIGHLIGHTS

	2012	2011	2010	2009	2008
<b>OPERATING DATA (TAKA IN MILLION)</b>					
Turnover	5,892.63	4,757.21	3,601.67	2,849.87	1,737.79
Cost of Sales	2,268.69	1,929.60	1,678.83	1,339.84	791.93
Gross Profit	3,623.94	2,827.61	1,922.84	1,510.03	945.86
General & Admin Expenses	506.81	366.46	267.88	258.41	176.71
Operating Profit	3,128.71	3,295.09	1,663.73	1,146.96	772.96
Interest & Financial Charges	698.93	407.85	642.98	558.91	327.45
Net Profit	1,873.47	2,511.15	1,087.52	698.52	460.21
<b>BALANCE SHEET DATA (TAKA IN MILLION)</b>					
Paid up Capital	4,929.50	3,943.60	3,033.54	2,223.94	1,853.28
Shareholders' Equity	11,390.11	10,235.33	8,304.02	4,352.97	3,654.44
Total Debt (NCL)	4,128.89	5,988.61	2,370.16	4,430.00	2,306.00
Current Assets	5,045.02	2,939.69	2,285.23	1,174.00	642.55
Current Liabilities	2,326.09	2,235.02	3,832.15	1,326.00	736.58
Total Assets	21,230.61	20,031.29	14,566.61	10,121.06	6,707.12
Total Liabilities	6,454.98	8,223.63	6,202.31	5,756.00	3,042.97
<b>FINANCIAL RATIOS</b>					
Gross profit ratio (%)	61.5	59.44	53.39	52.98	54.43
Net profit ratio (%)	42.2	52.79	30.19	24.59	26.48
Return on total assets (%)	12.05	12.54	7.47	6.9	6.86
Debt Equity ratio	30:70	41:59:00	42:58:00	56:44:00	45:55:00
Return on Equity (%)	23.2	27.28	17.78	12.67	13.95
Price Earnings Ratio (Times)	14.03	14.62	35.38	38.57	37.58
Current Ratio	2.17	1.32	0.6	0.89	0.7
<b>OTHER DATA</b>					
Earnings Per share (Taka)	3.8	5.09	3.96	3.14	2.57
Dividend (%)	20	25	30	25	20
Total No of shares outstanding	492,950,205	394,360,164	*303,353,973	22,239,360	18,532,800
Weighted average no of shares outstanding	492,950,205	394,360,164	*286,445,991	22,239,360	17,897,346
Total no of sponsors shares under lock in	-	-	69,278,803	4,391,683	4,391,683
Total no of free float shares	194,535,980	155,628,784	234,075,170	17,847,677	14,141,117
ROCE	13.55	15.59	11.65	9.7	10.05
EBITDA (Taka in millions)	3,656.05	3,761.78	1,994.01	846.48	919.27

Note:

\*Based on the face value of Tk. 10/- from 2010

# FINANCIAL REVIEW-2012

Summit Power Limited managed to maintain its profitability despite the various macroeconomic challenges the economy underwent in 2012. Macroeconomic factors like double digit inflation, multiple price hikes of fuel etc has caused operating expenses to go up, however, the Company still exhibited impressive revenue performance and succeeded in reducing its liabilities.

## TURNOVER

- Turnover increased by 23.87% (Tk. 1135.42 million) in 2012 relative to the revenue generated in the previous year.
- The revenue generated was also higher than the Company's budgeted figure.
- Increase in the units of electricity generated, increase in per unit sale rate and achievement of greater operational efficiency accounted for the rise in revenues.

## COST OF SALES

- Cost of Sales in 2012 went up by 17.57%.
- The increase in gas consumption, spare parts consumption and fuel consumption in the power plants accounted for increase the cost of sales of almost Tk. 339.09 million. However, excess fuel and spare parts consumptions were required to smoothly run the power plants.

## NET PROFIT

- Net Profit Margin declined to 42.20% from 64.58% in 2012 which was a result of the lower profit in 2012 relative to the previous year.
- The 19.04% reduction in Net Profit was due to substantial increase in financial costs arising out of the interest payment of foreign loan on account of Summit Narayanganj Power Limited. Beside this, in the year 2011 there was an un-usual capital gain from transfer of shares/ partial ownership of Summit Uttaranchol Power Company Limited.
- The Net Profit generated was higher than the Company's target and resulted in EPS of Tk 3.80 in 2012.

## TOTAL ASSETS

- Total Assets base of the Company increased by almost 6%, despite the rise in Depreciation expenses of the Company.
- Significant increase in Cash balance, on account of Summit Purbanchol's IPO subscription and Summit Narayanganj's better operating cash flow in 2012, led to the increase in Total Assets base by Tk. 1,199.32 million.

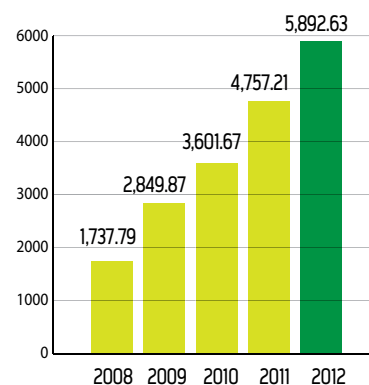
## TOTAL LIABILITIES

- Total Liabilities declined by 21.51% during the year due to timely repayment of bank and other borrowings.

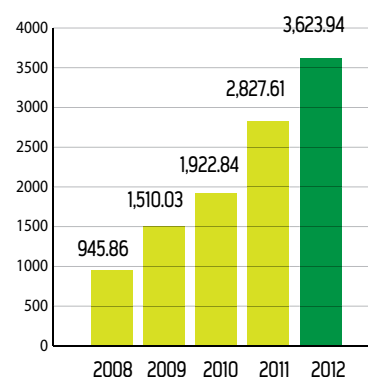
## TOTAL EQUITY

- Total Equity increased by 11.29% during 2012 by an amount of Tk. 1,154.78 million.
- The increase occurred as a result of issue of bonus shares in 2012.
- There was 31.36% increase in the Company's Retained Earnings, on account of better operating result, during the year, which also contributed to the considerable increase in Total Equity.

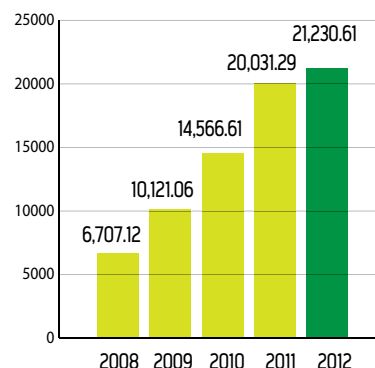
## TURNOVER



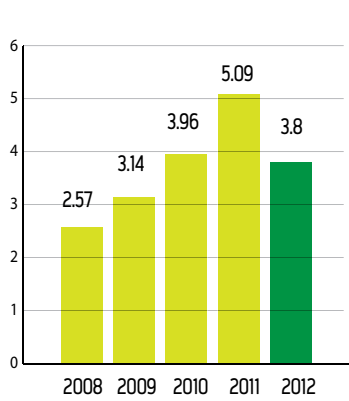
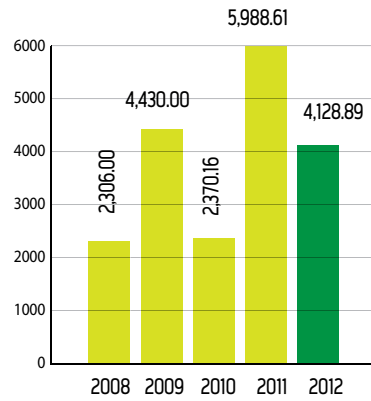
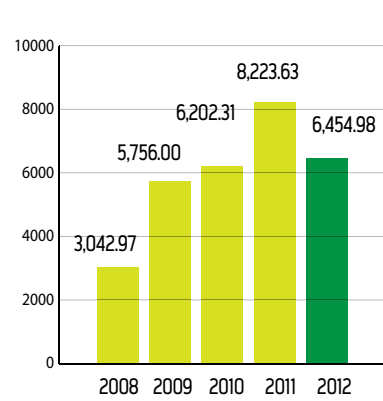
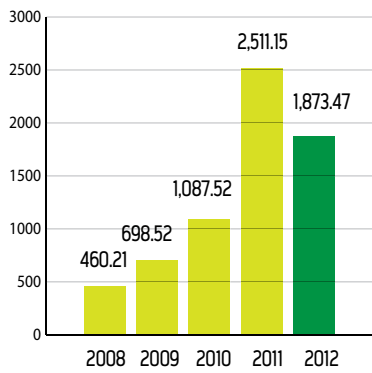
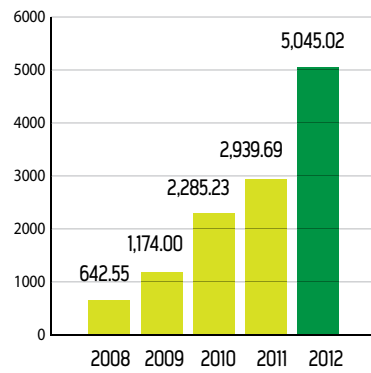
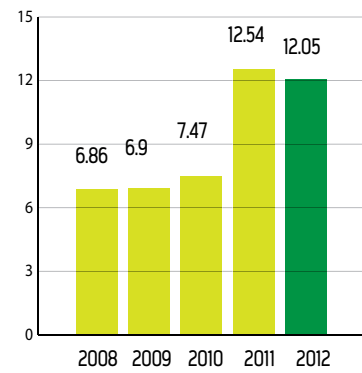
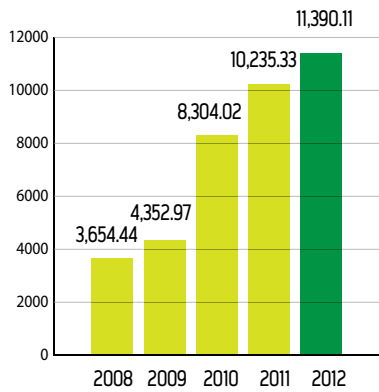
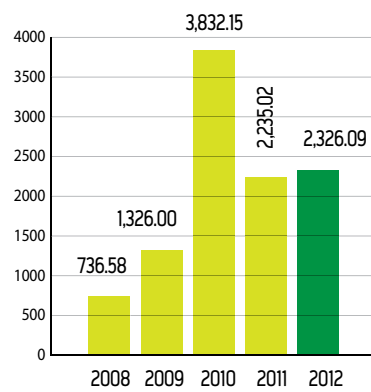
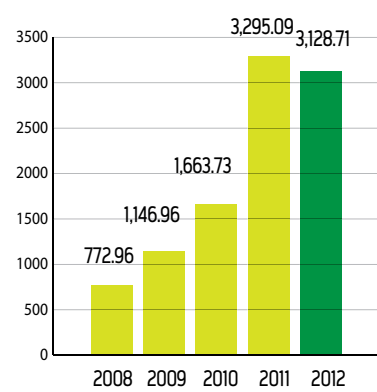
## GROSS PROFIT



## TOTAL ASSETS





**EPS****TOTAL DEBT (NCL)****TOTAL LIABILITIES****NET PROFIT****CURRENT ASSETS****RETURN ON TOTAL ASSETS (%)****SHAREHOLDERS' EQUITY****CURRENT LIABILITIES****OPERATING PROFIT**

# DIRECTORS' **REPORT**



Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalumu Alaikum,

The Board of Directors of Summit Power Limited (SPL) welcomes you to the 16th 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, 2012.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994, Rules and Regulations of the Institute of Chartered Accountants of Bangladesh (ICAB), Listing Rules of Dhaka Stock Exchange (DSE) Ltd. and Bangladesh Securities & Exchange Commission's (BSEC) notification no- SEC/CMRRCD/2006-158/134/ Admin/44 dated 07th August 2012.

## DOMESTIC ECONOMIC OUTLOOK

Bangladesh has witnessed higher GDP (gross domestic product) growth rates in comparison to the global economy in recent years. Despite a fall in world output during the immediate aftermath of the financial crisis in 2009, Bangladesh has consistently exceeded growth rates of five per cent since 2009. However, when compared to the developing and emerging countries which rebounded strongly from 2010, Bangladesh has achieved average growth rates - its economic growth has not quite stood out among other countries and is projected to remain close to the developing countries' averages in 2012 and 2013. Further disaggregating the countries in the developing Asia region, it can be seen that output growth of Bangladesh has been below average since 2009. While regional powers like India and China have witnessed growth rates of around nine to 10 per cent, Bangladesh has been hovering around the six percent mark. The GDP growth is also projected to be lower till 2013 - China and India are estimated to have rates of 8.8 per cent and 7.3 per cent respectively, while Bangladesh is estimated to be at the six per cent mark. Compared to Pakistan, the economy of Bangladesh has fared much better over the last three years - the economy has grown more than three times faster on average.

### GDP GROWTH RATES AT A GLANCE

	Actual			Projections	
	2009	2010	2011	2012	2013
<b>world Output</b>	-0.6	5.3	3.9	3.5	4.1
<b>Emerging and Developing Economics</b>	2.8	7.5	6.2	5.7	6
<b>Developing Asia</b>	7.1	9.7	7.8	7.3	7.9
<b>China</b>	9.2	10.4	9.2	8.2	8.8
<b>India</b>	6.6	10.6	7.2	6.9	7.3
<b>Pakistan</b>	1.7	3.8	2.4	3.4	3.5
<b>Bangladesh</b>	5.9	6.4	6.1	5.9	6.4

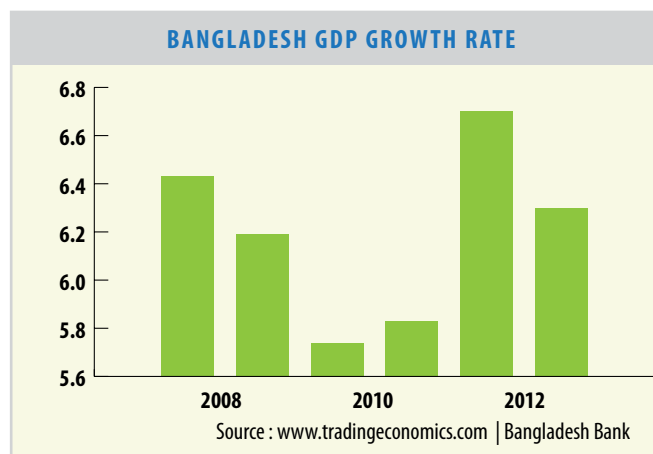
Source :IMF World Economic Outlook

In longer timeframe, the economy has grown 5-6% per year since 1996 despite political instability, poor infrastructure, corruption, insufficient power supplies, and slow implementation of economic reforms. The economy has persevered so far in the face of global recession, but the domestic challenges are manifold with respect to soaring inflation, import-export imbalances, devaluation of the currency, a slow growth of remittances, increasing budget deficit and government borrowing. Despite such adversities, the Gross Domestic Product (GDP) of Bangladesh expanded by 6.30 percent in 2012 from the previous year. Historically, from 1994 until 2012, Bangladesh GDP Growth Rate averaged 5.58 Percent reaching an all-time high of 6.70 Percent in June of 2011 and a record low of 4.08 Percent in June of 1994.

If we focus on one of the major macroeconomic indicators - Gross Domestic Product (GDP), Consumer Price Index (CPI), Foreign Exchange Reserves, Balance of Trade, Exports, Imports, Government Spending and Consumer Spending, we are bound to see that almost one-third of Bangladesh's 150m people live in extreme poverty.

In the last decade, the country has recorded GDP growth rates above 5 percent due to development of microcredit and garment industry. Although three fifths of Bangladeshis are employed in the agriculture sector, three quarters of exports revenues come from producing ready-made garments.

Below a chart with historical data for Bangladesh GDP Growth Rate is presented:

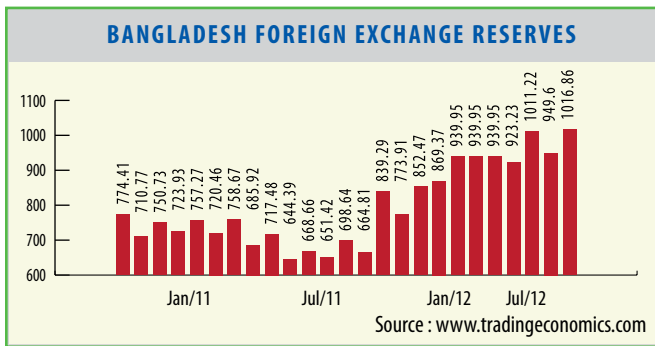


Consumer Price Index (CPI) in Bangladesh increased to 176.38 Index Points in August of 2012 from 173.18 Index Points in July of 2012. Historically, from 1993 until 2012, Bangladesh Consumer Price Index (CPI) averaged 96.51 Index Points reaching an all-time high of 176.38 Index Points in August of 2012 and a record low of 51.99 Index Points in July of 1993. In Bangladesh, the Consumer Price Index or CPI measures changes in the prices paid by consumers for a basket of goods and services. Below is a chart with historical data for Bangladesh Consumer Price Index (CPI).

# DIRECTORS' REPORT



Foreign Exchange Reserves in Bangladesh increased to 1016.86 BDT Billion in January of 2013 from 949.60 BDT Billion in December of 2012. Historically, from 1990 until 2013, Bangladesh Foreign Exchange Reserves averaged 237.66 BDT Billion reaching an all-time high of 1016.86 BDT Billion in January of 2013 and a record low of 13.75 BDT Billion in May of 1990. In Bangladesh, Foreign Exchange Reserves are the foreign assets held or controlled by the country central bank.



## ENERGY SECTOR OUTLOOK

Energy/Electricity is the basic fuel for the growth of the economy of Bangladesh like any other country in the world. The major contribution of the electricity on the economy is on industrialization. The more electricity available for industrial consumption, the more dynamic the economy is and the consequence is a better economy. There is a growing consensus throughout the world that energy policies to serve the current and future generations will need to respond to the triple aspects – Present Demand, Sustainability and Environment that means serving the growing demand of the current generation without compromising the ability of future generations to meet their needs of energy.

So far, the maximum demand served is 6,350 MW in 2012, which is greater than past year's maximum generation of 5,174 MW. A forecast of Peak Demand for the next nine years is as follows as per Bangladesh

Power Development Board (BPDB) :

Sl. #	Fiscal Year	Peak Demand (MW)
1.	2013	8,349
2.	2014	9,268
3.	2015	10,283
4.	2016	11,405
5.	2017	12,644
6.	2018	14,014
7.	2019	15,527
8.	2020	17,304

Figure: A forecast of Peak Demand of electricity of Bangladesh for the next nine years

According to Bangladesh Power Development Board electricity demand in Bangladesh has been increasing by 200 MW per year since 1996. The total demand is projected to be more than 11,405 MW by 2016. At



present the maximum generation capacity is 8,525 MW. According to Bangladesh Power Sector Master Plan, in order to attain 8% GDP, the electricity demand would be 34,000 MW by the year 2030. Bangladesh needs total US\$17 billion investments in power sector to minimize this demand-supply gap.

Various measures taken by the Government to bring improvement to the power sector include:

- Setting up 54 new power plants that generated 3,845 MW of electricity in total.
- Signing 59 agreements to put into operation 61 power plants with generation capacity of 8,288 MW.
- 27 new power plants with generation capacity of 5,437 MW are under construction currently and would start operating in 2016
- Ensuring that 60% of Bangladesh’s population has access to electricity and increasing energy production per head from 183 KWh to 292 KWh. Between 2009 and 2012, around 28.40 lac people got access to electricity for the first time.
- Reduced system loss in electricity distribution from 15.67% to 12.26%.



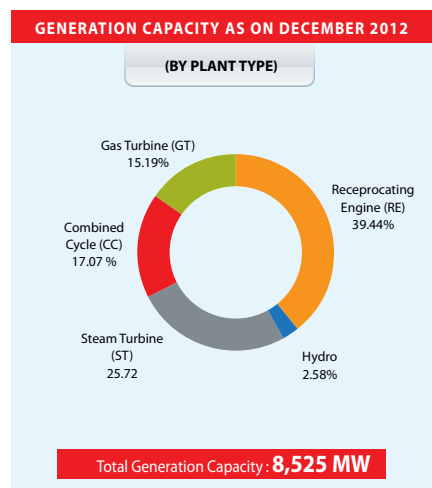
- 19 new power grids of 2,743 MVA capacity were set up and 644 kilometers of power grid was installed.
- To minimize the demand- supply gap, the Government has allocated Tk 78,960 million for the power division this year, which is Tk 7,040 million higher than the revised allocation of last year.

The Present Generation Capacity (In MW) Table as on December, 2012 of electricity indicates that the Public sector produced 58% (5,004 MW) and Private sector produced 42% (3,731 MW) of total electricity produced in the country.

Sl.#	Entities	Generation Capacity (MW)
<b>PUBLIC SECTOR</b>		
1.	BPDB (Bangladesh Power Development Board)	3,700
2.	APSC (Ashuganj Power Station Company Ltd.)	682
3.	EGCB (Electricity Generation Company of Bangladesh Ltd.)	210
4.	NWPGCL (North-West Power Generation Company Limited)	150
5.	RPCL (Rural Power Company Limited)	262
	<b>Subtotal</b>	<b>5,004 (57%)</b>
<b>PRIVATE SECTOR</b>		
1.	IPPs (Independent Power Producer)	1,297
2.	SIPPs (Small Independent Power Producer of BPDB)	99
3.	SIPPs (Small Independent Power Producer of REB)	226
4.	15 YR. Rental Power Plants	169
5.	3/5 YR. Rental Power Plants	558
6.	Quick Rental Power Plants	1,382
	<b>Subtotal</b>	<b>3,731 (43%)</b>
	<b>TOTAL</b>	<b>8,735</b>

Generation Planning is one of the most important parts of the power management system and the reliability of the whole power management system depends largely on the reliability of power generating system. The generation in the system should be able to support nonstop supply to the end consumers, who drive the economy.

As per the Generation Capacity by Plant Type we can see that the Reciprocating Engines had the lead in 2012. These engines generated 39.44% of electricity in 2012. The next major contribution was made by Steam Turbine (25.72%) engines. Only 2.58% electricity was generated by Hydro type plant.



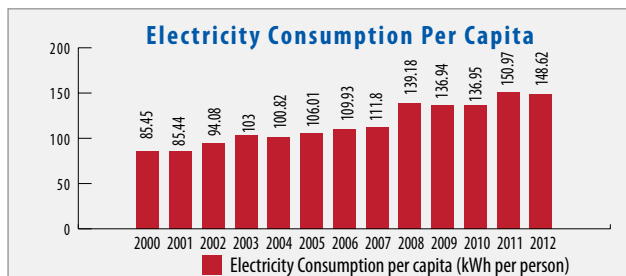
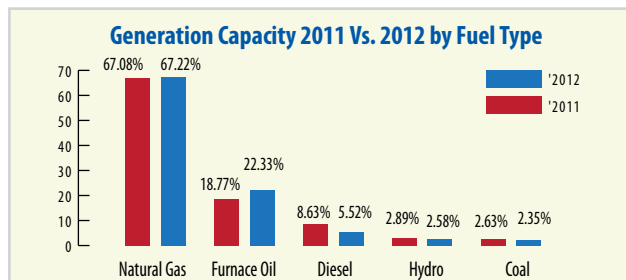
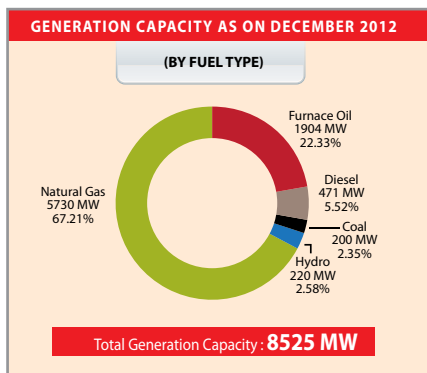
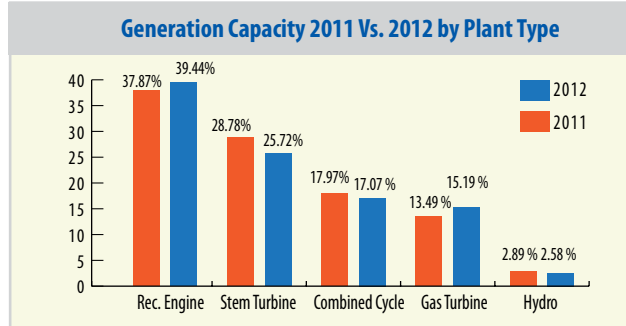
# DIRECTORS' REPORT

As per the comparison graph between Generation Capacity by plant type in 2011 versus that of 2012 we can see some changes. Steam Turbine Engines contributed 28.78% in 2011 but in 2012 it fell to 25.72% by almost 3%. Similarly Gas Turbines and Reciprocating Engines contributed almost 2% more Generation Capacity during 2012. The performance of Hydro Engines fell slightly during the year. The contribution of Combined Cycle Engines was almost steady.

As per the Generation Capacity by Fuel Type, we can see that the Natural Gas consumed engines had the lead in 2012. These engines generated 67.21% of electricity in 2012. The next major contribution was made by engines run by Furnace Oil, Diesel, Hydro and Coal respectively.

As per the comparison graph between Generation Capacity in 2011 versus 2012 we can see some changes on the pattern of dependency on the type of fuel consumed by the plants. The contribution made by Furnace Oil engines increased by around 3% and Diesel engines decreased by approximately 3%. The rest of the type of engines by fuel type contributed almost in the same proportion in 2012 as well.

Another outlook on the power sector can be electricity consumption per capita. The demand of electricity consistently increased and there is always a gap between demand and supply. But the



growth of electricity consumption per capita indicates the decreasing gap. Since 2000 the highest per capita consumption of electricity was 150.97 and it slightly declined to 148.62 in 2012.

The government has given highest priority to the development of the power sector which has been reflected in the allocation of Annual Development Programme (ADP). The total allocation in the power sector was around Tk.72 billion (around £558 million) for the fiscal year 2011-12. Business opportunities are available in power generation, distribution and

in transmission. Some of such benefits for potential local and foreign investors are as follows -

#### Facilities and incentives for private power companies:

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

#### Facilities and incentives for foreign investors:

- Tax exemption on royalties, technical know-how and technical assistance fees, and facilities for their repatriation.
- Tax exemption on interest on foreign loans.
- Tax exemption on capital gains from transfer of shares by the investing company.
- Avoidance of double taxation case of foreign investors on the basis of bilateral agreements.
- Exemption of income tax for up to three years for the expatriate personnel employed under the approved industry.
- Remittance of up to 50% of salary of the foreigners employed in Bangladesh and facilities for repatriation of their savings and retirement benefits at the time of their return.
- No restrictions on issuance of work permits to project related foreign nationals and employees.

- Facilities for repatriation of invested capital, profits and dividends.

The Government of the People's Republic of Bangladesh has been also putting renewed emphasis on Public Private Partnership (PPP) since 2009. The PPP policy is currently administered under the Prime Minister's Office (PMO), indicating high level of support for its effective implementation.

In spite of financial constraints and gas supply shortages, the government designed strategies to overcome the crisis and at the same time meet the ever increasing demand for power. It launched short, medium and long term programs to increase power supply based on introduction of fuel mix (gas, coal, liquid fuel, nuclear energy and renewable), demand side management, energy efficiency and conservation. After assessing the latest demands, the government has revised its targets for increasing power generation.

## BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

Summit Power Limited is the first mover in pioneering Bangladeshi private sector power generation companies. It started power generation from 2000 and has over the years gained experience in project implementation and operation & maintenance of power plants. This has given Summit Power Limited an edge over others in becoming the leading Bangladeshi company with eleven operating plants of its own and two operating plants with co-ownership. Summit's portfolio at present power generation is 317 MW. In addition, Summit Power Limited has acquired 18.7% of Khulna Power Company Limited (KPCL). The total installed capacity under Summit Power Limited is 366.5 MW.

Summit Power Limited is the only company for construction of HFO fired quick rental power plants within 270 days time, the company had received international gold award on September 28, 2011 as "The Best Fast Track" project in Asia. This is indeed a great recognition of the ability of the country in general and Summit in particular, to construct in

world standard, a medium size power plant. Summit Narayanganj Power Limited had achieved financial close by receiving a foreign currency term loan of USD 45 million from DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH and FMO - Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.

Summit Power Limited and its subsidiaries at present operate 11 power plants. The Generation Capacity of these power plants is 317 MW (approximately). In 2012, all these power plants were made available to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of your company. As a result these plants could deliver electrical energy to the national grid totaling to 1,805 million KWh approximately, which is a bit higher than that in 2011.

This year a benchmark of expansion for Summit Power Limited has been established by introducing one of its subsidiary companies named Summit Purbanchol Power Company Limited (SPPCL) to the public/capital market of the country.

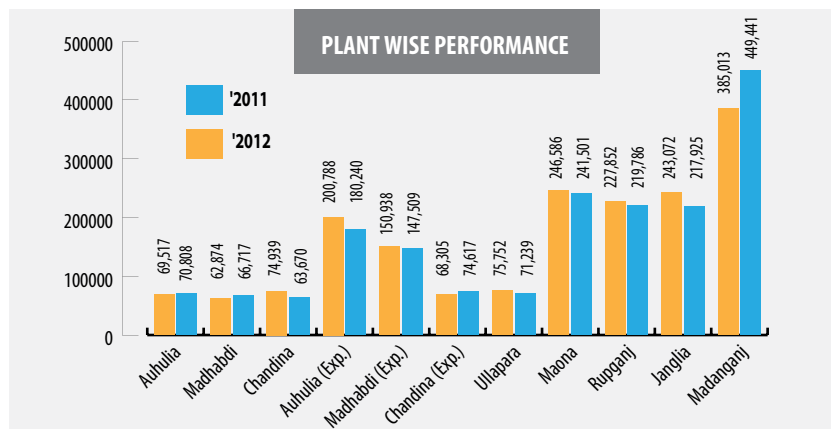
Summit Purbanchol Power Company has two power plants - Rupganj Power Plant in Narayanganj and Jangalia Power Plant in Comilla, each of which generates 33MW power. It is the 14th Company in the fuel and power category that was listed with Dhaka Stock Exchange Limited on January 15, 2013 and commenced trading of the shares in the Dhaka Stock Exchange (DSE) as well as Chittagong Stock Exchange (CSE) on February 4, 2013.

Summit Purbanchol Power Company Limited floated three crore ordinary shares of Tk 10.00 each at an offer price of Tk. 40.00, including a premium of Tk. 30.00 by using the fixed price method. According to its 2011 financial statements the company's earnings per share is Tk. 5.18, while the net asset value per share is around Tk. 20.38.

Summit Power Limited was awarded the "Best Corporate Award" in the power companies category in 2012 for its efforts to establish corporate governance by the Institute of Cost and Management Accountants of Bangladesh (ICMAB). It has also received "International Star for Leadership in Quality" award in Paris in Gold Category for its outstanding business achievements, for perseverance and leadership in excellence, and quality in accordance with the QC 100 Criteria from Business

Initiative Directions (BID), an organization whose primary objective is oriented towards sharing quality culture in leading companies worldwide.

Summit Power Limited has always used brand new highly efficient engines/turbines and other auxiliaries of best international standard. The aim is to spend bare minimum fuel for generation of electricity and save costly fuel of the country. The new and quality machine allows for Summit Power Limited to maintain its guaranteed contractual availability and Heat Rate (fuel consumption for generation of one unit of electricity) ensuring efficient use of fuel and gas. During last year SPL has introduced Integrated Management System (IMS) in all of its power plants, which includes - ISO 9001 : 2000 - Quality Management System (QMS), ISO 14001 : 2004 - Environmental Management System (EMS), BS



# DIRECTORS' REPORT

18001 : 2007 – Occupational Health & Safety (OH&S). In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies which have been presented in "Annexure-6". After introduction of IMS the company got its management system audited by internationally reputed Bureau Veritas and has successfully passed the inspections and after that received the certificate of accreditation for all three standards e.g. ISO 9001:2000, ISO 14001:2004 & BS 18001:2007.

## CONTRIBUTION TO THE NATIONAL EXCHEQUER & THE ECONOMY

Electricity is one of the main driving forces of the economy and it has a diversified use and multiplier effect on the economy. Significantly in the development of industrialization, electricity as fuel has no alternative. This year your company added 1,805 million units (KWh) of electricity to the national grid. This addition has contributed significantly in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

Your Company/group has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation. Such exemption will expire in February 2016 for Summit Power Limited, June 2024 for Summit Purbanchol Power Company Limited, and March 2024 for Summit Uttaranchol Power Company Limited. While Summit Narayanganj Power Limited is exempted from tax for a period of 5 years from the start of its commercial operation dated on 1 April 2011. Conversely, it has contributed a significant amount to the national exchequer in the form of different duties, taxes and VAT while importing spare parts for the power plants' maintenance work and at investment in capital and money market. The estimated amount of contribution was of Taka 188 million in 2012.

## EXTRA-ORDINARY GAIN OR LOSS

There is no extra-ordinary gain or loss in the financial statements under report.

## RELATED PARTY TRANSACTION

The related party transactions carried out by the Company on a commercial basis during the year have been disclosed in the notes 43 to the financial statements.

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

IPO of Summit Power Limited was made in 2005 and the fund raised



thereby has already been utilized as reported to the regulators. Fund raised through issuance of Rights Shares in 2008 has also been utilized and reported accordingly to the regulators. No further issue of any instrument was made during the year.

## SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

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

## REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of Executive Directors are reviewed annually and approved by the Chairman as disclosed in notes 32.1 to the financial statements. Non-Executive Directors including Independent Directors are paid attendance fee per meeting.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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





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

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

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

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

- a. The financial statement prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;
- b. Proper books of accounts of your Company have been maintained;

- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- d. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
- e. The system of internal control is well structured and has been effectively implemented and monitored;
- f. There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
- g. Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;
- h. Key operating and financial data has been summarized for the preceding five years;
- i. Significant plans and decisions, such as corporate restructuring, business expansion and discontinuation of operations as appropriate, future prospects, risks and uncertainties surrounding the Company has been outlined under the related captions of this report;
- j. The number of Board meetings held during the year and attendance of each director has been disclosed;
- k. The pattern of shareholding has been reported in "Annexure-3" to disclose the aggregate number of shares.

## FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

Consolidated Financial Result compared with last year is detailed below:

Particulars	2012 (In Million Taka)	2011 (In Million Taka)
<b>Revenue</b>	5,893	4,757
<b>Cost of sales</b>	-2,269	-1,930
<b>Gross profit</b>	3,624	2,828
<b>Other income, net</b>	12	834
<b>General and administrative expenses</b>	-507	-366
<b>Operating profit</b>	3,129	3,295
<b>Finance costs, net</b>	-642	-190
<b>Net Profit before Income tax</b>	2,487	3,105
<b>Income Tax</b>	-	-33
<b>Net Profit after Income Tax</b>	2,487	3,072

During the year, the percentage of cost of sales has improved and reached to 38.50% from 40.56% over last year of 2011 due to better operational and maintenance management of plants and substantial

# DIRECTORS' REPORT

growth in per unit sales rate and therefore, gross profit margin has also increased from 59.44% to 61.50%. Despite growth in gross profit margin, net profit margin has decreased from 64.57% to 42.20% over last year due to substantial increase in financial costs arising out of the interest payment of foreign loan on account of Summit Narayananj Power Limited. Beside this in the year 2011 there was an un-usual capital gain from transfer of shares/ partial ownership of Summit Uttaranchol Power Company Limited.

Once again during the year 2012 your company proved to a very effective and efficient one. If we have a close look to the following performance indicators (Generation, Revenue/Turnover, Cost of Sales, Gross Income, & Net Income) it would be quite visual that our Revenue has been increased significantly. The budgeted revenue has been superseded by the actual revenue during the year 2012 by 4.80% and it is 12.30% more in terms of per KWh of Generation. For that very reason the additional Cost of Sales had touched over the budget slightly. Moreover, in comparison to the 4.80% additional Revenue 0.65% extra Cost of Sales is very favorable explanation to the better efficiency of the company.

The Generation has been lower than the budgeted figure due to Major Schedule Maintenance (which ultimately gave the engines better performance capability for next couple of years). Despite this lower generation, there was 7.32% increase in Gross Income, 1.70% increase in Net Income and 4.8% increase in total revenue due to increase in selling price per unit.

Particulars	Unit	Consolidated Summit Power Limited			
		Taka/	Actual	Budgeted	Variance
		KWh	2012	2012	
Generation	Total	KWh	1,793,878,527	1,947,271,700	-8.55%
Revenue / Turnover	Total	Taka	5,840,320,072	5,559,711,555	4.80%
	per KWh	Tk/KWh	3.26	2.86	12.30%
Cost of Sales	Total	Tk.	2,199,163,141	2,184,931,279	-0.65%
Gross Income	Total	Tk	3,641,156,931	3,374,780,276	7.32%
Net Income	Total	Tk	2,486,653,225	2,444,380,483	1.70%

## PROFIT APPROPRIATION

During the year 2012, your company's net profit amounted to Tk. 1,873 million as compared to Tk. 2,511 million in the year 2011. However, the company needs availability of adequate funds for uninterrupted progress of the projects as well as for future growth. Keeping these in view, the Directors would like to report the company's financial results for the year that ended on 31st December 2012 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2012	1,873
Profit brought Forward	1,844
Profit available for appropriation	3,717
Appropriations:	
Proposed Stock Dividend	986
Transferred to Retained Earning	2,731

## DIVIDEND

Your Board recommends a final dividend of 20% for the year 2012 as Bonus Share i.e. 1 (one) share of Tk. 10 each for 5 (five) shares held on the record date, subject to approval by the shareholders at the 16th Annual General Meeting.



## DIRECTORS MEETING & ATTENDANCE

During the year ended December 31, 2012, the Board of Directors held 05 meetings. Directors who attended the Board meetings are shown below:

Name of Directors	Attended
Mr. Muhammed Aziz Khan	05
Mrs. Anjuman Aziz Khan	04
Mr. Muhammad Farid Khan	05
Mr. Md. Latif Khan	04
Mr. Jafer Ummeed Khan	05
Ms. Ayesha Aziz Khan	04
Mr. Helal Uddin Ahmed	04
Mr. Abbas Uddin Ahmed	05
Mr. Syed Fazlul Haque FCA	05
Mr. Tauhidul Islam	05
Mr. Faisal Karim Khan	04

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

## DIRECTORS' ELECTION & RE-APPOINTMENT

As per Article 23(a) of the Articles of Association Mrs. Anjuman Aziz Khan, Mr. Md. Latif Khan, Ms. Ayesha Aziz Khan shall retire in the 16th Annual General Meeting by rotation and being eligible, offer themselves for re-election. Your Board in its meeting held on 14th March 2013 appointed Mr. Ziaul Hasan Siddiqui former Deputy Governor of Bangladesh Bank as an Independent Director of the Board. Mr. Ziaul Hasan Siddiqui also will retire in the 16th Annual General Meeting and being eligible, offers himself for re-election.

## AUDIT COMMITTEE

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



# DIRECTORS' REPORT

Name	Status	Attended
<b>Mr. Abbas Uddin Ahmed</b>	Chair	04
<b>Mr. Tauhidul Islam</b>	Member	04
<b>Mr. Syed Fazlul Haque FCA</b>	Member	04

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

## AUDITORS

Hoda Vasi Chowdhury & Co, Chartered Accountants was appointed as the auditors of the Company in the 15th Annual General Meeting. They have carried out the audit for the year 2012 and the auditors of the Company will retire in the 16th Annual General Meeting. Being eligible under section 212 of the Companies Act, 1994 they have expressed their willingness for reappointment for the year 2013. As recommended by the Board, the resolution to reappoint Hoda Vasi Chowdhury & Co as auditors will be placed at the forthcoming Annual General Meeting of the Company.

## BUSINESS RISK & UNCERTAINTIES

### FINANCIAL RISK MANAGEMENT:

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

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

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

### CREDIT RISK:

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



Power Purchase Agreement (PPA). Sales made to the entity are fully secured by Letters of Credit issued by local scheduled banks, except for plants of all the subsidiaries.

### LIQUIDITY RISK

Liquidity risk is the risk that the Company/group will not be able to meet its financial obligations as they fall due. The Company's/group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's/group's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company/group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

It may be noted that the Company/group repaid a portion of its liabilities (liabilities for project development for CWIP) in 2012 in due dates. Rest of the financial liabilities are expected to be repaid in due time which are expected to be financed from operational cash flow.



### MARKET RISK

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

### CURRENCY RISK

The Company/group is exposed to currency risk on purchases of spare parts and plant and machinery that are denominated in a currency other than the functional currency primarily Euro and U. S. Dollars. The Company/group has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 31 December 2012.

### INTEREST RATE RISK

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local loans are however not significantly affected by fluctuations in interest rates. Foreign loans and borrowings are affected by fluctuations in interest rates. Interest risk primarily arises regarding borrowing from DEG-FMO where the rate is of LIBOR plus 4%. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

### CAPITAL RISK MANAGEMENT

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

### GOING CONCERN

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

### CORPORATE GOVERNANCE

Corporate Governance is the system through which companies are directed, guided and controlled by the Board while keeping in view its accountability to the shareholders. Your Company strives to maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest standards. The company has adopted "Code of Conduct & Ethics" and "Code of Corporate Governance" in 2011. Since corporate governance is not a static process, we will always continue to improve our practices. The formation of an Audit Committee, Executive Committee, Technical Committee, Purchase Committee, Operation & Maintenance Committee and Remuneration Committee, which may be seen in "Annexure-4" of the Annual Report, is steps in this process. From 2011 your company started implementing Integrated Management System (IMS) to make it compliant to ISO 9001 : 2000 – Quality Management System (QMS), ISO 14001 : 2004 – Environmental Management System (EMS), BS 18001 : 2007 – Occupational Health & Safety (OH&S) and finally the company has achieved it in this year end. A separate chapter on corporate governance has also been reported.

### CORPORATE SOCIAL RESPONSIBILITY

Summit Power Limited supports various Government, Non-Government Organizations (NGOs) and community capacity development institutions and contributes towards many social and humanitarian causes as part of its Corporate Social Responsibility. Such activities are in favor of education, sports, underprivileged and handicapped children & youth, electrification to the remote char dwellers and so on.

# DIRECTORS' REPORT



#### SEID TRUST

SEID Trust is a non-governmental voluntary development organization that has been working for social inclusion and promoting the rights of underprivileged children with intellectual disabilities, autism etc. since 2003. To help facilitate such a noble cause your Company sponsored a significant amount of donation this year to support these deprived children.

#### SUMMIT PROFESSIONAL AND AMATEUR CUP GOLF TOURNAMENT

Summit Group has been organizing Golf Tournaments every year for the past 12 years to promote professional golfers of Bangladesh. Through this tournament Summit Group provides a platform for the professional golfers to enhance their skills and expose their talents at national and international levels. You will be pleased to know that your company is one of the early supporters of Mr. Siddiqur Rahman who is now an international golfer with a global repute.

#### SHILPANGAN TRUST

Summit Power Limited donates significant amount of its profits to the Shilpangan Trust to support the exhibits and activities of the Shilpangan Contemporary Art Gallery. Your Company takes great pleasure in promoting the flair and creativity of the artists of our country.

#### PROYASH

PROYASH is an institute run by Bangladesh Army dedicated to educate and train children and youths with special needs. The institute is also working to generate awareness about disability in Bangladesh, develop quality teachers, therapists and caregivers, and empower persons with disability to ensure equal opportunities and promote disability friendly right based society. You will be proud to know that your Company provides extensive financial help to encourage the workings of this institute further.

#### FRIENDSHIP SUMMIT ENERGY PROJECT (FSEP)

Friendship is a value based organization founded in 1988, which identifies and reaches out to the poor and the most marginalized communities. The FSEP intends to create char dwellers' access to solar electricity through providing Solar Home Systems (SHS). Your Company funds this project to bring about positive changes among the livelihoods of these char dwellers and ensure improved access to their basic needs. These areas are completely off the grid from conventional electricity supply and such other essential utilities. Hence Summit Power Limited sponsored a significant amount to support such communities. Your Company also made a special donation to this organization along with best wishes for their 10 Year Anniversary.

#### SIRAJ KHALEDA MEMORIAL HOSPITAL IN DHAKA CANTONMENT

Siraj Khaleda Trust is a fund set up by Summit Group. This Trust has recently funded the construction of a 200 bed civil hospital at a cost of Tk 12 crore in two phases on the land provided by Cantonment board. The hospital was inaugurated on 13 May, 2012 and it provides high quality

medical care and facilities to distressed and underprivileged people. The Trust also provides educational and rehabilitation support to the economically disadvantaged people of Bangladesh.

#### OTHERS

Summit Power Limited is also involved with the Prothom Alo Trust Board which is involved in many social activities like sponsoring books to community schools and colleges and plantation programs for the people of the community.

We have also been continuing our financial support to meritorious students of the underprivileged community of Bangladesh. Your Company supports the development of higher studies by Bangladeshi students both at home and abroad. It also made donation to different mosques and many other community events and institutions as well.

Your Company also gives high priority to protecting the environment and our humble efforts in this regard include large number of sapling plantation in the Company's power plants and neighboring places. Each of the power plants goes through rigorous Environmental and Social Impact Assessments.

Our state-of-the-art power plants comply not only with Bangladesh's Department of Environment's standards but also with Multilateral and the World Bank's guidelines. Thus these plants emit relatively less pollutants to the environment. Summit Power Limited also contributed funds to the Directorate of Environment for their campaign of World Environment Day 2012. Furthermore, you will be very pleased to know that your Company, Summit Power Limited received ISO 14001:2004 – Environmental Management System (EMS) certification this year.

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## HUMAN RESOURCES MANAGEMENT

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People are the one of the most important resources of a Company and key to the success of any organization. To develop and equip the employees with essential skills, the Company places great emphasis on the development of its people and hence the Company undertakes appropriate training and workshops to update their knowledge in their respective functional areas. Recently, Summit Power Limited implemented Training Needs Analysis (TNA) as part of its training system. The aspects of Training Needs Analysis include determining what is required to complete the work activity, the existing skill levels of the staff completing the work and the training gap (if any).

We have an enriched Employment Policy/Employee Hand Book with proper job descriptions and responsibilities. A detailed succession planning is considered every year to ensure good working environment and enhancement of knowledge of the employees. A yearly performance appraisal is carried out to reward and encourage diligent employees and assess their training requirements. Accordingly, the Remuneration Committee awards the yearly increment and other remuneration related matters. Your Company also received BS 18001: 2007 – Occupational

# DIRECTORS' REPORT





Health & Safety (OH&S) certification from Bureau Veritas this year since all programs undertaken by the Company fosters a safe and healthy work environment.

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## STATUS OF COMPLIANCE

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

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

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## ACKNOWLEDGEMENT

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The Directors would like to give special thanks to the members of the public who have placed their confidence on the Company by purchasing shares and supporting the activities of the Company. Without the support of its shareholders, the Company could not have attained what it has achieved today.

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

The trust and confidence that our valued customers, BPDB, REB and its members in Palli Bidyut Samitees have placed upon SPL are our main driving forces. We accept this trust in all humility and shall continue to strive to live up to the expectations. The Board expresses its heartfelt appreciation and gratitude to BPDB, the Power Division, MPEMR, Government of Bangladesh as well as Bangladesh Petroleum Corporation (BPC), Jamuna Oil Company Limited, Padma Oil Company Limited, Chittagong Port Authority, National Board of Revenue, Board of Investment (BoI), Department of Environment, the Deputy Commissioner, the Superintendent of Police, the local administration of Narayanganj and the people of the locality for extending their support towards the Company. The Board also extends its best wishes to the contractors and consultants who helped us running power plants and achieve this growth.

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

On behalf of the Board



Tauhidul Islam  
Managing Director  
Dhaka, 14 March 2013.





# পরিচালনা পর্ষদের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম।

সার্মিট পাওয়ার লিমিটেড এর ১৬তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগতম। আমরা এখন আপনাদের সম্মুখে ৩১.১২.২০১২ তারিখে সমাপ্ত অর্থ বছরে কোম্পানীর সার্বিক কার্যক্রম ও নিরীক্ষিত আর্থিক প্রতিবেদন উপস্থাপন করছি।

এ প্রতিবেদনটি ১৯৯৪ সনের কোম্পানী আইনের ১৮৪ নং ধারা, ইন্সটিটিউট অব চার্টার্ড একাউন্ট্যান্ট অব বাংলাদেশ (আইসিএবি) এর নিয়ম ও বিধিমালা, ঢাকা স্টক এক্সচেঞ্জ (ডিএসই) এর বিধিমালা এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) কর্তৃক জারিকৃত প্রজ্ঞাপন নং- এসইসি সিএমআরআরসিডি/২০০৬-১৫৮/১০৪/প্রশাসন/৪৪, তারিখঃ ০৭/০৮/২০১২ ইং এর নির্দেশনা অনুযায়ী প্রণীত।

## বাংলাদেশের অর্থনীতির দৃশ্যপট :

সাম্প্রতিক বছর সমূহে বিশ্ব অর্থনীতির তুলনায় বাংলাদেশের অর্থনীতির সামগ্রিক অর্থনৈতিক সংকটের পর বৈশ্বিক উৎপাদন হ্রাস পেলেও বাংলাদেশ বিগত অর্থ বছর সমূহে ৫ শতাংশের অধিক প্রবৃদ্ধির হার অব্যাহত রেখেছে। অবশ্য উন্নয়নশীল এবং উদীয়মান দেশসমূহে ২০১০ সন থেকে যে ভাবে ঘুরে দাঁড়িয়েছে তার তুলনায় বাংলাদেশের অর্জন কম এবং তা উন্নয়নশীল দেশ সমূহের ২০১২ এবং ২০১৩ এর গড় অর্জনের সমতুল্য। আঞ্চলিক অর্থনৈতিক পরিশক্তি ভারত ও চীনের ৯-১০ শতাংশ প্রবৃদ্ধির তুলনায় বাংলাদেশের প্রবৃদ্ধির ৬ শতাংশের আশেপাশে উঠানামা করছে। ২০১৩ সাল পর্যন্ত বাংলাদেশের মোট জাতীয় উৎপাদনের লক্ষ্যমাত্রা ৬ শতাংশ অনুমিত হয়েছে- এক্ষেত্রে চীন এবং ভারতের লক্ষ্যমাত্রা যথাক্রমে ৮.৮ শতাংশ ও ৭.৩ শতাংশ। অবশ্য পাকিস্তানের তুলনায় বাংলাদেশের অর্থনীতি বিগত তিন বছরে যথেষ্ট ভাল করেছে।

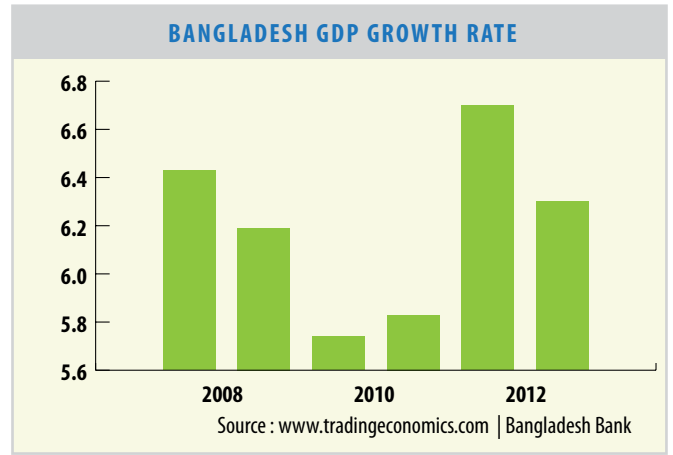
১৯৯৬ সাল থেকে বর্তমান সময় পর্যন্ত দীর্ঘ মেয়াদে বিবেচনা করলে দেখা যায়, রাজনৈতিক অস্থিরতা, দুর্বল অবকাঠামো, দুর্নীতি, অপব্যয় বিদ্যুত এবং অর্থনৈতিক সংস্কারের ধীর গতি সত্ত্বেও প্রবৃদ্ধির হার বার্ষিক ৫ থেকে ৬ শতাংশের মধ্যে রয়েছে। বাংলাদেশ এখনও একটি দরিদ্র-জনসংখ্যা ভারাক্রান্ত সুশাসন বঞ্চিত দেশ। জিডিপির অর্ধেকের বেশী সেবা খাতের মাধ্যমে আসছে। কিন্তু কৃষিখাত এককভাবে ৪৫ শতাংশের বেশী কর্মসংস্থান করছে এবং চাল উৎপাদনের মাধ্যমে জিডিপি এর প্রবৃদ্ধিতে একক বৃহত্তম অবদান রাখছে। যদিও অর্থনীতি বৈশ্বিক মন্দা মোকাবেলা করতে পেরেছে, তথাপি ব্যাপক মুদ্রা স্ফীতি, ভারসাম্যহীন আমদানী-রফতানী, মুদ্রার অবমূল্যায়ন, রেমিটেন্স প্রবাহের নিম্নমুখী প্রবৃদ্ধি, ক্রমবর্ধমান ঘাটতি বাজেট ও সরকারের ঋণ গ্রহন ইত্যাদি কারণে অর্থনীতি ব্যবস্থাপনায় চ্যালেঞ্জ এখনও রয়ে গেছে। ঐতিহাসিকভাবে ১৯৯৪ - ২০১২ সালের মধ্যে বাংলাদেশের জিডিপি প্রবৃদ্ধির গড় হার ছিল ৫.৫৮ শতাংশ যার সর্বোচ্চ পরিমাণ ছিল জুন ২০১১ সালে ৬.৭ শতাংশ এবং সর্বনিম্ন পরিমাণ ছিল জুন ১৯৯৪ সনে ৪.০৮ শতাংশ।

ব্যাপক অর্থনীতির প্রধান নির্দেশক সমূহ : যেমন জিডিপি, ভোক্তার মূল্য সূচক, বৈদেশীক মুদ্রার স্থিতি, বানিজ্যের ভারসাম্য, আমদানী রফতানী, সরকারী ও বেসরকারী ব্যয়, জনসাধারণের দ্রব্য ক্ষমতা ইত্যাদির সূচক লক্ষ্য করলে দেখা যায় যে, ১৬ কোটি নাগরিকের এক- তৃতীয়াংশ অতি দরিদ্র সীমার নীচে রয়েছে।

বিগত দশকে পোশাক শিল্প ও ক্ষুদ্র ঋণের কারণে জিডিপি প্রবৃদ্ধি ৫ শতাংশের মধ্যে ছিল। যদিও বাংলাদেশের অধিকাংশ লোক কৃষিতে নিয়োজিত তথাপি মোট রপ্তানী আয়ের তিন

-চতুর্থাংশ এসেছে পোশাক খাত থেকে। বাংলাদেশের টেকসই উন্নয়নের সবচেয়ে বড় প্রতিবন্ধকতা হচ্ছেঃ অধিক জনসংখ্যা, দুর্বল অবকাঠামো, দুর্নীতি, রাজনৈতিক অস্থিরতা, অর্থনৈতিক সংস্কারের ধীরগতি ইত্যাদি।

বিগত পাঁচ বছরে বাংলাদেশের জিডিপি প্রবৃদ্ধির চার্ট সংযোজন করা হল :



২০১২ সালের জুলাই মাসে ভোক্তা মূল্য সূচক ছিল ১৭৩.১৮, আগস্টে যা বৃদ্ধি পেয়ে হয়েছে ১৭৬.৩৮। ঐতিহাসিকভাবে ১৯৯৩ - ২০১২ সাল পর্যন্ত ভোক্তা মূল্য সূচকের গড় নির্দেশক ছিল ৯৬.৫১ - এই সময়কালে সর্বোচ্চ ভোক্তা মূল্য সূচক ছিল ১৭৬.৩৮



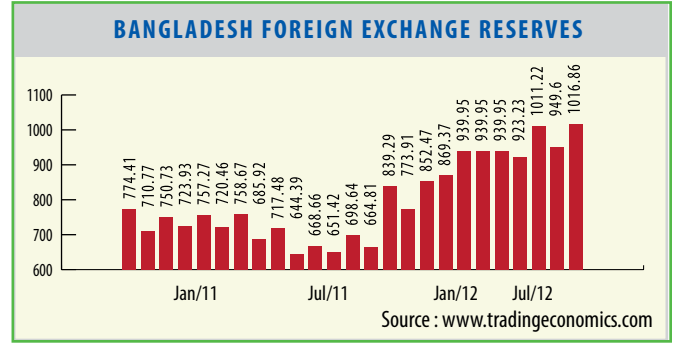
(আগষ্ট, ২০১২)এক সর্বনিম্ন মূল্য সূচক ছিল ৫১.৯৯ (জুলাই, ১৯৯০)। বাংলাদেশের কতিপয় ভোগ্য পণ্যের মূল্য ও কিছু প্রদত্ত সেবার মূল্যের ভিত্তিতে ভোক্তা মূল্য সূচক নির্ণীত হয়।

নিচের প্রদত্ত চার্টে বিগত কয়েক বছরের বাংলাদেশের ভোক্তা মূল্য সূচকের তথ্য দেওয়া হল :



বাংলাদেশের বৈদেশিক মুদ্রার স্থিতি ডিসেম্বর ২০১২ তে ছিল ৯৪৯৬ কোটি টাকা, জানুয়ারী ২০১৩ তে বৃদ্ধি পেয়ে তা হয়েছে ১০১৬৮.৬ কোটি টাকা। ১৯৯০ - ২০১৩ সময়কাল পর্যন্ত বাংলাদেশের বৈদেশিক মুদ্রার গড় পরিমাণ ছিল ২৩৯৬.৬ কোটি টাকা। এই সময়কালের সর্বোচ্চ পরিমাণ ১০১৬৮.৬ কোটি (জানুয়ারী ২০১১) এবং সর্বনিম্ন

পরিমাণ ছিল ১৩৭.৫ কোটি টাকা (সেপ্টেম্বর ১৯৯০)। বাংলাদেশে কেন্দ্রীয় ব্যাংকের নিয়ন্ত্রিত ও সংরক্ষিত বৈদেশিক সম্পদের ভিত্তিতে বৈদেশিক মুদ্রার সঞ্চিতির পরিমাণ নির্ণীত হয়। স্বর্ণ অথবা নির্দিষ্ট বৈদেশিক মুদ্রার সমন্বয়ে বৈদেশিক মুদ্রার সঞ্চিতি গঠিত।



### বিদ্যুৎ খাতের দৃশ্যপট :

বিদ্যুৎ অর্থনীতির গুরুত্বপূর্ণ চালিকাশক্তি। শিল্পখাতের উন্নয়নে বিদ্যুতের অবদান অতুলনীয়। শিল্পখাতের জন্য যত বেশী বিদ্যুত বরাদ্দ করা হবে অর্থনীতি উন্নতির হারও তত বেশী হবে। বিশ্বব্যাপি এ বিষয়ে ঐক্যমত রয়েছে যে, জ্বালানী নীতি প্রণয়নে, ভবিষ্যত প্রজন্মের চাহিদা অবহেলা না করেই বর্তমান প্রজন্মের জন্য টেকসই ও পরিবেশ বান্ধব জ্বালানী যোগানের বিষয়টি খেয়াল রাখতে হবে।

দেশে ২০১২ সালে সর্বোচ্চ বিদ্যুত চাহিদা মৌটানো হয়েছে ৬,৩৫০ মেগাওয়াট এবং এটি পূর্ববর্তী বছরে ছিল ৬,১৭৪ মেগাওয়াট থেকে কিছু বেশী। নিম্নে সারণীতে বাংলাদেশ বিদ্যুত উন্নয়ন বোর্ডের অনুমিত সর্বোচ্চ চাহিদার একটি চিত্র উপস্থাপন করা হয়েছে :

নং	অর্থ বছর	সর্বোচ্চ চাহিদা (মেগাওয়াট)
০১	২০১৩	৮,৩৪৯
০২	২০১৪	৯,২৬৪
০৩	২০১৫	১০,২৮০
০৪	২০১৬	১১,৪০৫
০৫	২০১৭	১২,৬৪৪
০৬	২০১৮	১৪,০১৪
০৭	২০১৯	১৫,৫২৭
০৮	২০২০	১৭,৩০৪

বিপিডিবির তথ্যমতে বাংলাদেশের বিদ্যুত চাহিদা ১৯৯৬ সাল থেকে প্রতি বছর ২০০ মেগাওয়াট হারে বাড়ছে। ২০১৬ সালে সর্বোচ্চ চাহিদা ১১,৪০৫ মেগাওয়াটের উর্দে হবে বলে অনুমান করা হচ্ছে। বর্তমানে সর্বোচ্চ উৎপাদন ক্ষমতা ৮৫২৫ মেগাওয়াট। বাংলাদেশের বিদ্যুত খাতের মধ্য পরিকল্পনা অনুযায়ী ২০৩০ সালের মধ্যে সর্বোচ্চ বিদ্যুত চাহিদা ৩৪০০০ মেগাওয়াটে দাঁড়াবে। বিদ্যুত চাহিদা ও সরবরাহের পার্থক্য দূর করতে হলে বিদ্যুত খাতে ১৭ কোটি মার্কিন ডলার বিনিয়োগ করতে হবে। বিদ্যুত খাতে উন্নতি আনার জন্য সরকার নানা পদক্ষেপ গ্রহণ করছে।



# পরিচালনা পর্ষদের প্রতিবেদন

এসব পদক্ষেপ হল :

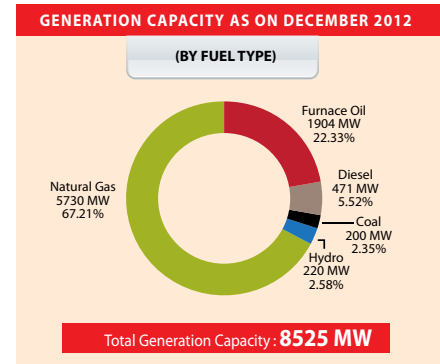
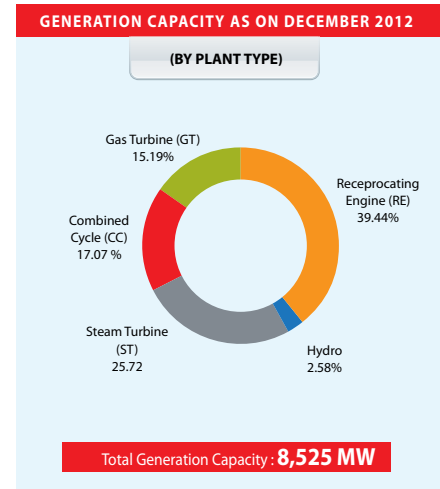
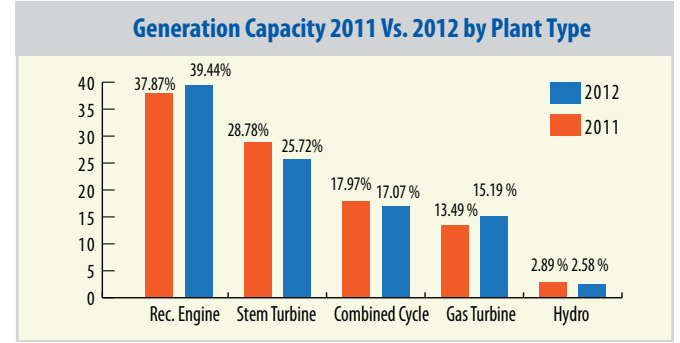
- সরকার দায়িত্ব গ্রহণের পর থেকে এ পর্যন্ত ৩,৮৪৫ মেগাওয়াট ক্ষমতার মোট ৫৪টি নতুন বিদ্যুৎকেন্দ্র চালুকরণ।
- ৮,২৮৮ মেগাওয়াট ক্ষমতার মোট ৬১টি বিদ্যুৎ কেন্দ্রের জন্য ৫৯টি চুক্তি স্বাক্ষর।
- সরকারি ও বেসরকারিভাবে ৫,৪৩৭ মেগাওয়াট ক্ষমতার আরো ২৭টি বিদ্যুৎ কেন্দ্র নির্মাণাধীন আছে যা পর্যায়ক্রমে আগামী ২০১৬ সালের মধ্যে চালু হবে।
- বিদ্যুৎ সুবিধাভোগী জনসংখ্যা ৬০% শতাংশে উন্নীতকরণ এবং বার্ষিক মাথ পিছু বিদ্যুৎ উৎপাদনের পরিমাণ ১৮০ কিলোওয়াট ঘণ্টা থেকে বৃদ্ধি করে ২৯২ কিলোওয়াট ঘণ্টার উন্নীতকরণ। বিগত চার বছরে মোট ২৮.৪০ লক্ষ গ্রাহককে নতুন বিদ্যুৎ সংযোগ প্রদান করা হয়েছে ,
- বিদ্যুতের সিস্টেম লস ১৫.৬৭% শতাংশ থেকে ১২.২৬% শতাংশে হ্রাস ,
- মোট ২,৭৪৩ এমভিএ ক্ষমতাসম্পন্ন ১৯টি গ্রীড উপকেন্দ্র এবং ৬৪৪সার্কিট কিলোমিটার সঞ্চালন লাইন নির্মাণ,
- চাহিদা ও সরবরাহের পার্থক্য নিরসনের উদ্দেশ্যে সরকার বিদ্যুৎ খাতের জন্য ৭,৮৯৬ কোটি টাকা বরাদ্দ রেখেছে যা বিগত বছরের সংশোধিত বরাদ্দ থেকে ৭০৪ কোটি টাকা বেশি।

বিগত বছরে, বেসরকারি খাত মোট বিদ্যুত উৎপাদনের ৪৩% শতাংশ উৎপাদন করতে সক্ষম হয়েছে এবং বাকি ৫৭% শতাংশ বিদ্যুৎ সরকারি খাতে উৎপাদন করা হয়েছে।

সরকারি খাত :	উৎপাদন ক্ষমতা (মে: ওঃ)
বাংলাদেশ পাওয়ার ডেভেলপমেন্ট বোর্ড	৩,৭০০
আশুগঞ্জ পাওয়ার স্টেশন কোম্পানী লিমিটেড	৬৮২
ইলেক্ট্রিসিটি জেনারেশন কোম্পানি অব বাংলাদেশ লিমিটেড	২১০
নর্থ ওয়েস্ট পাওয়ার জেনারেশন কোম্পানি লিমিটেড	১৫০
রঙ্গাল পাওয়ার কোম্পানি লিমিটেড	২৬২
মোট =	৫,০০৪ (৫৭%)
বেসরকারি খাত :	উৎপাদন ক্ষমতা (মে: ওঃ)
ইন্ডেপেন্ড্যান্ট পাওয়ার প্রোডিউসার	১,২৯৭
স্কুদু আইপিপি	৩২৫
১৫ বছর মেয়াদী রেন্টাল পাওয়ার	১৬৯
৩ ও ৫ বছর মেয়াদী রেন্টাল পাওয়ার	৫৫৮
কুইক রেন্টাল পাওয়ার	১,৩৮২
মোট =	৩,৭৩১(৪৩%)
সর্বমোট =	৮,৭৩৫

বিদ্যুৎ ব্যবস্থাপনায় যথাযথ উৎপাদন পরিকল্পনা অত্যন্ত গুরুত্বপূর্ণ এবং উৎপাদন কেন্দ্রগুলোর নির্ভরশীলতার উপরই সামগ্রিক বিদ্যুৎ ব্যবস্থাপনার সফলতা নির্ভরশীল। ২০১২ সালে রেসিপ্রোকটিং ইঞ্জিন দ্বারা সবচেয়ে বেশী বিদ্যুত উৎপাদন করা হয়, প্রায় ৩৯.৪৪% শতাংশ। স্টীম টারবাইন ২৫.৭২%/ শতাংশ, এবং গ্যাস ও স্টীম ভিত্তিক

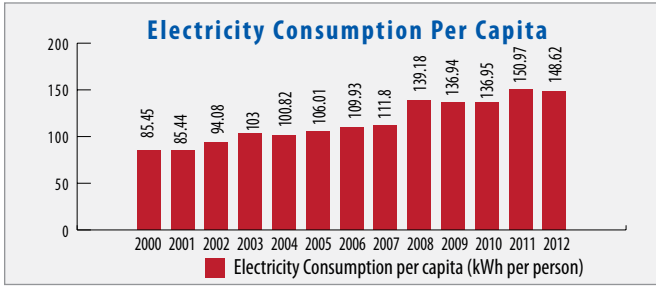
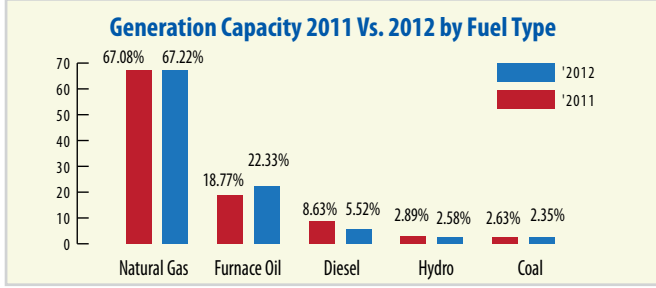
কম্বাইন্ড সাইকেল দ্বারা ১৭.০৭% শতাংশ বিদ্যুত উৎপাদন করে। জলবিদ্যুত কেন্দ্রে মাত্র ২.৫৮% শতাংশ বিদ্যুত উৎপাদন হয়েছে।



বছরভিত্তিক ২০১১ ও ২০১২ সালের বিদ্যুৎ উৎপাদন তুলনা করলে আমরা দেখতে পাই যে স্টীম টারবাইন দ্বারা উৎপাদনের হার প্রায় ৩% শতাংশ হ্রাস পেয়েছে। গ্যাস টারবাইন ও রেসিপ্রোকটিং ইঞ্জিন দ্বারা চালিত কেন্দ্র ২% শতাংশ বেশী বিদ্যুত উৎপাদন করেছে ২০১২ সালে। কম্বাইন্ড সাইকেল দ্বারা চালিত কেন্দ্রের অবদান অপরিবর্তিত রয়েছে এবং পানি বিদ্যুত কেন্দ্রের বিদ্যুত উৎপাদন হ্রাস পেয়েছে।

জ্বালানী ভিত্তিতে বিবেচনা করলে দেখা যায় যে, ২০১২ সালে গ্যাস চালিত উৎপাদন কেন্দ্র ৬৭.২১ শতাংশ বিদ্যুত উৎপাদন করে। ফার্নেস অয়েল দ্বারা চালিত কেন্দ্রের উৎপাদন ক্ষমতা এই সময়ে প্রায় ৩ শতাংশ বৃদ্ধি পায়

এবং ডিজেল চালিত কেন্দ্রের ক্ষমতা ৩ শতাংশ হ্রাস পায়। বিদ্যুত উৎপাদনে অন্যান্য জ্বালানীর অবদান অপরিবর্তিত ছিল।



উপরের সারণিতে আমরা দেখতে পাই যে, বছর ভিত্তিক মাথাপিছু বিদ্যুতের ব্যবহার ক্রমাগত বেড়ে চলেছে। ২০০০ সনের পরবর্তী সময়ে সর্বোচ্চ মাথাপিছু বিদ্যুৎ ব্যবহারের পরিমাণ ১৫০.৯৭ কিলোওয়াট ঘণ্টা ছিল কিন্তু ২০১২ সালে তা সামান্য কমে ১৪৮.৬২ কিলোওয়াট ঘণ্টায় নেমে আসে। বিদ্যুৎ ব্যবহারের উর্ধ্বগতি, সরবরাহ ও চাহিদার মধ্যে পার্থক্য ক্রমাগতভাবে কমিয়ে আনছে।

সরকার বিদ্যুত খাতের উন্নয়নকে সর্বোচ্চ গুরুত্ব দিচ্ছে। ২০১১-২০১২ অর্থ বছরে বিদ্যুত খাতের জন্য ৭২ কোটি টাকা বরাদ্দ করা হয়। বর্তমান প্রেক্ষাপটে দেশে বিদ্যুৎ উৎপাদন, বিতরণ এবং সঞ্চালন ব্যবস্থাপনার ক্ষেত্রে ব্যবসার পর্যাপ্ত সুযোগ রয়েছে। এ সকল খাতে বিনিয়োগে আকৃষ্ট করার জন্য সম্ভাব্য দেশী ও বিদেশী বিনিয়োগকারীদের জন্য নিম্নলিখিত সুযোগ সুবিধা বলবৎ রয়েছে:

- ১৫ বছরের জন্য কর্পোরেট ট্যাক্স থেকে অব্যাহতি।
- সম্পূর্ণ বৈদ্যুতিক সরঞ্জাম ও যন্ত্রপাতি এবং ১২ বছর সময়কালের মধ্যে প্রকল্পের মূল্যের ১০ শতাংশ পর্যন্ত খুচরা যন্ত্রাংশ আমদানীর ক্ষেত্রে ভ্যাট, কাস্টমস ডিউটি, অন্যান্য সারচার্জ ও ইমপোর্ট পারমিট ফি ছাড়াই আমদানী। তবে স্থানীয়ভাবে উৎপাদিত মানসম্পন্ন দেশীয় সরঞ্জামের ক্ষেত্রে এ সুবিধা প্রযোজ্য নয়।
- ইকুইটি এবং লভ্যাংশ প্রত্যাবাসনের সুবিধা।
- বিদেশী ঋণদান কারী প্রতিষ্ঠানের আয়ের উপর আয়কর অব্যাহতি।
- বিদেশী বিনিয়োগকারী কর্তৃক দেশীয় প্রতিষ্ঠানের সাথে যৌথ উদ্যোগে কোম্পানি গঠনের সুযোগ। তবে এটা স্বেচ্ছামূলক, বাধ্যতামূলক নয়।

বিদেশী বিনিয়োগকারীদের জন্য প্রদত্ত সকল সুযোগ সুবিধা :

- রয়্যালিটি, প্রযুক্তিগত জ্ঞান ও প্রযুক্তিগত সহায়তা প্রদানে পারিশ্রমিকের উপর কর অব্যাহতি এবং প্রত্যাবাসনের সুবিধা।
- বিদেশী ঋণের সুদের উপর কর অব্যাহতি।

- শেয়ার হস্তান্তরের কারণে উন্নত মূলধনী মুনাফা হতে বিনিয়োগকারী কোম্পানীর কর অব্যাহতি।
- দ্বিপাক্ষিক চুক্তি ভিত্তিতে বিদেশী বিনিয়োগের উপর দ্বৈত করারোপ পরিহার।
- বিদ্যুৎ খাতে নিযুক্ত বিদেশী কর্মীদের আয়ের উপর তিন বছর পর্যন্ত আয়কর অব্যাহতি।
- বিদ্যুৎ খাতে নিযুক্ত বিদেশী কর্মীদের বেতনের ৫০ শতাংশ পর্যন্ত এবং দেশে প্রত্যাবর্তনের সময় তাঁদের সঞ্চয় এবং অবসর ভাতা সমূহ প্রত্যাবাসনের সুবিধা।
- বিদ্যুৎ খাত প্রকল্পে জড়িত বিদেশী নাগরিক ও বিদেশী কর্মীদের কার্যনিমিত্ত প্রদানে কোন নিষেধাজ্ঞা নেই।
- বিনিয়োগ করা মূলধন ও মুনাফা প্রত্যাবাসনের সুবিধা।

বাংলাদেশ সরকার ২০০৯ সাল থেকে সরকারি ও বেসরকারী খাতের অংশীদারিত্ব বাড়ানোর ব্যাপারে গুরুত্ব দিয়ে আসছে। পিপিপি নীতি বাস্তবায়নে প্রধান মন্ত্রীর কার্যালয় সহায়তা করছে।

গ্যাস ও অর্থিক সংকট থাকা সত্ত্বেও সরকার বিরাজমান বিদ্যুত সংকট মোকাবেলা করার জন্য নানা কর্মসূচী গ্রহণ করছে। বিদ্যুত সরবরাহ বাড়ানোর জন্য সরকার বিভিন্ন উৎস থেকে বিদ্যুত উৎপাদনের অর্থ সংস্থানের ব্যবস্থা করছে। তাছাড়া স্বল্প, মধ্য ও দীর্ঘ মেয়াদী পরিকল্পনায় চাহিদা ব্যস্থাপনা, উৎপাদন, বিদ্যুত ব্যবহারে ব্যবহৃত যন্ত্রপাতির দক্ষতা বৃদ্ধি ও অপচয় হ্রাসের মাধ্যমে বিদ্যুত সমস্যা সমাধানের প্রচেষ্টা চালাচ্ছে। বিদ্যুতের সুষ্ঠু ও ক্রম বর্ধমান চাহিদা বিবেচনা করে উৎপাদন লক্ষ্যমাত্রাও বৃদ্ধি করছে।

### ব্যবসায়িক কার্যক্রম ও কর্মপরিচালনা

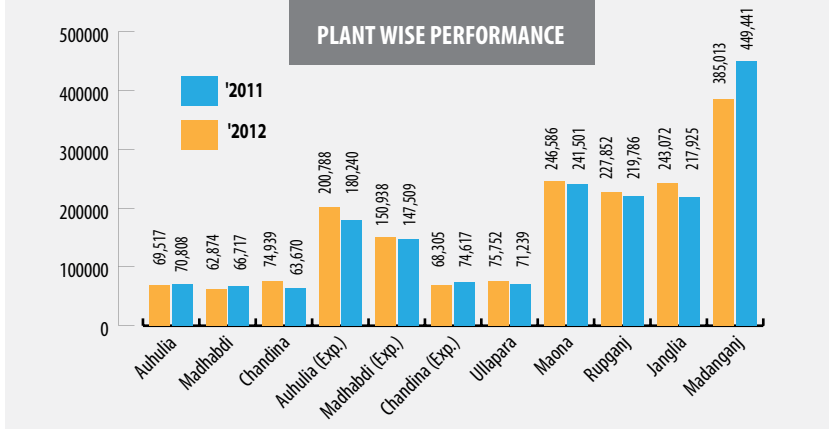
সামিট পাওয়ার লিমিটেড বাংলাদেশে বেসরকারী বিদ্যুৎ উৎপাদনে অগ্রপথিক। এ যাত্রা শুরু ২০০০ সালে। সময়ের সাথে সাথে সামিট পাওয়ার লিমিটেড প্রকল্প বাস্তবায়নে এবং বিদ্যুৎ কেন্দ্র পরিচালনায় ও রক্ষণাবেক্ষণে অভিজ্ঞতা লাভ করেছে। এ অভিজ্ঞতা সামিট পাওয়ার লিমিটেডকে নিজ মালিকানায ১১টি বিদ্যুৎকেন্দ্র স্থাপনকারী শীর্ষ বাংলাদেশী কোম্পানী হয়ে উঠতে সাহায্য করেছে। সামিট বর্তমানে ৩১৭ মেগাওয়াট বিদ্যুৎ উৎপাদন করে। এছাড়াও গতবছর সামিট পাওয়ার লিমিটেড খুলনা পাওয়ার কোম্পানী লিমিটেডের ১৮.৭% শেয়ার অধিগ্রহণ করেছে। সর্বসাকুল্যে বর্তমানে সামিট পাওয়ার লিমিটেডের স্থাপিত উৎপাদন ক্ষমতা ৩৬৬.৫০ মেগাওয়াট।

বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড এইচএফও চালিত যে কয়টি কুইক রেন্টাল বিদ্যুৎ কেন্দ্র স্থাপনের চুক্তি করেছিল তার মধ্যে সামিট পাওয়ার লিমিটেডই একমাত্র কোম্পানী যেটি নির্ধারিত ২৭০ দিনের মধ্যে নিজেদের ১০২ মেগাওয়াট সামিট নারায়ণগঞ্জ পাওয়ার প্লান্ট নির্মাণ সম্পন্ন করতে পেরেছে। এজন্যে এই পল্লার্টটি ২০১১ সালে এশিয়ার "দ্যা বেস্ট ফার্স্ট ট্র্যাক" প্রজেক্ট হিসাবে এশিয়ান পাওয়ার অ্যাওয়ার্ড নামক আন্তর্জাতিক প্রতিযোগিতায় স্বর্ণ পদক লাভ করেছে। যা বাংলাদেশের এবং বিশেষত সামিটের বিশ্বমানের মাঝারী আকারের বিদ্যুৎ কেন্দ্র নির্মাণ ক্ষমতার একটি বড় স্বীকৃতি।

সামিট নারায়ণগঞ্জ পাওয়ার লিমিটেড, ডিইজি (জার্মান ইনভেস্টমেন্ট ফিন্যান্স কোম্পানী) এবং এফএমও (ডাচ ডেভেলপমেন্ট ফিন্যান্স কোম্পানী) থেকে বৈদেশিক মুদ্রায় ৪.৫ কোটি ইউএস ডলার মেয়াদী ঋণ সংগ্রহ করতে পেরেছে।

২০১২ সালে সামিটের বিদ্যুৎ কেন্দ্রগুলো বিদ্যুত সরবরাহ চুক্তি অনুযায়ী সরবরাহের জন্য নির্ধারিত পরিমাণ বিদ্যুৎ উৎপাদনে সক্ষম হয়েছে। বিদ্যুত সরবরাহের পরিমাণ ছিল জাতীয় গ্রীডে ১৮০ কোটি ৫০ লক্ষ কিলোওয়াট ঘণ্টা এবং এর পরিমাণ ২০১১ সালের সরবরাহিত বিদ্যুত থেকে বেশী।

# পরিচালনা পর্ষদের প্রতিবেদন



সামিট পূর্বাঞ্চল পাওয়ার কোম্পানী লিমিটেড ২০১২ সালে পুঁজিবাজারে যাত্রা শুরু করেছে। এই কোম্পানীটি বিদ্যুত জ্বালানী খাতের ১৪তম কোম্পানী হিসাবে শেয়ারবাজারে তালিকাভুক্ত হয়েছে। তালিকাভুক্তির পর ২০১৩ ইং সালের ০৪ ফেব্রুয়ারী থেকে কোম্পানীটি ঢাকা ষ্টক এক্সচেঞ্জে এবং চিটাগং ষ্টক এক্সচেঞ্জে শেয়ার লেনদেন শুরু করেছে।

সামিট পাওয়ার লিমিটেডের সাবসিডিয়ারী কোম্পানী সামিট পূর্বাঞ্চল পাওয়ার কোম্পানী লিমিটেডের ৩৩ মোগাওয়াট ক্ষমতা সম্পন্ন দুটি উৎপাদন কেন্দ্র আছে। একটি রূপগঞ্জ বিদ্যুত কেন্দ্র যা নারায়নগঞ্জে এবং অন্যটি জামালিয়া বিদ্যুত কেন্দ্র যা কুমিল্লায় অবস্থিত।

সামিট পূর্বাঞ্চল পাওয়ার কোম্পানী লিমিটেড পুঁজি বাজারে ৩ কোটি ১০ টাকা মূল্যের শেয়ার ছেড়ে মূলধন সংগ্রহ করে। ২০১১ ইং সালের আর্থিক বিবরণী অনুযায়ী কোম্পানীর শেয়ার প্রতি আয় ছিল ৫.১৮ টাকা এবং শেয়ার প্রতি নীট সম্পদ ছিল ২০.৩৮ টাকা।

২০১২ সালে সামিট পাওয়ার লিমিটেড কর্পোরেট সুশাসন প্রতিষ্ঠার জন্য ইপিটিউইট অব কন্স্ট এন্ড ম্যানেজমেন্ট একাউন্টেন্টস অব বাংলাদেশ থেকে "বেস্ট কর্পোরেট এ্যাওয়ার্ড" লাভ করেছে। তাছাড়াও কোম্পানী উল্লেখযোগ্য ব্যবসায়িক সফলতা, অধ্যবসায় এবং কিউসি ১০০ নির্ণায়কের সাথে সামঞ্জস্য রেখে মান নিশ্চিতকরণে যথাযথ নেতৃত্ব প্রদানের জন্য বিজনেস ইনিশিয়েটিভ ডাইরেকশনস (বিআইডি) থেকে "ইন্টারন্যাশনাল ষ্টার ফর লিডারশিপ ইন কোয়ালিটি" এ্যাওয়ার্ড লাভ করেছে। বিজনেস ইনিশিয়েটিভ ডাইরেকশনস এর মুখ্য উদ্দেশ্য হলো বিশ্বব্যাপী মানসম্পন্ন নেতৃস্থানীয় কোম্পানী সনুহের মধ্যে মান সংস্কৃতি মেলবন্ধন গড়ে তোলা।

সামিট পাওয়ার লিমিটেড সবসময় সর্বাধুনিক উচ্চ দক্ষতা সম্পন্ন ইঞ্জিন এবং অন্যান্য সম্পূরক যন্ত্রপাতি ব্যবহার করে আসছে। এর উদ্দেশ্য হচ্ছে বিদ্যুত উৎপাদনে

ন্যূনতম পরিমাণ জ্বালানী ব্যবহার করে দেশের জ্বালানী সাশ্রয়ে অবদান রাখা এবং প্রতি ইউনিট বিদ্যুত উৎপাদনে চুক্তি অনুযায়ী প্রাপ্য জ্বালানীর অধিক জ্বালানী ব্যবহার না করা।

গত বছর আপনাদের কোম্পানী আইএসও ৯০০১:২০০০-কোয়ালিটি ম্যানেজমেন্ট সিস্টেম (কিউএমএস), আইএসও ১৪০০১:২০০৪ এনভায়রনমেন্ট ম্যানেজমেন্ট সিস্টেম (ইএমএস), বিএস ১৮০০১:২০০৭- অকুপেশনাল হেলথ এন্ড সেফটি (ওএইচএন্ডএস) এর সমন্বয়ে ইন্টিগ্রেটেড ম্যানেজমেন্ট সিস্টেম (আইএমএস) বাস্তবায়ন করেছে এবং এসব নীতি বিস্তারিতভাবে "সংযুক্তি-৬" এ দেওয়া হয়েছে।

আইএমএস বাস্তবায়নের পর বুঝে ভেরিটাস কোম্পানীর ইন্টিগ্রেটেড ম্যানেজমেন্ট সিস্টেম এর নিরীক্ষা সম্পন্ন করেছে এবং কোম্পানীর অর্জিত মান নিরীক্ষায় সন্তোষজনক বলে গৃহীত হওয়ায় কোম্পানীকে আইএসও ৯০০১:২০০০, আইএসও ১৪০০১:২০০৪ এবং বিএস ১৮০০১:২০০৭ সনদপত্র প্রদান করা হয়েছে।





## জাতীয় রাজস্ব এবং অর্থনীতিতে অবদানঃ

বিদ্যুৎ যে কোন দেশের অর্থনীতির প্রধান চালিকা শক্তি এবং এর বহুমুখী ব্যবহার দেশের অর্থনৈতিক প্রবৃদ্ধিতে কার্যকরী ভূমিকা রাখে। বিশেষ করে শিল্পখাতের উন্নয়নের জন্য বিদ্যুতের কোন বিকল্প নেই। আলোচ্য বছরে আপনাদের প্রতিষ্ঠান জাতীয় গ্রীডে সর্বমোট ১৮০ কোটি ৫০ লক্ষ ইউনিট বিদ্যুৎ সরবরাহ করেছে। ফলে আপনাদের প্রতিষ্ঠান যেমন দেশের শিল্প উৎপাদন বৃদ্ধিতে সহায়তা করেছে, অন্যদিকে কর্মসংস্থান বৃদ্ধিতেও অবদান রেখেছে। কোম্পানীর সম্মানিত শেয়ারহোল্ডার হিসেবে আপনারা দেশীয় অর্থনীতিতে আপনাদের কোম্পানীর এই অবদানের জন্য গর্বিত হতে পারেন। আপনাদের প্রতিষ্ঠান আগামী বছর সমূহে জাতীয় অর্থনীতিতে এর অবদান ক্রমাগতভাবে বৃদ্ধির জন্য প্রয়োজনীয় পদক্ষেপ গ্রহণ অব্যাহত রাখবে।

বেসরকারিখাতে বিদ্যুৎ উৎপাদন নীতিমালা অনুযায়ী আপনাদের কোম্পানি ১৫ বছরের জন্য সম্পূর্ণ করদায় অব্যাহতি সুবিধা ভোগ করেছে। সানিট পাওয়ার লিমিটেড এর জন্য এ করদায় অব্যাহতি সুবিধা ২০১৬ সাল পর্যন্ত এবং সানিট পূর্বাঞ্চল পাওয়ার কোম্পানী লিমিটেড ও সানিট উত্তরাঞ্চল পাওয়ার কোম্পানী লিমিটেড এর জন্য এ সুবিধা ২০২৪ সাল পর্যন্ত বলবৎ থাকবে। সানিট নারায়ানগঞ্জ পাওয়ার লিমিটেড করদায়

অব্যাহতি সুবিধা পাবে ২০১১ সালের ১ এপ্রিল থেকে পরবর্তী ৫ বছর পর্যন্ত। আপনাদের প্রতিষ্ঠান বিদ্যুৎ কেন্দ্র সমূহের রক্ষনা-বেক্ষণের জন্য বিভিন্ন স্পেয়ার পার্টস আমদানীর বিপরীতে ডিউটি, ট্যাক্স ও ভ্যাট প্রদান করেও জাতীয় রাজস্বে উল্লেখযোগ্য অবদান রেখেছে। ২০১২ সালে জাতীয় অর্থনীতিতে আপনাদের প্রতিষ্ঠানের অবদানের পরিমাণ ছিল ১৮ কোটি ৮০ লক্ষ টাকা।

## অস্বাভাবিক লাভ/ক্ষতি

আলোচ্য বৎসরের আর্থিক বিবরণীতে কোন অস্বাভাবিক লাভ/ক্ষতি নেই।

## সংশ্লিষ্ট পক্ষের সাথে কার্যপরিচালনা

কোম্পানীর বানিজ্যিক লেনদেন সংশ্লিষ্ট ব্যক্তিপক্ষগণের সাথে কোম্পানীর সকল কার্যপরিচালনার বিবরণ প্রতিবেদনের সাথে সংযুক্ত "নোট নং- ৩২" এ প্রকাশ করা হয়েছে।

## শেয়ার এবং অন্যান্য আর্থিক উপকরণ ইস্যু থেকে অর্জিত অর্থের ব্যবহার

২০০৫ সালে সানিট পাওয়ার লিমিটেড এর প্রাথমিক শেয়ার বিক্রয় বাবদ প্রাপ্ত অর্থ কোন কোন কাজে ব্যবহার করা হয়েছে তা নিয়ন্ত্রক কর্তৃপক্ষকে জানিয়ে দেওয়া হয়েছে। ২০০৮ সালে রাই শেয়ার ইস্যু থেকে অর্জিত অর্থের ব্যবহারের বিবরণও কর্তৃপক্ষকে দেওয়া হয়েছে। এরপর আর কোন আর্থিক উপকরণ ইস্যু করা হয় নি।

## ত্রৈমাসিক ও বার্ষিক আর্থিক বিবরণীর মধ্যে উল্লেখযোগ্য পার্থক্য

২০১২ ইং সালের বার্ষিক ও ত্রৈমাসিক আর্থিক বিবরণীর মধ্যে কোন উল্লেখযোগ্য পার্থক্য দেখা যায়নি।

## পরিচালকগণের সম্মানীভাতা

কার্যনির্বাহী পরিচালকদের সম্মানীভাতা কোম্পানীর চেয়ারম্যান প্রতি বছর পর্যালোচনা করেন এবং এ সকল তথ্য আর্থিক বিবরণীর সাথে সংযুক্ত "নোট ৩২.২" এ প্রকাশ করা হয়েছে। অনির্বাহী পরিচালক ও নিরপেক্ষ পরিচালকদের প্রত্যেকে সভায় উপস্থিতির জন্য পারিশ্রমিক পান।

## কর্পোরেট এবং আর্থিক প্রতিবেদনের অবকাঠামো :

ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড অনুসরণে প্রণীত বাংলাদেশের ফাইন্যান্সিয়াল স্ট্যান্ডার্ড আইসিএবি কর্তৃক গৃহিত হওয়ার প্রেক্ষিতে তদনুযায়ী আর্থিক কার্যাবলীর বিবরণী প্রণয়নে আইনী বাধ্যবাধকতা রয়েছে। সে প্রেক্ষাপটে কোম্পানীর আর্থিক বিবরণী প্রণয়নে নিম্নবর্ণিত ও বিষয়বলী বিবেচনা করা হয়েছে।

১. যথোপযুক্ত হিসাবরক্ষণ নীতি প্রণয়ন ও তার অব্যাহত অনুসরণ,
২. যুক্তিসঙ্গত ও দূরদর্শী সিদ্ধান্ত গ্রহণ,
৩. বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (বিএফআরএস) অনুযায়ী আর্থিক বিবরণী প্রস্তুত নিশ্চিতকরণ,
৪. কোম্পানী আর ব্যবসা চালাবেনা এমন সিদ্ধান্ত গ্রহণের মত অবস্থা সৃষ্টি হওয়ার



# পরিচালনা পর্ষদের প্রতিবেদন

পূর্ব পর্যন্ত একটি চলমান প্রতিষ্ঠান হিসেবে নিয়মিত আর্থিক বিবরণী প্রস্তুত করণ।

আপনাদের কোম্পানীর অর্থ ও হিসাব সংক্রান্ত যাবতীয় তথ্যাবলী এমন ভাবে সংরক্ষণ করা হয়েছে যাতে যে কোন সময়ে কোম্পানীর সঠিক এবং প্রকৃত আর্থিক অবস্থা তুলে ধরা সম্ভব হয়। তাছাড়া উক্ত হিসাব বিবরণী ১৯৯৪ ইং সনের কোম্পানী আইন এবং অন্যান্য সংশ্লিষ্ট কর্তৃপক্ষের নিয়ম-নীতি অনুসরণ করে সম্পাদিত হয়েছে।

৭ আগস্ট, ২০১২ ইং তারিখের বাংলাদেশ সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) এর প্রজ্ঞাপন অনুযায়ী পরিচালকবৃন্দ তাঁদের জানামতে এই প্রতিবেদনে নিশ্চিত করেছেন যে:

- কোম্পানী ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে এর কর্মকাণ্ড, কার্যক্রমের ফলাফল, নগদ প্রবাহ এবং ইকুইটির পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে।
- আপনাদের কোম্পানীর হিসাবের প্রয়োজনীয় বইসমূহ যথাযথভাবে সংরক্ষণ করা হয়েছে,
- আর্থিক বিবরণীসমূহ প্রস্তুত করার সময় উপযুক্ত হিসাব-নীতি সঙ্গতিপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবের প্রাক্কলন করা হয়েছে যুক্তিসঙ্গত ও প্রাজ্ঞ বিচারবোধের ভিত্তিতে,
- আর্থিক বিবরণী প্রস্তুত করার সময় আন্তর্জাতিক হিসাব মানদণ্ড ও বাংলাদেশের আর্থিক বিবরণীর মানদণ্ড অনুসরণ করা হয়েছে এবং তা থেকে যে কোন ব্যত্যয় পর্যালোচনা করে প্রকাশ করা হয়েছে।
- আন্তর্জাতিক নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও পর্যবেক্ষণ (মনিটরিং) করা হয়েছে।
- চলমান প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখতে আপনাদের কোম্পানীর সামর্থ্যের ব্যাপারে তেমন কোন সংশয় নেই।
- কোম্পানীর সার্বিক কার্যক্রমের ফলাফলের ক্ষেত্রে গত বছরের তুলনায় উল্লেখযোগ্য যেসব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে।
- সার্বিক কার্যক্রম এবং আর্থিক বিষয়ে গত পাঁচ বছরের গুরুত্বপূর্ণ উপাত্ত সংযোজন করা হয়েছে,
- এই প্রতিবেদনের সংশ্লিষ্ট অধ্যায়ে কোম্পানীর প্রাতিষ্ঠানিক কাঠামো, ব্যবসা বৃদ্ধি, যথাযথ কারণে বাতিলকৃত কার্যক্রম, ভবিষ্যত সম্ভাবনা, প্রাতিষ্ঠানিক ঝুঁকি এবং অনিশ্চয়তা ইত্যাদি বিষয়ে গৃহীত পরিকল্পনা ও রূপরেখা যথাযথভাবে তুলে ধরা হয়েছে।
- পরিচালক পর্ষদের সভার সংখ্যা এবং সভাসমূহে পরিচালকদের উপস্থিতির তথ্য প্রকাশ করা হয়েছে,
- কোম্পানীর শেয়ারহোল্ডিং -এর ধরন এই প্রতিবেদনের “সংযুক্তি-৩” এ দেখানো হয়েছে।

## আর্থিক ফলাফল :

বিগত বছরের সাথে চলতি বছরের তুলনামূলক আর্থিক ফলাফল নিম্নে দেওয়া হলো:

বিবরণ	২০১২ (কোটি টাকা)	২০১১ (কোটি টাকা)
আয়	৫৮৯.৩	৪৭৫.৭
বিক্রীত পণ্যের ক্রয় মূল্য	(২২৬.৯)	(১৯৩.০)
মোট লাভ	৩৬২.৪	২৮২.৮
অন্যান্য আয়	১.২	৮০.৪
প্রশাসনিক ব্যয়	(৫০.৭)	(৩৬.৬)
কার্যপরিচালন লাভ	৩১২.৯	৩২৬.৫
অর্থায়নের খরচ, নীট	(৬৪.২)	(১৯)
আয়করের আগে নীট লাভ	২৪৮.৭	৩১০.৫
আয়কর	--	(৩.৩)
নীট লাভ	২৪৮.৭	৩০৭.২

বিদ্যুত কেন্দ্রের উন্নত কর্মপরিচালনা ও ব্যবস্থাপনার কারণে উৎপাদন ব্যয় ৪০.৫৬% শতাংশ থেকে ৩৮.৫০% শতাংশে নেমে আসে। প্রতি ইউনিট বিদ্যুতের আয় বাড়তে মূল লাভের মার্জিন ৫৯.৪৪% থেকে বেড়ে ৬১.৫০% শতাংশে গিয়ে দাঁড়ায়। সানিট নারায়নগঞ্জ পাওয়ার লিমিটেড এর বৈদেশিক দায়ের সুদের কারণে অর্থায়নের খরচ বেড়ে যাওয়াতে নীট লাভের মার্জিন ৬৭.৫৭% শতাংশ থেকে ৪২.২০% শতাংশে নেমে আসে। তাছাড়া ২০১১ সালে সানিট উত্তরাঞ্চল পাওয়ার কোম্পানী লিমিটেডের শেয়ারের অংশীদারিত্ব হস্তান্তরের থেকে কোম্পানী মূলধনী লাভ করে।

২০১২ সালে প্রকৃত আয় বাজেট আয়কে ৪.৮০% শতাংশ অতিক্রম করতে সক্ষম হয় এবং প্রতি কিলোওয়াট ঘন্টা থেকে আয় বাজেট পরিমাণ থেকে ১২.৩০% শতাংশ বেশী হয়। এ কারণে উৎপাদন খরচ বাজেটের উর্দে চলে গিয়েছে। তা ছাড়া ৪.৮০% শতাংশ বেশী আয় এর বিপরীতে উৎপাদন খরচ ০.৬৫% শতাংশ বেড়ে যাওয়া কোম্পানীর জন্য যথেষ্ট সন্তোষজনক। বিশেষ সময়তালিকায় মধ্যে রক্ষাবেক্ষণ সম্পন্ন করতে গিয়ে যদিও প্রকৃত উৎপাদন বাজেট থেকে কম ছিল। এই ত্রুটিস পাওয়া সত্ত্বেও মূল আয়ে ৭.৩২% শতাংশ, নীট আয়ে ১.৭০% শতাংশ এবং মোট আয়ে ৪.৮% শতাংশ বৃদ্ধি ঘটে। এ বৃদ্ধি প্রতি ইউনিট আয় বৃদ্ধির কারণে অর্জিত হয়। ফলে কোম্পানীর ভবিষ্যতে উন্নতি হওয়ার প্রত্যাশা রাখা যায়।

বিবরণ	ইউনিট টাকা প্রতি কিলোওয়াট ঘন্টা	প্রকৃত (২০১২)	বাজেট (২০১২)	ব্যবধান
উৎপাদন - মোট	কিলোওয়াট ঘন্টা	১,৭৯৩,৮৭৮,৫২৭	১,৯৪৭,২৭১,৭০০	-৮.৫৫%
আয়	টাকা প্রতি	৫,৮৪০,৩২০,০৭২	৫,৫৫৯,৭১১,৫৫৫	৪.৮%
মোট প্রতি কিলোওয়াট ঘন্টা	কিলোওয়াট ঘন্টা	৩.২৬	২.৮৬	১২.৩০%
বিদ্যুতের খরচ	টাকা	২,১৯৯,১৬৩,১৪১	২,১৮৪,৯০১,২৭৯	-০.৬৫%
মূল আয়	টাকা	৩,৬৪১,১৫৬,৯৩১	৩,৩৭৪,৭৮০,২৭৬	৭.৩২%
নীট আয়	টাকা	২,৪৮৬,৬৫৩,২২৫	২,৪৪৪,৩৮০,৪৮০	১.৭%

## মুনাফার আর্ভটন :

২০১২ সালে কোম্পানীর নীট মুনাফা হয়েছে প্রায় ১৮৭ কোটি ৩০ লক্ষ টাকা যার পরিমাণ

২০১১ ইং সালে ছিল ২৫১ কোটি ১০ লক্ষ টাকা। কোম্পানীর উন্নয়ন ও সম্প্রসারণ কাজের ধারাবাহিক অগ্রগতি অব্যাহত রাখা ও ঋণ পরিশোধের জন্য পর্যাপ্ত পরিমাণ অর্থের প্রয়োজন। এ বিষয়টি বিবেচনায় রেখে কোম্পানীর পরিচালনামণ্ডলী ৩১ ডিসেম্বর ২০১২ তারিখে সমাপ্ত বছরের জন্য আর্থিক ফলাফল পেশসহ বিভিন্ন খাতে নিয়োক্ত পরিমাণ লাভ বন্টনের সুপারিশ করছে:

লাভ আকর্ষণ	কোটি টাকা
২০১২ সালে সমাপ্ত সালের নীট লাভ	১৮৭.৩
পূর্ববর্তী বছরের আর্জিত লাভ	১৮৪.৪
মোট বন্টন যোগ্য লাভ	৩৭১.৭
প্রস্তাবিত বন্টন সমূহ:	
প্রস্তাবিত ষ্টক ডিভিডেন্ড	৯৮.৬
লাভ লোকসান অকর্ষণ হিসাবে স্থানান্তর	২৭৩.১

## লভ্যাংশ :

কোম্পানীর পরিচালনা পর্ষদ ৩১ ডিসেম্বর, ২০১২ ইং তারিখে সমাপ্ত বছরের জন্য প্রতিটি ১০ টাকা মূল্যের সাধারণ শেয়ারের উপর ২০% স্টক ডিভিডেন্ড (প্রতি ৫টি শেয়ারের বিপরীতে ১ টি বোনাস শেয়ার) প্রদানের সুপারিশ করেছেন, যা ১৬তম বার্ষিক সভায় সম্মানিত শেয়ারহোল্ডারগণের অনুমোদন সাপেক্ষে প্রদান করা হবে।

## পরিচালক মণ্ডলীর সভা ও উপস্থিতি

২০১২ ইং সালের ৩১ ডিসেম্বর তারিখে সমাপ্ত বছরে পরিচালনা পর্ষদের সর্বমোট ৫টি সভা অনুষ্ঠিত হয়। নিম্নে পরিচালকগণের নাম সহ উপস্থিতির তালিকা দেয়া হলো :

পরিচালকের নাম	উপস্থিতির সংখ্যা
জনাব মোহাম্মদ আজিজ খান	০৫
জনাবা আঞ্জুমান আজিজ খান	০৪
জনাব মোহাম্মদ ফরিদ খান	০৫
জনাব মোহাম্মদ লতিফ খান	০৪
জনাব জাফর উম্মেদ খান	০৫
জনাবা আয়েশা আজিজ খান	০৪
জনাব হেলাল উদ্দিন আহম্মেদ	০৪
জনাব আব্বাস উদ্দিন আহম্মেদ	০৫
জনাব সৈয়দ ফজলুল হক এফসিএ	০৫
জনাব তোহিদুল ইসলাম	০৫
জনাব ফয়সাল করিম খান	০৪

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

## পরিচালক বৃন্দের নির্বাচন এবং পুনঃ নিয়োগ :

অত্র প্রতিষ্ঠানের সংক্ষমারকের ২০(ক) অনুচ্ছেদ অনুযায়ী জনাবা আঞ্জুমান আজিজ খান,

জনাব মোহাম্মদ লতিফ খান, জনাবা আয়েশা আজিজ খান, ১৬তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং বিধি মোতাবেক যোগ্য বিধায় নিজেদের পুনঃ নিয়োগের প্রস্তাব করেছেন।

২০১৩ ইং সালের ১৪ মার্চের বোর্ড সভায় কোম্পানীর পরিচালনা পরিষদ জনাব জিয়াউল হাসান সিদ্দিকী কে ইনডিপেন্ডেন্ট পরিচালক হিসেবে নিয়োগ করার সিদ্ধান্ত গ্রহণ করে। জনাব জিয়াউল হাসান সিদ্দিকী ১৬তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং বিধি মোতাবেক যোগ্য বিধায় নিজেদের পুনঃ নিয়োগের প্রস্তাব করেছেন।

## নিরীক্ষা কমিটি :

কোম্পানীর সুনির্দিষ্ট লিখিত দায়িত্বশ্রাণ্ড একটি নিরীক্ষা কমিটি রয়েছে। এ কমিটি গত বছরে মোট ৪টি বৈঠকে বসেছেন। নিম্নে কমিটির সদস্যদের নাম সহ উপস্থিতির তালিকা দেয়া হলো:

সদস্যদের নাম	অবস্থান	উপস্থিতির সংখ্যা
জনাব আব্বাস উদ্দিন আহম্মেদ	সভাপতি	০৪
জনাব সৈয়দ ফজলুল হক এফসিএ	সদস্য	০৪
জনাব তোহিদুল ইসলাম	সদস্য	০৪

নিরীক্ষা কমিটির ইচ্ছানুযায়ী, কোম্পানীর পরিচালক (অর্থ) কে সভায় আমন্ত্রণ জানানো হয়েছিল।

## নিরীক্ষক :

মেসার্স হোদা ভাসী চৌধুরী এন্ড কোঃ চার্টার্ড একাউন্টেন্ট কে ১৬তম বার্ষিক সাধারণ সভায় নিয়োগ দেয়া হয়েছিল। তারা ২০১২ সালের নিরীক্ষা কাজ সম্পন্ন করেছেন এবং ১৬ তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। ১৯৯৪ সালের কোম্পানী আইনের ২১২ ধারা মোতাবেক তারা ২০১৩ সালের জন্য পুণঃ নিয়োগ প্রাপ্তির আবেদন করেছেন। পরিচালনা পর্ষদের সুপারিশ দ্রমে পুণঃ নিয়োগের জন্য তাদের আবেদন ১৬ তম বার্ষিক সাধারণ সভায় পেশ করা হবে।

## ব্যবসায়িক ঝুঁকি ও অনিশ্চয়তাসমূহ :

কোম্পানীর নিম্নরূপ ব্যবসায়িক ঝুঁকি ও অনিশ্চয়তাসমূহ রয়েছে:

১. বকেয়া ঝুঁকি
২. তারল্যতা ঝুঁকি
৩. মার্কেট ঝুঁকি

কোম্পানীর আর্থিক ঝুঁকির ব্যবস্থাপনার কাঠামো স্থাপন করার দায়িত্ব পরিচালকবৃন্দ পালন করেন। ঝুঁকি ব্যবস্থাপনা নীতির সাথে ব্যবস্থাপনা কর্তৃপক্ষের কার্যক্রমের সঙ্গনয়ন হচ্ছে কিনা তা পরিচালকবৃন্দ পর্যালোচনা করেন। সার্টিফ পাওয়ার লিমিটেড এর নিরীক্ষা কমিটি এই কাজে পরিচালকবৃন্দের সহায়তা করেন। আভ্যন্তরীণ নিরীক্ষা কমিটি ঝুঁকি ব্যবস্থাপনার সকল পুত্রিয়্যার পর্যালোচনা করেন এবং তার ফলাফল পরিচালকবৃন্দের কাছে পেশ করেন।

# পরিচালনা পর্ষদের প্রতিবেদন

## বকেয়া ঝুঁকি :

গ্রাহক কর্তৃক কোম্পানীর পাওনা পরিশোধের অপরাগতার জন্য কোম্পানীর যে সকল আর্থিক ক্ষতির সম্ভাবনা থাকে তাকেই বকেয়া ঝুঁকি বলা যায়। কোম্পানী তার সকল উৎপাদিত পণ্যই সরকারী প্রতিষ্ঠান পল্লী বিদ্যুতায়ন বোর্ড ও বিদ্যুৎ উন্নয়ন বোর্ডের নিকট বিক্রয় করে। এ প্রতিষ্ঠানদ্বয় হতে বিক্রয় লক্ষ্য অর্থ প্রাপ্তি নিশ্চিত করার জন্য স্থানীয় ব্যাংকের মাধ্যমে ঋণপত্র খোলা হয়েছে। ফলে অনাদায়ী বকেয়া জনিত ঝুঁকি এক্ষেত্রে নেই।

## তারল্যতা ঝুঁকি:

কোম্পানী সময়মত দায় পরিশোধ করতে না পারার আশংকাকে তারল্যতা ঝুঁকি বলা হয়। কোম্পানীর যাতে সবসময় দায় পরিশোধের জন্য পর্যাপ্ত তারল্য থাকে সেদিকে বিশেষ নজর

রাখা হয়। ব্যবস্থাপনা কর্তৃপক্ষের নিশ্চিত করতে হয় যে, কর্মপরিচালনা ব্যয় সামলানোর জন্য পর্যাপ্ত নগদ অর্থ আছে। নগদ পূর্বাভাসের মাধ্যমে কোম্পানী নিশ্চিত করে সম্ভাব্য দায় শোধ করার জন্য অর্থ আছে। তা ছাড়া বিভিন্ন বানিজ্যিক ব্যাংক সমূহের সাথে কোম্পানীর যে ঋণ গ্রহণ সুবিধা বিদ্যমান তা থেকে স্বল্প মেয়াদী তারল্য সংকট মেটানো সম্ভব হবে। ২০১২ সালে কোম্পানী তার দায় নির্ধারিত সময়ের মধ্যে পরিশোধ করতে সক্ষম হয়েছে। বাকি দায় সময়মত পরিশোধ করা হবে বলে আশা করা হচ্ছে।

## মার্কেট ঝুঁকি :

বৈদেশিক মুদ্রা বিনিময় হার ও কোম্পানীর ঋণের সুদ হার পরিবর্তিত হলে কোম্পানীর আয় ও কোম্পানীর ক্রয়কৃত আর্থিক উপকরণ সমূহের মূল্য প্রভাবিত হয়। এ পরিবর্তন কোম্পানীর প্রতিকূলে হলে যে ঝুঁকি সৃষ্টি হয় তাই মার্কেট ঝুঁকি। এ ঝুঁকি মোকাবেলায় সবসময় সচেতন থেকে কোম্পানী এ পর্যন্ত তার আয়ের প্রবৃদ্ধি বজায় রেখে আসছে।



## মুদ্রা ঝুঁকি

বৈদেশিক মুদ্রায় আমদানীযোগ্য যন্ত্রাংশ আমদানীর জন্য প্রয়োজনীয় অর্থের উপর মুদ্রা বিনিময় হার পরিবর্তনের ঝুঁকি থেকে যায়। এ ঝুঁকি হ্রাসের জন্য ২০১২ সাল পর্যন্ত কোম্পানী অন্য কোন উপকরণে বিনিয়োগ করে বৈদেশিক মুদ্রা হেজ করেনি।

## সুদের হার পরিবর্তনজনিত ঝুঁকি

ঋণের সুদের হার কোম্পানীর প্রতিকূলে পরিবর্তনের কারণে যে ঝুঁকির আশংকা থাকে তাই সুদের হার পরিবর্তনজনিত ঝুঁকি। স্থানীয় মুদ্রায় গৃহীত ঋণের ক্ষেত্রে সুদের হার পরিবর্তনের সম্ভাবনা সামান্যই তবে ডিইজি - এফএমও থেকে গৃহীত সুদ লাইবর এর পরিবর্তনের সাথে সম্পৃক্ত থাকায় এ বিদেশী মুদ্রা ঋণে কিছুটা ঝুঁকি রয়েছে। বিগত বছর সমূহে লাইবর স্থিতিশীল থাকায় এ ঝুঁকি নিরসনের জন্য কোম্পানী অতিরিক্ত আর্থিক বিনিয়োগের মাধ্যমে

মুদ্রা বিনিময় হার অপরিবর্তনীয় রাখা উপযুক্ত মনে করেনি।

## পুঁজি ঝুঁকি ব্যবস্থাপনা:

পুঁজি ব্যবস্থাপনা ক্ষেত্রে কোম্পানী এমন একটি ভারসাম্যপূর্ণ পুঁজি কাঠামো রাখার লক্ষ্য নিয়ে কাজ করে যেন কোম্পানী তার শেয়ারহোল্ডারগণকে তাদের স্বল্প মূল্যের পুঁজির এবং স্বার্থ সংশ্লিষ্ট অন্যান্য সকলকে তাদের স্বার্থের উপযুক্ত প্রতিদান দিতে পারে। চলমান ব্যবসার ধারা বজায় রাখার অর্থ যোগানে কোম্পানী মূলধনের নিরাপদ পরিমাণ ও ঋণ গ্রহণের মাধ্যমে আয় বৃদ্ধির সম্ভাবনার মধ্যে সুচিন্তিত ভারসাম্য রক্ষা করে। বোর্ড সাধারণ শেয়ারহোল্ডারগণের লভ্যাংশ প্রদানের গতি প্রকৃতিও খেয়াল রাখে।

## চলমান ব্যবসা প্রতিষ্ঠান :

আর্থিক বিবরণী অনুমোদন কালে পরিচালকবৃন্দ যথাযথ অনুসন্ধান করে, পরিচালন ও আর্থিক সূচক সমূহ বিশ্লেষণ করেছেন। পরিচালকবৃন্দ আশুস্ত হয়েছেন যে অদূর ভবিষ্যতে সুস্থভাবে পরিচালনায় কোম্পানীর সামর্থ্য রয়েছে। তারা অনুধাবন করতে পেরেছেন যে ভবিষ্যতে নির্বিঘ্নে পরিচালনার জন্য কোম্পানীর পর্যাপ্ত সম্পদ এবং আইনানুগ ভিত্তি রয়েছে এ জন্য আর্থিক বিবরণী প্রস্তুতকালে একটি চলমান ধারাবাহিক প্রতিষ্ঠান হিসাবে গণ্য করে বিবরণী প্রস্তুতের সিদ্ধান্ত নেয়া হয়েছে।

## প্রাতিষ্ঠানিক ব্যবস্থাপনা / কর্পোরেট গভর্নেন্স :

যে প্রক্রিয়ায় বোর্ড অব ডিরেক্টরস কর্তৃক শেয়ারহোল্ডার বৃন্দের নিকট জবাবদিহিতা সুনিশ্চিত রেখে কোম্পানী পরিচালিত, নির্দেশিত ও নিয়ন্ত্রিত হয় তাই প্রাতিষ্ঠানিক ব্যবস্থাপনা / কর্পোরেট গভর্নেন্স। আপনাদের কোম্পানী প্রচলিত আইন, নিয়ম ও বিধি অনুযায়ী কোম্পানীর বাবসায়িক কার্যক্রম পরিচালনা করছে এবং সর্বোত্তম মান নিশ্চিত করছে। এ উদ্দেশ্যে আপনাদের কোম্পানী ২০১১ সালে “কোড অফ কন্সট্রাক্ট অ্যান্ড এথিকস” এবং “কোড অফ কর্পোরেট গভর্নেন্স” গ্রহণ করেছে।

কর্পোরেট গভর্নেন্স কোন স্থবির প্রক্রিয়া নয়। তাই আমরা ক্রমাগত ভাবে এটা উন্নততর করার চেষ্টা করছি। এ উদ্দেশ্যে অডিট কমিটি, এক্সিকিউটিভ কমিটি টেকনিক্যাল কমিটি, ট্রয় কমিটি, রক্ষণাবেক্ষণ কমিটি, রেমুনারেশন কমিটি গঠন করা হয়েছে “সংযুক্তি- ৪”। ২০১১ সাল থেকে আইএসও ৯০০১ : ২০০০- কোয়ালিটি ম্যানেজমেন্ট সিস্টেম (কিউএমএস), আইএসও ১৪০০১ : ২০০৪- এনভায়রনমেন্ট ম্যানেজমেন্ট সিস্টেম (ইএমএস), বিএস ১৮০০১ : ২০০৭ - অকুপেশনাল হেলথ অ্যান্ড সফটি (ওএইচঅ্যান্ডএস) এর সমন্বয়ে কোম্পানী ইন্টিগ্রেটেড ম্যানেজমেন্ট সিস্টেম (আইএমএস) বাস্তবায়ন করেছে এবং এর ফলশ্রুতিতে ২০১২ ইং সালে কোম্পানী ব্যুরো ভেরিটাসের কাছ থেকে সনদপত্র অর্জন করেছে। এছাড়াও এই বার্ষিক প্রতিবেদনে কর্পোরেট গভর্নেন্স বিষয়ক একটি পৃথক অধ্যায় রয়েছে।

## প্রাতিষ্ঠানিক সামাজিক দায় দায়িত্ব :

সামাজিক দায় দায়িত্ব প্রকল্পের আওতায় সার্বিক পাওয়ার লিমিটেড একাধিক বেসরকারী সংস্থাকে (এনজিও) সহযোগিতা করে এবং সামাজিক ও মানবিক উন্নয়ন মূলক কর্মকান্ড পরিচালনা করে। পরিবেশ উন্নয়ন প্রতিবন্ধী শিশুকিশোর সহায়ক কর্মসূচী, এসিড সল্ভাস আক্রমণের সহায়তা, অবহেলিত জনগণের চিকিৎসা সহায়তা, প্রত্যন্ত চরাঞ্চলে বিদ্যুত সুবিধা প্রদান ও অন্যান্য বহুবিধ ক্ষেত্রে গৃহীত বিভিন্ন কার্যক্রমের মাধ্যমে কোম্পানী এক্ষেত্রে উল্লেখযোগ্য অবদান রাখে।



# পরিচালনা পর্ষদের প্রতিবেদন

## সেড ট্রাস্ট :

সেড ট্রাস্ট একটি স্বেচ্ছাসেবী জনকল্যাণমূলক বেসরকারী প্রতিষ্ঠান যা ২০০৩ ইং সাল থেকে অধিকার বঞ্চিত, বিকলাঙ্গ এবং বৃদ্ধি প্রতিবন্ধী শিশুদের জন্য কাজ করে আসছে। এ প্রকল্প যাতে নিরবিচ্ছিন্নভাবে দেশের ভাগ্যহত প্রতিবন্ধী শিশু কিশোরদের উন্নয়নের কাজ করে যেতে পারে সেজন্য আপনাদের কোম্পানী এই বছর বড় পরিমাণের অর্থ সাহায্য প্রদান করেছে।

## সামিট পেশাদার - অপেশাদার গলফ টুর্নামেন্ট :

গত ১২বছর যাবৎ সামিট পাওয়ার লিমিটেড পেশাদার গলফারদের জন্য একটি গলফ টুর্নামেন্ট আয়োজন করে আসছে। এই আয়োজনের মাধ্যমে কোম্পানী গলফারদের দক্ষতা বৃদ্ধি এবং জাতীয় ও আন্তর্জাতিক পর্যায়ে তাদের প্রতিভা প্রদর্শনের ক্ষেত্র সৃষ্টি করেছে। আপনারা জেনে খুশি হবেন যে আপনাদের কোম্পানী বিশ্বখ্যাত আন্তর্জাতিক গলফার সিদ্দিকুর রহমানের গলফ জীবনের প্রারম্ভিক সময়ের অন্যতম পৃষ্ঠপোষক।

## শিল্পাঙ্গন ট্রাস্ট :

সমসাময়িক আর্ট গ্যালারীর কর্মকাণ্ডে উৎসাহ প্রদান করার জন্য আপনাদের কোম্পানীর লাভের কিছু অংশ শিল্পাঙ্গন ট্রাস্টকে অনুদান দিয়েছে। আমাদের দেশের শিল্পীদের প্রতিভার বিকাশ ঘটানোর কাজে সহায়তা করতে পেয়ে আপনাদের কোম্পানী গর্বিত।

## প্রয়াস :

প্রতিবন্ধী শিশু ও যুবকদের শিক্ষা ও প্রশিক্ষণ প্রদান করার জন্য বাংলাদেশ সেনাবাহিনীর একটি সংস্থার নাম প্রয়াস। প্রতিবন্ধীদের সম্পর্কে সচেতনতা বাড়াতে, তাদের সমান অধিকার প্রাপ্তি নিশ্চিত করতে এবং তাদের জন্য মানসম্মত শিক্ষক, থেরাপিস্ট নিয়োগ করার লক্ষ্য নিয়ে এ সংস্থা কাজ করে আসছে। আপনারা জেনে খুশি হবেন যে আপনাদের কোম্পানী এই সংস্থার কর্মকাণ্ডের জন্য আর্থিক সহায়তা প্রদান করেছে।

## ফ্রেন্ডশীপ সামিট এনাজী প্রজেক্ট (এফএসইপি) :

ফ্রেন্ডশীপ একটি জনকল্যাণমূলক প্রতিষ্ঠান, যা বাংলাদেশে ১৯৯৮ ইং সালে প্রতিষ্ঠা করা হয়। এটি হত দরিদ্র জনগোষ্ঠীর কল্যাণে নিয়োজিত। এ প্রকল্প চরবাসীদের সৌর বিদ্যুৎ প্রদান করার লক্ষ্যে কাজ করছে। এ প্রকল্পের উদ্দেশ্য হত দরিদ্র জনগোষ্ঠীর জীবনযাত্রায় কল্যাণমুখী পরিবর্তন আনয়ন করা, উপার্জন অভিমুখী কর্মসংস্থান করা এবং জীবনের অন্যান্য মৌলিক চাহিদা মেটাতে সহায়তা করা। এ হত দরিদ্র জনগোষ্ঠীর আবাসস্থল প্রচলিত বিদ্যুৎ সরবরাহ সুবিধার বাইরে অবস্থিত। এ প্রকল্প যাতে নিরবিচ্ছিন্নভাবে দেশের বঞ্চিত জনগোষ্ঠীর উন্নয়নের জন্য কাজ করে যেতে পারে সেজন্য আপনাদের কোম্পানী এই বছর বড় অঙ্কের অর্থ সাহায্য প্রদান করেছে।

## সিরাজ-খালেদা মেমোরিয়াল হাসপাতাল, ঢাকা ক্যান্টনমেন্ট :

সামিট নিয়মিতভাবে সিরাজ-খালেদা ট্রাস্টকে সহযোগিতা প্রদান করে আসছে। সেনানিবাসের দেয়া জায়গায় ১২ (বার) কোটি টাকা ব্যয়ে ২০০ (দুই শত) বেডের সিভিল হাসপাতাল দুই পর্যায়ে তৈরি করার জন্য এ ট্রাস্ট দায়িত্ব নিয়েছিল। গত ১৩ই মে, ২০১২ তারিখে এ হাসপাতালটির আনুষ্ঠানিক উদ্বোধন সম্পন্ন হয়, এই হাসপাতালটি সুবিধাবঞ্চিত আর্ট জনগোষ্ঠীকে স্বাস্থ্যসেবা, উন্নতমানের চিকিৎসাসেবা ও সুবিধাসমূহ প্রদানের জন্য প্রতিষ্ঠা করা হয়েছে। এই ট্রাস্ট বাংলাদেশের অর্থনৈতিক দুর্গতির স্বীকার জনগণকে শিক্ষা ও পুনর্বাসন সহযোগিতা প্রদান করে থাকে।

## অন্যান্য :

সামিট পাওয়ার লিমিটেড প্রথম আলো ট্রাস্ট বোর্ড এর সাথেও সম্পৃক্ত। উক্ত ট্রাস্ট

এর মাধ্যমে বিভিন্ন কমিউনিটি স্কুল এবং কলেজে বইপত্র সরবরাহ এবং বৃক্ষরোপণ অভিযান পরিচালনা করা সহ বিভিন্ন সামাজিক কর্মকাণ্ডে পৃষ্ঠপোষকতা করছে। পাশাপাশি আমরা সুবিধা বঞ্চিত ও মেধাবী বিভিন্ন ছাত্র-ছাত্রীকে আর্থিক সাহায্য প্রদান করে আসছি। বাংলাদেশী ছাত্র ছাত্রীদের উচ্চশিক্ষায় ও আমাদের অবদান অব্যাহত রেখেছি।

এছাড়া সামিট পরিবশে এর ভারসাম্য রক্ষা ও উন্নয়নকে ও প্রাধান্য দিয়ে আসছে এবং এ সংক্রান্ত বিষয়ে আমাদের সীমিত প্রচেষ্টার অংশ হিসেবে কোম্পানীর বিভিন্ন বিদ্যুৎ কেন্দ্র সমূহে এবং অন্যান্য জায়গায় অধিক সংখ্যায় চারাগাছ রোপণ কর্মসূচী গ্রহণ করে আসছে।

আমাদের অত্যাধুনিক বিদ্যুৎ কেন্দ্র সমূহ সংশ্লিষ্ট পরিবেশ সংরক্ষক কর্তৃপক্ষের চাহিদা পূরণ করে আসছে। ফলে আমাদের সকল বিদ্যুৎ কেন্দ্র সমূহ পরিবেশ তুলনামূলক ভাবে কম দূষিত করছে। এছাড়াও আপনাদের কোম্পানী আই এস ও ১৪০০১ : ২০০৪ এনভায়রনমেন্টাল ম্যানেজমেন্ট সিস্টেম (ইএমএস) বাস্তবায়ন করতে সক্ষম হয়েছে।

## মানব সম্পদ ব্যবস্থাপনা :

আপনাদের কোম্পানী মনে করে প্রতিষ্ঠানের উন্নতিকল্পে “জনবল” গুরুত্বপূর্ণ ভূমিকা পালন করে। তাই দক্ষ জনবল গঠনে আপনাদের কোম্পানী কর্মকর্তা-কর্মচারীদের জন্য নিয়মিত প্রশিক্ষণ ও কর্মশালা আয়োজন করে থাকে। যার মাধ্যমে কর্মকর্তা-কর্মচারীগণ স্ব-স্ব ক্ষেত্রে পেশাগত দক্ষতা ও অভিজ্ঞতা অর্জন করার সুযোগ পায়। সম্প্রতি সামিট পাওয়ার লিমিটেড প্রশিক্ষণ প্রয়োজনীয়তা বিশ্লেষণ নামক প্রশিক্ষণ পদ্ধতি বাস্তবায়ন করেছে। এই পদ্ধতি কর্মচারীদের দক্ষতা কাজ সম্পূর্ণ করার জন্য যথেষ্ট কিনা তা নির্ধারণ করে।

আমাদের রয়েছে একটি সুচিন্তিত নিয়োগ প্রক্রিয়া / দায়-দায়িত্ব ও কর্মপরিধি সম্বলিত এমপ্লয়মেন্ট হ্যান্ডবুক। কার্যকরী কর্ম পরিবেশ সূনিশ্চিতকরণ এবং কর্মকর্তা-কর্মচারীগণের দক্ষতা বৃদ্ধিতে প্রতিবছর একটি ধারাবাহিক পরিকল্পনা গৃহীত ও বাস্তবায়িত হয়ে আসছে। বছর শেষে উৎকৃষ্ট কর্মনিপুণ্য প্রদর্শনের জন্য কর্মকর্তা ও কর্মচারীগণকে উৎসাহ প্রদান হয় এবং তাদের প্রশিক্ষণের প্রয়োজনীয়তা নিরূপন করা হয়। এছাড়াও আপনাদের কোম্পানী ১বএস ১৮০০০ : ২০০৭ অকুপেশনাল হেলথ অ্যাড্ডে সেফটি (ওএইচএ্যাড এএস) বাস্তবায়ন করতে সক্ষম হয়েছে।

## নিয়ম প্রতিপালন :

কোম্পানীর আর্থিক বিবৃতি বাংলাদেশ আর্থিক রিপোর্টিং স্ট্যান্ডার্ডস, কোম্পানী আইন ১৯৯৪, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নিয়মাবলী ১৯৮৭ অনুযায়ী প্রস্তুত করা হয়েছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক আরোপিত প্রজ্ঞাপন নং- এসইসি / সিএম আর আর সিডি/ ২০০৬-১৫৮/ ১৩৪/ প্রশাসন /৪৪, তারিখ- আগষ্ট ৭,২০১২, কর্পোরেট গভর্নেন্স কমপ্লায়ন্স রিপোর্ট “সংযুক্তি-১” এ সন্নিবেশিত হয়েছে। মেসার্স হোদা ভাসী চৌধুরী এন্ড কোঃ, চার্টার্ড একাউন্টেন্ট এর একটি প্রত্যয়নপত্র “সংযুক্তি-২” এ প্রদান করা হয়েছে, যা শর্ত ৭(১) অনুসারে কর্পোরেট গভর্নেন্স গাইডলাইনের শর্তসমূহ প্রতিপালনের সাক্ষ্যস্বরূপ। বিএএস ও বিএফআরএস এর কমপ্লায়ন্স রিপোর্ট “সংযুক্তি- ৫” এ সন্নিবেশিত হয়েছে।

## কৃতজ্ঞতা স্বীকার :

আপনাদের পরিচালনা পর্ষদ কোম্পানীর সকল সদস্য ও শেয়ার হোল্ডারদের আভ্যন্তরিকভাবে

ধন্যবাদ জানাচ্ছে যারা বিভিন্ন সময়ে শেয়ার ত্রয়ের মাধ্যমে, কোম্পানীর বিভিন্ন কাজে একাত্মতা প্রকাশ করেছে এবং কোম্পানীর সকল কার্যক্রমে অংশগ্রহণ ও সম্পৃক্ততা প্রদর্শনের মাধ্যমে সর্বদা কোম্পানীর আত্মবিশ্বাস বৃদ্ধিতে সহায়তা করছে। শেয়ার হোল্ডারদের এই আন্তরিক সহযোগিতা ছাড়া কোম্পানী কখনই আজকের এই সাফল্যমন্ডিত অবস্থানে পৌঁছাতে পারতো না।

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

কোম্পানীর সম্মানিত গ্রাহক পত্নী বিদ্যুতায়ন বোর্ড এবং বোর্ডের সাথে নিবন্ধিত পত্নী বিদ্যুৎ সমিতি সমূহের আস্থা ও বিশ্বাস কোম্পানীর প্রধান চালিকাশক্তি। আমরা বিনিয়ের সাথে তাদের এই আস্থা ও বিশ্বাসকে মূল্যায়ন করছি এবং আশা করি তাদের এই আস্থা ও বিশ্বাস উত্তোরত্তর আরো বৃদ্ধি পাবে। সানিট পাওয়ার লিমিটেড এর পরিচালনা পর্ষদ নতুন বিদ্যুৎ কেন্দ্র নির্মাণ প্রকল্প বাস্তবায়নে বিদ্যুৎ উন্নয়ন বোর্ড গণপ্রজাতন্ত্রী বাংলাদেশ সরকার বিদ্যুৎ জ্বালানী ও খনিজ সম্পদ মন্ত্রণালয়ের বিদ্যুৎ বিভাগসহ জাতীয় রাজস্ব বোর্ড, বাংলাদেশ বিনিয়োগ বোর্ড, বাংলাদেশ এনার্জী রেগুলেটরী কমিশন ও পরিবেশ অধিদপ্তরকে আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছে। আপনাদের পরিচালনা পর্ষদ এছাড়াও কোম্পানীর সকল পরামর্শক ও ঠিকাদার কোম্পানীকে আন্তরিকভাবে ধন্যবাদ জানায় যারা কোম্পানীর নতুন বিদ্যুৎ কেন্দ্র নির্মাণে, পরিচালনায় ও এর উৎপাদন ক্ষমতা বৃদ্ধিতে তাদের সহযোগিতার হাত বাড়িয়ে দিয়েছিল।

একই সাথে পরিচালনা পর্ষদ ধন্যবাদ জানাচ্ছে কোম্পানীর কর্মকান্ডের সাথে সংশ্লিষ্ট সকল বিনিয়োগকারী, সরবরাহকারী, আর্থিক প্রতিষ্ঠান, ইন্স্যুরেন্স কোম্পানী, সেবা প্রদানকারী, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেড সহ বিভিন্ন সরকারী সংস্থা, ব্যক্তি এবং প্রতিনিধিসমূহকে যারা আমাদের আজকের অবস্থানে আসতে সহায়তা করেছে।

পরিচালনা পর্ষদের পক্ষে



তৌহিদুল ইসলাম

ব্যবস্থাপনা পরিচালক

ঢাকা, মার্চ ১৪, ২০১০।

# COMPLIANCE REPORT

## ANNEXURE-1

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMR-RCD/2006-158/134/admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969 is presented below:

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1</b>	<b>BOARD OF DIRECTORS</b>			
1.1	Board's Size (number of Board members – minimum 5 and maximum 20)	√		
<b>1.2</b>	<b>Independent Directors</b>			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		Second Independent Director appointed by Board of Directors on 14.03.2013. Awaiting approval at the forthcoming Annual General Meeting.
1.2 (ii)	For the purpose of this clause "independent director" means a director	√		
1.2 (ii)(a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	√		
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	√		
1.2 (ii) (d)	Who is not a member, director or officer of any stock exchange;	√		
1.2 (ii) (e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1.2 (ii) (f)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2 (ii) (g)	Who shall not be an independent director in more than 3 (three) listed companies;	√		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1.2 (iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	√		Second Independent Director appointed by Board of Directors on 14.03.2013. Awaiting approval at the forthcoming Annual General Meeting.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		The Company has laid a detailed Code of Conduct for all known as Code of Conduct and Ethics which is applicable to directors as well.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1(one) term only.	√		
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>			
1.3 (i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	√		No such incidence arose



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1.4</b>	<b>Chairman of the Board and Chief Executive Officer</b>			
	The positions of the Chairman of the Board and the Chief executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
<b>1.5</b>	<b>The Director's Report to shareholders</b>			
1.5 (i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	√		No such incidence arose
1.5 (ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		
1.5 (x)	Remuneration to directors including independent directors.	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		NA
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by :¼	√		
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxi) (c)	(Executives;	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
	Explanation : For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.			
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders :	√		

# COMPLIANCE REPORT

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xxii) (a)	a brief resume of the director;	✓		
1.5 (xxii) (b)	nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) (c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
<b>2</b>	<b>CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)</b>			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining their respective roles, responsibilities and duties	✓		
2.2	The CFO and the CS shall attend the Board Meetings	✓		
<b>3</b>	<b>AUDIT COMMITTEE</b>			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>3.1</b>	<b>Constitution of the Audit Committee</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	Expiration of the term of service of the Audit Committee members making the number lower than 3 (three) and fill up the vacancy (ies) by the Board not later than 1 (one) month from the date of vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy (ies).	✓		No such incidence arose
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		Independent Director appointed as Audit Committee Chairman at the Board Meeting of 14.03.2013
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
<b>3.3</b>	<b>Role of the Audit Committee</b>			
	Role of audit committee shall include the following :¾			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	Disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		No such incidence arose

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
3.4.1	Reporting to the Board of Directors	✓		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any :	✓		No such incidence arose
3.4.1 (ii) (a)	report on conflicts of interests;	✓		No such incidence arose
3.4.1 (ii) (b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		No such incidence arose
3.4.1 (ii) (c)	suspected infringement of laws, including securities related laws, rules and regulations;	✓		No such incidence arose
3.4.1 (ii) (d)	any other matter which shall be disclosed to the Board of Directors immediately.	✓		No such incidence arose
3.4.2	Reporting to the Authorities (if any material impact on the financial condition and results of operation, unreasonably ignored by the management	✓		No such reportable incidence arose
<b>3.5</b>	<b>Reporting to the Shareholders and General Investors</b>	✓		
<b>4</b>	<b>EXTERNAL/STATUTORY AUDITORS</b>			
4 (i)	Non-engagement in appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Non-engagement in financial information systems design and implementation.	✓		
4 (iii)	Non-engagement in book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Non-engagement in broker-dealer services.	✓		
4 (v)	Non-engagement in actuarial services.	✓		
4 (vi)	Non-engagement in internal audit services.	✓		
4 (vii)	Non-engagement in any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
<b>5</b>	<b>SUBSIDIARY COMPANY</b>			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		With effect from 14.03.2013
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		With effect from 14.03.2013
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
<b>6</b>	<b>DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)</b>			
	The CEO and CFO shall certify to the Board that			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		
6 (i) (a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) (b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
<b>7</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE</b>			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the Commission and include in the Annual Report.	✓		
7 (ii)	The directors of the company shall state in the directors' report whether the company has complied with these conditions.	✓		

# CERTIFICATION ON COMPLIANCE OF CORPORATE GOVERNANCE

ANNEXURE-2

## Hoda Vasi Chowdhury & Co Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

### Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the shareholders of Summit Power Limited

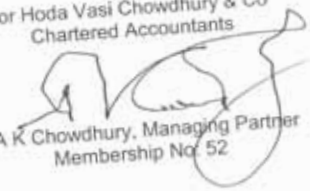
We have examined the Statement of Compliance of Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission dated 7 August 2012 through Notification #. SEC/CMRRCD/2006-158/134/Admin/44, appended to the Directors' Report (as Annexure No: 1) of Summit Power Limited for the year ended 31<sup>st</sup> December 2012, as has been produced before us for our examination.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance Guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with most conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission and the ones remaining were addressed by 14<sup>th</sup> March 2013 as indicated in the Statement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Hoda Vasi Chowdhury & Co  
Chartered Accountants

  
A K Chowdhury, Managing Partner  
Membership No: 52

Dhaka, 14 March 2013.

National Office : BTMC, Bhaban (8th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh  
Dhaka Office : Inpahari Building (3rd Floor), 14-15 Motijheel Commercial Area, Dhaka-1000, Bangladesh  
Chittagong Office : Dewar Bhaban (8th Floor), 104 Agrabad Commercial Area, Chittagong-4100, Bangladesh

# SHAREHOLDING INFORMATION

ANNEXURE-3

Categories of Shareholder	No of Shareholder	No of shares held
<b>Sponsors:</b>		
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	1	227,858,191
Euro Hub Investments Limited	1	25,352,636
Dr. Mirza Khairuzzaman	1	625
Advocate Imtiaz Mahmood	1	3,429
Mr. Mainul Abedin	1	7,126
Mr. A.N.M. Tariqur Rashid	1	3,838
Mr. Azharul Haque	1	3,429
Directors, CEO, Company Secretary, CFO, Head of Internal Audit and their spouses:		
Tauhidul Islam – Managing Director	1	35,860
Executives (Top 05 persons other than CEO,CFO,CS,HIA)	Nil	Nil
Shareholders holding 10% or more voting rights		
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	1	227,858,191

# VARIOUS COMMITTEE

ANNEXURE-4

## Audit Committee

Mr. Abbas Uddin Ahmed, Independent Director	Chairman
Mr. Tauhidul Islam, Managing Director	Member
Mr. Syed Fazlul Haque FCA, Director	Member
Mr. Mahmud Hasan FCMA, Financial Controller	Secretary

## Executive Committee

Mr. Tauhidul Islam, Managing Director	Chairman
Mr. Md. Latif Khan, Vice Chairman	Member
Ms. Ayesha Aziz Khan, Director (Finance)	Member
Mr. Faisal Karim Khan, Director (Operation)	Member
Mr. Md. Mozammel Hossain, Deputy Managing Director	Member
Mr. Mahmud Hasan FCMA, Financial Controller	Member

## Purchase Committee

Mr. Md. Latif Khan, Vice Chairman	Chairman
Mr. Tauhidul Islam, Managing Director	Member
Mr. Faisal Karim Khan, Director (Operation)	Member
Mr. Md. Mozammel Hossain, Deputy Managing Director	Member
Mr. Mahmud Hasan FCMA, Financial Controller	Member

## Technical Committee

Mr. Md. Mozammel Hossain, Deputy Managing Director	Chairman
Mr. Solaiman Patwary, General Manager (O&M)	Member
Mr. Abdus Sobhan, General Manager (O&M)	Member
Mr. A.K.M. Asadul Alam Siddique, General Manager (Standard -Compliance, Training & Store)	Member
Mr. Md. Nazmul Hasan, Deputy General Manager (Store & Training)	Member

## Operation & Maintenance Committee

Mr. Faisal Karim Khan, Director (Operation)	Chairman
Mr. Md. Mozammel Hossain, Deputy Managing Director	Member
Mr. Solaiman Patwary, General Manager (O&M)	Member
Mr. Abdus Sobhan, General Manager (O&M)	Member
Mr. Md. Nazmul Hasan, Deputy General Manager (Store & Training)	Member
Plant In-charge	Member

## Remuneration Committee

Mr. Tauhidul Islam, Managing Director	Chairman
Mr. Md. Mozammel Hossain, Deputy Managing Director	Member
Mr. Solaiman Patwary, General Manager (O&M)	Member
Mr. Abdus Sobhan, General Manager (O&M)	Member

# COMPLIANCE REPORT ON BAS AND BFRS

ANNEXURE-5

SL. NO.	BAS TITLE	BAS EFFECTIVE DATE	REMARKS
BAS-01	Presentation of Financial Statements	Adopted, on or after 1st January 2007	Applied
BAS-02	Inventories	Adopted, on or after 1st January 2007	Applied
BAS-07	Statement of Cash Flows	Adopted, on or after 1st January 1999	Applied
BAS-08	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted, on or after 1st January 2007	Applied
BAS-10	Events after the Balance Sheet Date	Adopted, on or after 1st January 2007	Applied
BAS-11	Construction Contracts	Adopted, on or after 1st January 1999	N/A
BAS-12	Income Taxes	Adopted, on or after 1st January 1999	Applied
BAS-16	Property, Plant & Equipment	Adopted, on or after 1st January 2007	Applied
BAS-17	Leases	Adopted, on or after 1st January 2007	Applied
BAS-18	Revenue	Adopted, on or after 1st January 2007	Applied
BAS-19	Employee Benefits	Adopted, on or after 1st January 2004	Applied
BAS-20	Accounting of Government Grants and Disclosure of Government Assistance	Adopted, on or after 1st January 1999	N/A
BAS-21	The Effects of Changes in Foreign Exchange Rates	Adopted, on or after 1st January 2007	Applied
BAS-23	Borrowing Costs	Adopted, on or after 1st January 2010	Applied
BAS-24	Related Party Disclosures	Adopted, on or after 1st January 2007	Applied
BAS-26	Accounting and Reporting by Retirement Benefit Plans	Adopted, on or after 1st January 2007	N/A
BAS-27	Consolidated and Separate Financial Statements	Adopted, on or after 1st January 2010	Applied
BAS-28	Investments in Associates	Adopted, on or after 1st January 2007	Applied
BAS-29	Financial Reporting in Hyperinflationary Economics	Not yet adopted by ICAB as Impracticable for Bangladeshi context	N/A
BAS-31	Interest in Joint Ventures	Adopted, on or after 1st January 2007	N/A
BAS-32	Financial Instruments: Presentation	Adopted, on or after 1st January 2010	Applied
BAS-33	Earnings per Share	Adopted, on or after 1st January 2007	Applied
BAS-34	Interim Financial Reporting	Adopted, on or after 1st January 1999	Applied
BAS-36	Impairment of Assets	Adopted, on or after 1st January 2005	Applied
BAS-37	Provisions, Contingent Liabilities and Contingent Assets	Adopted, on or after 1st January 2007	Applied
BAS-38	Intangible Assets	Adopted, on or after 1st January 2005	Applied
BAS-39	Financial Instruments: Recognition and Measurement	Adopted, on or after 1st January 2010	Applied
BAS-40	Investment Property	Adopted, on or after 1st January 2007	N/A
BAS-41	Agriculture	Adopted, on or after 1st January 2007	N/A

SL. NO.	BFRS TITLE	ADOPTION STATUS OF ICAB	REMARKS
IFRS 1	First-time adoption of International financial Reporting Standards	Adopted as BFRS 1, effective on or after 1 January 2009	N/A
IFRS 2	Share-based Payment	Adopted as BFRS 2, effective on or after 1 January 2007	N/A
IFRS 3	Business Combinations	Adopted as BFRS 3, effective on or after 1 January 2010	N/A
IFRS 4	Insurance Contracts	Adopted as BFRS 4, effective on or after 1 January 2010	N/A
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Adopted as BFRS 5, effective on or after 1 January 2007	N/A
IFRS 6	Exploration for and Evaluation of Mineral Resources	Adopted as BFRS 6, effective on or after 1 January 2007	N/A
IFRS 7	Financial Instruments: Disclosures	Adopted as BFRS 7, effective on or after 1 January 2010	Applied
IFRS 8	Operating Segments	Adopted as BFRS 8, effective on or after 1 January 2010	N/A

# VARIOUS POLICIES

ANNEXURE-6

In implementing the Integrated Management System Summit Power Limited (SPL) has adopted the following policies:



## Quality Policies:

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



## Environmental Policies:

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

1. Practice environmental management as a dynamic, evolutionary process, and with permanent feedback.
2. Seek full compliance with legislation, applicable standards, and other requirements, resulting from agreements signed by the organization, and wherever possible, overcome them.
3. Minimize any significant adverse environmental impacts of new developments using integrated environmental management procedures and planning
4. Provide the sites with adequate facilities, aiming at the environmental protection, associated with adequate employee-workplace environment integration.
5. Implement generation techniques and use of resources that judiciously minimize the generation of waste that is hazardous to the environment.
6. Encourage the adoption of these principles by suppliers, partners and service providers.
7. Disseminate this policy by educating and training employees, and encourage them to conduct their activities in an environmentally responsible manner.





## Occupational Health Protection and Safety Policies:

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

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

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

# CONTRIBUTION

## TO THE NATIONAL EXCHEQUER & THE ECONOMY

Electricity is one of the main driving forces of the economy and it has a diversified use and multiplier effect on the economy. Significantly in the development of industrialization, electricity as fuel has no alternative. This year your company added 1,805 million units (KWh) of electricity to the national grid. This addition has contributed notably in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

Your Company/group has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation. Such exemption will expire in February 2016 for Summit Power Limited, June 2024 for Summit Purbanchol Power Company Limited, and March 2024 for Summit Uttaranchol Power Company Limited. While Summit Narayanganj Power Limited is exempted from tax for a period of 5 years from the start of its commercial operation dated on 1 April 2011. Conversely, it has contributed a significant amount to the national exchequer in the form of different duties, taxes and VAT while importing spare parts for the power plants' maintenance work and at investment in capital and money market. The estimated amount of contribution was of Taka 188 million in 2012. The details of such contribution to the National Exchequer and the Economy is as follows –

Forms of Contribution	Amount	
	2011	2012
<b>Salary Taxes</b>	5,145,199	5,395,782
<b>Withholding Tax &amp; VAT</b>		
<b>Port Charges &amp; Duties</b>	53,000,000	124,532,701
<b>AIT on Suppliers</b>	1,264,276	44,628,015
<b>VAT on Suppliers</b>	27,735,599	4,628,020
<b>Dividend Income</b>	25,260,814	-
<b>Interest Income</b>	15,913,842	9,026,687
<b>Total</b>	128,319,730	188,211,205

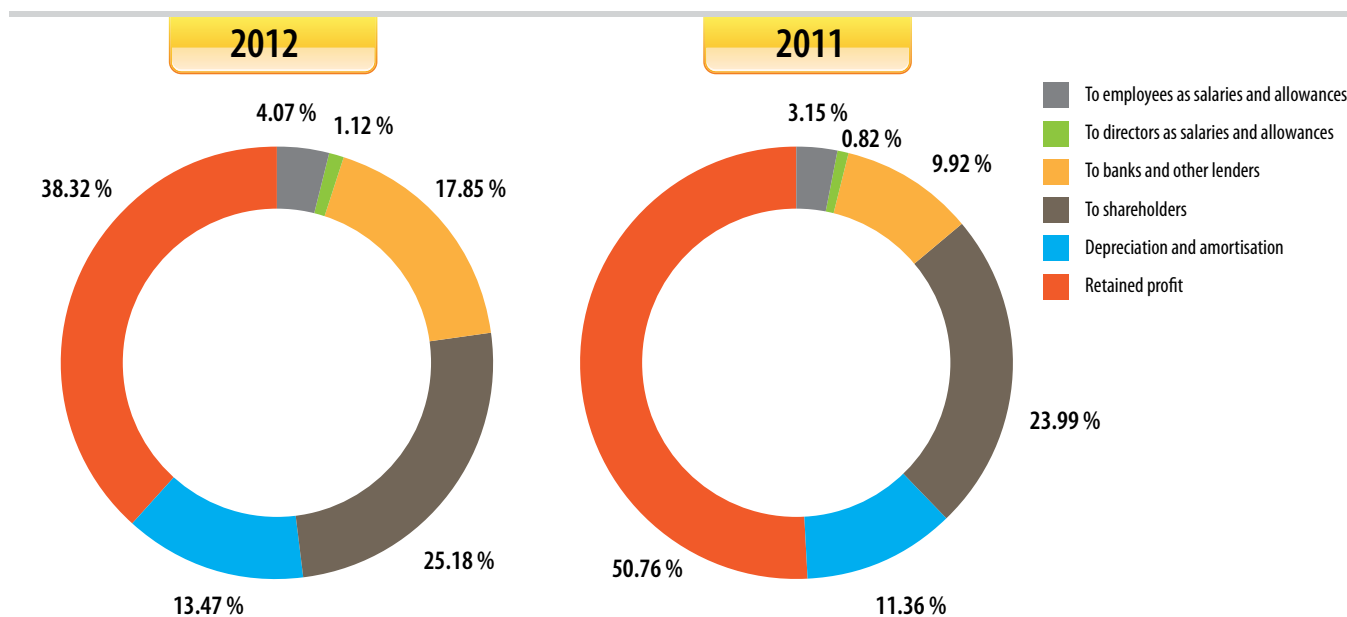




# VALUE ADDED STATEMENT

CONSOLIDATED

Value added:	Year-2012	Year-2011
	Amount in Taka	Amount in Taka
<b>Revenue</b>	5,892,627,264	4,757,208,529
<b>Other income including interest income</b>	68,458,150	1,018,637,705
<b>Cost of sales, excluding depreciation</b>	(1,767,891,022)	(1,485,252,234)
<b>Other operating expenses</b>	(277,075,620)	(180,929,381)
<b>Total value added</b>	<b>3,916,118,772</b>	<b>4,109,664,619</b>
<b>Distribution of added value:</b>		
<b>To employees as salaries and allowances</b>	159,270,439	129,277,462
<b>To directors as salaries and allowances</b>	43,918,826	33,903,163
<b>To banks and other lenders</b>	698,933,728	407,850,707
<b>To shareholders</b>	985,900,410	985,900,410
	<b>1,888,023,403</b>	<b>1,556,931,742</b>
<b>Retained for reinvestment &amp; future growth:</b>		
<b>Depreciation and amortisation</b>	527,342,555	466,696,690
<b>Retained profit</b>	1,500,752,814	2,086,036,187
	2,028,095,369	2,552,732,877
	<b>3,916,118,772</b>	<b>4,109,664,619</b>



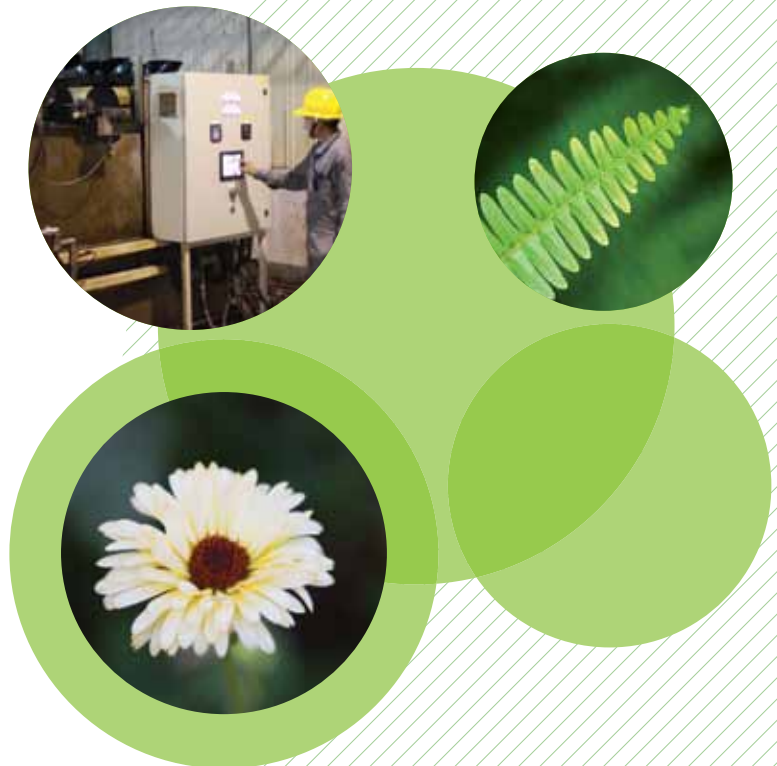
# ECONOMIC VALUE ADDED (EVA) STATEMENT

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

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

	2012	2011
	Taka	Taka
<b>Net operating profit after tax</b>	1,873,474,068	2,511,150,489
<b>Average shareholders' equity</b>	10,611,046,069	8,578,678,954
<b>Cost of capital*</b>	13.50%	10.50%
<b>Cost of average shareholders' equity</b>	1,432,491,219	900,761,290
<b>Economic Value Added (EVA)</b>	<b>440,982,849</b>	<b>1,610,389,199</b>

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



# HUMAN RESOURCE ACCOUNTING

Our understanding about Human Resource Accounting is the process of identifying and reporting the Investments made in the Human Resources of an Organization that are presently not accounted for in the conventional accounting practices. As per Summit Power Limited is concerned, we have considered Lev and Schwartz method for economic valuation of employees, based on the present value of future earnings, adjusted for the probability of employees' death/separation/retirement. To be precise, the total future contributions of all employees of Summit Power Limited that worth today are in total BDT 7,680 million.



**Value of Human Capital at Summit Power Limited is approximately BDT 7,680 million**

#### **ASSUMPTIONS IN VALUATION OF HUMAN CAPITAL:**

- 1) All existing employees to serve up to 2035, the life cycle of the projects of the Company and subject to future extension.
- 2) The valuation includes all kinds of salary, bonus, increment, PF and gratuity of employees and the remunerations of the Directors.
- 3) The average increments of all employees have been assumed to be 10%.
- 4) The rate of discount or the average inflation rate has been considered 10%.
- 5) The valuation herein is an internal assessment and subject to change with the macro economic scenario and the decision of the management.

# SUSTAINABILITY REPORT

## FROM THE DESK OF MANAGING DIRECTOR

Sustainability has always been an integral part of the operations of Summit Power Limited. We have always undertaken projects those were sustainable - environmentally, ecologically, and socially. So, it is our pleasure to submit to Sustainability Report 2012 of Summit Power Limited.

We ensure that our projects and initiatives align with superior sustainability management and for this purpose our sustainability goals focus on – generate and provide uninterrupted reasonably priced electricity to our customers, efficient utilization of capital, machines, material and human resources and continuous improvement of customer satisfaction and resource management.

The year 2012 has been another year whence we have continued our efforts to integrate sustainable practices into each and every aspect of our business, thus creating greater value for our consumers, employees, shareholders and the community.

### OUR CONSUMERS

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

### OUR INNOVATIONS

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

### OUR PEOPLE

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

Training Needs Analysis (TNA) is carried out regularly followed by a schedule training program. An Employee Handbook is maintained to prompt the team for continually developing themselves and contributing their fellow workers' advancement as well.

### OUR SOCIAL RESPONSIBILITY GOALS

Being socially responsible is a necessary condition while pursuing any business activity at SPL. As per our social responsibility goals, it is our pleasure to invest in supporting the less fortunate of our community and in protecting the environment that provides us with the precious air that we breathe in.

### FORWARD LOOKING STRATEGIC PRIORITIES

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

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

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



Tauhidul Islam  
Managing Director

# MANAGEMENT TEAM





From left:

Mr. Md. Latif Khan, Vice-Chairman; Mr. Mahmud Hasan, FCMA, Financial Controller & Company Secretary; Mr. Faisal Karim Khan, Director(Operation); Mr. Muhammed Aziz Khan, Chairman; Mr. Tauhidul Islam, Vice-Chairman; Mr. Md. Mozammel Hossain, Managing Director; Ms. Ayesha Aziz Khan, Director (Finance); Mr. Md. Anisur Rahman, General Manager (SNPL); Mr. Abdus Sobhan, General Manager (O&M); Mr. Md. Nazrul Islam Khan, Manager (E&I); Mr. Solaiman Patwary, General Manager (O&M); Mr. Md. Nazmul Hasan, Deputy General Manager (Store & Training); Mr. A.K.M Asadul Alam Siddique, General Manager (Standard, Compliance, Training & Store)



# INTRODUCTION OF THE SENIOR EXECUTIVES



**Md. Mozammel Hossain**  
Deputy Managing Director (SPL)  
Managing Director (SPPCL)

Md. Mozammel Hossain is the Deputy Managing Director of Summit Power Limited and also Managing Director of Summit Purbanchol Power Company Limited, has about 34 (thirty four) years of experience in the power sector. He had obtained degree in Electrical Engineering from Rajshahi Engineering College now named as Rajshahi University of Engineering & Technology (RUET). Mr. Hossain started his professional career in Bangladesh Power Development Board in 1976 and worked mostly in Power Generation and Transmission Projects holding different position. He left BPDB in 2011 and joined Power Grid Company of Bangladesh Ltd. (PGCB) as Deputy General Manager and elevated upto the position of Director, Technical. He took voluntary retirement from PGCB in August 2011 and joined the group to continue his professional career. Mr. Hossain has obtained various training in foreign countries as well as in local institutes and has visited a number of countries. Mr. Hossain obtained Power Development Board Merit Award for the Year of 1982 and obtained an Annual Performance Recognition Award of Asian Development Bank in 2008.



**Md. Solaiman Patwary**  
General Manager  
(Operation & Maintenance)

A Marine Engineer Mr. Patwary started his career as Junior Engineer in a foreign Ship. Prior to joining Summit in the year 2000 Mr. Patwary has got 21 years professional experience as 5th Engineer, 4th Engineer, 3rd Engineer, 2nd Engineer and as Chief Engineer (12 years) 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.



**Md. Abdus Sobhan**  
General Manager (O&M)

Mr. Sobhan is an Electrical Engineer, graduated from BUET in 1977 and secured 1st Class. He did his MBA in Finance & Banking as well. He is a 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. During last 12 years of service in SPL Mr. Sobhan has actively participated in different areas of power sector such as operation and maintenance of power plants and power plant project planning and development works.



**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 20 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.K.M. Asadul Alam Siddique**  
General Manager  
(Standard, Compliance, Training and Store)

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



**Engr. Md. Anisur Rahman**  
General Manager  
(Operation & Maintenance)

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



**Md. Nazmul Hasan**  
Deputy General Manager  
(Stores & Training)

A Marine Engineer Mr. Md. Nazmul Hasan started his career in Bangladesh Shipping Corporation (BSC) in 1992. Prior joining to Summit in January 2008, Mr. Hasan has got 15 years of professional experience as 5th Engineer to Chief Engineer in ocean going ships of BSC and other foreign companies. He also worked as Deputy General Manager of Ship Repair Department of BSC. He obtained his Class I Marine Engineering Certificate of Competency from Singapore. He also received an MBA Degree in Operations Management.



**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.

# PLANT

## MANAGERS & IN-CHARGES



From left:

Md. Anisur Rahman, **MAONA POWER PLANT**; Hafiz Al Atick, **MADANGANJ POWER PLANT**; Bishwajit Shaha, **MADHABDI POWER PLANT**; Abdul Hakim, Manager (Development); Santosh Barai, **RUPGANJ POWER PLANT**, S. M. Ali Ahsan, **ASHULIA POWER PLANT**; Moahmmmed Shameem, **CHANDINA POWER PLANT**; Md. Anwarul Iqbal Sheikh, **ULLAPARA POWER PLANT**; Md. Abu Hanif, **JANGALIA POWER PLANT**.



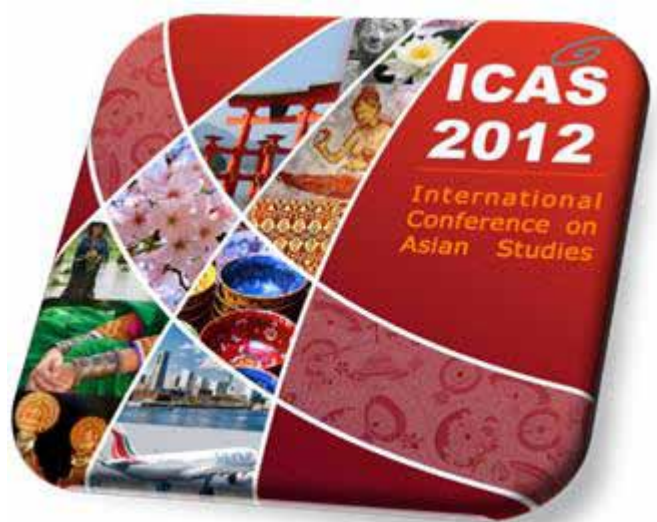


Summit Power achieved the top position of Corporate Award 2012 in the power companies' category in 2012 for its efforts to establish corporate governance. Commerce Minister GM Quader bestowed this year's awards at a ceremony held at Ruposhi Bangla Hotel in Dhaka.

# MEMORABLE EVENTS



This year a benchmark of expansion for Summit Power Limited has been established by introducing one of its subsidiary companies named Summit Purbanchol Power Company Limited (SPPL) to the public/ capital market of the country.



Sponsoring a Local Student to attend International Conference on Asian Studies in Negombo, Srilanka to present his paper on "Assessment of Power Sector Reform Policy in Bangladesh: An Analytical Analysis"



Summit Power Won Gold in International Star for Leadership in Quality. Vice Chairman & Managing Director of Summit Power Limited flew to Paris to receive the acclaimed award for leadership in Quality on the 25th of June, 2012 handed over by Business Initiative Directions (BID).



Tournament Chief Guest Lt. Gen. Anwar Hussain, ndc, psc, Quartermaster General of Bangladesh Army handing over a check of Taka 1 Lac 26 thousand to Siddiqur Rahman, the renowned international golfer of Bangladesh after he swept clear victory in the 3rd Summit Open.



Board members of Summit Group along with Lt. Gen. Anwar Hussain, ndc, psc, Quartermaster General of Bangladesh Army as the chief guest for the event is seen at the prize handing ceremony.

# REPORT OF AUDIT COMMITTEE

**The Audit Committee of Summit Power Limited (SPL) was established and its Charter was approved by the Company's Board in its meeting held on July 26, 2009. The Committee, a sub-committee of the Board, supports the Board in fulfilling its oversight responsibilities.**

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

<b>Mr. Syed Fazlul Haque</b>	- Chairman
<b>Mr. Abbas Uddin Ahmed, Independent Director</b>	- Member
<b>Mr. Tauhidul Islam, Managing Director</b>	- Member

A total of 4 (four) meetings were held since the last Annual General Meeting of SPL, the last being on 14th March, 2013. Besides Company Secretary who supports the committee as its secretary as well, permanent invitees to the meetings were the CFO and Head of Internal Audit. Relevant heads of other functions and representative(s) of External Audit were also invited as required.

## ROLE OF THE COMMITTEE

The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function and the terms of reference are detailed in Committee Charter approved by the Board. The major responsibilities of the Committee, among others, include:

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

Activities of the Committee on Company's affairs for the period under report

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

- Reviewed, among other issues, the quarterly and half yearly financial statements of the Company and recommended to the Board for adoption and circulation as per the requirement of Securities & Exchange Commission.

- Also reviewed the audited financial statements of the Company together with consolidated statements with its subsidiaries for the year ended 31st December 2012 and being satisfied that the critical accounting policies, significant judgments and practices used by the Company are compliant with the required laws and regulations, also confirmed by the external auditor in their independent report, recommended to Board for adoption.
- Committee recommended Hoda Vasi Chowdhury & CO, Chartered Accountants for appointment as the external auditors of the Company for the year ending on 31st December 2013.
- Committee reviewed the effectiveness of internal financial control and the internal audit procedures.
- Reviewed the re-current related party transactions entered into by the Company during 2012.
- Reviewed the external auditors' findings arising from audit, particularly comments and responses given by the management through management letter.
- Reviewed the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).

The committee is of the opinion that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and the financial position of the Company is adequately managed.

On behalf of the Committee

Syed Fazlul Haque FCA  
Chairman



# CEO AND CFO'S DECLARATION TO THE BOARD

**Dated: March 14, 2013**

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

**Subject: CEO and CFO's Declaration to the Board**

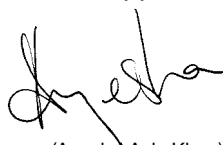
Dear Sirs,

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

**We do hereby certify to the Board that:**

- i) We have reviewed financial statements for the year ended 31st December, 2012 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,



(Ayesha Aziz Khan)  
Director (Finance)



(Tauhidul Islam)  
Managing Director

# FINANCIALS



# Hoda Vasi Chowdhury & Co

## Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

### Auditors' Report to the Shareholders of

### SUMMIT POWER LIMITED

#### Introduction

We have audited the accompanying financial statements of Summit Power Limited, which comprise the statement of financial position as at 31 December 2012, statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes and all related consolidated financial statements of Summit Power Limited and its subsidiaries.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act (# 18) 1994, the Security and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' responsibility

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

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

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

#### Opinion

In our opinion the Financial statements present fairly, in all material respect, the financial position of Summit Power Limited as at 31 December 2012 and its financial performance and its cash flows statement for the year then ended in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), comply with the companies Act (#18) 1994, the Security and Exchange Rules 1987 and other applicable laws and regulation so far as these are relevant to Summit Power Limited

#### 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 company so far as it appeared from our examination of those books;
- c) the company's statement of financial position (balance sheet) and statement of comprehensive income (profit and loss accounts) and statement of cash flows dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purpose of business of the company and its subsidiaries.

Dhaka, 14 March 2013



## Statement of Financial Position

as at 31 December 2012

	Notes	As at 31 December 2012		As at 31 December 2011	
		Consolidated	Separate	Consolidated	Separate
		Taka	Taka	Taka	Taka
<b>Assets</b>					
Non current assets:					
Property, plant and equipment, net	5	13,462,427,251	3,784,237,986	13,657,541,971	3,787,106,937
Intangible assets, net	6	9,276,170	9,047,004	9,956,300	9,627,134
Investment in subsidiaries	7	-	1,639,789,350	-	1,639,789,350
Investment in associates	8	10,000,000	10,000,000	10,000,000	10,000,000
Available-for-sale financial assets	9	2,703,890,148	2,703,890,148	3,414,102,838	3,414,102,838
		<b>16,185,593,569</b>	<b>8,146,964,488</b>	<b>17,091,601,109</b>	<b>8,860,626,259</b>
<b>Current assets:</b>					
Inventories	10	902,905,660	485,158,526	651,338,649	426,774,223
Trade receivables	11	1,412,763,265	527,327,440	979,568,165	207,433,702
Sundry receivables	12	101,755,052	98,190,565	104,285,043	100,720,556
Inter company receivables	13	-	258,061,298	-	526,438,688
Due from associates	14	2,746,795	2,746,795	2,746,795	2,746,795
Advances, deposits and prepayments	15	225,685,809	61,425,828	120,714,543	63,375,435
Cash and cash equivalents	16	2,399,159,338	440,947,202	1,081,038,437	541,505,130
		<b>5,045,015,919</b>	<b>1,873,857,654</b>	<b>2,939,691,632</b>	<b>1,868,994,529</b>
<b>Total assets</b>		<b>21,230,609,488</b>	<b>10,020,822,142</b>	<b>20,031,292,741</b>	<b>10,729,620,788</b>
<b>Equity and Liabilities</b>					
<b>Shareholders' equity:</b>					
Share capital	17	4,929,502,050	4,929,502,050	3,943,601,640	3,943,601,640
Share premium	18	2,900,697,657	2,900,697,657	2,900,697,657	2,900,697,657
Revaluation reserve		794,231,503	586,659,003	794,231,503	586,659,003
Fair value reserve		(951,906,236)	(951,906,236)	(233,211,507)	(233,211,507)
Retained earnings		3,717,583,396	1,006,338,094	2,830,009,738	1,304,107,541
		<b>11,390,108,370</b>	<b>8,471,290,568</b>	<b>10,235,329,031</b>	<b>8,501,854,334</b>
<b>Non controlling interest</b>	19	3,385,516,375	-	1,572,337,219	-
		<b>14,775,624,745</b>	<b>8,471,290,568</b>	<b>11,807,666,250</b>	<b>8,501,854,334</b>
<b>Non-current liabilities:</b>					
Project loan - non-current portion	20	2,013,738,524	-	3,011,197,392	64,405,314
Redeemable preference shares - non-current portion	21	1,241,998,725	-	1,703,568,179	-
Payable to SIMCL - non-current portion	22	849,062,168	849,062,168	1,255,526,342	1,255,526,342
Finance lease - non-current portion	23	1,472,558	790,631	5,626,392	4,276,405
Deferred liability for gratuity	24	22,620,528	22,620,528	12,689,278	12,689,278
		<b>4,128,892,503</b>	<b>872,473,327</b>	<b>5,988,607,583</b>	<b>1,336,897,339</b>
<b>Current liabilities:</b>					
Liability for project development	25	-	-	57,761,959	-
Trade creditors	26	135,865,829	39,065,835	122,904,061	40,406,865
Sundry creditors and accruals	27	237,990,960	65,481,422	170,429,674	72,851,627
Project loan - current portion	20	973,693,938	63,006,438	752,886,418	116,258,293
Redeemable preference shares - current portion	21	468,368,900	-	468,368,900	-
Payable to SIMCL - current portion	22	500,000,000	500,000,000	650,000,000	650,000,000
Finance lease - current portion	23	4,125,225	3,457,164	6,488,168	5,172,602
Unclaimed dividend - ordinary shares	28	6,047,388	6,047,388	6,179,728	6,179,728
		<b>2,326,092,240</b>	<b>677,058,247</b>	<b>2,235,018,908</b>	<b>890,869,115</b>
<b>Total liabilities</b>		<b>6,454,984,743</b>	<b>1,549,531,574</b>	<b>8,223,626,491</b>	<b>2,227,766,454</b>
<b>Total equity and liabilities</b>		<b>21,230,609,488</b>	<b>10,020,822,142</b>	<b>20,031,292,741</b>	<b>10,729,620,788</b>

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



Managing Director



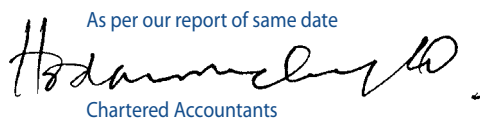
Director



Company Secretary

Dhaka, 14 March 2013.

As per our report of same date



Chartered Accountants

## Statement of Comprehensive Income

for the year ended 31 December 2012

	Notes	2012		2011	
		Consolidated	Separate	Consolidated	Separate
		Taka	Taka	Taka	Taka
Revenue	29	5,892,627,264	2,102,821,595	4,757,208,529	1,577,728,398
Cost of sales	30	(2,268,685,312)	(959,526,054)	(1,929,597,030)	(792,127,715)
<b>Gross profit</b>		<b>3,623,941,952</b>	<b>1,143,295,541</b>	<b>2,827,611,499</b>	<b>785,600,683</b>
Other income, net	31	11,577,936	4,304,730	833,937,552	954,779,187
<b>Operating expenses</b>					
General and administrative expenses	32	(506,813,150)	(237,738,623)	(366,461,900)	(203,293,919)
<b>Operating profit</b>		<b>3,128,706,738</b>	<b>909,861,648</b>	<b>3,295,087,151</b>	<b>1,537,085,951</b>
(Finance expenses)/income, net	33	(642,053,514)	(221,730,685)	(189,948,918)	83,166,176
<b>Profit before income tax</b>		<b>2,486,653,224</b>	<b>688,130,963</b>	<b>3,105,138,233</b>	<b>1,620,252,127</b>
Income tax expenses		-	-	(33,201,636)	(58,462,450)
<b>Profit after income tax</b>		<b>2,486,653,224</b>	<b>688,130,963</b>	<b>3,071,936,597</b>	<b>1,561,789,677</b>
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets		(718,694,729)	(718,694,729)	(259,954,148)	(259,954,148)
<b>Total comprehensive income for the year</b>		<b>1,767,958,495</b>	<b>(30,563,766)</b>	<b>2,811,982,449</b>	<b>1,301,835,529</b>
<b>Profit attributable to:</b>					
Owners of the company		1,873,474,068	-	2,511,150,489	-
Non controlling interest		613,179,156	-	560,786,108	-
<b>Profit for the year</b>		<b>2,486,653,224</b>	<b>-</b>	<b>3,071,936,597</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the company		1,154,779,339	-	2,251,196,341	-
Non controlling interest		613,179,156	-	560,786,108	-
<b>Total comprehensive income for the year</b>		<b>1,767,958,495</b>	<b>-</b>	<b>2,811,982,449</b>	<b>-</b>
<b>Earnings per share</b>	34	<b>3.80</b>	<b>1.40</b>	<b>6.37</b>	<b>3.96</b>
<b>Re-stated earnings per share</b>		<b>-</b>	<b>-</b>	<b>5.09</b>	<b>3.17</b>

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



Managing Director




Director



Company Secretary

As per our report of same date



Chartered Accountants

Dhaka, 14 March 2013.

# Summit Power Limited

2012  
Annual Report

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2012

	Equity attributable to owners of the company						Non controlling interest	Total equity
	Share capital	Share premium	Revaluation reserve	Fair value reserve	Retained earnings	Total		
	Taka	Taka	Taka	Taka	Taka	Taka		
<b>Restated balance as at 1 January 2011</b>	<b>3,033,539,730</b>	<b>2,908,473,597</b>	<b>794,231,503</b>	<b>26,742,641</b>	<b>1,356,035,546</b>	<b>8,119,023,017</b>	<b>245,282,488</b>	<b>8,364,305,505</b>
Transactions with the shareholders:								
Issue of bonus shares to shareholders	910,061,910	-	-	-	(910,061,910)	-	-	-
Dividend paid to minority shareholder	-	-	-	-	-	-	(1,275,799)	(1,275,799)
Payment of transaction cost	-	(7,775,940)	-	-	-	(7,775,940)	-	(7,775,940)
Sale of SPL's ownership with SUPCL to SIMCL	-	-	-	-	(101,853,572)	(101,853,572)	101,853,572	-
Tax paid for cash dividend received from subsidiaries	-	-	-	-	(25,260,815)	(25,260,815)	-	(25,260,815)
Sale of SPL's ownership with SUPCL to SIMCL	-	-	-	-	-	-	186,940,850	186,940,850
Receipts of share money deposits from SIMCL	-	-	-	-	-	-	478,750,000	478,750,000
Total comprehensive income for the year	-	-	-	-	2,511,150,489	2,511,150,489	560,786,108	3,071,936,597
Net change in fair value of available-for-sale financial assets	-	-	-	(259,954,148)	-	(259,954,148)	-	(259,954,148)
<b>Balance as at 31 December 2011</b>	<b>3,943,601,640</b>	<b>2,900,697,657</b>	<b>794,231,503</b>	<b>(233,211,507)</b>	<b>2,830,009,738</b>	<b>10,235,329,031</b>	<b>1,572,337,219</b>	<b>11,807,666,250</b>
Transactions with the shareholders:								
Issue of bonus shares to shareholders	985,900,410	-	-	-	(985,900,410)	-	-	-
Total comprehensive income for the year	-	-	-	-	1,873,474,068	1,873,474,068	613,179,156	2,486,653,224
Share money deposit on account of Summit Purbanchol Power Company Limited	-	-	-	-	-	-	1,200,000,000	1,200,000,000
Net change in fair value of available-for-sale financial assets	-	-	-	(718,694,729)	-	(718,694,729)	-	(718,694,729)
<b>Balance as at 31 December 2012</b>	<b>4,929,502,050</b>	<b>2,900,697,657</b>	<b>794,231,503</b>	<b>(951,906,236)</b>	<b>3,717,583,396</b>	<b>11,390,108,370</b>	<b>3,385,516,375</b>	<b>14,775,624,745</b>

## Statement of Changes in Equity

for the year ended 31 December 2012

	Share capital	Share premium	Revaluation reserve	Fair value reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Restated Balance as at 1 January 2011</b>	<b>3,033,539,730</b>	<b>2,908,473,597</b>	<b>586,659,003</b>	<b>26,742,641</b>	<b>652,379,774</b>	<b>7,207,794,745</b>
Transactions with the shareholders:						
Issue of bonus shares to shareholders	910,061,910	-	-	-	(910,061,910)	-
Net change in fair value of available-for-sale financial assets	-	-	-	(259,954,148)	-	(259,954,148)
Payment for transaction costs	-	(7,775,940)	-	-	-	(7,775,940)
Total comprehensive income for the year	-	-	-	-	1,561,789,677	1,561,789,677
<b>Balance as at 31 December 2011</b>	<b>3,943,601,640</b>	<b>2,900,697,657</b>	<b>586,659,003</b>	<b>(233,211,507)</b>	<b>1,304,107,541</b>	<b>8,501,854,334</b>
Transactions with the shareholders:						
Issue of bonus shares to shareholders	985,900,410	-	-	-	(985,900,410)	-
Net change in fair value of available-for-sale financial assets	-	-	-	(718,694,729)	-	(718,694,729)
Total comprehensive income for the year	-	-	-	-	688,130,963	688,130,963
<b>Balance as at 31 December 2012</b>	<b>4,929,502,050</b>	<b>2,900,697,657</b>	<b>586,659,003</b>	<b>(951,906,236)</b>	<b>1,006,338,094</b>	<b>8,471,290,568</b>

**Statement of Cash Flows**

for the year ended 31 December 2012

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
<b>Cash flow from operating activities:</b>				
Cash receipts from customers	5,459,432,164	1,782,927,857	4,231,034,021	1,505,001,294
Cash paid to suppliers and employees	(2,512,906,214)	(1,053,789,970)	(2,216,002,480)	(1,038,776,086)
Receipts from other sources	105,284,505	89,017,689	268,960,698	303,610,554
Interest and other charges paid	(664,062,836)	(269,617,289)	(390,637,946)	(51,400,089)
<b>Net cash flow from operating activities</b>	<b>2,387,747,619</b>	<b>548,538,287</b>	<b>1,893,354,293</b>	<b>718,435,673</b>
<b>Cash flow from investing activities:</b>				
Property, plant and equipment	(367,177,736)	(229,536,672)	(604,676,901)	(270,502,106)
Capital work in progress	(57,761,959)	-	(3,964,984,267)	-
Investments in subsidiary and others	(8,482,038)	(8,482,038)	(711,807,503)	(1,058,057,503)
<b>Net cash used in investing activities</b>	<b>(433,421,733)</b>	<b>(238,018,710)</b>	<b>(5,281,468,671)</b>	<b>(1,328,559,609)</b>
<b>Cash flow from financing activities:</b>				
Proceeds from project loan	-	-	3,646,800,000	-
Payments towards project loan	(804,722,794)	(117,657,169)	(192,243,934)	(192,243,934)
Payments towards redeemable preference shares	(468,368,900)	-	(468,368,900)	-
Payments for lease finance	(6,516,777)	(5,201,212)	(10,397,912)	(4,049,896)
Payments for transaction costs	-	-	(79,539,184)	(7,775,940)
Payments for short term loan	-	-	(260,708,893)	-
Payments to SIMCL	(556,464,174)	(556,464,174)	-	-
Payment for cash dividend	-	-	(26,536,615)	-
Proceeds from share money deposit	1,200,000,000	-	478,750,000	-
Financing from/(to) inter company	-	268,377,390	(2,746,795)	76,307,363
(Payment for)/sale of fractional shares, net	(132,340)	(132,340)	172,937	172,937
<b>Net cash flow (used)/from financing activities</b>	<b>(636,204,985)</b>	<b>(411,077,505)</b>	<b>3,085,180,704</b>	<b>(127,589,470)</b>
<b>Net changes in cash and cash equivalents</b>	<b>1,318,120,901</b>	<b>(100,557,928)</b>	<b>(302,933,674)</b>	<b>(737,713,406)</b>
Cash and cash equivalents at 1 January	1,081,038,437	541,505,130	1,383,972,111	1,279,218,536
<b>Cash and cash equivalents at 31 December</b>	<b>2,399,159,338</b>	<b>440,947,202</b>	<b>1,081,038,437</b>	<b>541,505,130</b>



## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 1. REPORTING ENTITY

#### 1.1 Company profile

Summit Power Limited (hereinafter referred to as "the Company"/"the parent company") is a Public Limited Company incorporated in Bangladesh on 7 June 2004 under the Companies Act (# 18) 1994 under registration no: C 32630(1751)/97 dated 30 March 1997 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215. The Company was initially registered as a Private Limited on 30 March 1997 Company and subsequently converted into a Public Limited. During October-November 2005, the Company listed its shares with both Dhaka and Chittagong Stock Exchanges. The consolidated financial statements of the Company as at and for the year ended 31 December 2012 comprise the Company and its subsidiaries. Profile of subsidiaries is as under:

Summit Purbanchol Power Company Limited was incorporated in Bangladesh on 15 August 2007 as a Private Limited Company under Companies Act (#18) 1994 under registration no: C 68123(674)/07 dated 15 August 2007 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh.

Summit Uttaranchol Power Company Limited was incorporated in Bangladesh on 15 August 2007 as a Private Limited Company under Companies Act (#18) 1994 under registration no: C 68122(673)/07 dated 15 August 2007 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh.

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

#### 1.2 Nature of business

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

Name of Company	Name of plant	Location	Plant capacity MW	Operation starting date	Period of PPA Year
Summit Power Limited	Ashulia Power Plant (Unit-1)	Savar, Dhaka	11.00	8 Feb 2001	15
	Ashulia Power Plant (Unit-2)	Savar, Dhaka	33.75	4 Dec 2007	15
	Madhabdi Power Plant (Unit-1)	Narsingdi	11.00	1 Apr 2001	15
	Madhabdi Power Plant (Unit-2)	Narsingdi	24.30	16 Dec 2006	15
	Chandina Power Plant (Unit-1)	Comilla	11.00	2 Jun 2001	15
	Chandina Power Plant (Unit-2)	Comilla	13.50	15 Nov 2006	15
Summit Purbanchol Power Company Limited	Rupganj Power Plant	Narayanganj	33.00	9 Jun 2009	15
	Jangalia Power Plant	Comilla	33.00	25 Jun 2009	15
Summit Uttaranchol Power Company Limited	Maona Power Plant	Gazipur	33.00	12 May 2009	15
	Ullapara Power Plant	Sirajganj	11.00	3 Mar 2009	15
Summit Narayanganj Power Limited	Madanganj Power Plant	Narayanganj	102.00	1 Apr 2011	5

All the above power plants are natural gas based, except Madanganj power plant which is based on furnace oil (HFO).

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements (including consolidated and separate financial statements) have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Companies Act (#18) 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

The financial statements were authorised for issue by the Board of Directors on 14 March 2013.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

**2.2 Changes in accounting policy**

In 2011, the Company underwent the first of its expected major overhauling of its plant and machinery. As, the benefits of such major overhauling will be consumed over 2 to 10 years, the cost of such has been recognised separately in the carrying amount of respective plant and machinery in accordance with BAS 16: Property, Plant and Equipment. However, the carrying amount of the replaced capital spare parts relating to major overhauling has to be derecognised. Previously, the related assets were not segregated, and were thus depreciated over the life of the plant, which is 30 years. Therefore, the carrying amount of replaced capital spare parts as at earlier periods were overstated. The following table summaries the adjustments made to the statement of financial position on implementation of this new accounting policy.

	Consolidated		Separate	
	Property, plant and equipment Taka	Retained earnings Taka	Property, plant and equipment Taka	Retained earnings Taka
<b>Balance as reported at 1 January 2010</b>	<b>8,923,304,078</b>	<b>947,035,330</b>	<b>3,969,783,371</b>	<b>743,145,480</b>
Impact of changes in accounting policy for 2009:				
WDV adjustment for CAT engines at Ashulia	(19,559,022)	(19,559,022)	(19,559,022)	(19,559,022)
WDV adjustment for CAT engines at Chandina	(19,559,021)	(19,559,021)	(19,559,021)	(19,559,021)
WDV adjustment for CAT engines at Madhabdi	(29,338,532)	(29,338,532)	(29,338,532)	(29,338,532)
WDV adjustment for WAT engines at Ashulia	(15,904,122)	(15,904,122)	(15,904,122)	(15,904,122)
WDV adjustment for WAT engines at Chandina	(7,952,061)	(7,952,061)	(7,952,061)	(7,952,061)
WDV adjustment for WAT engines at Madhabdi	(11,928,091)	(11,928,091)	(11,928,091)	(11,928,091)
WDV adjustment for WAT engines at Jangalia	(4,889,332)	(4,889,332)	-	-
WDV adjustment for WAT engines at Rupganj	(4,747,798)	(4,747,798)	-	-
WDV adjustment for WAT engines at Ullapara	(4,065,689)	(4,065,689)	-	-
WDV adjustment for WAT engines at Maona	(4,587,138)	(4,587,138)	-	-
	<b>(122,530,806)</b>	<b>(122,530,806)</b>	<b>(104,240,849)</b>	<b>(104,240,849)</b>
Restated balance as reported at 1 January 2010	<b>8,800,773,272</b>	<b>824,504,524</b>	<b>3,865,542,522</b>	<b>638,904,631</b>
Balance as reported at 31 December 2010	<b>8,871,837,184</b>	<b>1,535,631,432</b>	<b>3,860,861,093</b>	<b>777,105,787</b>
Impact of changes in accounting policy for 2009	(122,530,806)	(122,530,806)	(104,240,849)	(104,240,849)
Impact of changes in accounting policy for 2010:				
WDV adjustment for CAT engines at Ashulia	(2,444,878)	(2,444,878)	(2,444,878)	(2,444,878)
WDV adjustment for CAT engines at Chandina	(2,444,878)	(2,444,878)	(2,444,878)	(2,444,878)
WDV adjustment for CAT engines at Madhabdi	(3,667,316)	(3,667,316)	(3,667,316)	(3,667,316)
WDV adjustment for WAT engines at Ashulia	(5,301,374)	(5,301,374)	(5,301,374)	(5,301,374)
WDV adjustment for WAT engines at Chandina	(2,650,687)	(2,650,687)	(2,650,687)	(2,650,687)
WDV adjustment for WAT engines at Madhabdi	(3,976,031)	(3,976,031)	(3,976,031)	(3,976,031)
WDV adjustment for WAT engines at Jangalia	(9,778,667)	(9,778,667)	-	-
WDV adjustment for WAT engines at Rupganj	(9,495,594)	(9,495,594)	-	-
WDV adjustment for WAT engines at Ullapara	(8,131,378)	(8,131,378)	-	-
WDV adjustment for WAT engines at Maona	(9,174,277)	(9,174,277)	-	-
	<b>(57,065,080)</b>	<b>(57,065,080)</b>	<b>(20,485,164)</b>	<b>(20,485,164)</b>
Restated balance at 31 December 2010	<b>8,692,241,298</b>	<b>1,356,035,546</b>	<b>3,736,135,080</b>	<b>652,379,774</b>

**2.3 Basis of measurement**

Financial statements have been prepared on historical cost basis except for civil works and other constructions, plant and machinery and land and land development which are stated at revaluation amount, while available for sale financial assets are measured at fair value.

**2.4 Functional and presentational currency and level of precision**

These financial statements are presented in Bangladeshi Taka (Taka/Tk./BDT) which is both functional currency and presentation currency of the group/Company. The amounts in these financial statements have been rounded off to the nearest Taka.

**2.5 Use of estimates and judgement**

The preparation of financial statements in conformity with BAS/BFRS requires management to make judgements, 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.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

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

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: 24	Lease classification
Note: 28	Other creditors and accruals
Note: 5.1	Depreciation
Note: 6	Amortisation

### 2.6 Reporting period

These financial statements cover the period from 1 January to 31 December 2012.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Basis of consolidation

#### (a) Subsidiaries

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

Name of subsidiary	% of controlling interest	% of non-controlling interest
Summit Purbanchol Power Company Limited	99	1
Summit Uttaranchol Power Company Limited	51.48	48.52
Summit Narayanganj Power Limited	55	45

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. However, in the year 2012, the subsidiaries have no such loss to take any action in this regard.

#### (b) Transactions eliminated on consolidation

The financial statements of the subsidiaries have been consolidated with those of Summit Power Limited in accordance with BAS 27 Consolidated and Separate Financial Statements. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees (that means in any company wherein Summit Power Limited has made investments, if any) are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. However, on 31 December 2012, the Company has no such investments.

### 3.2 Property, plant and equipment

#### (a) Recognition and measurement

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

#### (b) Capitalisation of borrowing cost

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

**Notes to the Financial Statements**

as at and for the year ended 31 December 2012

Purchase Agreement, confirms the availability of plants for use.

## (c) 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 can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred. Spare parts whose estimated useful life is more than one year are capitalised and depreciated using the straight-line method over the estimated useful life of between 2 to 10 years when used in major repair and maintenance processes. The spare parts which are replaced by a major overhaul will be removed from the cost of property, plant and equipment.

## (d) Revaluation of land and plant and machinery

S. F. Ahmed & Co., Chartered Accountants has revalued the plant and machinery and civil works of the Company as at 31 December 2008 following the current cost accounting method. The revaluation resulted in a revaluation surplus aggregating to Tk 794,231,503 as at 31 December 2008 for the group. After this, no further revaluation work has been done.

## (e) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment including leased assets. Land is not depreciated.

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

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

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

	2012 Year	2011 Year
Furniture and fixtures	10	10
Office and electrical equipment	5	5
Office decoration	5	5
Motor vehicles	5	5
Maintenance equipment	5	5
Civil works and others	5	5
Plant and machinery	30	30

## (f) Retirements and disposals

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

## (g) Capital work in progress

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

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 3.3 Intangible assets

#### (a) Recognition and measurement

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

#### (b) Subsequent costs

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

#### (c) Amortisation

IT software and brand are amortised over 5 and 30 years respectively from the year of first utilisation. The brand represents a payment made by the Summit Power Limited in 2008 to Summit Industrial & Mercantile Corporation (Pvt.) Limited for the former to use name and other intellectual properties of Summit Industrial & Mercantile Corporation (Pvt.) Limited.

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

### 3.4 Leased assets

#### 3.4.1 Finance lease

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

#### (a) Recognition and measurement

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

#### (b) 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.

#### 3.4.2 Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognised in the statement of financial position. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

### 3.5 Inventories

Inventories consisting of maintenance spare parts, lube oil, and fuel. These are for use in the operation and maintenance of power plants. Inventories are measured and stated at cost less allowance for obsolescence. Cost is calculated on First In First Out (FIFO) basis.

### 3.6 Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

### 3.7 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.

**Notes to the Financial Statements**

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**3.8 Employee benefits**

The Company/group maintains both defined benefit plan (gratuity) and defined contribution (CPF) plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective employee benefit policies.

## (a) Defined benefit plan (gratuity)

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

## (b) Defined contribution plan (CPF)

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

**3.9 Revenue**

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

**3.10 Taxation**

No provision is required for income tax on the Company's/group's profits as the Company/group has received exemption from all such taxes from the Government of Bangladesh under the Private Sector Power Generation Policy for a period of 15 years from start of its commercial operation. Such exemption will expire in February 2016 for Summit Power Limited, June 2024 for Summit Purbanchol Power Company Limited and March 2024 for Summit Uttaranchol Power Company Limited. While Summit Narayanganj Power Limited is exempted from tax for a period of 5 years from start of its commercial operation dated 1 April 2011.

**3.11 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 and make its provision at this stage.

**3.12 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 statement of financial position date are retranslated using rates prevailing on that day. In accordance with Schedule XI of the Companies Act (#18) 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 BAS 21 The Effects of Changes in Foreign Exchange Rates, which requires all differences arising from foreign exchange transactions to be recognised in the statement of comprehensive income. However management feel the impact on profits due to the difference in treatment is immaterial and does not impact in the current year. All other differences are taken to the statement of comprehensive income.

**3.13 Finance income and expenses**

Finance income comprises interest income and dividend income on funds invested. Interest income is recognised on accrual basis while dividend income is recognised on receipts.

Finance expenses comprise interest expense on loan, overdraft, finance lease and bank charges. All borrowing costs are recognised in the statement of comprehensive income 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.

**3.14 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## 3.14.1 Financial assets

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

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

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

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, other long term receivables and deposits.

(a) Cash and cash equivalents

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

(b) Trade receivables

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

(c) Available-for-sale financial assets

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

### 3.14.2 Financial liabilities

The group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the group becomes a party to the contractual provisions of the liability.

Financial liabilities include loans and borrowings, finance lease obligation, accounts payable and other payables.

(a) Finance lease obligation

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

(b) Loans and borrowings

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

(c) Trade payables

The Company/group recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

(d) Redeemable preference share

Summit Purbanchol Power Company Limited and Summit Uttaranchol Power Company Limited had issued redeemable preference shares during 2010. As per BAS 32 Financial Instruments: Presentation, the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in these financial statements.

### 3.15 Impairment

(a) Financial assets

Trade receivable is assessed at each date of statement of financial position to determine whether there is objective evidence that it is impaired. Trade receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the assets, and that the loss had a negative effect on the estimated future cash flows of that asset that can be

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

estimated reliably.

(b) Non-financial assets

At each reporting date indications of impairment are reviewed. For this review, the group is considered as a single cash generating unit and both tangible and intangible assets are reviewed. If any indication exists, the assets' recoverable amount will need to be estimated. As at 31 December 2012, the assessment of indicators of impairment reveals that impairment testing is not required for the group.

(c) Inventories

Inventories are measured and stated at cost less allowance for obsolescence. These are for use in the operation and maintenance of power plants. As inventories are for internal use, the value is unlikely to diminish.

### 3.16 Earnings per share (EPS)

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

Diluted EPS is determined by the adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the affects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year 2012.

## 4

### EVENTS AFTER THE REPORTING PERIOD

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Events after the reporting period that provide additional information about the Company's/group's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.



## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 5. PROPERTY, PLANT AND EQUIPMENT, NET

As at 31 December 2012 (Consolidated)

#### a) Own assets

##### i) Cost

Particulars	Cost/Revaluation				Rate %	Depreciation				Written down value as at 31 December 2012 Taka
	Balance as at 1 January 2012 Taka	Addition during the year Taka	Disposal during the year Taka	Balance as at 31 December 2012 Taka		Balance as at 1 January 2012 Taka	Charged during the year Taka	Disposal during the year Taka	Balance as at 31 December 2012 Taka	
Land and land development	315,235,990	23,305,161	-	338,541,151	-	-	-	-	-	338,541,151
Furniture and fixtures	8,559,697	1,963,837	245,629	10,277,905	10	2,432,892	854,845	244,199	3,043,538	7,234,367
Office and electrical equipment	20,346,875	3,516,941	1,193,846	22,669,970	20	12,047,656	2,829,100	1,188,246	13,688,510	8,981,460
Office decoration	25,229,280	654,124	-	25,883,404	20	12,961,949	3,531,454	-	16,493,403	9,390,001
Motor vehicles	50,071,711	3,802,000	-	53,873,711	20	28,255,678	7,957,041	-	36,212,719	17,660,992
Maintenance equipment	2,164,597	8,976,848	-	11,141,445	20	1,815,132	191,065	-	2,006,197	9,135,248
Civil works and others	42,952,024	8,248,779	-	51,200,803	20	34,802,553	2,932,560	-	37,735,113	13,465,690
Plant and machinery:										
Ashulia Power Plant (Unit-1)	378,264,915	-	-	378,264,915	3.33	127,694,736	17,132,516	-	144,827,252	233,437,663
Ashulia Power Plant (Unit-2)	1,396,026,271	-	-	1,396,026,271	3.33	192,367,286	39,669,396	-	232,036,682	1,163,989,589
Madhabdi Power Plant (Unit-1)	316,637,788	128,339,677	45,142,005	399,835,460	3.33	143,925,187	22,108,204	45,142,005	120,891,386	278,944,074
Madhabdi Power Plant (Unit-2)	961,987,457	-	-	961,987,457	3.33	139,492,930	37,235,712	-	176,728,642	785,258,815
Chandina Power Plant (Unit-1)	396,093,046	-	-	396,093,046	3.33	127,292,988	22,767,272	-	150,060,260	246,032,786
Chandina Power Plant (Unit-2)	568,737,355	71,262,871	41,320,837	598,679,389	3.33	78,673,351	24,910,748	7,024,472	96,559,627	502,119,762
Jangalia Power Plant	1,458,443,799	22,351,499	16,969,411	1,463,825,887	3.33	127,576,348	49,197,219	15,642,775	161,130,792	1,302,695,095
Rupganj Power Plant	1,403,599,356	22,295,674	14,582,643	1,411,312,387	3.33	114,544,422	52,770,918	14,582,643	152,732,697	1,258,579,690
Maona Power Plant	1,349,402,444	5,052,930	4,210,775	1,350,244,599	3.33	107,356,802	50,864,734	4,210,775	154,010,761	1,196,233,838
Ullapara Power Plant	492,340,289	-	-	492,340,289	3.33	58,665,493	22,256,863	-	80,922,356	411,417,933
Madanganj Power Plant	5,142,234,700	67,407,395	-	5,209,642,095		109,573,505	145,627,256	-	255,200,761	4,954,441,334
<b>Total (i)</b>	<b>14,328,327,594</b>	<b>367,177,736</b>	<b>123,665,146</b>	<b>14,571,840,184</b>		<b>1,419,478,908</b>	<b>502,836,903</b>	<b>88,035,115</b>	<b>1,834,280,696</b>	<b>12,737,559,488</b>
ii) Revaluation										
Land and land development	207,572,500	-	-	207,572,500		-	-	-	-	207,572,500
Civil works and others	13,002,138	-	-	13,002,138	20	7,801,284	2,600,428	-	10,401,712	2,600,426
Plant and machinery:										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33	14,960,363	4,709,744	-	19,670,107	146,557,796
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33	297,938	93,796	-	391,734	2,918,688
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33	14,549,556	4,580,416	-	19,129,972	142,533,369
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33	7,177,694	2,259,644	-	9,437,338	70,315,653
Chandina Power Plant (Unit - 1)	146,384,742	-	-	146,384,742	3.33	13,174,499	4,147,528	-	17,322,027	129,062,715
Chandina Power Plant (Unit - 2)	16,317,466	-	-	16,317,466	3.33	1,468,558	462,324	-	1,930,882	14,386,584
<b>Total (ii)</b>	<b>794,231,503</b>	<b>-</b>	<b>-</b>	<b>794,231,503</b>		<b>59,429,892</b>	<b>18,853,880</b>	<b>-</b>	<b>78,283,772</b>	<b>715,947,731</b>
<b>Total assets (i+ii)</b>	<b>15,122,559,097</b>	<b>367,177,736</b>	<b>123,665,146</b>	<b>15,366,071,687</b>		<b>1,478,908,800</b>	<b>521,690,783</b>	<b>88,035,115</b>	<b>1,912,564,468</b>	<b>13,453,507,219</b>

##### b) Leased assets

Motor vehicles	28,116,450	-	-	28,116,450	20	14,224,776	4,971,642	-	19,196,418	8,920,032
<b>Total (a+b)</b>	<b>15,150,675,547</b>	<b>367,177,736</b>	<b>123,665,146</b>	<b>15,394,188,137</b>		<b>1,493,133,576</b>	<b>526,662,425</b>	<b>88,035,115</b>	<b>1,931,760,886</b>	<b>13,462,427,251</b>

With reference to note 2.2, the Company has completed 80,000 hours major overhauling for its three engines of Madhabdi Power Plant (Unit 1) and 16,000 hours major overhauling for three units of Jangalia Power Plant and two units of Rupganj Power Plant in 2012. For such overhauling the Company has replaced Taka 128,339,677 for Madhabdi Power Plant (Unit 1) in plant and machinery, Taka 22,351,499 for Jangalia Power Plant, Taka 22,295,674 and Taka 5,052,930 for Maona Power Plant and removed the cost of old parts totaling amount to Taka 178,039,780 for Madhabdi Power Plant, Jangalia Power Plant, Rupganj Power Plant and Maona Power Plant. Although the standard rate of depreciation for plant and machinery is 3.3333%, the depreciation rate for a part of plant and machinery that has been replaced, has been considered 10% and accordingly, full depreciation has been charged in 2011 by a not-routine adjustment with Retained Earnings.

During the year 2012, an addition of Taka 71,262,871 has been added to replace damaged part of a Wartsila engine having cost Taka 41,320,837 in Chandina Power Plant. A insurance claim in this regard has been filed with the Insurance company - United Insurance Company Limited.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

As at 31 December 2012 (Separate)

## a) Own assets

## i) Cost

Particulars	Cost/Revaluation				Depreciation					Written down value as at 31 December 2012 Taka
	Balance as at 1 January 2012 Taka	Addition during the year Taka	Disposal during the year Taka	Balance as at 31 December 2012 Taka	Rate %	Balance as at 1 January 2012 Taka	Charged during the year Taka	Disposal during the year Taka	Balance as at 31 December 2012 Taka	
	Land and land development	-	19,826,850	-	19,826,850	-	-	-	-	
Furniture and fixtures	5,340,177	80,630	245,629	5,175,178	10	1,858,604	451,261	244,199	2,065,666	3,109,512
Office and electrical equipment	14,169,981	1,868,620	1,193,846	14,844,755	20	9,731,835	1,489,949	1,188,246	10,033,538	4,811,217
Office decoration	24,987,828	654,124	-	25,641,952	20	12,874,095	3,483,162	-	16,357,257	9,284,695
Motor vehicles	32,320,729	1,901,000	-	34,221,729	20	16,423,926	4,153,378	-	20,577,304	13,644,425
Maintenance equipment	1,560,989	1,650,000	-	3,210,989	20	1,481,655	79,334	-	1,560,989	1,650,000
Civil works and others	38,455,236	3,952,900	-	42,408,136	20	33,970,978	1,774,066	-	35,745,044	6,663,092
Plant and machinery :										
Ashulia Power Plant (Unit-1)	378,264,915	-	-	378,264,915	3.33	127,694,736	17,132,516	-	144,827,252	233,437,663
Ashulia Power Plant (Unit-2)	1,396,026,271	-	-	1,396,026,271	3.33	192,367,286	39,669,396	-	232,036,682	1,163,989,589
Madhabdi Power Plant (Unit-1)	316,637,787	128,339,677	45,142,005	399,835,459	3.33	143,925,187	22,108,204	45,142,005	120,891,386	278,944,073
Madhabdi Power Plant (Unit-2)	961,987,457	-	-	961,987,457	3.33	139,492,930	37,235,712	-	176,728,642	785,258,815
Chandina Power Plant (Unit-1)	396,093,047	-	-	396,093,047	3.33	127,292,988	22,767,272	-	150,060,260	246,032,787
Chandina Power Plant (Unit-2)	568,737,355	71,262,871	41,320,837	598,679,389	3.33	78,673,351	24,910,748	7,024,472	96,559,627	502,119,762
<b>Total (i)</b>	<b>4,134,581,772</b>	<b>229,536,672</b>	<b>87,902,317</b>	<b>4,276,216,127</b>		<b>885,787,571</b>	<b>175,254,998</b>	<b>53,598,922</b>	<b>1,007,443,647</b>	<b>3,268,772,480</b>
ii) Revaluation										
Civil works and others	13,002,138	-	-	13,002,138	20	7,801,284	2,600,428	-	10,401,712	2,600,426
Plant and machinery :										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33	14,960,363	4,709,744	-	19,670,107	146,557,796
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33	297,938	93,796	-	391,734	2,918,688
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33	14,549,556	4,580,416	-	19,129,972	142,533,369
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33	7,177,694	2,259,644	-	9,437,338	70,315,653
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33	13,174,499	4,147,528	-	17,322,027	129,062,715
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33	1,468,558	462,324	-	1,930,882	14,386,584
<b>Total (ii)</b>	<b>586,659,003</b>	<b>-</b>	<b>-</b>	<b>586,659,003</b>		<b>59,429,892</b>	<b>18,853,880</b>	<b>-</b>	<b>78,283,772</b>	<b>508,375,231</b>
<b>Total assets (i+ii)</b>	<b>4,721,240,775</b>	<b>229,536,672</b>	<b>87,902,317</b>	<b>4,862,875,130</b>		<b>945,217,463</b>	<b>194,108,878</b>	<b>53,598,922</b>	<b>1,085,727,419</b>	<b>3,777,147,711</b>
b) Leased assets										
Motor vehicles	23,225,000	-	-	23,225,000	20	12,141,375	3,993,350	-	16,134,725	7,090,275
<b>Total (a+b)</b>	<b>4,744,465,775</b>	<b>229,536,672</b>	<b>87,902,317</b>	<b>4,886,100,130</b>		<b>957,358,838</b>	<b>198,102,228</b>	<b>53,598,922</b>	<b>1,101,862,144</b>	<b>3,784,237,986</b>

## 5.1 Allocation of depreciation (consolidation)

	2012		2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Cost of sales ( note 31)	500,794,290	180,077,300	444,344,796	161,512,264
General and administrative expenses(note 33)				
Own assets	20,896,493	14,031,578	14,303,906	12,338,013
Leased assets	4,971,642	3,993,350	7,365,058	2,973,994
	<b>25,868,135</b>	<b>18,024,928</b>	<b>21,668,964</b>	<b>15,312,007</b>
	<b>526,662,425</b>	<b>198,102,228</b>	<b>466,013,760</b>	<b>176,824,271</b>

With reference to note 2.2, the Company has completed 80,000 hours major overhauling for its three engines of Madhabdi Old Power Plant in 2012. For such overhauling the Company has added cost of Taka 128,339,677 in plant and machinery and removed the cost of old replaced parts amounting to Taka 45,142,005. Although the standard rate of depreciation for plant and machinery is 3.3333%, the depreciation rate for a part of plant and machinery that has been replaced, has been considered 10% and accordingly, full depreciation has been charged in 2011 by a not-routine adjustment with Retained Earnings.

# Summit Power Limited

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

\*Opening cost for civil work of Taka 31,666,099, for furniture and fixtures of Taka 836,529, for maintenance equipment of Taka 1,156,489, for motor vehicle of Taka 16,079,429, for office and electric equipment of Taka 7,646,952 and for office decoration of Taka 12,814,560 are fully depreciated and therefore, no depreciation has been charged during the year.

As at 31 December 2011 (Consolidated)

### Own assets:

#### i) Cost

Particulars	Cost/Revaluation				Depreciation					Written down value as at 31 December 2011 Taka
	Balance as at 1 January 2011 Taka	Addition during the year Taka	Disposal during the year Taka	Balance as at 31 December 2011 Taka	Rate %	Balance as at 1 January 2011 Taka	Charged during the year Taka	Disposal during the year Taka	Balance as at 31 December 2011 Taka	
	Land and land development	301,008,957	14,227,033	-	315,235,990	-	-	-	-	
Furniture and fixtures	7,612,237	947,460	-	8,559,697	10	1,712,340	720,552	-	2,432,892	6,126,805
Office and electrical equipment	16,215,925	4,130,950	-	20,346,875	20	9,474,346	2,573,310	-	12,047,656	8,299,219
Office decoration	13,536,006	11,693,274	-	25,229,280	20	11,872,442	1,089,507	-	12,961,949	12,267,331
Motor vehicles	27,855,479	5,500,250	1,035,000	32,320,729	20	13,182,414	4,276,512	1,035,000	16,423,926	15,896,803
Maintenance equipment	2,076,022	88,575	-	2,164,597	20	1,564,395	250,737	-	1,815,132	349,465
Civil works and others	40,471,206	2,480,817	-	42,952,023	20	32,009,693	2,792,860	-	34,802,553	8,149,470
Plant and machinery:										
Ashulia Power Plant (Unit-1)	312,859,919	97,623,517	32,218,521	378,264,915	3.33	123,726,995	16,557,590	12,589,849	127,694,736	250,570,179
Ashulia Power Plant (Unit-2)	1,393,360,295	9,977,358	7,311,381	1,396,026,272	3.33	143,048,022	50,145,572	826,308	192,367,286	1,203,658,986
Madhabdi Power Plant (Unit-1)	316,261,705	3,166,310	2,790,227	316,637,788	3.33	133,537,501	13,177,913	2,790,227	143,925,187	172,712,601
Madhabdi Power Plant (Unit-2)	956,423,751	21,464,648	15,900,942	961,987,457	3.33	124,302,886	31,090,986	15,900,942	139,492,930	822,494,527
Chandina Power Plant (Unit-1)	333,786,476	90,132,305	27,825,735	396,093,046	3.33	125,659,024	14,622,097	12,988,133	127,292,988	268,800,058
Chandina Power Plant (Unit-2)	562,423,950	27,974,189	21,660,784	568,737,355	3.33	75,676,850	19,664,654	16,668,153	78,673,351	490,064,004
Jangalia Power Plant	1,456,322,983	2,120,816	-	1,458,443,799	3.33	76,526,718	51,049,630	-	127,576,348	1,330,867,451
Rupganj Power Plant	1,399,836,163	16,324,582	12,561,389	1,403,599,356	3.33	77,003,161	50,102,650	12,561,389	114,544,422	1,289,054,934
Maona Power Plant	1,345,500,082	22,254,176	18,351,814	1,349,402,444	3.33	75,682,752	50,025,864	18,351,814	107,356,802	1,242,045,642
Ullapara Power Plant	492,340,289	-	-	492,340,289	3.33	36,584,610	22,080,883	-	58,665,493	433,674,796
Madanganj Power Plant	-	5,142,234,700	-	5,142,234,700	-	-	109,573,505	-	109,573,505	5,032,661,195
<b>Total (i)</b>	<b>8,977,891,445</b>	<b>5,472,340,960</b>	<b>139,655,793</b>	<b>14,310,576,612</b>		<b>1,061,564,149</b>	<b>439,794,822</b>	<b>93,711,815</b>	<b>1,407,647,156</b>	<b>12,902,929,456</b>

#### ii) Revaluation

Land and land development	207,572,500	-	-	207,572,500	-	-	-	-	-	207,572,500
Civil works and others	13,002,138	-	-	13,002,138	20	5,200,856	2,600,428	-	7,801,284	5,200,854
Plant and machinery:										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33	10,250,619	4,709,744	-	14,960,363	151,267,540
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33	204,142	93,796	-	297,938	3,012,484
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33	9,969,140	4,580,416	-	14,549,556	147,113,785
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33	4,918,050	2,259,644	-	7,177,694	72,575,297
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33	9,026,971	4,147,528	-	13,174,499	133,210,243
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33	1,006,234	462,324	-	1,468,558	14,848,908
<b>Total (ii)</b>	<b>794,231,503</b>	<b>-</b>	<b>-</b>	<b>794,231,503</b>		<b>40,576,012</b>	<b>18,853,880</b>	<b>-</b>	<b>59,429,892</b>	<b>734,801,611</b>
<b>Total own assets (i+ii)</b>	<b>9,772,122,948</b>	<b>5,472,340,960</b>	<b>139,655,793</b>	<b>15,104,808,115</b>		<b>1,102,140,161</b>	<b>458,648,702</b>	<b>93,711,815</b>	<b>1,467,077,048</b>	<b>13,637,731,067</b>
<b>Leased assets:</b>										
Motor vehicles	40,949,982	4,917,450	-	45,867,432	20	18,691,470	7,365,058	-	26,056,528	19,810,904
<b>Total assets</b>	<b>9,813,072,930</b>	<b>5,477,258,410</b>	<b>139,655,793</b>	<b>15,150,675,547</b>		<b>1,120,831,631</b>	<b>466,013,760</b>	<b>93,711,815</b>	<b>1,493,133,576</b>	<b>13,657,541,971</b>

# Summit Power Limited

2012  
Annual Report

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

As at 31 December 2011 (Separate)

### Own assets:

#### i) Cost

Particulars	Cost/Revaluation				Depreciation				Written down value as at 31 December 2011 Taka	
	Balance as at 1 January 2011	Addition during the year	Disposal during the year	Balance as at 31 December 2011	Rate %	Balance as at 1 January 2011	Charged during the year	Disposal during the year		Balance as at 31 December 2011
	Taka	Taka	Taka	Taka		Taka	Taka	Taka		Taka
Furniture and fixtures	4,837,179	502,998	-	5,340,177	10	1,432,461	426,143	-	1,858,604	3,481,573
Office and electrical equipment	11,752,724	2,417,257	-	14,169,981	20	8,198,376	1,533,459	-	9,731,835	4,438,146
Office decoration	13,294,554	11,693,274	-	24,987,828	20	11,832,878	1,041,217	-	12,874,095	12,113,733
Motor vehicles	27,855,479	5,500,250	1,035,000	32,320,729	20	13,182,414	4,276,512	1,035,000	16,423,926	15,896,803
Maintenance equipment*	1,560,989	-	-	1,560,989	20	1,335,140	146,515	-	1,481,655	79,334
Civil works and others	38,405,236	50,000	-	38,455,236	20	31,657,239	2,313,739	-	33,970,978	4,484,258
Plant and machinery :										
Ashulia Power Plant (Unit-1)	312,859,919	97,623,517	32,218,521	378,264,915	3.33	123,726,995	16,557,590	12,589,849	127,694,736	250,570,179
Ashulia Power Plant (Unit-2)	1,393,360,294	9,977,358	7,311,381	1,396,026,271	3.33	143,048,022	50,145,572	826,308	192,367,286	1,203,658,985
Madhabdi Power Plant (Unit-1)	316,261,704	3,166,310	2,790,227	316,637,787	3.33	133,537,501	13,177,913	2,790,227	143,925,187	172,712,600
Madhabdi Power Plant (Unit-2)	956,423,751	21,464,648	15,900,942	961,987,457	3.33	124,302,886	31,090,986	15,900,942	139,492,930	822,494,527
Chandina Power Plant (Unit-1)	333,786,477	90,132,305	27,825,735	396,093,047	3.33	125,659,024	14,622,097	12,988,133	127,292,988	268,800,059
Chandina Power Plant (Unit-2)	562,423,950	27,974,189	21,660,784	568,737,355	3.33	75,676,850	19,664,654	16,668,153	78,673,351	490,064,004
<b>Total (i)</b>	<b>3,972,822,256</b>	<b>270,502,106</b>	<b>108,742,590</b>	<b>4,134,581,772</b>		<b>793,589,786</b>	<b>154,996,397</b>	<b>62,798,612</b>	<b>885,787,571</b>	<b>3,248,794,201</b>

#### ii) Revaluation

Civil works and others	13,002,138	-	-	13,002,138	20	5,200,856	2,600,428	-	7,801,284	5,200,854
Plant and machinery :										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33	10,250,619	4,709,744	-	14,960,363	151,267,540
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33	204,142	93,796	-	297,938	3,012,484
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33	9,969,140	4,580,416	-	14,549,556	147,113,785
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33	4,918,050	2,259,644	-	7,177,694	72,575,297
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33	9,026,971	4,147,528	-	13,174,499	133,210,243
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33	1,006,234	462,324	-	1,468,558	14,848,908
<b>Total (ii)</b>	<b>586,659,003</b>	<b>-</b>	<b>-</b>	<b>586,659,003</b>		<b>40,576,012</b>	<b>18,853,880</b>	<b>-</b>	<b>59,429,892</b>	<b>527,229,111</b>
<b>Total own assets (i+ii)</b>	<b>4,559,481,259</b>	<b>270,502,106</b>	<b>108,742,590</b>	<b>4,721,240,775</b>		<b>834,165,798</b>	<b>173,850,277</b>	<b>62,798,612</b>	<b>945,217,463</b>	<b>3,776,023,312</b>

#### Leased assets:

Motor vehicles	19,987,000	3,238,000	-	23,225,000	20	9,167,381	2,973,994	-	12,141,375	11,083,625
<b>Total assets</b>	<b>4,579,468,259</b>	<b>273,740,106</b>	<b>108,742,590</b>	<b>4,744,465,775</b>		<b>843,333,179</b>	<b>176,824,271</b>	<b>62,798,612</b>	<b>957,358,838</b>	<b>3,787,106,937</b>

\*Opening cost of maintenance equipment includes Tk 748,689 which is fully depreciated and therefore, no depreciation has been charged during the year.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## 6. INTANGIBLE ASSETS, NET

## As at 31 December 2012 (Consolidated)

Particulars	Cost			Amortisation			Written down value as at 31 December 2012
	Balance as at 1 January 2012	Addition during the year	Balance as at 31 December 2012	Balance as at 1 January 2012	Charged during the year	Balance as at 31 December 2012	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
IT software	2,004,238	-	2,004,238	1,047,944	346,798	1,394,742	609,496
Brand	10,000,000	-	10,000,000	999,994	333,332	1,333,326	8,666,674
	<b>12,004,238</b>	<b>-</b>	<b>12,004,238</b>	<b>2,047,938</b>	<b>680,130</b>	<b>2,728,068</b>	<b>9,276,170</b>

## As at 31 December 2012 (Separate)

Particulars	Cost			Amortisation			Written down value as at 31 December 2012
	Balance as at 1 January 2012	Addition during the year	Balance as at 31 December 2012	Balance as at 1 January 2012	Charged during the year	Balance as at 31 December 2012	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
IT software	1,504,238	-	1,504,238	877,110	246,798	1,123,908	380,330
Brand	10,000,000	-	10,000,000	999,994	333,332	1,333,326	8,666,674
	<b>11,504,238</b>	<b>-</b>	<b>11,504,238</b>	<b>1,877,104</b>	<b>580,130</b>	<b>2,457,234</b>	<b>9,047,004</b>

## As at 31 December 2011 (Consolidated)

Particulars	Cost			Amortisation			Written down value as at 31 December 2011
	Balance as at 1 January 2011	Addition during the year	Balance as at 31 December 2011	Balance as at 1 January 2011	Charged during the year	Balance as at 31 December 2011	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
IT software	2,004,238	-	2,004,238	698,346	349,598	1,047,944	956,294
Brand	10,000,000	-	10,000,000	666,662	333,332	999,994	9,000,006
	<b>12,004,238</b>	<b>-</b>	<b>12,004,238</b>	<b>1,365,008</b>	<b>682,930</b>	<b>2,047,938</b>	<b>9,956,300</b>

## As at 31 December 2011 (Separate)

Particulars	Cost			Amortisation			Written down value as at 31 December 2011
	Balance as at 1 January 2011	Addition during the year	Balance as at 31 December 2011	Balance as at 1 January 2011	Charged during the year	Balance as at 31 December 2011	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
IT software	1,504,238	-	1,504,238	627,512	249,598	877,110	627,128
Brand	10,000,000	-	10,000,000	666,662	333,332	999,994	9,000,006
	<b>11,504,238</b>	<b>-</b>	<b>11,504,238</b>	<b>1,294,174</b>	<b>582,930</b>	<b>1,877,104</b>	<b>9,627,134</b>

Opening cost of IT software includes Tk 256,250 which is fully depreciated as on 1 January 2011 and therefore, no depreciation has been charged during the year.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## 7. INVESTMENT IN SUBSIDIARIES

	As at 31 December 2012		As at 31 December 2011	
	Taka	% of holdings	Taka	% of holdings
Subsidiaries:				
Summit Purbanchol Power Company Limited (SPPCL)	571,020,100	99.00%	571,020,100	99.00%
Summit Uttaranchol Power Company Limited (SUPCL)	202,519,250	51.48%	202,519,250	51.48%
Summit Narayanganj Power Limited (SNPL)	866,250,000	55.00%	866,250,000	55.00%
	<b>1,639,789,350</b>		<b>1,639,789,350</b>	

On 28 December 2011, Summit Power Limited (SPL) had acquired 53,955,326 shares of Khulna Power Company Limited (KPCL) @ Taka 67 each from Summit Industrial and Mercantile Corporation (Pvt.) Ltd. (SIMCL). Now the SPL's ownership in KPCL and SUPCL is 17.64% and 51.48% respectively. Since the percentage of ownership in KPCL is below the threshold limit of 20% to recognise KPCL as an associate, management classified such investment as Available for Sale (AFS).

## 8. INVESTMENT IN ASSOCIATES

Associates:				
Summit Saidpur Power Limited	5,000,000	49%	5,000,000	49%
Summit Shantahar Power Limited	5,000,000	49%	5,000,000	49%
	<b>10,000,000</b>		<b>10,000,000</b>	

## 9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	No. of shares	Market value	Market value	Cost price	Change in fair value
		As at 31 'Dec 12	As at 31 Dec-11	Taka	As at 31 'Dec 12
		Taka	Taka	Taka	Taka
Khulna Power Company Limited	53,955,326	2,686,975,235	3,388,394,473	3,625,296,384	(701,419,238)
People's Leasing and Financial Services	299,843	9,714,913	18,808,365	20,500,000	(9,093,452)
Popular Life First Mutual Fund	1,000,000	7,200,000	6,900,000	10,000,000	300,000
	<b>55,255,169</b>	<b>2,703,890,148</b>	<b>3,414,102,838</b>	<b>3,655,796,384</b>	<b>(710,212,690)</b>

Net change in fair value of the shares of Khulna Power Company Limited would be Taka 709,901,277 after considering an additional transaction cost amounting to Taka 8,482,039 charged to 'Cost Price' in 2012. And, therefore, net total change in fair value of available for sale financial assets is Taka 718,694,729.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 10. INVENTORIES

#### As at 31 December 2012 (Consolidated)

##### Stock in hand

Particulars	Balance as at 1 January 2012	Purchase/transfer during the year	Inter-company transfer-in during the year	Consumption/ transfer during the year	Inter-company transfer-out during the year	Balance as at 31 December 2012
	Taka	Taka	Taka	Taka	Taka	Taka
Spare parts	579,352,199	814,769,037	30,549,440	605,403,344	30,549,440	788,717,892
Fuel	54,562,177	239,258,579	765,375	234,416,439	765,375	59,404,317
	<b>633,914,376</b>	<b>1,054,027,616</b>	<b>31,314,815</b>	<b>839,819,783</b>	<b>31,314,815</b>	<b>848,122,209</b>

##### Stock in transit

Caterpillar	2,055,630	93,546,804	-	95,152,861	-	449,573
Wartsila	15,107,092	636,722,643	-	598,197,322	-	53,632,413
GE Janbacher	-	20,552,636	-	20,017,462	-	535,174
Others	261,551	84,513,039	-	84,608,299	-	166,291
	<b>17,424,273</b>	<b>835,335,122</b>	-	<b>797,975,944</b>	-	<b>54,783,451</b>
	<b>651,338,649</b>	-	-	-	-	<b>902,905,660</b>

In consolidated financial statements, during the year out of Taka 605,403,344, an amount of Taka 300,353,001 has been consumed and charged to cost of sales, an amount of Taka 305,050,343 has been adjusted as addition to property, plant and equipment.

In consolidated financial statements, during the year out of Taka 797,975,944, an amount of Taka 780,786,673 has been transferred from stock in transit to stock in hand and the balance amount Taka 17,189,271 has been directly transferred to property, plant and equipment for Madanganj Power Plant.

#### As at 31 December 2012 (Separate)

##### Stock in hand

Particulars	Balance as at 1 January 2012	Purchase/transfer during the year	Inter-company transfer-in during the year	Consumption/ transfer during the year	Inter-company transfer-out during the year	Balance as at 31 December 2012
	Taka	Taka	Taka	Taka	Taka	Taka
Spare parts	416,967,114	438,598,624	3,310,639	381,147,859	14,238,359	463,490,159
Fuel	5,988,319	78,243,639	587,875	73,927,894	54,500	10,837,439
	<b>422,955,433</b>	<b>516,842,263</b>	<b>3,898,514</b>	<b>455,075,753</b>	<b>14,292,859</b>	<b>474,327,598</b>

##### Stock in transit

Caterpillar	2,055,630.0	93,546,804	-	95,152,861.0	-	449,573
Wartsila	1,501,609.0	244,386,047	-	235,506,301.0	-	10,381,355
Others	261,551.0	82,028,332	-	82,289,883.0	-	-
	<b>3,818,790</b>	<b>419,961,183</b>	-	<b>412,949,045</b>	-	<b>10,830,928</b>
	<b>426,774,223</b>	-	-	-	-	<b>485,158,526</b>

In separate financial statements, during the year out of Taka 381,147,859 an amount of Taka 181,545,313 has been consumed and charged to cost of sales, an amount of Taka 199,602,546 has been adjusted as addition to property, plant and equipment.

In separate financial statements, during the year an amount of Taka 412,949,045 has been transferred from stock in transit to stock in hand.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## 11. TRADE RECEIVABLES

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Rural Electrification Board (REB):				
Dhaka Palli Bidyut Samity - 1	9,432,725	9,432,725	16,962,103	16,962,103
Dhaka Palli Bidyut Samity - 1 (Expansion)	231,511,915	231,511,915	81,793,950	81,793,950
Narsingdi Palli Bidyut Samity - 1	14,200,208	14,200,208	13,603,132	13,603,132
Narsingdi Palli Bidyut Samity - 1 (Expansion)	175,802,027	175,802,027	54,257,727	54,257,727
Comilla Palli Bidyut Samity - 1	15,622,555	15,622,555	13,523,063	13,523,063
Comilla Palli Bidyut Samity - 1 (Expansion)	80,758,010	80,758,010	27,293,727	27,293,727
Narayanganj Palli Bidyut Samity (REB)	113,430,921	-	80,178,900	-
Mymensingh Palli Bidyut Samity (PBS) - 2	116,772,708	-	99,023,054	-
Sirajganj Palli Bidyut Samity	34,568,471	-	30,518,254	-
Bangladesh Power Development Board (BPDB):				
Jangalia Power Plant	107,319,241	-	105,410,908	-
Madanganj Power Plant	517,429,412	-	461,088,275	-
	<b>1,416,848,193</b>	<b>527,327,440</b>	<b>983,653,093</b>	<b>207,433,702</b>
Less: provision for doubtful debt	4,084,928	-	4,084,928	-
	<b>1,412,763,265</b>	<b>527,327,440</b>	<b>979,568,165</b>	<b>207,433,702</b>

Out of amount of Taka 527,327,440 receivable from REB on 31 December 2012 by the Company, Taka 325,904,757 on account of three Expansion Power Plants bills raised during the year has not yet been accepted by REB. As per contracts for supply of electricity and Govt. Gazette Notification from all the three Expansion Power Plants because of rise in BST (Bulk Supply Tariff), the Company has been raising bills at the rate of Taka 3.1141 per kWh from December 2011 to January 2012, for February 2012 at the rate of Taka 3.3741, from March to August 2012 at the rate of Taka 3.6216 per kWh and from September 2012 to onward at the rate of Taka 4.2316 per kWh, but REB has been paying at the rate 2.8386 per kWh. The Company kept close contact with REB and negotiation for collection is under process.

## 12. SUNDRY RECEIVABLES

Insurance receivables	78,475,724	78,475,724	77,555,828	77,555,828
Interest on FDRs	1,972,718	1,972,718	5,422,605	5,422,605
VAT deducted at sources	22,195,381	17,742,123	22,195,381	17,742,123
	<b>102,643,823</b>	<b>98,190,565</b>	<b>105,173,814</b>	<b>100,720,556</b>
Less: provision for doubtful debt	(888,771)	-	(888,771)	-
	<b>101,755,052</b>	<b>98,190,565</b>	<b>104,285,043</b>	<b>100,720,556</b>

Insurance claim was raised for Taka 78,475,724 from Green Delta Insurance Company Limited and United Insurance Company Limited against damages of power plants situated at Ashulia and Chandina for both the CAT and WAT plants which is yetto be settled.

VAT at source upto 31 December 2012 amounting to Taka 22,195,381 was deducted by Rural Electrification Board (REB) under the purview of regulations declared by the National Board of Revenue (NBR). But in the Power Purchase Agreement (PPA) it was declared that "Nothing herein, however, shall in any way limit or override any provisions of the Implementation Agreement, that provide certain Tax exemptions under this Agreement, that allow certain Taxes and charges to be reimbursed to the Company in accordance with Article X of this Agreement". Hence, as per PPA the Company has been claiming refund of the VAT at source so far deducted by REB. The Company kept close contact with REB and negotiation for collection of the amount is under process.

## 13. INTER COMPANY RECEIVABLES

Summit Purbanchol Power Company Limited	-	137,518,187	-	212,706,545
Summit Uttaranchol Power Company Limited	-	7,340,029	-	283,856,073
Summit Narayanganj Power Limited	-	113,203,082	-	29,876,070
	-	<b>258,061,298</b>	-	<b>526,438,688</b>



## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 14. DUE FROM ASSOCIATES

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Summit Saidpur Power Limited	1,897,864	1,897,864	1,897,864	1,897,864
Summit Shantahar Power Limited	848,931	848,931	848,931	848,931
	<b>2,746,795</b>	<b>2,746,795</b>	<b>2,746,795</b>	<b>2,746,795</b>

After registered with Registrar of Joint Stock and Company (RJSC) in 2011, the above companies are yet to be in operation.

### 15. ADVANCES, DEPOSITS AND PREPAYMENTS

#### Advances:

Advances for Initial Public Offerings (IPO)	44,809,848	-	-	-
Advance to Desh Bangla Enterprise	12,250,000	-	-	-
Advance to UDECO Ltd.	6,488,600	-	-	-
Advance against financial advisor	2,100,000	2,100,000	2,000,000	2,000,000
Advance against tax	38,675,616	38,675,616	38,675,616	38,675,616
Advance to suppliers	40,964,478	3,338,464	7,176,482	1,723,695
Advance to employees	1,202,334	810,200	445,000	445,000
	<b>146,490,876</b>	<b>44,924,280</b>	<b>48,297,098</b>	<b>42,844,311</b>

Less provision for doubtful debts

	(445,000)	(445,000)	(445,000)	(445,000)
	<b>146,045,876</b>	<b>44,479,280</b>	<b>47,852,098</b>	<b>42,399,311</b>

#### Deposits:

##### Security deposit (non-interest bearing)

	<b>5,691,545</b>	<b>848,995</b>	<b>5,246,545</b>	<b>905,995</b>
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##### Bank guarantee margin:

Commissioner of Custom	7,239,787	-	-	-
Controller of Import and Export (PBL)	499,364	283,705	1,828,758	1,828,758
Margin on letter of credit	3,095,000	-	-	-
Controller of Import and Export (SJIBL)	1,545,053	1,545,053	-	-
Paschimanchal Gas Co. Ltd.	823,441	-	823,441	-
Bakhrabad Gas System Ltd.	2,470,323	-	2,470,323	-
Bangladesh Power Development Board	3,936,823	-	3,936,823	-
Rural Electrification Board (REB)	9,260,359	-	9,260,359	-
Titas Gas Trans. and Dist. Co. Ltd.	4,940,646	-	4,940,646	-
	<b>33,810,796</b>	<b>1,828,758</b>	<b>23,260,350</b>	<b>1,828,758</b>

	<b>39,502,341</b>	<b>2,677,753</b>	<b>28,506,895</b>	<b>2,734,753</b>
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#### Prepayments:

Agency fees	-	-	702,602	-
Annual license fees (BERC)	1,000,000	-	2,000,000	-
Standby letter of credit commission	158,860	158,860	715,257	487,991
Operation bond bank guarantee commission	2,485,481	2,333,973	1,923,382	1,923,382
Insurance premium	11,284,446	3,141,665	10,609,439	3,142,614
Land lease rental	981,840	267,554	976,866	259,380
Donation and subscription	-	-	1,508,131	1,508,131
	<b>15,910,627</b>	<b>5,902,052</b>	<b>18,435,677</b>	<b>7,321,498</b>

#### Inter-company transaction:

Summit Indus. & Mercantile Corp. (Pvt.) Ltd.	3,551,600	3,551,600	5,639,200	5,639,200
Cosmopolitan Traders (Pvt.) Limited	4,815,143	4,815,143	5,280,673	5,280,673
Summit Shipping Limited	15,860,222	-	15,000,000	-
	<b>24,226,965</b>	<b>8,366,743</b>	<b>25,919,873</b>	<b>10,919,873</b>

	<b>225,685,809</b>	<b>61,425,828</b>	<b>120,714,543</b>	<b>63,375,435</b>
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Bank guarantee margin had been deposited with various schedule banks in Bangladesh as security for compliance with the Company's operation obligation.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## 16. CASH AND CASH EQUIVALENTS

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
<b>Cash in hand</b>	1,343,357	726,808	1,272,202	1,137,202
Cash at bank:				
Bank Al-Falah Limited	249,758	249,758	251,907	251,907
Bank Asia Limited	-	-	1,354,635	-
BRAC Bank Limited	1,861,492,048	3,648,760	519,149,344	3,699,585
Citibank, N.A.	2,683,205	2,683,205	2,821,650	2,684,220
Commercial Bank of Ceylon	795,762	795,762	3,232,247	3,232,247
Dhaka Bank Limited	2,973,729	2,973,729	2,119,641	1,999,957
Dutch-Bangla Bank Limited	153,261,235	129,768,234	58,528,424	42,116,318
Exim Bank Limited	346,214	-	238,077	-
Mutual Trust Bank Limited	-	-	1,822,700	-
NCC Bank Limited	-	-	1,259,287	-
One Bank Limited	1,620,912	411,433	8,669,901	8,669,901
Premier Bank Limited	17,786,021	14,852,035	60,366,678	58,421,029
Rupali Bank Limited	99,052	99,052	77,345	77,345
Shahjalal Islami Bank Limited	1,425,113	1,425,113	1,539,895	1,539,895
Sonali Bank Limited	72,086	-	325,188	-
Southeast Bank Limited	246,716	246,716	245,994	245,994
Standard Chartered Bank	12,161,093	12,161,093	77,828,374	77,828,374
United Commercial Bank Limited	-	-	333,792	-
	<b>2,055,212,944</b>	<b>169,314,890</b>	<b>740,165,079</b>	<b>200,766,772</b>
<b>Fixed deposit receipts (FDR):</b>				
Bank Asia Limited	137,457,838	137,457,838	106,445,030	106,445,030
Bangladesh Krishi Bank Limited	26,426,025	26,426,025	-	-
BRAC Bank Limited	30,000,000	30,000,000	-	-
Commercial Bank of Ceylon PLC	15,844,834	15,844,834	14,626,249	14,626,249
Premier Bank Limited	5,000,000	5,000,000	-	-
Delta Brac Housing Limited	-	-	54,971,370	54,971,370
Exim Bank Limited	127,874,340	56,176,807	50,000,000	50,000,000
Mercantile Bank Limited	-	-	113,558,507	113,558,507
	<b>342,603,037</b>	<b>270,905,504</b>	<b>339,601,156</b>	<b>339,601,156</b>
	<b>2,399,159,338</b>	<b>440,947,202</b>	<b>1,081,038,437</b>	<b>541,505,130</b>

## 17. SHARE CAPITAL

Authorised:				
700,000,000 ordinary shares of Tk 10 each	7,000,000,000	7,000,000,000	7,000,000,000	7,000,000,000
30,000,000 preference shares of 100 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
Issued, subscribed and paid-up:				
65,000,000 ordinary shares of Tk 10 each	650,000,000	650,000,000	650,000,000	650,000,000
6,500,000 bonus shares (2005) of Tk 10 each in 2006	65,000,000	65,000,000	65,000,000	65,000,000
14,300,000 bonus shares (2006) of Tk 10 each in 2007	143,000,000	143,000,000	143,000,000	143,000,000
68,640,000 right shares of Tk 10 each in 2008	686,400,000	686,400,000	686,400,000	686,400,000
30,888,000 bonus shares (2007) of Tk 10 each in 2008	308,880,000	308,880,000	308,880,000	308,880,000
37,065,600 bonus shares (2008) of Tk. 10 each in 2009	370,656,000	370,656,000	370,656,000	370,656,000
55,598,400 bonus shares (2009) of Tk. 10 each in 2010	555,984,000	555,984,000	555,984,000	555,984,000
25,361,973 ordinary shares of Tk 10 each in 2010	253,619,730	253,619,730	253,619,730	253,619,730
91,006,191 bonus shares (2010) of Tk. 10 each in 2011	910,061,910	910,061,910	910,061,910	910,061,910
98,590,041 bonus shares (2011) of Tk. 10 each in 2012	985,900,410	985,900,410	-	-
	<b>4,929,502,050</b>	<b>4,929,502,050</b>	<b>3,943,601,640</b>	<b>3,943,601,640</b>

# Summit Power Limited

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

	Percentage of shareholdings		Number of shares	
	As at 31 Dec	As at 31 Dec	As at 31 Dec	As at 31 Dec
	2012	2011	2012	2011
Shareholding position was as follows:				
Name of shareholders				
Summit Industrial & Mercantile Corporation (Pvt.) Limited	0.46	0.46	227,858,191	182,286,677
Euro Hub Investments Ltd.	0.05	0.05	25,352,636	20,281,943
Other shareholders	0.49	0.49	239,739,378	191,791,544
	<b>1.00</b>	<b>1.00</b>	<b>492,950,205</b>	<b>394,360,164</b>

Classification of shareholders by holding:

	Number of holders		% of holdings	
	As at 31 Dec	As at 31 Dec	As at 31 Dec	As at 31 Dec
	2012	2011	2012	2011
Less than 500 shares	28,238	27,819	1.01	1.22
501 to 5,000 shares	19,211	18,953	6.20	6.86
5,001 to 10,000 shares	1,503	1,184	2.17	2.09
10,001 to 20,000 shares	694	555	2.01	1.99
20,001 to 30,000 shares	234	170	1.17	1.06
30,001 to 40,000 shares	101	82	0.71	0.72
40,001 to 50,000 shares	69	57	0.63	0.67
50,001 to 100,000 shares	148	108	2.09	1.95
100,001 to 1,000,000 shares	135	136	8.95	12.87
1,000,001 to 10,000,000 shares	38	21	75.07	70.57
	<b>50,370</b>	<b>49,085</b>	<b>100</b>	<b>100</b>

### 18. SHARE PREMIUM

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Share premium from issue of 2,000,000 shares in 2005	80,000,000	80,000,000	80,000,000	80,000,000
Share premium from issue of 6,864,000 shares in 2008	308,880,000	308,880,000	308,880,000	308,880,000
Share premium from issue of 25,361,973 shares in 2010	2,745,940,817	2,745,940,817	2,745,940,817	2,745,940,817
	<b>3,134,820,817</b>	<b>3,134,820,817</b>	<b>3,134,820,817</b>	<b>3,134,820,817</b>
Less: issue costs	234,123,160	234,123,160	234,123,160	234,123,160
	<b>2,900,697,657</b>	<b>2,900,697,657</b>	<b>2,900,697,657</b>	<b>2,900,697,657</b>

### 19. NON CONTROLLING INTEREST

	As at 31 December 2012	As at 31 December 2011
	Taka	Taka
Investment by SIMCL:		
Summit Purbanchol Power Company Limited	12,960,296	10,283,396
Summit Uttaranchol Power Company Limited	429,427,346	296,144,970
Summit Narayananj Power Limited	1,129,949,577	706,398,544
Share of profit in Summit Purbanchol Power Company Limited (1%)	4,706,767	3,952,699
Share money deposit on account of Summit Purbanchol Power Company Limited *	1,200,000,000	-
Share of profit in Summit Uttaranchol Power Company Limited (48.52%)	150,823,685	133,282,376
Share of profit/(loss) in Summit Narayananj Power Limited (45%)	457,648,704	423,551,033
Cash dividend paid	-	(1,275,799)
	<b>3,385,516,375</b>	<b>1,572,337,219</b>

\* IPO subscription received (shares issued subsequently).

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## 20. PROJECT LOAN

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Long term portion:				
Expansion Project - Narsingdi and Chandina:				
Dutch-Bangla Bank Ltd.	-	-	63,898,214	63,898,214
The Premier Bank Limited	-	-	507,100	507,100
	-	-	<b>64,405,314</b>	<b>64,405,314</b>
Madanganj, Narayanganj Power Plant DEG and FMO	2,672,732,703	-	3,010,171,875	-
Less: Transactions costs	-	-	71,763,244	-
Add: Amortisation of transaction costs	28,071,446	-	8,383,447	-
	<b>2,700,804,149</b>	-	<b>2,946,792,078</b>	-
Less: Repayment during the year	681,075,000	-	-	-
Less: Exchange rate fluctuation effect	5,990,625	-	-	-
	<b>2,013,738,524</b>	-	<b>3,011,197,392</b>	<b>64,405,314</b>
Short term portion:				
Expansion Project - Narsingdi and Chandina:				
Dutch Bangla Bank Ltd.	63,006,438	63,006,438	53,866,840	53,866,840
Commercial Bank of Ceylon PLC	-	-	35,000,018	35,000,018
The Premier Bank Limited	-	-	27,391,435	27,391,435
	<b>63,006,438</b>	<b>63,006,438</b>	<b>116,258,293</b>	<b>116,258,293</b>
Madanganj, Narayanganj Power Plant DEG and FMO	910,687,500	-	636,628,125	-
	<b>910,687,500</b>	-	<b>636,628,125</b>	-
	<b>973,693,938</b>	<b>63,006,438</b>	<b>752,886,418</b>	<b>116,258,293</b>

## Repayment term and security details:

A syndicated loan had been arranged for Madhabdi and Chandina Expansion Power Plants amounting to Taka 1,067,500,000 from the below banks under lead arranger - Standard Chartered Bank.

## i) Dutch Bangla Bank Limited

Project loan Taka 280,000,000 taken from Dutch-Bangla Bank Limited in 2006 was repayable in 24 quarterly installments of Taka 18,285,156 each (including interest) commencing from March 2008 bearing interest at the rate ranging from 11.50% to 14.5% per annum. 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.

## ii) Standard Chartered Bank

Project loan Taka 300,000,000 taken from Standard Chartered Bank in 2006 was repayable in 20 quarterly installments of Taka 15,000,000 each commencing from January 2007 bearing interest at the rate ranging from 13% to 14.5% per annum. However, the loan had been fully re-paid in 2010.

## iii) The Premier Bank Limited

Project loan Taka 117,500,000 taken from The Premier Bank Limited in 2006 was repayable in 24 quarterly installments of Taka 7,429,623 each (including interest) commencing from March 2007 bearing interest at the rate of 13% per annum. However, the loan had been fully re-paid in 2012.

## iv) Commercial Bank of Ceylon PLC

Project loan Taka 210,000,000 taken from Commercial Bank of Ceylon PLC in 2006 was repayable in 24 quarterly installments of Taka 8,750,000 each commencing from March 2007 bearing interest at the rate ranging from 11% to 13% per annum. Interest is also payable on quarterly basis. However, the loan had been fully re-paid in 2012.

## v) Bank Al-Falah Limited

Project loan Taka 160,000,000 taken from Bank Al-falah Limited in 2006 was repayable in 20 quarterly installments of Taka 8,000,000 each

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

commencing from March 2007 bearing interest at the rate ranging from 11.50% to 14.66% per annum. Interest is also payable on quarterly basis. However, the loan had been fully re-paid in 2011.

- vi) The Company has taken project loan in foreign currency amounting USD 45,000,000, from NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N. V. (FMO) USD 22,500,000 and from DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH (DEG) USD 22,500,000 on 23 October 2011. The interest rate is 3 months USD LIBOR plus 4 % p.a. The loan is repayable within 4.5 years in 16 equal quarterly installments with first due date of repayment from June 2012. The loan is secured by first ranking charges with land and other fixed assets of the company.

### 21. REDEEMABLE PREFERENCE SHARES (NOTE 3.14)

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Opening balance	2,171,937,079	-	2,631,476,665	-
Add: Amortisation of transaction costs	6,799,446	-	8,829,314	-
	<b>2,178,736,525</b>	-	<b>2,640,305,979</b>	-
Less: Repayment of first installment	468,368,900	-	468,368,900	-
	<b>1,710,367,625</b>	-	<b>2,171,937,079</b>	-
Redeemable preference shares				
Short-term portion	468,368,900	-	468,368,900	-
Long-term portion	1,241,998,725	-	1,703,568,179	-
	<b>1,710,367,625</b>	-	<b>2,171,937,079</b>	-

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

### 22. PAYABLE TO SIMCL

Short term portion	500,000,000	500,000,000	650,000,000	650,000,000
Long term portion	849,062,168	849,062,168	1,255,526,342	1,255,526,342
	<b>1,349,062,168</b>	<b>1,349,062,168</b>	<b>1,905,526,342</b>	<b>1,905,526,342</b>

Out of Tk 3,615,006,842, arising from purchase of Khulna Power Company Limited's shares from SIMCL, Tk 700,000,000 was paid in cash, Tk 1,009,480,500 was settled through transfer of Summit Uttaranchol Power Company Limited's shares to SIMCL on the transaction date and for the balance amount of Tk 1,905,526,342 a short term loan was taken from SIMCL carrying 15% interest on 28 December 2011. Out of Tk 1,905,526,342, the Company had a plan to pay off Tk 400,000,000 by June of 2012 and the rest amount would have converted into redeemable preference share which would have to be redeemed from December of 2012 to June of 2015 by 6 equal installments on half yearly basis. But due to liquidity crisis in financial market, the Company could not arrange potential financial institutions for subscribing to the proposed redeemable preference shares. However, out of the remaining liability of Taka 1,905,526,342 payable to SIMCL an amount of Tk 556,464,174 has already been paid to SIMCL within 31 December 2012. Rest of the amount will be paid in 6 equal installments on half yearly basis.

### 23. OBLIGATION UNDER FINANCE LEASE

Obligation under finance lease has been recognised as liability in the statement of financial position, from the date of inception of lease agreement, at amount equal at the inception of lease to the lower of fair value of leased assets 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 date of statement of financial position and their present value, for each of the following periods are as follows:

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## Obligation under finance lease (Consolidated)

	As at 31 December 2012			As at 31 December 2011
	Short-term	Long-term	Total	Total
	Taka	Taka	Taka	Taka
Payable to United Leasing company	668,061	681,927	1,349,988	2,665,553
Payable to One bank limited	3,457,164	790,631	4,247,795	9,449,007
	<b>4,125,225</b>	<b>1,472,558</b>	<b>5,597,783</b>	<b>12,114,560</b>

The principal amount of lease obligation payable after the date of statement of financial position is as follows:

	Principal as at 31 December 2012			As at 31 December 2011
	Future minimum lease payment	Interest	Present value of minimum lease payment	Present value of minimum lease payment
	Taka	Taka	Taka	Taka
Not later than one year	4,591,629	466,404	4,125,225	6,488,168
Later than one year but not later than five years	1,582,893	110,335	1,472,558	5,626,392
Later than five year	-	-	-	-
<b>Total obligation under finance lease</b>	<b>6,174,522</b>	<b>576,739</b>	<b>5,597,783</b>	<b>12,114,560</b>

## Obligation under finance lease (Separate)

	As at 31 December 2012			As at 31 December 2011
	Short-term	Long-term	Total	Total
	Taka	Taka	Taka	Taka
Payable to One Bank limited	3,457,164	790,631	4,247,795	9,449,007
	<b>3,457,164</b>	<b>790,631</b>	<b>4,247,795</b>	<b>9,449,007</b>

The principal amount of lease obligation payable after the date of statement of financial position is as follows:

	Principal as at 31 December 2012			As at 31 December 2011
	Future minimum lease payment	Interest	Present value of minimum lease payment	Present value of minimum lease payment
	Taka	Taka	Taka	Taka
Not later than one year	3,776,259	319,095	3,457,164	5,172,602
Later than one year but not later than five years	818,981	28,350	790,631	4,276,405
Later than five year	-	-	-	-
<b>Total obligation under finance lease</b>	<b>4,595,240</b>	<b>347,445</b>	<b>4,247,795</b>	<b>9,449,007</b>

# Summit Power Limited

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 24. 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. Every employee covered by this scheme is entitled to get benefit equal to one last basic salary for every year of service.

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Opening balance	12,689,278	12,689,278	10,418,031	10,418,031
Addition during the year	10,462,750	10,462,750	5,564,347	5,564,347
	<b>23,152,028</b>	<b>23,152,028</b>	<b>15,982,378</b>	<b>15,982,378</b>
Less: payment during the year	531,500	531,500	3,293,100	3,293,100
<b>Closing balance</b>	<b>22,620,528</b>	<b>22,620,528</b>	<b>12,689,278</b>	<b>12,689,278</b>

### 25. LIABILITY FOR PROJECT DEVELOPMENT

Opening balance	57,761,959	-	2,676,338,766	-
Addition during the year:				
Foreign vendors -				
Sumitomo Corporation	-	-	2,073,562	-
ABB Limited	-	-	379,376	-
Tianjin Stride Import & Export Co. Ltd.	-	-	576,820	-
China Machinery Electric Equipment Co.	-	-	2,947,314	-
Wartsila Finland Oy	-	-	841,484,348	-
	-	-	<b>847,461,420</b>	-
Local vendors -				
M/S UDECO Ltd.	-	-	140,841,184	-
Contech Construction Ltd.	-	-	19,243,702	-
Sumcynet Ltd.	-	-	151,568	-
M/S Rasel Enterprise	-	-	737,082	-
Technology Aid	-	-	318,200	-
	-	-	<b>161,291,736</b>	-
<b>Total due for payment</b>	<b>57,761,959</b>	-	<b>3,685,091,922</b>	-
Payment during the year	(57,761,959)	-	(3,614,685,343)	-
Reversal of provision made during last year	-	-	(12,644,620)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>57,761,959</b>	<b>-</b>

### 26. TRADE CREDITORS

Gas bill - Savar Power Plant	3,093,080	3,093,080	5,219,084	5,219,084
Gas bill - Savar Power Plant (Expansion)	6,925,853	6,925,853	14,329,422	14,329,422
Gas bill - Narsingdi Power Plant	5,055,196	5,055,196	4,246,747	4,246,747
Gas bill - Narsingdi Power Plant (Expansion)	11,453,390	11,453,390	8,207,713	8,207,713
Gas bill - Chandina Power Plant	5,990,348	5,990,348	3,653,339	3,653,339
Gas bill - Chandina Power Plant (Expansion)	5,316,293	5,316,293	3,837,352	3,837,352
Gas bill - Bakhrabad Gas Transmission and Dist. Co. Ltd.	25,086,754	-	12,321,296	-
Gas bill - Titas Gas Transmission and Dist. Co. Ltd.	62,400,449	-	43,798,089	-
Gas bill - Paschimanchal Gas Co. Ltd.	8,329,684	-	3,458,053	-
Mobil Jamuna Lubricants Ltd.	1,710,768	1,213,068	1,026,901	894,601
Ranks Petroleum Ltd.	315,136	18,607	315,136	18,607
Navana Petroleum Ltd.	188,878	-	21,707,518	-
Wartsila Bangladesh Limited	-	-	783,411	-
	<b>135,865,829</b>	<b>39,065,835</b>	<b>122,904,061</b>	<b>40,406,865</b>

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## 27. SUNDRY CREDITORS AND ACCRUALS

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Foreign technical assistance fees	64,560,000	-	60,160,000	-
Provision for income tax	58,462,450	58,462,450	58,462,450	58,462,450
Liability for withholding tax and VAT	43,347,636	97,899	33,654,329	1,683,557
Directors' remuneration with TAX	2,216,250	2,216,250	2,373,723	2,373,723
Utility bills (gas, rent, rate and others)	220,000	220,000	3,644,676	3,644,676
Payable to EPC contractor	-	-	2,100,000	2,100,000
Provision for charge on plant non-availability	51,235,132	-	-	-
Refundable IPO subscription on Summit Purbanchol	2,536,075	-	-	-
Desh Bangla Enterprise	263,120	263,120	-	-
M/s Silicon Engineers	-	-	1,326,636	-
Wartsila Bangladesh Limited	2,123,801	-	-	-
Interest payable on loan	7,891,474	2,528,198	3,225,065	3,225,065
Audit and certification fees	1,253,500	379,500	1,205,450	344,850
Summit Shipping Limited	1,545,372	-	1,540,147	-
Communication expenses	205,750	205,750	398,782	398,782
Security service expenses	684,491	336,947	566,077	312,114
Legal expenses and environmental fees	50,000	50,000	190,000	190,000
Narayananj PBS	424,101	-	424,111	-
Security deposit from employees	250,000	250,000	-	-
Others	721,808	471,308	1,158,228	116,410
	<b>237,990,960</b>	<b>65,481,422</b>	<b>170,429,674</b>	<b>72,851,627</b>

## 28. UNCLAIMED DIVIDEND - ORDINARY SHARES

Opening balance	6,179,728	6,179,728	6,179,728	6,179,728
Add: sale of fractional shares	728,000	728,000	-	-
	<b>6,907,728</b>	<b>6,907,728</b>	<b>6,179,728</b>	<b>6,179,728</b>
Less: payment during the period	860,340	860,340	-	-
<b>Closing balance</b>	<b>6,047,388</b>	<b>6,047,388</b>	<b>6,179,728</b>	<b>6,179,728</b>

As at 31 December 2012, the above amount of dividends remained unclaimed by the shareholders. These amounts are deposited in a bank account and are payable on demand.

## 29. REVENUE

	2012		2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Savar Power Plant	171,964,497	171,964,497	168,889,688	168,889,688
Savar Power Plant (expansion)	773,605,382	773,605,382	492,703,284	492,703,284
Narsingdi Power Plant	168,151,472	168,151,472	156,856,516	156,856,516
Narsingdi Power Plant (expansion)	563,702,958	563,702,958	410,417,338	410,417,338
Chandina Power Plant	181,091,080	181,091,080	152,019,856	152,019,856
Chandina Power Plant (expansion)	244,306,206	244,306,206	196,841,716	196,841,716
Jangalia Power Plant	627,007,045	-	569,804,127	-
Rupganj Power Plant	606,474,528	-	575,210,591	-
Maona Power Plant	639,485,410	-	610,740,924	-
Ullapara Power Plant	213,560,847	-	198,562,193	-
Madanganj Power Plant	1,703,277,839	-	1,225,162,296	-
	<b>5,892,627,264</b>	<b>2,102,821,595</b>	<b>4,757,208,529</b>	<b>1,577,728,398</b>



## Notes to the Financial Statements

as at and for the year ended 31 December 2012

Out of amount of Taka 2,10,282,595, Taka 325,904,757 on account of three Expansion Power Plants bills raised during the year has not yet been accepted by REB. As per contracts for supply of electricity and Govt. Gazette Notification from all the three Expansion Power Plants because of rise in BST (Bulk Supply Tariff), the Company has been raising bills at the rate of Taka 3.1141 per Kwh from December 2011 to January 2012, for February 2012 at the rate of Taka 3.3741, from March to August 2012 at the rate of Taka 3.6216 per Kwh and from September 2012 to onward at the rate of Taka 4.2316 per Kwh, but REB has been paying at the rate 2.8386 per Kwh. The Company kept close contact with REB and negotiation for collection is under process.

Under Power Purchase Agreement (PPA) clause no 11.4 (C) for delay in payments in bills raised the Company is entitled to receive interest from REB at the rate equal Bank rate plus additional two percent per annum (365 days). Though REB in most cases may delay in bills payments, but in practice the Company did not make any claim for the due claim for such interest till to date.

### 30. COST OF SALES

	2012		2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Gas consumption - Savar	55,824,847	55,824,847	45,890,026	45,890,026
Gas consumption - Savar (expansion unit)	159,030,209	159,030,209	157,274,770	157,274,770
Gas consumption - Narsingdi	52,579,201	52,579,201	55,605,204	55,605,204
Gas consumption - Narsingdi (expansion unit)	118,845,999	118,845,999	115,659,182	115,659,182
Gas consumption - Chandina	63,337,762	63,337,762	52,992,288	52,992,288
Gas consumption - Chandina (expansion unit)	46,361,647	46,361,647	53,325,649	53,325,649
Gas consumption - Ullapara Power Plant	63,123,546	-	64,384,948	-
Gas consumption - Maona Power Plant	194,884,020	-	188,666,756	-
Gas consumption - Rugganj Power Plant	184,983,126	-	179,810,979	-
Gas consumption - Jangalia Power Plant	179,834,013	-	164,502,754	-
Tanker handling charge	18,660,652	-	17,155,096	-
Tools and spare consumption	319,580,855	179,172,586	166,607,513	81,068,416
Lube and other oil expenses	234,524,753	73,974,187	168,413,350	48,602,506
Lube oil/meter/water testing expenses	10,011,513	6,645,103	3,785,625	2,301,244
Maintenance works expenses	38,800,133	19,184,155	46,265,282	15,286,661
Plant maintenance expenses	27,508,746	4,493,058	4,912,812	2,609,505
Depreciation on plant and machinery (5.1)	500,794,290	180,077,300	444,344,796	161,512,264
	<b>2,268,685,312</b>	<b>959,526,054</b>	<b>1,929,597,030</b>	<b>792,127,715</b>

### 31. OTHER INCOME, NET

Sale of empty lube oil drums	8,207,270	3,110,180	8,399,160	2,936,724
Gain on sales of vehicles	-	-	405,000	405,000
Dividend income from subsidiaries and others	-	-	-	126,304,071
Capital gain on sale of share of subsidiary	-	-	822,539,650	822,539,650
Miscellaneous	3,370,666	1,194,550	2,593,742	2,593,742
	<b>11,577,936</b>	<b>4,304,730</b>	<b>833,937,552</b>	<b>954,779,187</b>

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

**32. GENERAL AND ADMINISTRATIVE EXPENSES**

	2012		2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Salary and allowances	142,113,072	53,962,828	118,540,291	53,717,475
Employer's contribution to CPF	6,694,617	3,739,410	5,172,824	3,013,522
Directors and CEO remuneration (Note 32.1)	43,918,826	36,598,428	33,903,163	30,319,915
Tax on directors remuneration	7,464,495	7,464,495	5,950,620	5,950,620
Security and temporary contract worker	17,122,294	7,104,572	14,108,904	5,873,213
Education and training	3,885,917	3,142,360	181,484	181,484
Medical welfare expenses	53,367	53,367	38,424	30,323
Board meeting attendance fees - invitees	330,400	310,000	597,900	450,000
Audit committee attendance fees	200,000	200,000	180,000	180,000
Communication expenses	8,511,187	5,929,190	8,436,735	6,490,136
Travelling and conveyance	4,197,311	2,875,205	4,605,103	3,153,029
Vehicle fuel and maintenance	11,395,853	9,019,723	10,046,764	7,969,016
Entertainment and others	5,299,493	2,680,986	4,502,520	2,441,246
Food and lodging	290,430	290,430	255,094	255,094
Printing and stationery	2,512,343	2,055,931	2,312,218	1,910,734
Office expenses	488,626	292,815	406,524	224,853
General repair and maintenance	4,049,967	2,042,109	4,822,182	2,550,903
Land lease rental	5,398,056	2,794,856	5,765,368	3,168,568
Rent, rates and taxes	10,914,932	4,137,383	10,233,009	3,410,246
Utility expenses	8,176,104	2,860,932	5,340,763	1,258,020
Insurance premium	33,442,942	7,487,636	28,294,412	7,484,806
Advertisement and publicity	23,334,209	7,799,652	10,608,525	3,468,684
Gift and compliments	720,248	365,348	386,910	309,360
Donation and subscription	11,676,889	3,556,862	8,843,019	3,393,207
Legal and professional consultancy fees	14,999,100	3,921,200	12,361,437	3,978,420
Uniform and liveries	2,606,790	1,178,410	1,998,495	1,074,920
Audit fees	1,090,000	330,000	1,284,750	377,550
Credit rating fees	595,000	-	713,500	313,500
Environmental compliance cost	1,796,239	253,400	1,616,918	400,000
AGM expenses	20,018,501	20,018,501	19,940,388	19,940,388
EGM expenses	1,276,298	1,276,298	1,616,920	1,616,920
Depreciation (Note 5.1)	25,868,135	18,024,928	21,668,964	15,312,007
Amortisation (Note 6)	680,130	580,130	682,930	582,930
Tender document expenses	1,580,295	1,580,295	578,070	578,070
Trade license and other annual fees (Note 32.2)	19,126,036	11,913,305	8,312,527	5,648,788
Liquidated damages	52,307,192	-	-	-
Bad debts expenses	-	-	5,418,699	445,000
Gratuity fund	10,462,750	10,462,750	5,564,347	5,564,347
Miscellaneous expenses	2,215,106	1,434,888	1,171,199	256,625
	<b>506,813,150</b>	<b>237,738,623</b>	<b>366,461,900</b>	<b>203,293,919</b>

**32.1 Directors & CEO remuneration**

Salary and allowances	36,414,926	29,232,528	27,001,722	23,568,474
Festival bonus	4,680,000	4,680,000	3,794,946	3,794,946
Utility expenses	1,980,000	1,980,000	1,980,000	1,980,000
Board meeting attendance fees	843,900	705,900	1,126,495	976,495
	<b>43,918,826</b>	<b>36,598,428</b>	<b>33,903,163</b>	<b>30,319,915</b>

**32.2** Trade license and other fees include BERC fee, BOI registration fee, trade license renewal fee, annual and application fees of SEC, DSE, CSE, CDBL and registration fee for increase of share capital.

# Summit Power Limited

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 33. (FINANCE EXPENSES)/INCOME, NET

	2012		2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Financial income:				
FDR accounts	71,717,634	46,281,843	157,371,876	132,381,471.00
STD and others	6,072,666	1,604,761	1,766,553	1,766,553.00
Foreign exchange (loss)/gain	(20,910,086)	-	58,763,360	418,241
	<b>56,880,214</b>	<b>47,886,604</b>	<b>217,901,789</b>	<b>134,566,265</b>
<b>Finance expenses:</b>				
Interest on term loan:				
Standard Chartered Bank	-	-	3,930,765	3,930,765
Dutch-Bangla Bank Ltd.	13,304,910	13,304,910	14,223,635	14,223,635
Commercial Bank of Ceylon PLC	4,809,587	4,809,587	10,131,919	10,131,919
Bank Al-Falah Ltd.	-	-	2,538,223	2,538,223
The Premier Bank Ltd.	2,062,964	2,062,964	5,682,216	5,682,216
One Bank Limited	1,070,672	1,070,672	1,969,422	1,548,192
SIMCL	243,535,826	243,535,826	-	-
DEG-FMO	157,727,990	-	51,947,191	-
Dividend/finance expenses	227,616,630	-	269,822,781	-
United Leasing & Co.	328,219	-	459,138	-
Prime Finance & Investment Limited	-	-	7,156	-
	<b>650,456,798</b>	<b>264,783,959</b>	<b>360,712,446</b>	<b>38,054,950</b>
<b>Interest on short term loan:</b>				
BRAC Bank Limited	-	-	11,869,428	-
Shahjalal Islami Bank Limited	-	-	2,989,330	2,989,330
	-	-	<b>14,858,758</b>	<b>2,989,330</b>
Bank charges and others	6,328,073	2,372,654	5,805,430	2,320,255
Bank guarantee commission	100,954	11,267	5,785,437	5,709,679
Operation and insurance bond commission	2,449,409	2,449,409	2,325,875	2,325,875
Amortisation of transaction costs	34,870,892	-	17,212,761	-
Annual loan arrangement fees	4,727,602	-	1,150,000	-
	<b>48,476,930</b>	<b>4,833,330</b>	<b>32,279,503</b>	<b>10,355,809</b>
	<b>698,933,728</b>	<b>269,617,289</b>	<b>407,850,707</b>	<b>51,400,089</b>
	<b>(642,053,514)</b>	<b>(221,730,685)</b>	<b>(189,948,918)</b>	<b>83,166,176</b>

Financial income from fixed deposit receipt (FDR) and short term deposit accounts (STD) have been recognised and presented at net of tax deducted at sources (TDS) at the rate 10% on such interest income.

### 34. EARNINGS PER SHARE (EPS)

#### Basic earnings per share

Profit attributable to the ordinary shareholders	1,873,474,068	688,130,963	2,511,150,489	1,561,789,677
<b>Weighted average number of shares outstanding</b>				
Ordinary shares fully outstanding	394,360,164	394,360,164	303,353,973	303,353,973
Bonus share	98,590,041	98,590,041	91,006,191	91,006,191
	<b>492,950,205</b>	<b>492,950,205</b>	<b>394,360,164</b>	<b>394,360,164</b>
<b>Earnings per share (EPS)</b>	<b>3.80</b>	<b>1.40</b>	<b>6.37</b>	<b>3.96</b>
<b>Restated earnings per share</b>			<b>5.09</b>	<b>3.17</b>

Earnings per share (EPS) has been calculated without considering net change (net decrease Taka 718,694,729) in fair value of available-for-sale of financial assets with reference to Bangladesh Accounting Standard (BAS) 39: Recognition and Measurement, para 55(b)

**Notes to the Financial Statements**

as at and for the year ended 31 December 2012

Since the bonus issue is an issue without consideration, the issue has been treated as if it occurred prior to the beginning of 2012, the earliest period reported for the purposes of EPS calculation.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the years presented as there was no scope for dilution during these years.

**35. FINANCIAL RISK MANAGEMENT**

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

- Credit risk
- Liquidity risk
- Market risk

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

**36. CREDIT RISK**

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivable from customers and investment securities. The group's sales are made to Government entity, Rural Electrification Board (REB) and Bangladesh Power Development Board (BPDB) under the conditions of the long term Power Purchase Agreement (PPA). Sales made to the entity is fully secured by Letters of Credit issued by local scheduled banks, except for plants of all the subsidiaries.

**36.1. Exposure to credit risk**

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

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Trade receivables	1,412,763,265	527,327,440	979,568,165	207,433,702
Other receivables	101,755,052	98,190,565	104,285,043	100,720,556
Cash and cash equivalents	2,397,815,981	440,220,394	1,079,766,235	540,367,928
Advances, deposits and prepayments	225,685,809	61,425,828	120,714,543	63,375,435
	<b>4,138,020,107</b>	<b>1,127,164,227</b>	<b>2,284,333,986</b>	<b>911,897,621</b>

**36.2. Aging of receivables**

Invoiced 0 - 30 days	656,311,146	169,487,463	661,095,575	207,433,702
Invoiced 31 - 180 days	192,814,744	192,814,744	-	-
Invoiced over 180 days	563,637,375	165,025,233	318,472,590	-
	<b>1,412,763,265</b>	<b>527,327,440</b>	<b>979,568,165</b>	<b>207,433,702</b>

**37. LIQUIDITY RISK**

Liquidity risk is the risk that the Company/group will not be able to meet its financial obligations as they fall due. The Company's/group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's/group's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company/group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

It may be noted that the Company/group repaid a portion of its liabilities (liabilities for project development for CWIP) in 2012 in due dates. Rest of the financial liabilities are expected to be repaid in due time which are to be expected to be financed from operational cash flow.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

The following are the contractual maturities of financial liabilities:

	As at 31 December 2012 (Taka in Million)						
	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Project loan, foreign	2,924.43	2,959.73	318.31	318.31	636.63	1,686.48	-
Project loan, local	63.01	63.01	31.50	31.50	-	-	-
Redeemable preference shares	1,710.37	1,717.36	-	468.00	468.00	781.36	-
Payable to SIMCL	1,349.06	1,349.06	-	556.46	500.00	292.60	-
Finance lease	5.60	5.60	2.06	2.06	1.47	-	-
Trade creditors	135.87	135.87	135.87	-	-	-	-
Others creditors and accruals	237.99	237.99	237.99	-	-	-	-
	<b>6,426.32</b>	<b>6,468.62</b>	<b>725.74</b>	<b>1,376.34</b>	<b>1,606.10</b>	<b>2,760.44</b>	-

	As at 31 December 2011 (Taka in Million)						
	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Project loan, foreign	3,583.42	3,583.42	223.96	447.93	895.86	2,015.67	-
Project loan, local	180.66	180.66	58.83	58.83	63.01	-	-
Redeemable preference shares	2,171.94	2,185.73	-	468.00	468.00	1,249.73	-
Liability for project development	57.76	57.76	57.76	-	-	-	-
Finance lease	12.11	12.11	3.24	3.24	4.13	1.50	-
Trade creditors	122.90	122.90	122.90	-	-	-	-
Others creditors and accruals	170.43	170.43	170.43	-	-	-	-
	<b>6,299.23</b>	<b>6,313.02</b>	<b>637.13</b>	<b>978.00</b>	<b>1,430.99</b>	<b>3,266.90</b>	-

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

### 38. MARKET RISK

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

#### 38.1. Currency risk

The Company/group is exposed to currency risk on purchases of spare parts and plant and machinery that are denominated in a currency other than the functional currency primarily Euro and U. S. Dollars. The Company/group has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 31 December 2012.

##### 38.1.a. Exposure to currency risk

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

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Project loan/capital work in progress:				
Currency denominated in USD	2,924,426,024	-	3,583,420,203	-
Currency denominated in Euro	-	-	-	-
Other creditors and accruals (currency denominated in USD)	64,560,000	-	60,160,000	-
	<b>2,988,986,024</b>	-	<b>3,643,580,203</b>	-

##### 38.1.b. Foreign exchange rate sensitivity analysis for foreign currency expenditures in 2012

A change of 10 basis points in foreign currencies in 2012 would have increased/(decreased) equity and profits or loss by the amounts shown

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

below. This analysis assumes that all other variables, in particular interest rates remain constant.

Year 2012 (Consolidated)	Profit or loss (Taka in million)		Equity (Taka in million)	
	10 bp	10 bp	10 bp	10 bp
	increase	decrease	increase	decrease
Expenditures denominated in Euro	(5.44)	5.44	(5.44)	5.44
Expenditures denominated in USD	(1.32)	1.32	(1.32)	1.32
Cash flow sensitivity (net)	<b>(6.76)</b>	<b>6.76</b>	<b>(6.76)</b>	<b>6.76</b>

The following significant exchange rates are applicable during the year:

	2012 Taka	2011 Taka
U. S. Dollar (USD)	80.95	75.20
Euro	107.56	105.00

### 38.2. Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local loans are however not significantly affected by fluctuations in interest rates. Foreign loans and borrowings are affected by fluctuations in interest rates. Interest risk primarily arises regarding borrowing from DEG-FMO where the rate is of LIBOR plus 4%. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

## 39. CAPITAL RISK MANAGEMENT

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

## 40. CONTINGENT LIABILITY

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

Nature of contingent liability	Expiry date	2012		2011	
		Currency	Currency	Currency	Currency
		Consolidated	Separate	Consolidated	Separate
Operation Bond					
All 11 MWh plants	31.08.2013	US\$ '1,200,000	US\$ '1,200,000	US\$ '1,200,000	US\$ '1,200,000
Savar expansion plant	03.12.2013	US\$ '780,000	US\$ '780,000	US\$ '780,000	US\$ '780,000
Narsingdi expansion plant	17.12.2013	US\$ '560,000	US\$ '560,000	US\$ '560,000	US\$ '560,000
Chandina expansion plant	13.12.2013	US\$ '320,000	US\$ '320,000	US\$ '320,000	US\$ '320,000
BPDB AG. Jangalia Project	05.08.2010	BDT '39,368,234	-	BDT '39,368,234	-
REB AG. Ruppang Project	05.08.2010	BDT '39,368,234	-	BDT '39,368,234	-
REB AG. Maona Project	05.08.2010	BDT '39,368,234	-	BDT '39,368,234	-
REB AG. Ullapara Project	04.08.2010	BDT '13,867,126	-	BDT '13,867,126	-
Bank Guarantee					
BPDB - Madanganj	19.06.2013	BDT '252,259,587	-	BDT '252,259,587	-
CCD (SIBL)		BDT '1,433,396	BDT '1,433,396	BDT '1,433,396	BDT '1,433,396
Rangs Petroleum Ltd. (PBL)	08.03.2012	BDT '2,837,050	BDT '2,837,050	BDT '2,837,050	BDT '2,837,050
CCIE (SIBL)		BDT '111,656	BDT '1,433,396	BDT '111,656	BDT '1,433,396
Titas gas T&D- Ruppangj	25.01.2014	BDT '24,703,233	-	BDT '24,703,233	-
Bakhrabad- Jangalia	25.01.2014	BDT '24,703,233	-	BDT '24,703,233	-
Titas gas T&D- Maona	25.01.2014	BDT '24,703,233	-	BDT '24,703,233	-
Paschimanchal Gas - Ullapara	05.01.2015	BDT '8,234,409	-	BDT '8,234,409	-

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

Negotiations are in progress with REB and BPDB for extension of the operational bonds which expired in 2010 and in 2012. Due to closure of business relation with Rangs Petroleum Ltd., withdrawal of bank guarantee margin is in progress.

### 41. CAPITAL EXPENDITURE COMMITMENT

The Company has no capital expenditure commitment as at 31 December 2012 including its subsidiaries.

### 42. FOREIGN CURRENCY TRANSACTIONS

#### 42.1 The group has the following payments during the year:

	Currency	2012		2011	
		Taka	Taka	Taka	Taka
		Consolidated	Separate	Consolidated	Separate
Loan re-payment	USD	8,437,500	-	-	-
Spare parts	USD	1,627,709	1,520,406	2,784,397	2,784,397
Spare parts	EURO	5,060,564	1,763,999	4,040,890	2,798,421
Plant and machinery and others	Euro			32,072,032	-
Plant and machinery and others	USD	375,751	-	2,043,032	-

#### 42.2 The group has the following letters of credit (LC) in hand as at 31 December 2012 to be paid during 2013:

Name of company	LC number	LC opening date	Currency type	Invoice value
Summit Power Limited	1882110092	18.07.2012	Euro	90,000.00
Summit Narayananj Power Limited	308512012244	11.11.2012	Euro	885,947.96
	308512012434	05.12.2012	USD	44,431.80
Summit Purbanchol Power Co. Ltd.	215312010134	25.08.2012	Euro	278,034.47
	215312010237	05.11.2012	Euro	120,779.51
Summit Uttaranchol Power Co. Ltd.	188212010151	17.12.2012	Euro	424,909.52
	215312010238	28.11.2012	Euro	21,142.56
	215312010217	10.09.2012	USD	1,967.00
	215312010236	03.12.2012	Euro	161,894

### 43. RELATED PARTY TRANSACTION

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

#### 43.1 Transactions with key management personnel

	As at 31 December 2012		As at 31 December 2011	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Employee benefits (short term)	68,491,825	44,797,623	53,461,578	39,093,327
Employee benefits (provident fund)	3,494,170	2,227,820	2,415,985	1,540,977
	<b>71,985,995</b>	<b>47,025,443</b>	<b>55,877,562</b>	<b>40,634,303</b>

Key management personnel includes managing director, directors, executive directors, managers and deputy/assistant managers.

## Notes to the Financial Statements

as at and for the year ended 31 December 2012

## 43.2 Other related party transactions

As at and for the year ended 31 December 2012

Name of related party	Relationship	Nature of transactions	Transaction during the year		Outstanding balance as at 31 December 2012	
			Taka	Taka	Taka	Taka
			Consolidated	Separate	Consolidated	Separate
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	Rental and utility accrued	13,900,395	13,900,395	3,551,600	3,551,600
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	Interest bearing short term financing	1,043,535,826	1,043,535,826	(1,349,062,168)	(1,349,062,168)
Cosmopolitan Traders (Pvt.) Ltd.	Group company	Service charge and rental	465,530	465,530	4,815,143	4,815,143
Summit Uttaranchol Power Company Limited	Subsidiary	Short term financing/sharing of exp.	-	385,746,144	-	7,340,029
Summit Purbanchol Power Company Limited	Subsidiary	Short term financing/sharing of exp.	-	369,618,026	-	137,518,187
Summit Narayananj Power Limited	Subsidiary	Short term financing/sharing of exp.	-	195,980,712	-	113,203,082
Summit Shipping Limited	Group company	Service provider	34,139,778	-	15,860,222	-
Summit Shipping Limited	Group company	Service provider	124,144,452	-	(1,545,372)	-
Summit Saidpur Power Limited	Associate	Short term financing	-	-	1,897,864	1,897,864
Summit Shantahar Power Limited	Associate	Short term financing	-	-	848,931	848,931
Sumcynet Limited	Group company	Service provider	2,469,000	2,469,000	(205,750)	(205,750)

As at and for the year ended 31 December 2011

Name of related party	Relationship	Nature of transactions	Transaction during the year		Outstanding balance as at 31 December 2011	
			Taka	Taka	Taka	Taka
			Consolidated	Separate	Consolidated	Separate
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	Rental and utility accrued	-	1,400,451,560	5,639,200	5,639,200
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	Interest bearing short term financing	-	1,905,526,342	1,905,526,342	1,905,526,342
Cosmopolitan Traders (Pvt.) Ltd.	Group company	Service charge and rental	-	465,530	5,280,673	5,280,673
Summit Uttaranchol Power Company Limited	Subsidiary	Short term financing/sharing of exp.	-	599,343,032	-	283,856,073
Summit Purbanchol Power Company Limited	Subsidiary	Short term financing/sharing of exp.	-	394,687,421	-	212,706,545
Summit Narayananj Power Limited	Subsidiary	Short term financing/sharing of exp.	-	178,984,581	-	29,876,069
Summit Shipping Limited	Group company	Service provider	34,054,800	34,054,800	15,000,000	-
Summit Shipping Limited	Group company	Service provider	4,682,777	4,682,777	(1,540,147)	-
Summit Saidpur Power Limited	Associate	Short term financing	1,897,864	1,897,864	1,897,864	-
Summit Shantahar Power Limited	Associate	Short term financing	848,931	848,931	848,931	-
Sumcynet Limited	Group company	Service provider	1,377,250	1,377,250	(196,750)	(196,750)



## Notes to the Financial Statements

as at and for the year ended 31 December 2012

### 44. CAPACITY

Name of plants	Licensed capacity	Installed capacity	Plant factor (% on licensed)		Energy sold (MWH)	
			2012	2011	2012	2011
Ashulia - Savar	11 MW	11.99 MW	Average 73.00 Maximum 84	Average 73.48 Maximum 83	69,517	70,808
Madhabdi - Narsingdi	11 MW	11.99 MW	Average 66.00 Maximum 79.00	Average 69.24 Maximum 76.00	62,874	66,717
Chandina - Comilla	11 MW	11.99 MW	Average 79.00 Maximum 83.00	Average 66.07 Maximum 80.00	74,939	63,670
Ashulia - Savar (Exp)	33.75 MW	34.92 MW	Average 69.00 Maximum 78.00	Average 60.96 Maximum 65.00	200,788	180,240
Madhabdi - Narsingdi (Exp)	24.30 MW	26.19 MW	Average 72.00 Maximum 80.00	Average 69.30 Maximum 82.00	150,938	147,509
Chandina - Comilla (Exp)	13.50 MW	13.94 MW	Average 59.00 Maximum 85.00	Average 63.10 Maximum 83.00	68,305	74,617
Ullapara - Sirajganj	11.00 MW	11.99 MW	Average: 80.00 Maximum: 90.00	Average: 73.93 Maximum : 90.00	75,752	71,239
Maona - Gazipur	33.00 MW	34.92 MW	Average: 86.00 Maximum 93.91	Average: 83.84 Maximum 94.00	246,586	241,501
Rupganj - Narayanganj	33.00 MW	34.92 MW	Average 80.00 Max : '90.00	Average 76.03 Max : '89.00	227,852	219,786
Jangalia - Comilla	33.00 MW	34.92 MW	Average 85.00 Max : '94.03	Average 75.50 Maximum 90.50	243,072	217,925
Madanganj - Narayanganj	102.00 MW	102.456 MW	Average 43.76 Maximum 79.79	Average 64.12 Maximum 88.39	385,013	449,441

### 45. EVENTS AFTER REPORTING DATE

There is no material events that had occurred after the date of statement of financial position of issue of these financial statements, which could affect the figures stated in the financial statements.

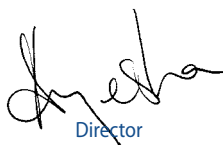
### 46. OTHER DISCLOSURES

**46.1** During the year ended 31 December 2012 there were 281 permanent employees who received salary of Tk 36,000 and above per annum (2011: 265) for the group.

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



Managing Director



Director



Company Secretary



# ACHIEVEMENTS

**Summit Power Limited, the first Bangladeshi Independent Power Producer (IPP) has been awarded “AA” Credit Rating in the long term and ST-2 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 be high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The short term rating indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very 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.**





Empowering Bangladesh

# Empowering Bangladesh

## 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 take a market share of 20% in the sector.

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