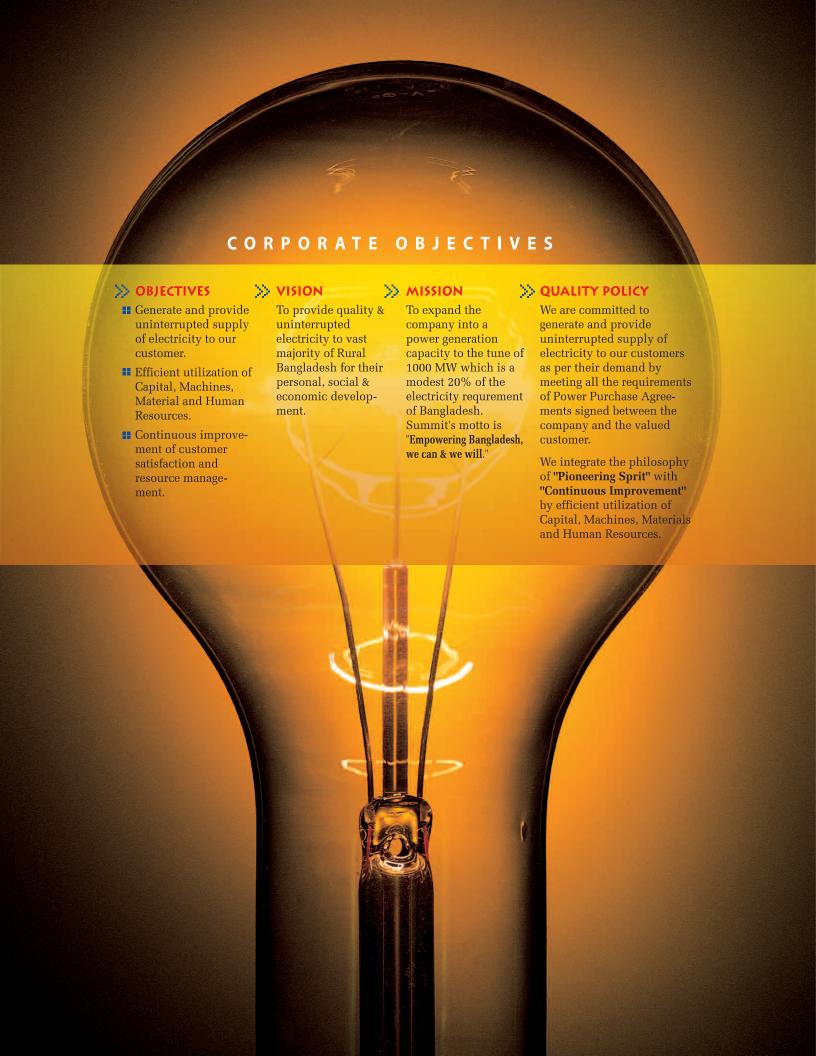


# Empowering Bangladesh we can and we will

SUMMIT'S COMMITMENT

2005 ANNUAL REPORT



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## Company Information

Summit Power Limited (SPL), sponsored by Summit Group was incorporated in Bangladesh on March 30, 1997 as a Private Limited Company. On June 7, 2004 the company was converted as Public Limited Company under the companies Act 1994. The company has successfully established three 11 MW power plants for sale of electricity to Rural Electrification Board (REB) under Build, Own and Operate (BOO) basis at Savar, Narsingdi and Comilla. The company is generating electricity from March 2001 and selling the same to REB at an agreed tariff under Power Purchase Agreements (PPA). Presently the company is expanding all its three plants by an additional capacity of 25 MW (±10%) at Savar, 24.30 MW at Narshingdi and 13.50 MW at Comilla. With these implementation the total capacity will be at Savar 38.50 MW, at Narshingdi 35.30 MW and at Comilla 24.50 MW totaling 103 MW (approx).



# Corporate Directory

# **DIRECTORS**

Muhammed Aziz Khan Chairman & Managing Director Anjuman Aziz Khan Director Md. Farid Khan Director Md. Latif Khan Director Ayesha Aziz Khan Director Sanadina Khan Director Helal Uddin Ahmed Director Advocate Salahuddin Ahmad Director Tapan Krishna Podder FCA, FCMA Director Syed Fazlul Haque FCA Director

### **COMPANY SECRETARIAT**

Md. Mamunur Rashid FCMA Company Secretary Md. Monirul Islam Deputy Manager

### > Registered Office

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

### > Auditors

Rahman Rahman Huq Chartered Accountants 9 Mohakhali C/A, Dhaka

### > Legal Advisor

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

### > Power Plants

Ashulia-Savar Madhabdi-Narshingdi Chandina-Comilla

### > Main Bankers

Standard Chartered Bank Dutch Bangla Bank Ltd. Commercial Bank of Ceylon Ltd. The Premier Bank Ltd.



# Notice of the Annual General Meeting



### NOTICE OF THE 9th ANNUAL GENERAL MEETING

otice is hereby given that the 9th Annual General Meeting of the Shareholders of Summit Power Limited will be held on the 25th day of June 2006, at Bangladesh China Friendship Conference Centre, Sher-E-Bangla Nagar, Dhaka-1216, 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, 2005 together with the auditors report thereon.
- 2. To declare dividend for the year 2005 as recommended by the Board of Directors.
- 3. To elect Directors in place of those retiring.
- 4. To appoint auditors for the year 2006 and to fix their remuneration,

By order of the Board

1885 M

June 2, 2006 Dhaka.

(Md. Mamunur Rashid FCMA) Company Secretary



### **NOTES**

- 1. The record date of the company is **June 01, 2006** for closing of share transfer book. Members whose name will appear in the members Register on that date will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.
- 2. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the company not less than 48 hours before the time fixed for the Annual General Meeting.
- 3. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy Form.

Letter from Chairman to owners

### Dear Fellow Shareholders,

am pleased to welcome you to the 9th Annual General Meeting of Summit Power Limited (SPL), the first indigenous power generation company in Bangladesh. During the reporting period 2005, your company has made remarkable progress ensuring sustainable growth. Its profitability has gone up by 27%, sales by 8%. We are in the process of implementing additional growth of 200% in capacity. This will make our capacity to 103 MW from 33 MW.

### Our Opportunities

We are excited about the power sector, which has been opened to private investment. Consider the immense opportunities in this sector, only 32% of population have access to electricity, yet Bangladesh has enough natural gas, the main raw material for generating electricity. Rural people pay for their electricity. The company is striving to establish small power plants of the range from 10 MW to 50 MW around the country. The company is also planning to explore energy markets in Srilanka and Vietnam which have emerging energy sector open to investment.

### Our Pioneering Spirit

Dear shareholders, our success can be attributed to the dedication,



Muhammed Aziz Khan, Chairman



The company is also planning to explore energy markets in Srilanka and Vietnam which have emerging energy sector open to investment

honesty and pioneering spirit of the people within the Summit family and our ceaseless pursuit of excellence. Summit today is a trendsetter and is the pioneer in power. Summit is a company of "Firsts", being the first in private sector power generation company, we consistently strive to preserve our pioneering spirit, we believe in change and change for the better.

### Our Challenges

Dear shareholders, in this globalization and information society, we are striving to liberate our minds to the inconceivable possibilities. We will take forward our company by harnessing the global resources of the boundless global capital markets and financial institution. We will remain true to our philosophy of high ethical standards, and the pursuit of excellence in all our efforts. We shall face each challenge and opportunity with the same dedication and honesty of the last thirty years. We will become a top tier business establishment of the world.

### Our Vision and mission

The vision and mission of the company is to provide quality & uninterrupted electricity to vast majority of Rural Bangladesh for their personal, social & economic development. To expand the company into a power generation capacity to the tune of 1000 MW, which is a modest 20% of the electricity requirement of Bangladesh. Summit's motto is

"Empowering Bangladesh, we can & we will"

### Our Growth

Dear shareholders, the consistent and profitable growth of the summit reflects the success of its overall corporate strategies, and its disciplined approach to invest in new business. As you know your company signed agreements with Government of Bangladesh (GOB) and Rural Electrification Board (REB) on 28 June 2005 for expansion of existing power plants at Madhabdi-Narshingdi and Chandina-Comilla by 24.30 MW and 13.50 MW respectively. This will cater for growing power demand of respective Palli Bidyut Samities at Narsingdi PBS-1 and Comilla PBS-1.

The company has also signed agreements with GOB and REB on 20 March 2006 for the expansion of its existing Savar power plant by an additional 25 MW (+/-10%). The successes will result in a total of 103 MW.

### Our Achievement

Your company has been awarded **AA- Credit Rating** by an internationally linked joint venture rating agency Credit Rating Information & Services Limited (CRISL). The rating agency highly rated us for our sound credit profile, comfortable cash flow, good and stable profitability and satisfactory solvency in the company. Your company has also received **ISO 9001:2000** certification in 2002 for

its quality management and for the maintenance of high environmental standards.

### **Our Internal Controls**

The company's 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 company has adequate systems of internal control in place. This is to ensure that its assets are safeguarded against loss from unauthorized use or disposition.

### Our risk and concerns

Your company continuously monitors business and operation risks through business process reengineering and reviewing. All key functions and divisions are independently responsible to monitor risk associated within their respective areas of operations. The instability in the foreign currency exchange rates may impact the company due to its foreign currency imports of plants machineries for the expansion projects. To help mitigate this position the company has adopted a conservative foreign currency risk management policy. It undertook the hedging of Euro 9.03 million with equivalent US dollar.

### Acknowledgement

I humbly thank all the members in the Summit family, our shareholders, our customer Rural Electrification Board without whom Summit could not be where it is today. I would also like to place on record my deep gratitude to the regulatory authorities the Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Stock Exchanges for their extensive support and co-operation towards the business of the company.

We look forward to even better days in the future.

00

Muhammed Aziz Khan Chairman

April 24, 2006 Dhaka



We will take forward our company by harnessing the global resources of the boundless global capital markets and financial institution



## Introducing the Directors



Muhammed Aziz Khan Chairman & Managing Director

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 34 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.



Anjuman Aziz Khan Director

Mrs. Anjuman Aziz Khan, wife of Mr. Muhammed Aziz Khan has 20 years of business experience in Summit. Mrs. Khan is a member of Siraj Khaleda Trust- a social wing of Summit Group, which is setting up 200 beds for medical services on charitable basis in Dhaka Cantonment. She enthusiastically takes part & contributes to social activities such as "Assistance of Blind Children" and "women's entrepreneurship development".



Md. 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./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.



Md. Latif Khan Director

Mr. Md. Latif Khan was born on 28 December 1958 in Dhaka. He pursued BA in Public Administration at Dhaka University, and subsequently left for higher studies to the U.S. in 1981. There, he worked for over 15 years in the financial sector. He was a stockbroker and a financial analyst at Prudential Insurance of America where he received numerous sales achievement awards. He also worked as a Financial Officer at Wells Fargo Bank in California. He returned to Bangladesh in 1997 and thereof joined Summit Group as the Managing Director of Summit Shipping Limited. Mr. Khan has established himself as a sound and dynamic businessman of the country.



Ayesha Aziz Khan Director

Born in 1981 Miss Ayesha Aziz Khan has completed her graduation with honours in Economics and Business from the University College of London in 2002. Presently Miss. Khan is holding the position of Director in several companies of Summit Group.



Sanadina Khan Director

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



Helal Uddin Ahmed Director

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



Advocate Salahuddin Ahmad Director

Mr. Salahuddin Ahmad is a practicing Advocate of the Supreme Court of Bangladesh. He has extensive experience in the field of commercial and corporate law as well as knowledge and experience of energy law and practice in the areas of oil and gas exploration contracts and in relation to various power projects in Bangladesh. He is also a Senior Associate of Dr. Kamal Hossain and Associates.

He obtained a degree of B.Sc Economics from the London School of Economics and M.A from the London University. He also obtained a LLM from the Colombia law School in 1984. He has taught Economics at Dhaka University where he was an Associate Professor in Economics, and has also taught at the Institute of Business Administration, Dhaka University.



Tapan Krishna Podder FCA, FCMA Director

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



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 GlaxoSmihKline Bangladesh after merger with SmithKline Beecham in November 2000) until he retired on 31st December 2002.

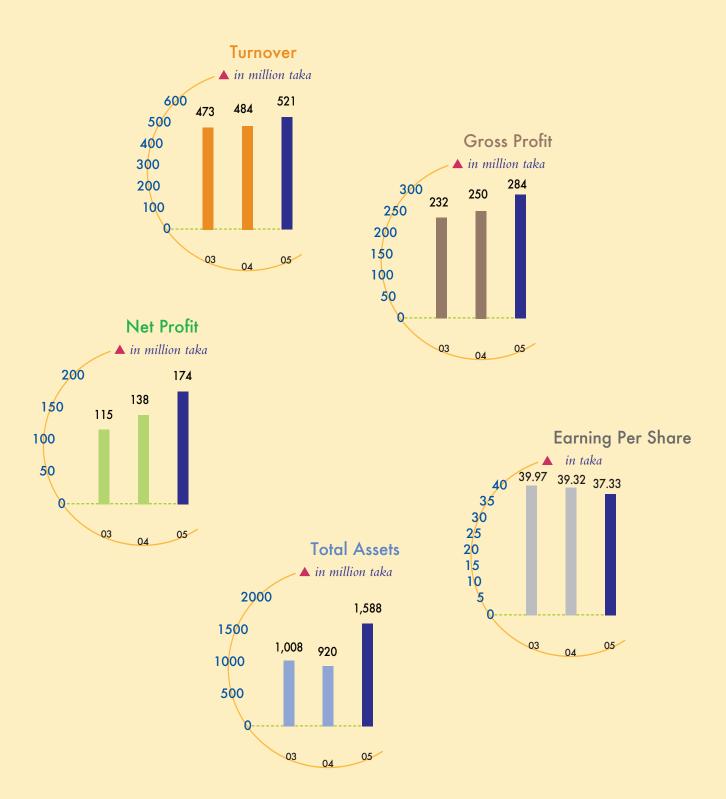
During the tenure of his long career, Fazlul served as committee member of Metropolitan Chamber of Commerce & Industries, Foreign Chamber of Commerce & Industries and Bangladesh Employers Federation. Fazlul is married to Rebecca and they are blessed with one daughter and a son.





# >> Financial Highlights

Operating data (Taka in million)	2005	2004	2003
Turnover	521.04	483.96	472.84
Operating Expenses	237.15	234.40	240.87
Gross Profit	283.89	249.56	231.97
General & Admin Expenses	73.76	57.29	53.30
Interest & Financial Charges	48.05	51.24	70.80
Net Profit	174.21	137.61	115.40
Balance Sheet data (Taka in million)			
Paid up Capital	650.00	350.00	350.00
Shareholders Equity	1,044.38	508.63	455.11
Total Debt	512.29	387.94	508.14
Current Assets	385.63	107.12	104.83
Current Liabilities	205.48	140.51	162.37
Total Assets	1,588.23	920.37	1,008.23
Total Liabilities	543.85	411.74	553.12
Financial ratios			
Gross Profit ratio (%)	54.49	51.57	49.06
Net Profit Ratio (%)	33.43	28.43	24.41
Return on total Assets (%)	10.97	14.95	11.45
Debt Equity ratio	33:67	43:57	53:47
Others data			
Earning per share (Taka)	37.33	39.32	39.97
Dividend (%)	20.00	10.00	47.65
Total no. of shares outstanding	65,00,000	35,00,000	35,00,000
Weighted average no. of shares outstanding	46,66,667	35,00,000	24,67,500
Total no. of sponsors shares under lock in	45,00,000		
Total no. of free float shares	20,00,000		



### Statement of Corporate Governance

ompany's philosophy of corporate governance is aimed at assisting the top management in efficient conduct of its affairs as well as in meeting obligations to all the stakeholders, thereby ensuring transparency, accountability and integrity. The Corporate governance thus, is a system which influences how the objectives are set and achieved, how risk is monitored and assessed and how the performance is maximized.

Keeping in view the company's size, complexity and operations, the company's governance framework is based on the following principles:

- >> Constitutions of Board of Directors of appropriate composition, size and commitment to discharge their responsibilities and duties.
- >> Ensuring timely flow of information to the Board and its committees to enable them discharge their function effectively.
- >> A sound system of risk management and internal control.
- >> Timely and balanced disclosure of all material information concerning the company to all shareholders.
- >> Transparency & Accountability.
- >> Compliance with all the rules and regulations with the regulatory authorities.

### The Board and its Role

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. To ensure effective maintenance of corporate governance, the Board of Summit formulates strategic objectives and policies for the company, provides leadership in implementing those objectives as well as supervises management of the Company's affairs. In discharging its responsibilities, the Board carries out, inter alia, the following major functions:

- >> Review and approve the corporate financial goals and operating budget.
- >> Review the effectiveness of company's internal controls and Management Information System (MIS).
- >> Review company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirement.
- >> Monitor implementation and effectiveness of the approved strategic and operating plans.
- >> Supervise the succession planning process for the senior management positions.
- >> Monitoring the performance of the senior management of the company.
- >> Approve major business decisions.
- >> Establish company's value.
- >> Oversee the corporate governance of the company.

The Company's policy is to maintain optimum combination of Directors from both sponsors and general public. The Board of Directors of the

company comprises of 10 Directors of which six are from the sponsors, three from general investors and one as independent Director. The short introduction of the Directors has been described in page-10. The Board ensures that the activities of the company

are always conducted with adherence to high ethical standard and in the best interest of the shareholders.

### Board meetings and procedures

The Board meets at least once a quarter. The number of meetings held during the financial year ended 31 December 2005 was 12. The procedures of the board meeting are mentioned below:

- Selection of Agenda: The Chairman of the Board 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 (c) the Board meeting: At the invitation of the Board, members of senior management attended Board meetings or portions thereof for the purpose of participating in discussions.

### **Internal Control Framework**

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

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

### Risk Management

The company perceives business risks both at local and global perspective. In recognizing risk factors the company continuously monitors business and operation risks through business process re-engineering and reviewing. The instability in the foreign currency exchange rates may impact the company due to its large foreign currency imports of plants machineries for the expansion projects. To help mitigate this position the company has adopted a conservative foreign currency risk management policy with a foreign bank working in Bangladesh. Every year a thorough review is conducted focusing on to the risks indicators.

For the year ended December 31, 2005

### Bismillahir Rahmanir Rahim

### Dear Shareholders,

Assalamualykum,

he Board of Directors of Summit Power Limited (SPL) welcomes you all in the 9th Annual General Meeting of the company. This is the first of its kind as a publicly listed entity. We have the pleasure in submitting the operational activities and audited financial statements of the company for the year ended December 31, 2005.

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

### **Operating Results**

During the year 2005 the company exported 246,707 MWH electricity from its three power plants. The company's total revenue from the above sale in 2005 was Tk. 521.04 million as against Tk. 483.96 million in year 2004, representing a growth of 7.60%. A brief highlights of performance of three plants in terms of capacity utilization for the last three years are given below:

### Average Plant Factor %

Name of Plants	2005	2004	2003
Ashulia-Savar	82.12	84.39	83.93
Madhabdi-Narsingdi	88.40	84.58	74.97
Chandina-Comilla	85.47	85.75	81.65
Average for 3 plants	85.33	84.90	80.19

স্মিয় শেয়ারখেন্ডারবৃদ

আসসালামু আলাইকুম,

সামিট পাওয়ার লিমিটেড এর নবম বার্ষিক সাধারণ সভায় পরিচালনা পর্যদের পক্ষ থেকে আপনাদের সবাইকে স্বাগত জানাচ্ছি। আপনাদের কোম্পানীই পুঁজিবাজারে তালিকাভুক্ত বিদ্যুৎ খাতের প্রথম কোম্পানী। আমরা অত্যন্ত আনন্দের সাথে উপস্থাপন করছি ৩১ ডিসেম্বর ২০০৫ ইং সমাপ্ত বছরের কোম্পানীর পরিচালনা কার্যক্রম, নিরীক্ষিত আর্থিক বিবরনী ও নিরীক্ষকের প্রতিবেদন।

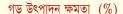
পরিচালনা পর্ষদের প্রতিবেদন প্রণয়নের ক্ষেত্রে ১৯৯৪ সালের কোম্পানী আইনের ১৮৪ ধারা এবং সিকিউরিটিজ এড এক্সচেনজ কমিশনের নোটিফিকেশন নং এস ই সি / সি এম আর আর সি ডি / ২০০৬-১৫৮ / এডমিন / ০২-০৮. তারিখ ফেব্রুয়ারী ২০, ২০০৬ ইং অনুসরণ করা হয়েছে।



The company's total revenue from the above sale in 2005 was Tk. 521.04 million as against Tk. 483.96 million in year 2004 representing a growth of 7.60%.

### পরিচালনার ফলাফল

কোম্পানী ২০০৫ সালে ৩টি বিদ্যুৎ কেন্দ্রের মাধ্যমে মোট ২৪৬.৭০৭ মেগাওয়াট আওয়ার বিদ্যুৎ বিতরণ করেছে। উপরোক্ত বিক্রয় থেকে ২০০৫ সালে কোম্পানীর মোট রাজস্ব আয় ছিল ৫২১.০৪ মিলিয়ন টাকা, যার বিপরীতে ২০০৪ সালে রাজস্ব আয় ছিল ৪৮৩.৯৬ মিলিয়ন টাকা, এক্ষেত্রে রাজস্ব প্রবৃদ্ধি ৭.৬০ শতাংশ। ৩ টি বিদ্যুৎ কেন্দ্রের গত তিন বছরের উৎপাদন ক্ষমতার ব্যবহার সংক্ষিপ্তভাবে নিম্নে উপস্থাপন করা হলোঃ



বিদ্যুৎ কেন্দ্রের নাম	2006	२००8	২০০৩
আশুলিয়া সাভার	৮২.১২	৮৪.৩৯	৮৩.৯৩
মাধবদী - নরসিংদী	bb.80	b8.6b	৭৪.৯৭
চান্দিনা - কুমিল্লা	৮৫.৪৭	<b>৮</b> ৫.৭৫	৮১.৬৫
গড় (৩টি বিদ্যুৎ কেন্দ্রের)	৮৫.৩৩	৮৪.৯০	४०.५५





### **Financial Results**

Despite a marginal growth of revenue in year 2005, the company has earned good profit during the year under review. The net profit of Tk. 174.21 million reflects a growth of 27% over the last year. However you are aware that your company has undertaken expansion program to increase its generating capacity from 33 MW to almost 103 MW. This demands availability of sufficient fund at the disposal of the company to meet emergency need to finance uninterrupted progress of the project work.

In this backdrop, the Directors would like to report the company's financial results for the year ended 31st December 2005 with recommendations for appropriation as follows:

### **Appropriation of Profit**

[Figure in million Taka]

Net Profit for the year 2005	174.20
Profit brought forward	140.18
Profit available for appropriation	314.38
Appropriations:	
Proposed Cash Dividend	65.00
Proposed Stock Dividend	65.00
Transferred to Retained Earning	184.38
Total	314 38

### Dividend

Your Directors have recommended 10% cash dividend (Tk.10 per ordinary share) and 10% stock dividend (one share for every 10 shares held) on 6,500,000 ordinary shares of Tk. 100 each for the year ended December 31, 2005 subject to approval by the shareholders at the 9th Annual General Meeting.

### আর্থিক ফলাফল

২০০৫ সালে কোম্পানী রাজস্ব আয় বৃদ্ধি ছাড়াও সন্তোষজনক মুনাফা অর্জন করেছে। কোম্পানীর নীট মুনাফা ছিল ১৭৪.২১ মিলিয়ন টাকা যা গত বছরের চেয়ে ২৭% বেশী। আপনারা নিশ্চয় অবগত আছেন যে. আপনাদের কোম্পানী ইতিমধ্যেই বৰ্তমান ৩৩ মেগাওয়াট কে প্ৰায় ১০৩ মেগাওয়াট এ উন্নীত করনের পদক্ষেপ গ্রহন করেছেন। প্রকল্পের কাজের ধারাবাহিক ও অব্যাহত অগ্রগতির জন্য পর্যাপ্ত পরিমানে অর্থের চাহিদা বিদ্যমান রয়েছে।

সে প্রেক্ষিতে পরিচালকমন্ডলী কোম্পানীর আর্থিক ফলাফল পেশসহ ৩১ শে ডিসেম্বর ২০০৫ ইং সমাপ্ত বছরের জন্য নিম্নলিখিত আবন্টন সুপারিশ করছে ঃ

	(1419139 0179)
২০০৫ সমাপ্ত সালের নীট লাভ	১৭৪.২০
পূর্ববর্তী বছরের আনীত লাভ	380.3b
বন্টনযোগ্য লাভ	<b>38.9</b> 8
বঊন সমূহ ঃ	
প্রস্তাবিত নগদ লভ্যাংশ	৬৫.০০
প্রস্তাবিত সঞ্চিত লভ্যাংশ	৬৫.০০
লাভ লোকসান আবন্টন হিসাবে স্থানান্তর	368.0b
মোট	৩১৪.৩৮

(মিলিয়ন টাকা)

### লভ্যাংশ

পরিচালনা পর্ষদ ৩১ ডিসেম্বর ২০০৫ ইং সমাপ্ত বছরের জন্য প্রতিটি ১০০ টাকা মুল্যের ৬৫,০০,০০০ সাধারণ শেয়ারের উপর ১০ শতাংশ নগদ লভ্যাংশ (প্রতিটি শেয়ারের বিপরীতে ১০ টাকা) এবং ১০ শতাংশ সঞ্চিত লভ্যাংশ প্রেতি ১০টি শেয়ারের বিপরীতে ১টি শেয়ার) সুপারিশ করেছেন যা নবম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারগণের অনুমোদনের জন্য পেশ করা হবে।

The net profit of Tk. 174,20 million reflects a growth of 27% over the last year.



### Directors meeting & attendance

During the year ended December 31, 2005, the Board of Directors held 12 meetings. Directors who attended in the Board meeting are given below:

Name of Directors	Attended
Muhammed Aziz Khan	12
Mrs. Anjuman Aziz Khan	06
Mr. Md. Farid Khan	10
Mr. Md. Latif Khan	12
Ms. Ayesha Aziz Khan	08
Ms. Sanadina Khan	03

### **Board of Directors**

As per Article 23(b) of the Articles of Association Mr. Muhammed Aziz Khan and Mr. Md Farid Khan shall retire in the 9th Annual General Meeting by rotation and being eligible, offer themselves for reelection. Board in exercise of power conferred in Article 20(c), appointed Mr. Helal Uddin Ahmed, Advocate Salahuddin Ahmad and Mr. Tapan Krishna Podder, to fill up the proportionate Board representation of the general investors as required under the clause 10(C) of PART-B of the consent letter of the Securities & Exchange Commission dated June 25, 2005 for issuance of capital and prospectus of the company.

The Board also appointed Syed Fazlul Haque as an Independent Director in the Board in terms of SEC's notification no-SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February 2006. All these four Directors retire in the 9th Annual General Meeting and being eligible, offer themselves for re-election.

### **Auditors**

M/s Rahman Rahman Huq, Chartered Accountants. 9 Mohakhali C/A, Dhaka-

### পরিচালক মডলীর সভা এবং উপস্থিতি

২০০৫ সালের ৩১ শে ডিসেম্বর সমাপ্ত বছরে পরিচালনা পর্ষদের মোট ১২টি সভা অনুষ্ঠিত হয়। নিম্নে পরিচালকগণের সভায় উপস্থিতির তালিকা দেয়া হলো ঃ

পরিচালকগনের নাম	উপস্থিতির সংখ্য
জনাব মুহাম্মদ আজিজ খান	১২
জনাবা আনজুমান আজিজ খান	০৬
জনাব মোঃ ফরিদ খান	>0
জনাব মোঃ লতিফ খান	১২
জনাবা আয়েশা আজিজ খান	оъ
জনাবা সানাদিনা খান	০৩

### পরিচালনা পর্ষদ

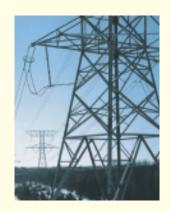
কোম্পানীর আর্টিকেল অব এসোসিয়েশন এর ২৩(খ) বিধান মোতাবেক জনাব মুহাম্মদ আজিজ খান এবং জনাব মোঃ ফরিদ খান নবম বার্ষিক সাধারণ সভায় পর্যায়ক্রমে অবসর গ্রহন এবং বিধি মোতাবেক যোগ্য বিধায় নিজেদের পুনঃনিয়োগের প্রস্তাব করেছেন। পরিচালনা পর্ষদ সিকিউরিটিজ এন্ড এক্সচেনজ কমিশন কর্তৃক প্রসপেক্টাস অনুমোদনের সময় জারিকৃত অনুমতি পত্রের 'খ' অংশের ধারা ১০ (গ) মোতাবেক এবং কোম্পানীর আর্টিকেল অব এসোসিয়েশন এর ২০ (গ) এর বিধান মোতাবেক জনাব হেলাল উদ্দীন আহমেদ, এ্যাডভোকেট সালাহ উদ্দীন আহমেদ এবং জনাব তপন কৃষ্ণ পোদারকে পরিচালক পদে নিয়োগ করেন।

পরিচালনা পর্ষদ একই সাথে সিকিউরিটিজ এভ এক্সচেনজ কমিশন কর্তৃক জারিকৃত নোটিফিকেশন নং এস ই সি/ সি এম আর আর সি ডি / ২০০৬-১৫৮/ এডমিন / ০২-০৮, তারিখ ফেব্রুয়ারী ২০. ২০০৬ মোতাবেক সৈয়দ ফজলুল হক কে ইনডিপেনডেন্ট পরিচালক পদে নিয়োগ করেন। উপরোক্ত ৪ জন পরিচালকই নবম বার্ষিক সাধারণ সভায় অবসর গ্রহন করবেন এবং যোগ্য বিধায় নিজেদেরকে পূনঃনিয়োগের প্রস্তাব করেছেন।

### নিবীক্ষক

মেসার্স রহমান রহমান হক, চার্টার্ড একাউনটেন্ট, ৯ মহাখালী বা/এ, ঢাকা-১২১২ বাংলাদেশে







1212, the only Member Firm of KPMG in Bangladesh was appointed as the auditor of the company in the 8th Annual General Meeting held on June 30, 2005. They have carried out the audit for the year 2005. The auditor of the company will retire in the 9th Annual General Meeting. Being eligible under section 212 of the companies Act, 1994 they have expressed their willingness for reappointment for the year 2006. As recommended by the Board, the resolution to reappoint M/S Rahman Rahman Huq as auditor will be placed at the forthcoming Annual General Meeting of the company

### **Business Expansion**

Your company was established in 1997 and became the first independent power company in the private sector. The company commenced generation of power in 2001 in its three power plants at Savar, Narsingdi and Comilla each with operating capacity of 11 MW and the entire generated electricity is sold to Rural Electrification Board (REB) under the Power Purchase Agreements.

Today the customers of REB have increased manifold resulting in corresponding rise in electricity demand. To cope with the demand the Government of Bangladesh (GOB) and REB have executed agreements with your company on June 28, 2005 for increase of power supply in Madhabdi by 24.30 MW and Comilla by 13.50 MW.

Further the company has also signed project agreements with GOB and REB on March 20, 2006 for additional supply of electricity in the Savar region and accordingly action has been initiated to expand the Savar plant capacity by 25 MW(±10%). With these implementation, the company's total capacity will rise

কেপিএমজি এর একমাত্র সদস্য ফার্ম কে ৩০ শে জুন ২০০৫ ইং তারিখে অনুষ্ঠিত ৮ম বার্ষিক সাধারণ সভায় নিয়োগ করা হয়েছিল। তারা ২০০৫ সালের নিরীক্ষা কাজ সম্পন্ন করেছেন এবং নবম বার্ষিক সাধারণ সভায় অবসর গ্রহন করবেন। ১৯৯৪ সালের কোম্পানী আইনের ২১২ ধারা মোতাবেক তারা ২০০৬ সালের জন্য পুনঃনিয়োগ প্রাপ্তির আবেদন করেছেন। পরিচালনা পর্ষদের সুপারিশ ক্রমে পুনঃনিয়োগের জন্য তাদের আবেদন নবম বার্ষিক সাধারণ সভায় পেশ করা হবে।

### ব্যবসায়িক প্রসার

আপনাদের কোম্পানী বেসরকারী খাতে প্রথম বিদ্যুৎ উৎপাদনকারী প্রতিষ্ঠান হিসাবে ১৯৯৭ সালে প্রতিষ্ঠিত হয়। কোম্পানী সাভার, নরসিংদী ও কুমিল্লার স্থাপিত প্রতিটি ১১ মেগাওয়াট ক্ষমতা সম্পন্ন বিদ্যুৎ কেন্দ্র থেকে ২০০১ সাল থেকে নিরবিচ্ছিন্ন ভাবে বিদ্যুৎ উৎপাদন করে আসছে এবং উৎপাদিত সমুদয় বিদ্যুৎ "বিদ্যুৎ ক্রয় চুক্তি" মোতাবেক পল্লী বিদ্যতায়ন বোর্ড এর নিকট বিক্রয় করছে।

বর্তমানে আর ই বি গ্রাহকদের নিকট বিদ্যুতের চাহিদা বৃদ্ধি পেয়েছে। বিদ্যুতের এই চাহিদা পুরনের লক্ষ্যে বাংলাদেশ সরকার এবং আর ই বি গত ২৮ শে জুন ২০০৫ ইং তারিখে কোম্পানীর সাথে চুক্তিপত্র স্বাক্ষর করে। যার মাধ্যমে নরসিংদী কেন্দ্রে আরও অতিরিক্ত ২৪.৩০ মেগাওয়াট এবং কুমিল্লা কেন্দ্রে আরও অতিরিক্তি ১৩.৫০ মেগাওয়াট বিদ্যুৎ উৎপাদন যুক্ত হবে।

এছাডা গত ২০শে মার্চ ২০০৬ ইং তারিখে কোম্পানী বাংলাদেশ সরকার ও আর ই বি এর সাথে তাদের সাভার বিদ্যুৎ কেন্দ্রে অতিরিক্ত আরো ২৫ মেগাওয়াট (±১০%) ক্ষমতা বৃদ্ধির লক্ষ্যে চুক্তি স্বাক্ষর করে। উপরোক্ত তিনটি প্রকল্প বাস্তবায়ন হলে বিদ্যুৎ উৎপাদন ক্ষমতা বৰ্তমান ৩৩ মেগাওয়াট হইতে ১০৩ মেগাওয়াট এ উন্নীত



To cope with the demand the GOB and REB have executed agreements with your company on June 28, 2005 for increase of power supply in Madhabdi by 24.30 MW and Comilla by 13.50 MW.



approximately 103 MW, an additional increase of more than 200% over the existing capacity.

Business Risk & uncertainties

Your company has been generating electricity in its three plants since 2001. Natural gas is used as input for operation of the power generating sets of the company. REB is contract bound to supply required gas to the company from Titas Gas Transmission & Distribution Co. Ltd., and Bakhrabad Gas systems Ltd. The risk of non-availability of spare parts in operation & maintenance is mitigated through a Spare Parts Support Agreement (SPSA) with original equipment manufacturer. REB is agreement bound to pay tariff within a specific period on billing.

Going concern

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

### Corporate Governance

Corporate Governance is the system through which companies are directed, guided and controlled by the Board, keeping in view its accountability to the shareholders. Your company strives to

হবে যা বর্তমান অবস্থানের থেকে ২০০% অতিরিক্ত বৃদ্ধি।

### ব্যবসায়িক ঝুঁকি ও অনিশ্চয়তা

আপনাদের কোম্পানীর ২০০১ সাল থেকে তিনটি বিদ্যুৎ কেন্দ্রের মাধ্যমে বিদ্যুৎ উৎপাদন করছে। বিদ্যুৎ উৎপাদনের ক্ষেত্রে প্রাকৃতিক গ্যাস প্রধান কাচাঁমাল হিসাবে ব্যবহার হচ্ছে। পল্লী বিদ্যুতায়ন বোর্ড কোম্পানীকে বিদ্যুৎ উৎপাদনের নিমিত্তে চুক্তি মোতাবেক তিতাস গ্যাস ট্রান্সমিশন ও ডিস্টিবিউশন কোঃ লিঃ ও বাখরাবাদ গ্যাস সিস্টেমস লিঃ হইতে প্রয়োজনীয় গ্যাস সরবরাহের নিশ্চয়তা প্রদান করেছে। বিদ্যুৎ কেন্দ্রের মেরামত ও রক্ষনাবেক্ষন কার্যে ব্যবহৃত খুচরা যন্ত্রাংশের সহজলভ্যতা নিশ্চিত এবং ব্যবসায়িক ঝুঁকি কমানোর লক্ষ্যে কোম্পানী মূল ইকুইপমেন্ট প্রস্তুতকারী প্রতিষ্ঠানের সাথে খুচরা যন্ত্রাংশ সরবরাহ চুক্তি সম্পাদন করেছে। এ ছাড়া আর ই বি চুক্তি মোতাবেক বিদ্যুৎ বিলের অর্থ নির্ধারিত সময়ের মধ্যে পরিশোধ করায় ব্যবসায়িক ঝুঁকি অনেকাংশে কম থাকে।

### চলমান ব্যবসায

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

### কর্পোরেট সুশাসন

কর্পোটে সুশাসন এমন একটি পদ্ধতি যার মাধ্যমে কোন প্রতিষ্ঠান পরিচালনা পর্ষদ কর্তৃক নির্দেশিত, পরিচালিত ও নিয়ন্ত্রিত হয়। আপনাদের কোম্পানী প্রচলিত আইন, রুলস ও রেগুলেশন অনুসরনের

The risk of nonavailability of spare parts in operation & maintenance is mitigated through a Spare Parts Support Agreement (SPSA) with original equipment manufacturer.



maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest image.

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

### Corporate Social Responsibility

As a corporate citizen, the sponsor company discharges its following social responsibility ethically and within the scope that permits in the course of running its business. Your company participates in the events mentioned below:

### Siraj-Khaleda Trust

Siraj-Khaleda Trust is the welfare wing of Summit. The Trust is funding the construction of a 200 bed Hospital Building Complex in Dhaka Cantonment Area, at a cost of TK 120 million, to extend inexpensive modern medical treatment to the underprivileged people of the area.

### (ii) Summit Cup Golf Tournament (Pro-Am)

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

মাধ্যমে ব্যবসায়ীক সর্বোচ্চ সুনাম রক্ষায় সদা সচেষ্ট ।

যদিও কর্পোরেট সুশাসন একটি চলমান প্রক্রিয়া, তথাপি আমরা আমাদের প্রতিষ্ঠানে কর্পোরেট সুশাসন প্রতিষ্ঠা অব্যাহত রেখেছি। আমরা ইতিমধ্যে নির্বাহী কমিটি, কারিগরী কমিটি, ক্রয় কমিটি, অপারেশন ও মেইনটেন্যান্স কমিটি গঠন করেছি যা "Annexure-3" এ দেখা যেতে পারে। এ ছাডাও কর্পোরেট সুশাসনের উপর আলাদাভাবে প্রতিবেদন উপস্থাপন করা হয়েছে।

### কর্পোরেট সামাজিক দায়িত্ব

সমাজের কর্পোরেট নাগরিক হিসাবে আপনাদের কোম্পানীর উদ্দোক্তাগন নিম্নলিখিত সামাজিক দায়িত্ব পালন করে আসছে। আপনাদের কোম্পানী কর্তৃক অংশগ্রহনকৃত কয়েকটি উল্লেখযোগ্য উদাহরণ নিম্নে উপস্থাপন করা হলোঃ

- (ক) সিরাজ-খালেদা ট্রাষ্ট সামিটের একটি কল্যানমুখী কর্মকান্ড হলো সিরাজ-খালেদা ট্রাষ্ট। এই ট্রাষ্ট ১২ কোটি টাকা ব্যয়ে ক্যান্টনমেন্ট এলাকায় ২০০ শয্যা বিশিষ্ট একটি হাসপাতাল নির্মাণের প্রকল্প গ্রহন করেছে। উক্ত হাসপাতাল প্রতিষ্ঠার মাধ্যমে এলাকার সুবিধা বঞ্চিত লোকজন চিকিৎসা সুবিধা পাবে।
- (খ) সামিট কাপ গলফ টুর্নামেন্ট (প্রো-এম) খেলাধুলার মান উনুয়নে সামিট প্রতি বৎসর "সামিট কাপ গলফ টুর্নামেন্ট (প্রো-এম)" এর আয়োজন করে। কুর্মিটোলা গলফ ক্লাবে অনুষ্ঠিত প্রতিযোগীতায় প্রফেশনাল ও এ্যামেচার গলফারগণ অংশ গ্রহন করে।

Your company strives to maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest image.





Muhammed Aziz Khan is an enthusiastic patron of the social campaigns sponsored by 'Prothom Alo Sahayak Tahbil' (Prothom Alo Support Fund). The program of the Prothom Alo Sahayak Tahbil includes anti drug campaigns and promotes support for acid burn victims.

### (iv) Environmental Commitment

Summit adheres to the highest standard to protect the environment. As a corporate philosophy strict attention is given to ensure environmental harmony in all its business units. For example in all Summit power plants extensive number of saplings were planted. It also planted saplings along side the Ambar Shah Mosque, the lone historical landmark in the Karwan Bazar area. Summit regarded it a worthy opportunity to fulfill its corporate responsibility in adding greenery where possible be it in a busy commercial area or in its plants.

### **Human Resources Management**

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

### Status of Compliance

The Securities and Exchange Commission has issued a notification for all listed companies in order to improve Corporate

(গ) প্রথম আলো সহায়ক তহবিলে সামিট মুমাম্মদ আজিজ খান "প্রথম আলো সহায়ক তহবিল" সামাজিক আন্দোলনের উপদেষ্টা। মাদক বিরোধী আন্দোলন এবং এসিড দশ্ধদের সাহায্যের জন্য " প্রথম আলো সহায়ক তহবিল" গঠন করা হয়। মাদকাসক্তি নিরাময়ে মাদকবিরোধী সামাজিক আন্দোলনে সামিট জনগনের সচেতনতা বৃদ্ধিতে গুরুত্বপূর্ণ ভূমিকা পালন





... in all Summit power plants extensive number of saplings were planted. It also planted saplings along side the Ambar Shah Mosque, the lone historical landmark in the Karwan Bazar area.

Governance in the interest of the investors and capital market on "Comply or Explain" basis. The Board of Directors of the Company has taken appropriate steps to comply with the requirements of the most recent SEC's notification and implemented as many of those as practicable.

Status of compliance under condition no-5.00 of the Securities & Exchange Commission's notification no-SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 has been annexed in

Annexure -1

Additional statement in pursuance to the notification no-SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 of the Securities & Exchange Commission:

- The financial statements prepared by the management of the company in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as of 31 December 2005 and of the results of its operations, its cash flows and changes in equity for the year ended December 31, 2005.
- (b) Proper books of accounts of the company has been maintained.
- The company (c) has used appropriate accounting policies in the preparation of financial statements,

হিসাবে প্রতিটি বিদ্যুৎ কেন্দ্রে পর্যাপ্ত পরিমানে গাছপালা লাগানো হয়েছে। এ ছাডাও কাওরান বাজারে সামিট সেন্টারের সামনে অবস্থিত আম্বরশাহ মসজিদ এলাকায় পর্যাপ্ত পরিমানে বৃক্ষ রোপন করেছে। কর্পোরেট ও সামাজিক দায়িতুবোধ থেকে নগরীর যে কোন ব্যস্ততম এলাকা কিংবা কেন্দ্র সমূহে আরও অধিক পরিমানে বৃক্ষ রোপন সামিট বদ্ধ পরিকর।

### মানব সম্পদ ব্যবস্থাপনা

আপনাদের কোম্পানী মনে করে প্রতিষ্ঠানের উনুতিকল্পে "জনবল" গুরুত্বপূর্ণ ভূমিকা পালন করে। তাই দক্ষ জনবল গঠনে আপনাদের কোম্পানী কর্মকর্তা - কর্মচারীদের নিয়মিত প্রশিক্ষন কোর্স ও ওয়ার্কশপের আয়োজন করে থাকে। যার মাধ্যমে কর্মকর্তা -কর্মচারীগন স্ব স্ব ক্ষেত্রে পেশাগত দক্ষতা ও অভিজ্ঞতা অর্জন করার সুযোগ পায়।

### নিয়ম প্রতিপালন

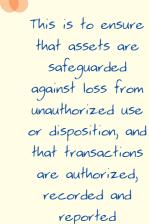
বিনিয়োগ কারীদের স্বার্থে এবং মূলধন বাজারে শৃংখলা বজায় রাখার জন্য সিকিউরিটিজ এন্ড এক্সচেন্জ কমিশন সম্প্রতি সকল তালিকাভুক্ত কোম্পানিতে কর্পোরেট সুশাসন প্রতিষ্ঠায় "Comply & Explain basis" এ নোটিফিকেশন জারি করেছেন। এস ই সির উক্ত নোটিফিকেশনের ভিত্তিতে কোম্পানীর পরিচালনা পর্ষদ বাস্তবতার নিরিখে অধিকাংশ ক্ষেত্রেই যথাযথ পদক্ষেপ গ্রহন করেছেন।

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

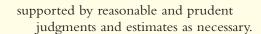
সিকিউরিটিজ এন্ড এক্সচেনজ কমিশনের নোটিফিকেশন নং এস ই সি / সি এম আর আর সি ডি / ২০০৬-১৫৮/ এডমিন /০২-০৮, তারিখ ফেব্রুয়ারী ২০, ২০০৬ ইং এর প্রেক্ষিতে অতিরিক্ত তথ্যাদির বিবরণ ঃ

The financial statements prepared by the management of the company in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs ...





correctly.



- (d) International Accounting Standards, as applicable in Bangladesh have been followed in the preparation of the financial statements and in compliance with relevant accounting policies has also been changed and figures are restated.
- (e) The company has sound internal control system. This is to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. The business risk is also identified and monitored on a regular basis.
- (f) There is no significant doubt upon the companies ability to continue as a going concern.
- (g) There is no significant deviation from the last year's operating of the company except as highlighted in the appropriation of profit and financial performance herein before.
- (h) The key operating data for the last three years is given under the heading "Operating Results" herein before and the financial results have been shown in separate chapter under heading "Financial Highlights".
- (i) The company declared dividend for the year ended December 31, 2005.
- (j) The number of Board meetings held during the year and attendance by each Director has been mentioned before.
- (k) Pattern of shareholding as on 31st December 2005 has been shown in Annexure-2

- (ক) কোম্পানীর ব্যবস্থাপনা কর্ত্পক্ষ কর্ত্ক প্রনীত আর্থিক বিবরনী সমূহ কোম্পানীর আর্থিক অবস্থা, কার্যাবলীর ফলাফল, নগদ প্রবাহ বিবরনী, কোম্পানী ইকুয়িটির পরিবর্তন সংক্রান্ত যাবতীয় তথ্যাবলী বাংলাদেশ একাউনটিং ষ্ট্যান্ডার্ড অনুযায়ী স্বচ্ছ ও পরিপূর্ণ ভাবে উপস্থাপন করা হয়েছে।
- (খ) কোম্পানীর সঠিক ও যথোপযুক্ত হিসাব সংরক্ষন করা
- (গ) আর্থিক বিবরনী প্রনয়নের ক্ষেত্রে উপযুক্ত হিসাব রক্ষণ নীতিমালা অনুসরন, নিয়মিত প্রয়োগ ও বিচার বিশ্লেষন করা হয়েছে।
- (ঘ) আর্থিক বিবরনী সমূহ প্রনয়নের ক্ষেত্রে বাংলাদেশে প্রযোজ্য ইন্টারন্যাশনাল একাউনটিং ষ্ট্যান্ডার্ড অনুসরন এবং সংশ্লিষ্ট হিসাব নীতিমালা অনুসূত হয়েছে।
- (৬) কোম্পানীতে উপযুক্ত আভ্যন্তরীন নিয়ন্ত্রন ব্যবস্থা বিদ্যমান। আভ্যন্তরীন নিয়ন্ত্রন ব্যবস্থার মাধ্যমে কোম্পানীর সম্পদের অবৈধ ব্যবহার এবং ক্ষতি রহিত করার পদক্ষেপ নেয়া হয়েছে। নিয়মিত ভাবে ব্যবসায়িক ঝুঁকি নির্ণয় ও পর্যবেক্ষন করা হয়।
- (চ) কোম্পানী চলমান ব্যবসায় হিসাবে ভবিষ্যত কার্যক্রম চালিয়ে যেতে সক্ষম।
- (ছ) উল্লেখিত লাভ আবন্টন এবং আর্থিক দক্ষতা ব্যতিরেকে কোম্পানীর পরিচালনায় গত বৎসরের তুলনায় কোন উল্লেখযোগ্য বিচ্যুতি ঘটে নাই।
- (জ) কোম্পানীর গত তিন বৎসরের পরিচালনার উপাত্তসমূহ ইতিপূর্বে প্রদর্শিত "পরিচালনার ফলাফল" নামক হেডিং-এ এবং আর্থিক ফলাফল পৃথক ভাবে "Financial Highlight" এর মাধ্যমে প্রদর্শন করা হয়েছে।
- (ঝ) কোম্পানী ৩১শে ডিসেম্বর ২০০৫ ইং সমাপ্ত বছরের জন্য লভ্যাংশ ঘোষনা করেছে।
- (এঃ) পরিচালক পর্ষদের অনুষ্ঠিত সভার সংখ্যা এবং পরিচালকবৃন্দের উপস্থিতির সংখ্যা ইতিপূর্বে উল্লেখ করা হয়েছে।
- (ট) ৩১ই ডিসেম্বর ২০০৫ ইং, সমাপ্ত বছরে কোম্পানীর শেয়ারহোল্ডিং কাঠামো Annexure-2 এ সন্থিবেশিত রয়েছে।



### Acknowledgement

Your Board of Directors would like to place on record its deep gratitude to the hon'ble shareholders for their cooperation and support towards the business of the company.

The Board would like to express their grateful appreciation for the assistance and co-operation received from the financial Institutions, Banks, our customers Dhaka, Narshingdi & Comilla Palli Bidyut Samities and its principal Rural Electrification Board (REB). The Board also express their thanks to each and every investor, Government authorities, the Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Underwriters, Bankers to the issue and Manager to the issue for their extensive support and co-operation.

Your Directors also wish to express their thanks to the employees of the company at all levels for their team spirit hard work and dedicated service towards the growth and progress of the company.

We look forward to even better days in future.

On be half of the Board of Directors,

Muhammed Aziz Khan

Chairman

April 24, 2006 Dhaka.

### কৃতজ্ঞতা স্বীকার

আপনাদের পরিচালক পর্ষদ কোম্পানীর ব্যবসায়িক কর্মকান্ডে সার্বিক সাহায্য ও সহযোগীতার জন্য সম্মানিত শেয়ারহোল্ডারদের আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছে। পরিচালক পর্ষদ বিভিন্ন আর্থিক প্রতিষ্ঠান, ব্যাংক, কোম্পানীর গ্রাহক ঢাকা, নরসিংদী ও কুমিল্লা পল্লী বিদ্যুৎ সমিতি সহ উহার নিয়ন্ত্রনকারী প্রতিষ্ঠান পল্লী বিদ্যুতায়ন বোর্ডের প্রতিও গভীর কৃতজ্ঞতা প্রকাশ করছে। একই সাথে পরিচালক পর্ষদ প্রত্যেক বিনিয়োগকারী, সরকারী কর্তৃপক্ষ, সিকিউরিটিজ এন্ড এক্সচেনুজ কমিশন, রেজিষ্টার অব জয়েন্ট ষ্টক কোম্পানীজ এভ ফার্মস, ঢাকা ষ্টক এক্সচেনুজ লিমিটেড, চট্টগ্রাম ষ্টক এক্সচেনজ লিমিটেড, আন্তার রাইটার্স, ব্যাংকারস টু দি ইস্যু ও ম্যানেজার টু দি ইস্যু সহ সকল প্রতিষ্ঠানকে তাদের সার্বিক সহযোগীতার জন্য ধন্যবাদ জানাচ্ছে।

আপনাদের পরিচালক মন্ডলী কোম্পানীর সকল স্তরের কর্মকর্তা কর্মচারীদের সম্মিলিত প্রচেষ্টা, নিরলস ও কঠোর পরিশ্রমের মাধ্যমে কোম্পানীর প্রবৃদ্ধি ও অগ্রগতি সাধনে অবদান রাখার জন্য ধন্যবাদ জানাচ্ছে।

পরিশেষে সকলের সুন্দর ও সার্থক ভবিষ্যত কামনা করছি।

পরিচালনা পর্ষদের পক্ষে.

মুহাম্মদ আজিজ খান চেয়ারম্যান

২৪ এপ্রিল, ২০০৬ ঢাকা ।



The company has used appropriate accounting policies in the preparation of financial statements, supported by reasonable and prudent judgments and estimates as necessary.



## **Compliance Report on SEC's Notification**

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

### (Report under condition no-5.00)

Condition	Title	Compliance status		Explanation for
		Complied	Not complied	non-compliance with the condition
1.1	Board's size	V		
1.2	Appointment of Independent Non-shareholder Director	$\sqrt{}$	1	In view of the size
1.3	Chairman of the Board and Chief Executive Officer be different person		$\sqrt{}$	and volume of activities it is
1.4	Directors' report to include declarations on:			preferable to have
	a. Fairness of state of the affairs	$\sqrt{}$		one person to hold both positions.
	b. Keeping proper books of accounts	$\sqrt{}$		both positions.
	c. Consistent application of Accounting Policies in preparation of financial statements	V		
	d. Observance of Bangladesh Accounting Standard(BAS)	$\sqrt{}$		
	e. Soundness and efficiency of Internal Control	$\sqrt{}$		
	f. Ability of Summit Power to continue as a going concern	$\sqrt{}$		
	g. Significant deviations from last year in operating results	$\sqrt{}$		
	h. Presentation of key operating and financial data for last three years	V		
	i. Declaration of dividend	$\sqrt{}$		
	<ul> <li>j. Number of Board meeting held during the year and attendance by each Director</li> </ul>	V		
	k. Shareholding pattern	$\sqrt{}$		
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary		V	The position of Head of Internal Audit is yet to be
2.2	Attendance of CFO and Company Secretary in the Board meeting			filled up. In view of the size and volume of activities the Financial Controller is acting as CFO & Company secretary.

Condition	Title	Compliance status		Explanation for
		Complied	Not complied	non-compliance with the condition
3.0	Formation of Audit Committee		$\sqrt{}$	Under Process
3.1	i. Number of members of Audit Committee		V	Linked to condition -3.
	ii. Inclusion of non-shareholder Director in the Audit Committee		V	Linked to condition -3.
	iii. Fill the casual vacancy in Audit Committee		V	Linked to condition -3.
3.2	i. Selection of the Chairman of Audit Committee		V	Linked to condition -3
	ii. Qualification of Audit Committee Chairman		V	Linked to condition -3
3.3.1	i. Report by the Audit Committee on its activities to the Board of Directors		V	Linked to condition -3
	ii. Report to the Board by the Audit Committee on:		$\sqrt{}$	Linked to condition -3
	a. Conflicts of interests		$\sqrt{}$	Linked to condition -3
	b. Suspected or presumed fraud or irregularity or material defect in the internal control system		$\sqrt{}$	Linked to condition -3
	c. Suspected infringement of laws, including securities related laws, rules and regulations		$\sqrt{}$	Linked to condition -3
	d. Any other matter		V	Linked to condition -3
3.3.2	Reporting to the SEC by the Audit Committee		V	Linked to condition -3
3.4	Reporting to the shareholders and general investors		V	Linked to condition -3
4.0	Statutory Auditors not to engage in:			
	i. Appraisal or valuation services	$\sqrt{}$		
	ii. Financial information systems design and implementation	$\sqrt{}$		
	iii. Book keeping or other services related to financial statements	$\sqrt{}$		
	iv. Broker-dealer services	$\sqrt{}$		
	v. Actuarial services	$\sqrt{}$		
	vi. Internal audit services	$\sqrt{}$		
	vii. Any other services that the Audit committee determines	V		

# Shareholding information

As of December 31, 2005, the following shareholders are holding the company's issued ordinary share capital:

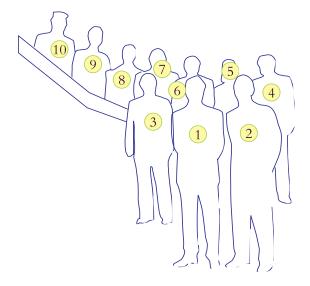
Categories of Shareholder	No. of Shareholder	No. of Shares held
Sponsors:		
Summit Industrial & Mercantile Corporation (Pvt.) Ltd	01	31,49,700
Euro Hub Investments Limited	01	350,000
Mr. Mainul Abedin	01	100
Dr. Mirza Khairuzzaman	01	50
Advocate Imtiaz Mahmood	01	50
Mr. Azharul Haque	01	50
Mr. A.N.M. Tariqur Rashid	01	50
Directors, CEO, Company Secretary, CFO, Head of Internal Audit and their spouses:		
Mrs. Jesmin Sultana (Wife of Md. Mamunur Rashid, FC & Company Secretary)	01	50
Executives	-	NIL
Shareholders holding 10% or more voting rights	-	NIL

# Management Committees

Executive Committee	
Mr. Muhammed Aziz Khan, Managing Director Mr. Md. Farid Khan, Director Dr. Mirza Khairuzzaman, Executive Director Mr. Saiful Alam, General Manager Mr. A.N. M Tariqur Rashid, General Manager Mr. Md. Mamunur Rashid FCMA, Financial Controller	Chairman Member Member Member Member Member
Purchase Committee	
Mr. Md. Farid Khan, Director  Mr. Saiful Alam, General Manager  Mr. A.N. M Tariqur Rashid, General Manager  Mr. Md. Mamunur Rashid FCMA, Financial Controller  Technical Committee	Chairman Member Member Member
Mr. Saiful Alam, General Manager Mr. Solaiman Patwary Manager (M/M) Mr. Zakir Hossain, Manager (E/M) Mr. Abdus Sobhan, Manager (I&C) Mr. A.K.M Asadul Alam Siddique, Manager (OP)	Chairman Member Member Member Member
Operation & Maintenance Committee	
Mr. Saiful Alam, General Manager Mr. Solaiman Patwary Manager (M/M) Mr. Zakir Hossain, Manager (E/M) Mr. Abdus Sobhan, Manager (I&C) In charge of Plants	Chairman Member Member Member Member



# Management team



- 1 Muhammed Aziz Khan,
- 2 Md. Farid Khan,
- 3 Dr. Mirza Khairuzzaman,
- 4 A.K.M. Asadul Alam Siddique
- 5 Md. Abdus Sobhan
- 6 Md. Zakir Hossain
- A.N.M Tariqur Rashid
- 8 Saiful Alam
- Md. Mamunur Rashid FCMA
- 10 Md. Solaiman Patwary

Managing Director

Director (Administration)

Executive Director

Manager (Opn)

Manager (I&C)

Manager (E/M) General Manager (Dev)

General Manager (O&M)

Financial Controller & Company Secretary

Manager (M&M)

# **Introducing the Senior Executives**

#### Dr. Mirza Khairuzzaman, Executive Director

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

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

#### Saiful Alam, General Manager (O&M)

Mr. Alam obtained his degree in Mechanical Engineering in 1980 from Khulna Engineering College (now KUET). He is a member of Institute of Engineers, Bangladesh. In 1980 he joined BPDB as an Assistant Engineer. He worked in different Power station as Executive Engineer. He worked as a Mechanical Design Engineer in TPK, India. He has also worked as Manager of Shajibazar Power Station. In 2003 he left BPDB and joined in Summit Power Limited. Mr. Alam received training at home and abroad.

#### A.N.M Tariqur Rashid, General Manager (Dev)

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

#### Md. Mamunur Rashid FCMA,

Financial Controller & Company Secretary

A qualified Cost & Management Accountant Mr. Mamun completed his Bachelors of Commerce and Masters of Commerce in Management under University of Dhaka in 1987 and 1989 and secured First Class 2nd and First class 4th position respectively. He is a fellow member of the Institute of Cost & Management Accountants of Bangladesh (ICMAB). Before joining Summit in 2002 Mr. Mamun had accumulated more than 12 years experience in different Government, non-Government and large private organizations. He rendered his professional services in Rahim Afrooz, BRAC, Desh Group of Companies, Bangladesh Power Development Board, Bangladesh Parjatan Corporation and Bangladesh Steel & Engineering Corporation at various responsible positions. Mr Mamun completed one year International Diploma in MIS & IT from BRAC Information Technology Institute in 2000. He is actively associated with the council of ICMAB and was elected as the Vice-Chairman in 2004 and General Secretary in 1999 & 2002 of Dhaka Branch of ICMAB.

#### Md. Solaiman Patwary, Manager (M/M)

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

#### Md. Zakir Hossain, Manager (E/M)

Mr. Md. Zakir Hossain is an Electrical Engineer, graduated from BUET in 1969. He is a fellow of Institute of Engineers Bangladesh. Prior to joining Summit Power Limited Mr. Zakir worked in different Autonomous, Foreign and Private companies. He has about 30 years working experience in different organizations at the senior level. The organizations are Azzawiya Oil Refinery Libya, Eastern Refinery, Chittagong, El-Beida Electricity Corporation, Libya, Bangladesh Power Development Board etc. Mr. Zakir completed 16 months of higher practical Training in the filed of Electrical Engineering and Power company in West Germany.

#### Md. Abdus Sobhan, Manager (I&C)

Mr. Sobhan is an Electrical Engineer, graduated from BUET in 1977 and secured 1st Class. He is a member of The Institution of Engineers, Bangladesh. Prior to joining Summit in 2000 Mr. Sobhan accumulated 22 years of experience in different Govt., Semi Govt. and Private Organizations at home & abroad. He started his career in 1977 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 at both home & abroad.

#### A.K.M. Asadul Alam Siddique, Manager operation

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

# Main events



Signing ceremony of Issue Management Agreement with Prime Finance & Investment Limited on March 22, 2005.

Agreements signing ceremony held with Standard Chartered Bank, Dutch Bangla Bank Ltd, Commercial Bank of Ceylon Ltd. and the Premier Bank Ltd. for financing the expansion projects.



A partial view of august gathering at the IPO lottery program held on 3rd October 2005 at Bangladesh China Friendship Conference Centre, Dhaka.





The IPO Lottery held at Bangladesh China Friendship Conference Centre, Dhaka on 3rd October 2005.

Signing ceremony of Project Agreements for Madhabdi & Comilla expansion projects with the Govt. of Bangladesh represented by Ministry of Power, Energy & Mineral Resources on June 28, 2005



# Main events



Signing ceremony of Project Implementation Agreement (IA) for Savar expansion project with the Govt. of Bangladesh represented by Ministry of Power, Energy & Mineral Resources.

Signing ceremony of Project agreements (PPA & LLA) for Savar expansion project with the Rural Electrification Board.



Signing of the Listing Agreement of the first power company in Bangladesh with Dhaka Stock Exchange Limited, at the Stock Exchange Building on November 15, 2005.

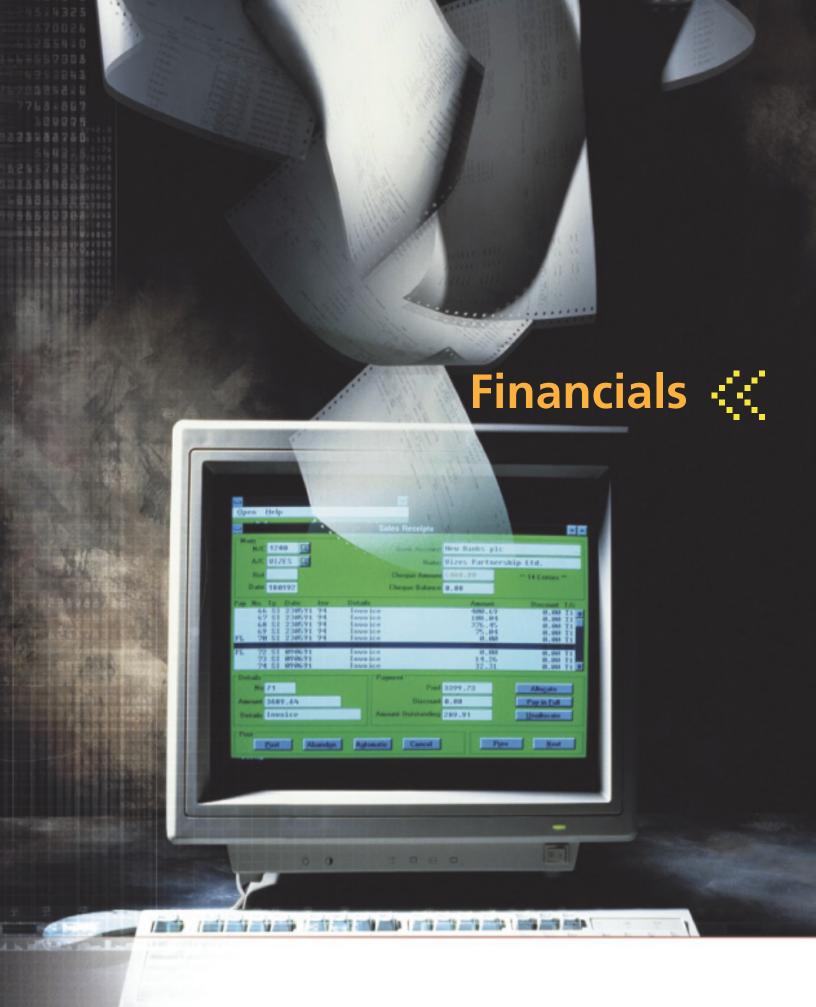




Exchange of Listing Agreement between Muhammed Aziz Khan, Chairman and the CEO of DSE Mr. Salahuddin Ahmed Khan.

The CEO of DSE welcomes Mr. Md. Farid Khan, Director of SPL to the DSE Building on the occasion of Listing Agreementsigning ceremony.





#### SUMMIT POWER LIMITED



## AUDITORS' REPORT to the Shareholders of Summit Power Limited

e have audited the accompanying balance sheet of Summit Power Limited. as of 31 December 2005 and the related profit and loss account, statement of changes in equity and cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

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

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as of 31 December 2005 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### We also report that:

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

Dhaka, 25 April 2006

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# BALANCE SHEET as at 31 December 2005

		2005	2004
	Note		Taka
	11000	Tunu	Tunu
Sources of fund			
Shareholders' equity:			
Share capital	3	650,000,000	350,000,000
Share premium	4	80,000,000	_
Proposed cash dividend		65,000,000	14,952,455
Proposed stock dividend		65,000,000	_
Dividend distribution tax		_	3,500,000
Retained earnings		184,384,109	140,177,269
		1,044,384,109	508,629,724
Project loan - Long term portion	5	334,247,536	270,407,821
Lease finance - Long term portion		1,188,775	_
Deferred liability for gratuity		2,928,374	821,995
, ,		1,382,748,794	779,859,540
Application of fund			
Fixed assets - at cost less depreciation	6	811,725,957	792,847,453
Capital work in progress	7	390,872,521	_
Pre-operating expenses	8	-	20,397,266
Current assets:			
Stocks	9	45,491,139	46,209,442
Stock in transit		3,714,213	
Accounts receivable	10	48,035,424	41,367,296
L/C margin		1,745,341	5,667
Bank guarantee margin		578,990	351,000
Advances, deposits and prepayments	11	4,113,734	3,228,845
Cash and bank balances	12	281,955,597	15,960,184
		385,634,438	107,122,434
Current liabilities:			
Trade creditors	13	16,255,205	15,273,581
Sundry creditors	14	12,373,368	7,697,992
Project loan - Short term portion	5	175,793,377	117,536,040
Lease finance - Short term portion		1,062,172	-
		205,484,122	140,507,613
Net current assets/(liabilities)		180,150,316	(33,385,179)
		1,382,748,794	779,859,540
The annexed notes 1 to 32 form an integral	part of these financial statements.	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,
	· ·	ì.	

Company Secretary

Director

Managing Director

As per our separate report of even date.

Auditors

# PROFIT AND LOSS ACCOUNT for the year ended 31 December 2005

	Notes	<b>2005</b> Taka	<b>2004</b> Taka
Turnover	15	521,042,084	483,963,029
Operating expenses	16	(237,149,906)	(234,401,225)
	-	283,892,178	249,561,804
General and administrative expenses	17	(73,764,382)	(57,294,334)
	-	210,127,796	192,267,470
Financial charges	18	(48,050,700)	(51,242,925)
		162,077,096	141,024,545
Other income	19	12,129,744	2,457,785
		174,206,840	143,482,330
Loss on accident	20		(5,874,768)
Profit for the year	_	174,206,840	137,607,562
Earnings per share		37.33	39.32

The annexed notes 1 to 32 form an integral part of these financial statements.

Company Secretary

Dhaka, 25 April 2006

Diréctor

Managing Director

As per our separate report of even date.

Auditors



# STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2005

	Share capital Taka	Share premium Taka	Proposed cash dividend Taka	Proposed stock dividend Taka	Dividend distribution tax Taka	Retained earnings Taka	Total Taka
Balance at 1 January 2004 Adjustment due to changes in accounting policy with respect to the capitalisation of intangible assets	350,000,000	-	16,800,000	-	1,680,000	100,649,311 (59,579,604)	469,129,311 (59,579,604)
Restated balance	350,000,000	_	16,800,000	_	1,680,000	41,069,707	409,549,707
Appropriation of profit	-	_	35,000,000	-	3,500,000	99,107,562	137,607,562
Payment	-	-	(36,847,545)	-	(1,680,000)	-	(38,527,545)
Balance at 31 December 2004	350,000,000	-	14,952,455	-	3,500,000	140,177,269	508,629,724
Issue of ordinary shares	300,000,000	80,000,000	_	-	_	_	380,000,000
Appropriation of profit	-	-	65,000,000	65,000,000	-	44,206,840	174,206,840
Payment	-	-	(14,952,455)	-	(3,500,000)	-	(18,452,455)
Balance at 31 December 2005	650,000,000	80,000,000	65,000,000	65,000,000	-	184,384,109 1	1,044,384,109

# CASH FLOW STATEMENT for the year ended 31 December 2005

	<b>2005</b> Taka	<b>2004</b> Taka
A. Cash flow from operating activities:		
Received from sales Other receipts Paid for cost and expenses Financial charges Net cash flow from operating activities	514,373,956 6,281,281 (268,942,399) (48,050,700) 203,662,138	483,137,814 (875,578) (270,626,443) (51,242,925) 160,392,868
B. Cash flow from investing activities: Acquisition of fixed assets Capital works in progress Net cash used in investing activities	(29,489,748) (390,872,521) (420,362,269)	(3,531,709) - (3,531,709)
C. Cash flow from financing activities:		
Bridge loan repaid to Summit Industrial & Mercantile Corporation (Pvt) Ltd. Project loan Lease finance Share capital Share premium Dividend Dividend Dividend distribution tax Net cash out flow from financing activities	122,097,052 (949,053) 300,000,000 80,000,000 (14,952,455) (3,500,000) 482,695,544	(3,348,853) (116,849,375) - - (36,847,545) (1,680,000) (158,725,773)
D. Net cash inflow/(outflow) for the year (A+B+C)	265,995,413	(1,864,614)
<ul><li>E. Opening cash and bank balances</li><li>F. Closing cash and bank balances (D+E)</li></ul>	15,960,184 <b>281,955,597</b>	17,824,798 <b>15,960,184</b>



#### 1. Background of the company

Summit Power Limited. (the company) was incorporated in Bangladesh on 30 March 1997 as a Private Limited Company. On 7 June 2004 the company registered itself as a Public Limited Company under the Companies Act 1994. The principal objective of this company is to set up power plants for generation and supply of electricity. Presently the company has three power plants located at Ashulia (Savar), Madhabdi (Narsingdi) and Chandina (Comilla) having production capacity of 10 MW (+/- 10%) each. The plants started commercial production on 8 February 2001, 1 April 2001 and 2 June 2001 at Ashulia, Madhabdi and Chandina respectively.

#### 2. Accounting policies

#### 2.1 Basis of accounting

The financial statements have been prepared in accordance with Bangladesh Accounting Standards.

#### 2.2 Reporting currency and level of precision

The amounts in the financial statements are in Bangladeshi taka, which have been rounded off to nearest taka.

#### 2.3 Depreciation

Depreciation on power plant has been charged considering 30 years useful life and residual value as 15% of original cost, on straight line basis. Depreciation on other fixed assets has been charged on straight line basis using rates of 10% to 20% per annum.

Plant and machinery capitalised at any amount are depreciated in the year of capitalisation according to the month they are put to use. All other assets continue to be depreciated for a full year in the year of capitalisation irrespective of the date when put to use. No depreciation is charged in the year of disposal.

#### 2.4 Change in accounting policy

The accounting policy of the company has been changed in the year under review in order to conform to BAS 38: Intangible Assets, which has come into effect from 1 January 2005 providing benchmark treatment of intangible assets. This change in accounting policy has been accounted for retrospectively. As a result development costs and pre-operating expenses, earlier treated as intangible assets, are now treated as expenses.

#### 2.5 Lease financing

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

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

#### 2.6 Foreign currency

Foreign currency transactions are translated into Bangladeshi taka at the rates ruling on the transaction date. All monetary assets and liabilities at the balance sheet date are retranslated using rates prevailing on that day. In accordance with Schedule XI of Companies Act 1994 all differences arising on outstanding foreign currency loans are adjusted against the fixed assets for which such foreign currency borrowing took place. All other differences are taken to the profit and loss account.

#### 2.7 Capitalisation of borrowing cost

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with BAS 23: Borrowing Cost, allowed alternative treatment.

#### 2.8 Taxation

No provision is required for current income tax on the company's profits as the company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation. For the same reason deferred tax has not been considered.

#### 2.9 Employee benefit schemes

The company operates an unfunded gratuity scheme for its permanent employees, provision for which is made on the basis of latest applicable salary and length of services with the company as per gratuity rules. Though no valuation was done for 2005 to quantify actuarial liabilities as per Bangladesh Accounting Standard 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision. The company also operates a recognised contributory provident fund for all its permanent employees.

#### 2.10 Provision

Provisions are made when an obligation exists for future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

#### 2.11 Earning per share

#### 2.11.1 Basic earnings per share

Basic earnings per share have been calculated taking a capital base of 6,500,000 ordinary shares of Tk 100 each as issued upto 31 December 2005.

#### 2.11.2 Diluted earnings per share

Diluted earnings per share have not been calculated because there was no scope for dilution in the year under review.

#### 2.12 General

Previous year's figures have been rearranged wherever necessary to conform to current year's presentation. Figures have been rounded off to the nearest Taka except where indicated otherwise.



#### Share capital

2005	2004
Taka	Taka
1,000,000,000	1,000,000,000
650,000,000	350,000,000
	Taka 1,000,000,000

#### Shareholding position was as follows:

Name of shareholders	Percentage of	shareholdings	2005	2004
	2005	2004	Taka	Taka
Summit Industrial & Mercantile Corporation (Pvt.) Limited	63.84	89.99	414,970,000	314,970,000
Euro Hub Investments Ltd.	5.38	10.00	35,000,000	35,000,000
Other shareholders	30.77	0.01	200,030,000	30,000
	100.00	100.00	650,000,000	350,000,000

#### Classification of shareholders by holding:

Holdings	Number	of holders	% of	f holdings
	2005	2004	2005	2004
Less than 500 shares	17,625	5	16.16	0.01
500 to 5,000 shares	277	_	6.27	_
5,001 to 10,000 shares	13	_	1.37	_
10,001 to 20,000 shares	6	_	1.48	_
20,001 to 30,000 shares	3	_	1.08	_
30,001 to 40,000 shares	_	_	_	_
40,001 to 50,000 shares	1	_	0.66	_
50,001 to 100,000 shares	_	_	_	_
100,001 to 1,000,000 shares	2	1	9.14	10.00
1,000,001 to 10,000,000 shares	1	1	63.84	89.99
	17,928	7	100.00	100.00

## Share premium - Tk 80,000,000

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



#### 5. Project loan

	2005	2004
	Taka	Taka
Long term portion:		
Standard Chartered Bank	215,000,000	246,600,000
Premier Bank Limited	101,661,111	-
IPDC of Bangladesh Limited	17,586,425	23,807,821
	334,247,536	270,407,821
Short term portion:		
Standard Chartered Bank	167,000,000	109,600,000
IPDC of Bangladesh Limited	8,793,377	7,936,040
	175,793,377	117,536,040
	510,040,913	387,943,861

2005

2004

The loan from Standard Chartered Bank is secured by the plant and machinery and other assets of the company. Premier Bank loan is secured by pari-passu charge with other lenders on the fixed and floating assets of the company. IPDC loan is secured by insurance bond issued by Paramount Insurance Co. Ltd.

#### Repayment term

#### Standard Chartered Bank:

This is repayable in 20 quarterly instalments of Taka 27,400,000 each commencing from June 2003 and another 20 installments of Taka 6,000,000 commencing from June 2005. Interest, bearing rate of 11.10 per annum, is also payable on quarterly basis.

#### Premier Bank Limited: ii)

This is repayable in 24 quarterly instalments of Taka 4,166,667 each commencing from March 2007. Interest, bearing rate of 13 per annum, is also payable on quarterly basis.

#### IPDC of Bangladesh Ltd.:

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



#### 6. Fixed assets

		Cost			]	Depreciation	n	Written down
	Balance at	Addition	Balance at		Balance at	Addition	Balance at	value at
Particulars	1 January	during	31 December	Rate	1 January	during	31 December	31 December
	2005	the year	2005		2005	the year	2005	2005
	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Own assets:								
Furniture and fixtures	832,830	39,094	871,924	10.00	406,646	87,192	493,838	378,086
Office and electrical equipment	4,335,432	662,740	4,998,172	20.00	3,473,272	557,555	4,030,827	967,345
Office decoration	2,808,025	166,796	2,974,821	20.00	2,764,606	53,201	2,817,807	157,014
Motor vehicles	7,014,748	2,070,000	9,084,748	20.00	2,512,278	1,816,949	4,329,227	4,755,521
Maintenance equipment	613,389	135,300	748,689	20.00	382,859	149,738	532,597	216,092
Civil works and others	2,741,771	23,159,167	25,900,938	20.00	890,275	5,180,185	6,070,460	19,830,478
Plant and machinery:			-				-	
Savar Power Plant	304,525,079	7,858,178	312,383,257	3.33	52,250,627	8,257,039	60,507,666	251,875,591
Narsingdi Power Plant	307,357,168	7,868,028	315,225,196	3.33	49,779,887	8,445,023	58,224,910	257,000,286
Chandina Power Plant	324,518,222	7,927,710	332,445,932	3.33	49,438,761	9,021,627	58,460,388	273,985,544
	954,746,664	49,887,013	1,004,633,677		161,899,211	33,568,509	195,467,720	809,165,957
Leased assets:								
Motor vehicles		3,200,000	3,200,000	20.00	_	640,000	640,000	2,560,000
Total	954,746,664	53,087,013	1,007,833,677		161,899,211	34,208,509	196,107,720	811,725,957

Additions to power plants at Savar, Narsingdi and Chandina include exchange losses of Tk 1,059,089, Tk 1,068,939 and Tk 1,128,622 respectively. These losses were incurred in the conversion of the company's USD loan to Taka.

Additions to power plants also include Tk 20,397,266 arrived due to reclassification of pre-operating expenses. The entire amount was spent for construction of plants.

#### 7. Capital work in progress

	<b>2005</b> Taka	<b>2004</b> Taka
Advance for plant and machinery	221,146,855	_
Advance for construction contract	96,066,360	_
Advance for design and engineering works	50,000,000	_
Other payment related to expansion project (loan		
arrangement fee, interest on loan, etc.)	23,659,306	-
	390,872,521	-



#### 8. Pre-operating expenses

	Balance at
	1 Jan. 2005
	Taka
Legal and project development expenses	9,353,552
Bank charge and interest	223,051
Insurance premium	2,732,293
Loan processing fees	2,094,522
Interest on loan	249,540
Education and training expenses	632,797
Bid bond commission	435,600
Bank guarantee commission	476,187
Lube oil expenses	1,161,024
Land lease rental	2,067,500
Environmental compliance cost	671,200
Independent engineer's remuneration	300,000
	20,397,266
Less: Adjustment in 2005	20,397,266
Closing balance	

#### 9. Stocks

		Cost		Consumption		Stock of	
	Balance at	Addition	Balance at	Balance at	Utilisation	Balance at	spare parts at
	1 January	during	31 December	1 January	during	31 December	31 December
Particulars	2005	the year	2005	2005	the year	2005	2005
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Compressor							
spare parts	462,946	-	462,946	17,950	-	17,950	444,996
Electrical							
spare parts Schedule and	4,941,181	340,400	5,281,581	262,817	340,400	603,217	4,678,364
protective							
spare parts	116,593,369	21,525,210	138,118,579	76,346,308	22,876,334	99,222,642	38,895,937
Spark plug Spare parts -	4,009,888	-	4,009,888	4,009,888		4,009,888	-
others	2,223,068	175,943	2,399,011	1,630,341	205,014	1,835,355	563,656
Fuel	36,121,084	9,709,196	45,830,280	35,874,790	9,047,304	44,922,094	908,186
	164,351,536	31,750,749	196,102,285	118,142,094	32,469,052	150,611,146	45,491,139



#### 10. Accounts receivable

10. Accounts receivable		
	2005	2004
	Taka	Taka
Savar Palli Bidyut Samity	15,829,238	13,579,897
Narsingdi Palli Bidyut Samity	16,086,413	13,644,480
Chandina Palli Bidyut Samity	16,119,773	14,142,919
	48,035,424	41,367,296
11. Advances, deposits and prepayments		
	2005	2004
Advances:	Taka	Taka
M/S Enem Express	529,793	_
M/S Projukti Annasha	22,000	_
Moody International (BD) Ltd	23,400	_
Modern Erection Ltd.	50,000	-
Nova Prime	_	369,353
Mobil Jamuna Lubricants Ltd.	-	340,080
Credit Rating Information & Services Ltd.	-	200,000
Ardent Automobiles	-	20,000
Desh Bangla Enterprise	-	175,000
Energypac Engineering Ltd.	-	25,000
Azad Products (Pvt.) Ltd.	-	14,000
Advance against office decoration	898,675	_
Advance against spare parts	245,777	8,149
Advance to officers and employees	-	107,800
Deposits:		
Security deposit	894,220	263,980
Prepayments:		
Land lease rent	211,665	192,912
Bank guarantee commission and insurance bond commission	585,500	727,232
Insurance premium	431,774	429,649
Stand by letter of credit commission	220,930	355,690

4,113,734

3,228,845

**13.** 

# NOTES TO THE ACCOUNTS for the year ended 31 December 2005

#### 12. Cash and bank balances

2. Cash and bank balances	2005	2004
	<b>2005</b> Taka	Taka
Cash in hand	164,458	334,213
Cash at bank:		
Arab Bangladesh Bank Ltd., Kawran Bazar Branch	1,306	1,806
Citibank N.A., Main Branch	(2,850)	(261)
Citibank N.A., Main Branch (Dollar A/c)	2,182,858	1,992,782
Commercial Bank of Ceylon Ltd., Dhaka Main Br.	1,597,805	-
Dhaka Bank Ltd., Kawran Bazar Branch	447,566	344,446
Dhaka Bank Ltd., Kawran Bazar Branch (STD A/c)	1,338,049	1,243,693
Dhaka Bank Ltd., Local Office	341,935	5,636
Dhaka Bank Ltd., Local Office (JV A/c)	300	1,550
Dhaka Bank Ltd., Uttara Branch	6,921	8,446
Dutch Bangla Bank Ltd, Baburhat Branch	8,080	8,280
Dutch Bangla Bank Ltd., Kawran Bazar Branch	(6,322,953)	380,799
Dutch Bangla Bank Ltd., Kawran Bazar Branch (STD A/c)	10,685,870	5,933,528
Eastern Bank Ltd., Sonargaon Road Branch	8,200	8,600
One Bank Ltd., Principal Branch	2,429	16,419
One Bank Ltd., Principal Branch (STD A/c)	9,917	186,597
Premier Bank Ltd., Kawran Bazar Branch.	12,003,391	- 0.440
Rupali Bank Ltd, Madhaiya Bazar Branch	8,991	9,440
Southeast Bank Ltd., Dhanmondi Branch	5,652	7,752
Southeast Bank Ltd., Dhanmondi Branch (STD A/c)	3,852	5,597
Southeast Bank Ltd., Kawran Bazar Branch	5,830	7,830
Standard Chartered Bank, Current A/c	4,418,884	803,275
Standard Chartered Bank, Collection A/c	4,360,920	527,714
Standard Chartered Bank, Debt Servicing A/c	35,389,636	4,128,848
The City Bank Ltd., Kawran Bazar Branch	2,394	3,194
Southeast Bank Ltd., Dhanmondi Branch, IPO A/c	48,286,156	-
FDR A/C:		
The City Bank Ltd., Kawran Bazar Branch.	10,000,000	_
Premier Bank Ltd., Kawran Bazar Branch.	100,000,000	_
Commercial Bank of Ceylon Ltd., Dhaka Main Br.	7,000,000	_
IPDC of Bangladesh Ltd.	50,000,000	_
	281,955,597	15,960,184
		13,700,104
3. Trade creditors		
Gas bill - Savar power plant	4,535,963	4,481,528
Gas bill - Narsingdi power plant	5,024,926	4,680,476
Gas bill - Chandina power plant	5,650,874	5,421,420
Gas and utility	391,819	37,992
Mobil Jamuna Lubricants Ltd.	651,623	652,165
	16,255,205	15,273,581

#### 14. Sundry creditors

. Sulary creators	2005	2004
	Taka	Taka
Euro Hub Investments Ltd.	4,457,764	4,457,764
Payable to C&F agents	197,796	112,132
Payable to suppliers	104,445	87,000
Bank charges and interest	41,297	175,274
Salary and allowances	1,927,448	1,338,174
Director's remuneration	440,000	_
Tax on directors' remuneration	796,250	100,000
Communication expenses	215,469	84,238
Audit fees	172,425	172,425
Rent, rates and taxes	1,604,420	2,500
Fooding and lodging expenses	10,400	8,800
Security service expenses	43,890	35,477
AIT & VAT - Deduction at source	510,864	700,758
Legal expenses and environmental fees	20,000	108,613
Technical assistance fee	1,732,500	314,837
Central Courier Service (Pvt.) Ltd.	98,400	_
	12,373,368	7,697,992

#### 15. Turnover

Turnover consists of capacity component and energy component invoiced to Rural Electrification Board (REB).

	2005			2004
Plants	Capacity component Taka	Energy component Taka	Total Taka	Total Taka
Savar power plant Narsingdi power plant Chandina power plant	105,772,354 108,589,912 109,717,223 324,079,489	63,208,819 67,996,735 65,757,041 196,962,595	168,981,173 176,586,647 175,474,264 521,042,084	158,346,058 161,860,408 163,756,563 483,963,029

#### 16. Operating expenses

2005	2004
Taka	Taka
52,322,280	51,085,924
58,993,729	54,992,448
63,398,565	60,267,901
23,421,748	25,921,288
9,047,304	8,856,713
651,623	652,165
220,232	31,000
3,370,736	1,388,142
-	3,471,719
-	2,920,000
25,723,689	24,813,925
237,149,906	234,401,225
	Taka 52,322,280 58,993,729 63,398,565 23,421,748 9,047,304 651,623 220,232 3,370,736



## 17. General and administrative expenses

7. General and administrative expenses	2005	2004
	Taka	Taka
Salary and allowances	24,745,927	19,501,956
Gratuity fund	2,133,789	821,995
Directors remuneration	6,520,000	4,800,000
Tax on directors remuneration	1,961,250	1,450,000
Board meeting attendance fees	194,700	48,000
Travelling and conveyance	2,092,438	702,710
Vehicle fuel and maintenance	2,077,875	1,884,368
Entertainment	439,193	466,449
Printing and stationery	482,118	349,871
General repair and maintenance	648,463	545,891
Office expenses	51,371	53,857
Communication expenses	1,601,763	1,625,869
Office rent	2,698,500	1,184,360
Utility expenses	2,220,562	1,617,547
Trade license and other fees	260,130	65,450
Advertisement and publicity	203,410	181,172
Gift and compliments	301,415	36,250
Business development expenses	1,781,700	1,842,000
Fooding and lodging expenses	128,050	164,885
Miscellaneous expenses	200,639	200,683
Legal and professional fees	409,825	546,028
Uniform and liveries	181,110	173,285
Security services expenses	525,095	389,038
Insurance premium	4,034,761	4,004,546
Land lease rental	1,867,647	1,764,066
Environmental compliance cost	240,000	240,000
Donation and subscription	2,777,200	5,336,310
IPDC supervision charges	322,842	375,240
Audit fees	172,425	172,425
Depreciation on other fixed assets	7,844,820	2,691,976
Depreciation on lease assets	640,000	_
Preliminary/other expenses written off	-	232,861
ISO certification expenses	-	177,480
Technical assistance fee	3,999,864	3,597,446
Education and training	5,500	50,320
	73,764,382	57,294,334



#### 18. Financial charges

	2005	2004
	Taka	Taka
Interest on term loan:		
Standard Chartered Bank	43,044,015	46,723,850
IPDC of Bangladesh Limited	2,627,112	2,323,250
Prime Finance & Investment Limited	313,827	_
	45,984,954	49,047,100
Other bank charges and commission:		
Bank charges	597,339	600,212
Bank guarantee commission	90,058	32,465
Operation bond commission	965,152	1,051,533
Insurance bond commission	413,197	511,615
	2,065,746	2,195,825
	48,050,700	51,242,925
19. Other income		
Interest on FDR and STD (net of public issue expenses of Tk 19,304,228)	6,932,724	1,668,172
Sale of empty lube oil drums	805,015	521,475
Miscellaneous	4,392,005	268,138
	12,129,744	2,457,785
20 T 1		

#### 20. Loss on accident

On 7 April 2004 one engine (G-3616 Gen Set) at Savar Power Plant suffered an accidental damage at Cylinder heads. The company spent Tk 11,824,206 to restore the particular engine to its original standard of performance. The company recovered an amount of Tk 5,949,438 as insurance claim and the balance of Tk 5,874,768 is charged as accidental loss.

2004

2005

#### 21. Directors' remuneration

	2005	2004
	Taka	Taka
Fees	108,000	48,000
Salaries and benefit	6,520,000	4,800,000
Bonus	1,325,000	1,000,000
Utility	1,630,000	1,200,000
	9,583,000	7,048,000

#### 22. Capacity

Particulars	Savar power plant	Narsingdi power plant	Chandina power plant
Licensed capacity	10 MW (+ 10%)	10 MW (+ 10%)	10 MW (± 10%)
Installed capacity	11.99 MW	11.99 MW	11.99 MW
Plant factor (PF) (% on licensed capacity)	82.12%	88.40%	85.47%
Actual production (MWh)	79,165	85,176	82,366



#### 23. Capital expenditure commitment

	2005	2004
	Taka	Taka
Contracted but not provided for in this accounts Sanctioned but not contracted	1,025,554,577 10,000,000	-
	1,035,554,577	

#### 24. Obligation under finance lease

Repayment of lease obligation under finance lease:

	Principle Taka	Interest Taka	Total Taka
Due within one year	1,062,173	200,708	1,262,881
Due after one year	1,188,775	74,104	1,262,879
Total obligation under finance lease	2,250,948	274,812	2,525,760

#### 25. Prior year adjustment - Tk 59,579,604

Taka

Development cost	46,720,000
Amortisation on development cost (upto 2004)	(8,760,000)
Pre-operating expenses	35,150,233
Amortisation on pre-operating expenses (upto 2004)	(13,530,629)
	59,579,604

Above has arisen on adoption of BAS 38: Intangible Assets, effective from 1 January 2005.

#### 26. Restatement of retained earnings as on 31 December 2004

Taka

Balance as on 31 December 2003	100,649,311
Less: Changes in accounting policy with respect to the capitalisation of intangible assets, upon adoption of BAS 38 Restated retained earnings	59,579,604 41,069,707

#### 27. Related party transaction

Name of the party	Nature of relationship	Nature of transaction	Transaction value (Taka)
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Group company	Rental payment	2,628,000



#### 28. Number of employees

During the year ended on 31 December 2005 there were 91 employees who received salary Tk 36,000 and above

#### 29. Remittance of foreign currency

	Name of the recipient	2005 USD	2004 USD
Technical assistance fee	Caterpillar Asia Pte Ltd.	39,600	59,400
Dividend	Euro Hub Investments Ltd.	54,730	141,653

The Euro Hub Investments Ltd. is a non-resident shareholder who holds 350,000 shares.

#### 30. Receipts of foreign currency

Name of the remitter	Narure of receipt	2005 USD	2004 USD
Caterpillar Asia Pte Ltd.	Compensation against damage of cylinder head core	61,898	-

#### 31. Value of imports calculated on CIF basis

	2005	2004
	Taka	Taka
Spare parts (includes stock in transit)	22,725,818	29,393,592

#### 32. Contingent liability

Contingent liability of the company was Tk 1,013,004,776 as on 31 December 2005 in respect of construction bond, operation bonds, insurance bond and bank gurantee to third parties.

# Notes

# Notes

#### **SUMMIT POWER LIMITED**

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

## PROXY FORM

switness my hand this	another member of the con
eeting of the Company to be held on Sunday, the 25th day of June 2006, at 11.30 A.M and at any adjournment ereof.  s witness my hand this	
ignature of the Proxy)  slio/BO ID	thereof.
ignature of the Proxy)  Jio/BO ID	
Signature of the Shareholder(s) Folio / BO ID  Signature of the Shareholder(s) Folio / BO ID  OTE: member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead the Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours fore the time appointed for the meeting.  Signature Verified  Authorised Signatory  SUMMIT POWER LIMITED  SHAREHOLDERS' ATTENDANCE SLIP  We hereby record my attendance at the 9th Annual General Meeting being held on Sunday, the 25th day of June	
Signature of the Shareholder(s) Folio / BO ID	(Signature of the Proxy)
Folio / BO ID	Folio/BO ID
ignature of Witness)  OTE: member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead ne Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours fore the time appointed for the meeting.  Signature Verified  Authorised Signatory  SUMMIT POWER LIMITED  SHAREHOLDERS' ATTENDANCE SLIP  We hereby record my attendance at the 9th Annual General Meeting being held on Sunday, the 25th day of June	
member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead the Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours office the time appointed for the meeting.  Signature Verified  Authorised Signatory  SUMMIT POWER LIMITED  SHAREHOLDERS' ATTENDANCE SLIP  We hereby record my attendance at the 9th Annual General Meeting being held on Sunday, the 25th day of June	(Signature of Witness)
SUMMIT POWER LIMITED  SHAREHOLDERS' ATTENDANCE SLIP  We hereby record my attendance at the 9th Annual General Meeting being held on Sunday, the 25th day of June	
SUMMIT POWER LIMITED  SHAREHOLDERS' ATTENDANCE SLIP  We hereby record my attendance at the 9th Annual General Meeting being held on Sunday, the 25th day of June	
SHAREHOLDERS' ATTENDANCE SLIP  We hereby record my attendance at the 9th Annual General Meeting being held on Sunday, the 25th day of June	
We hereby record my attendance at the 9th Annual General Meeting being held on Sunday, the 25th day of June	
006, at 11.30 A.M.	
fame of Member(s)	
olio/ BO ID holding of ordinary Shares of Summit Power Limited	I/We hereby record my at 2006, at 11.30 A.M.
Signature of Shareholder	I/We hereby record my at 2006, at 11.30 A.M.  Name of Member(s)

#### **NOTE:**

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



Important Power Limited, the first Bangladeshi Independent Power Producer (IPP) has been awarded **AA- Credit Rating** 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 AA-rating is a unique distinction for a Bangladeshi company for being the first in private sector power generation to receive such an internationally recognized credit rating. The rating agency highly rates the corporate entity of SPL for its sound credit profile, comfortable cash flow, good and stable profitability and satisfactory solvency in the company.

Summit's power plants are operated and maintained wholly by Bangladeshi engineers and technicians setting an example of growing entrepreneurial and technical sufficiency of Bangladeshi industrial enterprises.

The company has also received **ISO 9001:2000** certification in 2002 for its quality management and for the maintenance of high environmental standard.

# Empowering Bangladesh we can and we will

### SUMMIT'S COMMITMENT

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



#### **SUMMIT POWER LIMITED**

Summit Centre 18 Kawran Bazar C/A

Dhaka 1215, Bangladesh.

Tel : +[880 2] 913 7485-6, 9139668, 9139767, 9140642

Fax : +[880 2] 913 9284, 913 0854 email : spl@summitpower.org URL : www.summitpower.net