

**Hoda Vasi
Chowdhury & Co**

**To
The Shareholders
Summit Power Limited
Summit Centre
18 Kawran Bazar C/A
Dhaka-1215
Bangladesh**

**Auditors' Report
&
Audited Financial Statements
of
Summit Power Limited
as on 31 December 2014**

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditors' Report To the Shareholders of Summit Power Limited

We have audited the accompanying financial statements of Summit Power Limited (the Company), which comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and all related consolidated financial statements of Summit Power Limited and its subsidiaries (together referred to as "the Group").

Management's responsibility for the financial statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements including consolidated financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's/group's affairs as at 31 December 2014 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act (#18) 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

HR

Hoda Vasi Chowdhury & Co

Chartered Accountants

Emphasis of Matters

Without further qualifying our opinion we draw attention to the followings as matter of emphasis

As disclosed in Note 9 to the financial statements, the Company acquired 203,971,500 shares of Summit Meghnaghat Power Company Limited from Summit Industrial & Mercantile Corporation (Private) Limited (SIMCL) @ Taka 18.60 per share (at fair value) in exchange of issuing 106,791,361 shares @ Taka 35.60 per share (at fair value). The consideration received above par value of the Company's share has been credited to share premium account in terms of stipulation made in Paragraph 37 of BFRS - 3.

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/Group so far as it appeared from our examination of these books;
- c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account; and
- d) the expenditures incurred were for the purposes of the Company and its subsidiaries.

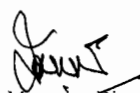
Dhaka, 30 APR 2015

Hoda Vasi Chowdhury & Co
Chartered Accountants

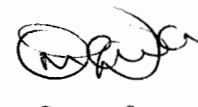
Summit Power Limited
Statement of Financial Position
as at 31 December 2014

Notes	As at 31 December 2014		As at 31 December 2013			
	Consolidated	Separate	Consolidated	Separate		
	Taka	Taka	Taka	Taka		
Assets						
Non current assets:						
	Property, plant and equipment, net	5	13,016,326,309	3,716,049,894	13,261,427,574	3,778,789,411
	Intangible assets, net	6	8,033,343	8,000,010	8,596,040	8,466,874
	Goodwill arising on consolidation	7	519,284,044	-	518,284,044	-
	Investment in subsidiaries	8	-	1,639,789,350	-	1,639,789,350
	Investment in associates	9	4,136,772,452	4,136,772,452	100,000,000	100,000,000
	Available-for-sale financial assets	10	3,647,104,361	3,647,104,361	2,995,100,662	2,995,100,662
			21,327,520,509	13,147,716,067	16,883,408,320	8,522,146,297
Current assets:						
	Inventories	11	1,193,964,986	463,653,462	1,334,837,627	515,893,928
	Trade receivables	12	2,839,050,063	1,818,892,396	2,008,611,219	1,186,146,876
	Sundry receivables	13	87,466,579	85,651,079	79,676,089	72,813,258
	Inter company receivables	14	94,000	200,271,223	-	346,853,661
	Due from associates	15	31,615,443	31,615,443	2,127,684	2,127,684
	Advances, deposits and prepayments	16	179,529,312	105,940,668	169,541,404	70,176,711
	Cash and cash equivalents	17	1,903,769,977	770,762,695	1,556,977,673	676,973,085
			6,235,490,360	3,476,786,966	5,151,771,696	2,870,985,203
	Total assets		27,563,010,869	16,624,503,033	22,035,180,016	11,393,131,500
Equity and Liabilities						
Shareholders' equity:						
	Share capital	18	7,870,626,430	7,870,626,430	5,915,402,460	5,915,402,460
	Share premium	19	6,234,626,639	5,634,556,499	3,501,083,574	2,900,697,657
	Revaluation reserve		671,772,007	473,267,901	688,025,459	489,521,353
	Fair value reserve		(8,692,023)	(8,692,023)	(660,695,722)	(660,695,722)
	Retained earnings		6,037,007,280	1,485,354,444	4,431,439,702	1,133,492,572
			20,805,340,333	15,455,113,251	13,875,255,473	9,778,418,320
	Non controlling interest	20	3,474,225,049	-	3,243,977,518	-
			24,279,565,382	15,455,113,251	17,119,232,991	9,778,418,320
Non-current liabilities:						
	Project loan - non-current portion	21	223,217,253	-	1,071,465,349	-
	Redeemable pref. shares - non-current portion	22	312,254,100	-	778,368,580	-
	Payable to SIMCL - non-current portion	23	-	-	954,799,154	954,799,154
	Finance lease - non-current portion	24	-	-	216,673	-
	Deferred liabilities	25	106,366,954	53,372,026	82,421,960	47,110,836
			641,838,307	53,372,026	2,887,271,716	1,001,909,990
Current liabilities:						
	Dividend payable on ordinary shares	26	9,829,630	6,270,188	6,047,388	6,047,388
	Trade creditors	27	179,090,399	43,917,451	90,118,542	42,337,655
	Sundry creditors and accruals	28	102,753,332	65,830,117	94,591,599	63,834,970
	Short term loan	29	1,012,846,312	1,000,000,000	-	-
	Project loan - current portion	21	868,500,000	-	868,500,000	-
	Redeemable preference shares - current portion	22	468,368,900	-	468,368,900	-
	Payable to SIMCL - current portion	23	-	-	500,000,000	500,000,000
	Finance lease - current portion	24	218,607	-	1,048,880	583,177
			2,641,607,180	1,116,017,756	2,028,675,309	612,803,190
	Total liabilities		3,283,445,487	1,169,389,782	4,915,947,025	1,614,713,180
	Total equity and liabilities		27,563,010,869	16,624,503,033	22,035,180,016	11,393,131,500

The annexed notes 1 to 49 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 30 APR 2015

Hoda Vasiuly Elko
Chartered Accountants



Summit Power Limited
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2014

	Notes	2014		2013	
		Consolidated	Separate	Consolidated	Separate
		Taka	Taka	Taka	Taka
Revenue	30	6,109,044,517	2,176,346,257	6,191,915,486	2,329,514,069
Cost of sales	31	(2,552,585,532)	(984,236,261)	(2,373,939,738)	(953,123,118)
Gross profit		3,556,458,985	1,192,109,996	3,817,975,748	1,376,390,951
Other income, net	32	166,536,718	384,007,732	86,514,242	71,908,941
Operating expenses					
General and administrative expenses	33	(565,768,894)	(222,586,860)	(592,564,624)	(250,324,302)
Operating profit		3,157,226,809	1,353,530,868	3,311,925,366	1,197,975,590
Finance income/(expenses) - net	34	(317,387,810)	(130,612,088)	(482,097,680)	(182,058,352)
Profit before income tax		2,839,838,999	1,222,918,780	2,829,827,686	1,015,917,238
Income tax expenses	3.10 & 3.11	-	-	-	-
Profit after income tax		2,839,838,999	1,222,918,780	2,829,827,686	1,015,917,238
Other comprehensive income					
Net change in fair value of available-for-sale financial assets		652,003,699	652,003,699	291,210,514	291,210,514
Total comprehensive income for the year		3,491,842,698	1,874,922,479	3,121,038,200	1,307,127,752
Profit attributable to:					
Owners of the company		2,219,988,013	-	2,184,858,468	-
Non controlling interest		619,850,986	-	644,969,218	-
Profit for the year		2,839,838,999	-	2,829,827,686	-
Total comprehensive income attributable to:					
Owners of the company		2,871,991,712	-	2,476,068,982	-
Non controlling interest		619,850,986	-	644,969,218	-
Total comprehensive income for the year		3,491,842,698	-	3,121,038,200	-
Earnings per share	35	3.26	1.80	3.69	1.72
Re-stated earnings per share		-	-	3.21	1.49

The annexed notes 1 to 49 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka 30 APR 2015

Hoda Vasically & Co
Chartered Accountants

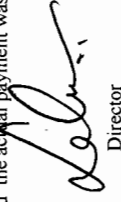


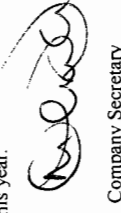
Summit Power Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2014

	Equity attributable to owners of the Company										Non controlling interest	Total equity	
	Share capital	Share premium	Reserve			Retained earnings	Sub-total	Taka	Taka	Taka			Taka
			Revaluation reserve	Fair value reserve									
Balance as at 1 January 2013	4,929,502,050	2,900,697,657	794,231,503	(951,906,236)	3,717,583,396	11,390,108,370	(43,534,644)	3,385,516,375	14,775,624,745	(43,534,644)			
Additional liquidity damage charge adjusted against retained earnings	-	-	-	-	(43,534,644)	-	-	-	(55,014,416)	-	-		
Payment for transaction costs	-	-	-	-	97,137,650	-	-	294,895,228	294,895,228	-	-		
Transfer from reserve to retained earnings	-	-	(97,137,650)	-	(294,895,228)	-	-	600,385,917	(600,385,917)	-	-		
Dilution of ownership in SPPCL, retained earnings adjustments	-	-	-	-	(243,809,530)	-	-	(985,900,410)	(1,149,709,940)	-	-		
Gain on dilution of SPL's ownership in SPPCL	-	600,385,917	-	-	(985,900,410)	-	-	-	-	-	-		
Sale of SIMCL's 20% share in SNPL to SPPCL	-	-	-	-	51,018,033	-	-	60,086,427	111,094,460	-	-		
Issue of bonus shares to shareholders	985,900,410	-	-	-	(60,086,427)	-	-	2,184,858,468	2,124,772,041	-	-		
Revaluation of land and land development in SNPL	-	-	51,018,033	-	-	-	-	291,210,514	342,228,547	-	-		
Minority's share of revaluation of land in SPPCL	-	-	(60,086,427)	-	-	-	-	-	181,142,120	-	-		
Total comprehensive income for the year	-	-	-	-	2,184,858,468	-	-	2,184,858,468	4,369,636,936	-	-		
Net change in fair value of available-for-sale financial assets	-	-	-	-	291,210,514	-	-	-	291,210,514	-	-		
Balance as at 31 December 2013	5,915,402,460	3,501,083,574	688,025,459	(660,695,722)	4,431,439,702	13,875,255,473	(315,777)	3,243,977,518	17,119,232,991	(444,444)			
Prior year adjustment in minority interest	-	-	-	-	256,636,473	-	-	(256,636,473)	-	-	-		
Transfer from revaluation reserve to retained earnings	-	-	(16,253,452)	-	16,253,452	-	-	-	-	-	-		
Cash dividend to non-controlling interest shareholders	-	-	-	-	-	-	-	(132,838,315)	(132,838,315)	-	-		
Transaction cost for issue of shares	-	(315,777)	-	-	(887,310,360)	-	-	-	(1,192,087,137)	-	-		
Issue of bonus shares	887,310,360	-	-	-	-	-	-	-	-	-	-		
Issue of ordinary shares to SIMCL	1,067,913,610	-	-	-	-	-	-	-	1,067,913,610	-	-		
Share premium	-	2,733,858,842	-	-	-	-	-	-	2,733,858,842	-	-		
Total comprehensive income for the year	-	-	-	-	2,219,988,013	-	-	619,850,986	2,839,838,999	-	-		
Net change in fair value of available-for-sale financial assets	-	-	-	-	652,003,699	-	-	-	652,003,699	-	-		
Balance as at 31 December 2014	7,870,626,430	6,234,626,639	671,772,007	(8,692,023)	6,037,007,280	20,805,340,333	(315,777)	3,474,225,049	24,279,565,382	(444,444)			

Revaluation reserve of the Company (SPL) Tk. 97,137,650 (difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost) had been transferred directly to retained earnings of which Tk. 78,283,772 relates to the period upto 31 December 2012.

Provision was made during the year for liquidated damage on account of plant non-availability in 2012 relating to Summit Narayanganj Power Limited. But, provision could not be made earlier for want of appropriate estimation of the liquidated damage because of complexity of the issue and the actual payment was significantly higher than the provision made this year.


 Managing Director


 Company Secretary



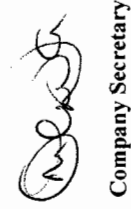
Summit Power Limited
Statement of Changes in Equity
for the year ended 31 December 2014

	Share capital Taka	Share premium Taka	Reserve Revaluation reserve Taka	Fair value reserve Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2013	4,929,502,050	2,900,697,657	586,659,003 (97,137,650)	(951,906,236)	1,006,338,094	8,471,290,568
Transfer from revaluation reserve to retained earnings					97,137,650	-
Transactions with the shareholders:						
Issue of bonus shares to shareholders	985,900,410	-	-	-	(985,900,410)	-
Net change in fair value of available-for-sale financial assets	-	-	-	291,210,514	-	291,210,514
Total comprehensive income for the year	-	-	-	-	1,015,917,238	1,015,917,238
Balance as at 31 December 2013	5,915,402,460	2,900,697,657	489,521,353 (16,253,452)	(660,695,722)	1,133,492,572	9,778,418,320
Transfer from revaluation reserve to retained earnings					16,253,452	-
Transactions with the shareholders:						
Issue of bonus shares to shareholders	887,310,360	-	-	-	(887,310,360)	-
Net change in fair value of available-for-sale financial assets	-	-	-	652,003,699	-	652,003,699
Issue of ordinary shares to SIMCL	1,067,913,610	-	-	-	-	1,067,913,610
Share premium on ordinary shares	-	2,733,858,842	-	-	-	2,733,858,842
Total comprehensive income for the year	-	-	-	-	1,222,918,780	1,222,918,780
Balance as at 31 December 2014	7,870,626,430	5,634,556,499	473,267,901	(8,692,023)	1,485,354,444	15,455,113,251

Revaluation reserve Tk. 97,137,650 (difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost) had been transferred directly to retained earnings of which Tk. 78,283,772 relates to the period upto 31 December 2012.


Managing Director


Director


Company Secretary




Summit Power Limited

Statement of Cash Flows
for the year ended 31 December 2014

	2014		2013	
	<u>Taka</u> <u>Consolidated</u>	<u>Taka</u> <u>Separate</u>	<u>Taka</u> <u>Consolidated</u>	<u>Taka</u> <u>Separate</u>
Cash flow from operating activities:				
Cash receipts from customers	5,278,605,673	1,543,600,737	5,596,067,532	1,670,694,633
Cash paid to suppliers and employees	(2,132,011,308)	(915,758,778)	(2,930,522,085)	(998,841,775)
Receipts from other sources	257,340,245	438,661,122	152,895,213	131,543,034
Interest and other charges paid	(394,459,878)	(198,103,299)	(396,546,350)	(110,578,152)
<i>Net cash flow from operating activities</i>	<u>3,009,474,732</u>	<u>868,399,782</u>	<u>2,421,894,310</u>	<u>692,817,740</u>
Cash flow from investing activities:				
Property, plant and equipment	(488,715,839)	(201,545,320)	(422,735,603)	(211,947,549)
Investments in subsidiary and associates	(236,000,000)	(235,000,000)	(1,379,925,000)	(90,000,000)
<i>Net cash used in investing activities</i>	<u>(724,715,839)</u>	<u>(436,545,320)</u>	<u>(1,802,660,603)</u>	<u>(301,947,549)</u>
Cash flow from financing activities:				
Payments towards project loan	(867,515,625)	-	(934,318,938)	(63,006,438)
Receipt of short term loan	1,012,846,312	1,000,000,000	-	-
Payments towards redeemable preference shares	(468,368,900)	-	(468,368,900)	-
Payments for lease finance	(1,046,946)	(583,177)	(4,332,230)	(3,664,618)
Payments for transaction costs	(444,444)	-	(55,014,416)	-
Payments to SIMCL	(1,454,799,154)	(1,454,799,154)	-	-
Cash dividend to non-controlling interest	(132,838,315)	-	-	-
Financing from/(to) inter company	(29,581,759)	117,094,679	619,112	(88,173,252)
Unclaimed dividend	3,782,242	222,800	-	-
<i>Net cash flow (used)/from financing activities</i>	<u>(1,937,966,589)</u>	<u>(338,064,852)</u>	<u>(1,461,415,372)</u>	<u>(154,844,308)</u>
<i>Net changes in cash and cash equivalents</i>	<u>346,792,304</u>	<u>93,789,610</u>	<u>(842,181,665)</u>	<u>236,025,883</u>
Cash and cash equivalents at 1 January	<u>1,556,977,673</u>	<u>676,973,085</u>	<u>2,399,159,338</u>	<u>440,947,202</u>
Cash and cash equivalents at 31 December	<u>1,903,769,977</u>	<u>770,762,695</u>	<u>1,556,977,673</u>	<u>676,973,085</u>


Managing Director


Director


Company Secretary



Summit Power Limited
Notes to the Financial Statements
as at and for the year ended 31 December 2014

1. Reporting entity

1.1 Company profile

Summit Power Limited (hereinafter referred to as "the Company"/"the parent company") is a Public Limited Company incorporated in Bangladesh on 7 June 2004 under the Companies Act (# 18) 1994 under registration no: C 32630 (1751)/97 dated 30 March 1997 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215. The Company was initially registered as a Private Limited on 30 March 1997 Company and subsequently converted into a Public Limited. During October-November 2005, the Company listed its shares with both Dhaka and Chittagong Stock Exchanges. The consolidated financial statements of the Company as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries. Profile of subsidiaries is as under:

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

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

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

1.2 Nature of business

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

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

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

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were authorised for issue by the Board of Directors on

30 APR 2015



The following Bangladesh Financial Reporting Standards (BFRS) have been newly adopted while preparing these financial statements to ensure compliance with standards which are effective from 2013:

Title of relevant BFRS	Effective date
a. BFRS 7: Offsetting Financial Assets and Financial	1 January 2013
b. BFRS 9: Financial Instruments	1 January 2013
c. BFRS 10: Consolidated Financial Statements	1 January 2013
d. BFRS 12: Disclosure of Interests in Other Entities	1 January 2013
e. BFRS 13: Fair Value Measurement	1 January 2013
f. BAS 27: Separate Financial Statements	1 January 2013
g. Presentation of items of Other Comprehensive Income (Amendments to BAS 1)	1 January 2013
h. Disclosures of recoverable amount for non-financial assets (Amendments to BAS 36)	1 January 2013

2.2 Basis of measurement

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

2.3 Functional and presentational currency and level of precision

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

2.4 Use of estimates and judgement

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

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

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

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

3. Significant accounting policies

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

3.1 Basis of consolidated and separate financial statements

(a) Subsidiaries

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

Name of Subsidiaries	% of controlling <u>interest</u>	% of non- controlling <u>interest</u>
Summit Purbanchol Power Company Limited (SPPCL)	71.05	28.95
Summit Uttaranchol Power Company Limited (SUPCL)	51.48	48.52
Summit Narayanganj Power Limited (SNPCL)	75.00	25.00

In Summit Narayanganj Power Limited out of 75% controlling interest, Summit Power Limited directly holds 55% shares and the rest 20% is held by Summit Purbanchol Power Company Limited which is a sister concern of Summit Power Limited.



The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. However, in the year 2014, the subsidiaries have no such loss to take any action in this regard.

(b) *Transactions eliminated on consolidation*

The financial statements of the subsidiaries have been consolidated with those of Summit Power Limited in accordance with BFRS 10 Consolidated and Separate Financial Statements. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees (that means in any company wherein Summit Power Limited has made investments, (if any) are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. However, on 31 December 2014, the Company has no such investments.

(c) Basis of preparation of separate financial statements (note 2.1.f)

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

(d) Disclosure of interests in other entities (note 2.1.d)

As a result of BFRS 12, the group has extended its disclosures about its interests in subsidiaries and equity-accounted investees in note 40.

3.2 Property, plant and equipment

(a) *Recognition and measurement*

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

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

(b) *Capitalisation of borrowing cost*

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

(c) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred. Spare parts whose estimated useful life is more than one year are capitalised and depreciated using the straight-line method over the estimated useful life of between 2 to 10 years when used in major repair and maintenance processes. The spare parts which are replaced by a major overhaul will be removed from the cost of property, plant and equipment.



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

The Company and the group units have revalued the plant and machinery, civil works and land of their own units on various dates following the current cost accounting method. The revaluation resulted in a revaluation surplus aggregating to Tk 886,991,565 upto 31 December 2014 for the group as detailed below:

	Revaluation	Depreciation	Name of Valuer
	Taka	Taka	
Summit Power Limited- Revaluation of Plant, Machinery and Civil Works	586,659,003	113,391,102	S. F. Ahmed & Co., Chartered Accountants
Summit Purbanchol Power Company Limited- Revaluation of Land	207,572,500	Not Applicable	-Do-
Summit Narayanganj Power Limited- Revaluation of Land	92,760,062	Not Applicable	ACNABIN, Chartered Accountants
	886,991,565	113,391,102	

(e) *Depreciation*

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

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

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

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

	<u>2014</u>	<u>2013</u>
	<u>Year</u>	<u>Year</u>
Furniture and fixtures	10	10
Office and electrical equipment	5	5
Office decoration	5	5
Motor vehicles	5	5
Maintenance equipment	5	5
Civil works and others	5	5
Plant and machinery:	2 to 30	2 to 30

(f) *Retirements and disposals*

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

(g) *Asset retirement obligations (ARO)*

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



(h) *Capital work in progress*

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

3.3 Intangible assets

(a) *Recognition and measurement*

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

(b) *Subsequent costs*

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

(c) *Amortisation*

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

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

3.4 Leased assets

3.4.1 Finance lease

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

(a) **Recognition and measurement**

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

(b) **Depreciation**

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

3.4.2 Operating lease

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

3.5 Inventories

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



3.6 Provisions

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

3.7 Contingencies

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

3.8 Employee benefits

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

(a) *Defined benefit plan (gratuity)*

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

(b) *Defined contribution plan (CPF)*

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

(c) *Defined benefit plan (leave encashment)*

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

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

With effect from 1 January 2014 the management of the Company/ group underwent an internal Human Resource restructuring exercise. In the light of this, external legal opinion has been obtained confirming that the management need not to set up a Workers' Profit Participation Fund as stipulated in Labour Act 2006 for the Company and the group. Hence no provision for WPPF has been made in the accounts under this head .

3.9 Revenue

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

3.10 Taxation

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

However, on the basis of external professional opinion, the Company and the group believe that non operating income of these organisations is not subject to income tax as subsequent amendments to income tax exemptions do not apply to them because they were in commercial operation before the date of applicability of the circular from NBR in this regard.



3.11 Deferred tax

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

3.12 Foreign currency translation

Foreign currency transactions are translated into Bangladeshi Taka at the rates ruling on the transaction date. All monetary assets and liabilities at the statement of financial position date are retranslated using rates prevailing on that day. In accordance with Schedule XI of the Companies Act (#18) 1994 all differences arising on outstanding foreign currency loans are adjusted against the fixed assets for which such foreign currency borrowing took place. This treatment is not in accordance with BAS 21 *The Effects of Changes in Foreign Exchange Rates*, which requires all differences arising from foreign exchange transactions to be recognised in the statement of comprehensive income. However management feel the impact on profits due to the difference in treatment is immaterial and does not impact in the current year. All other differences are taken to the statement of comprehensive income.

3.13 Finance income and expenses

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

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

3.14 Financial instruments

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

3.14.1 Financial assets

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

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

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

(a) Cash and cash equivalents

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

(b) Trade receivables

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

(c) Available-for-sale financial assets

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



3.14.2 Financial liabilities

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

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

(a) Finance lease obligation

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

(b) Loans and borrowings

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

(c) Trade payables

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

(d) Redeemable preference shares

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

3.15 Impairment

(a) Financial assets

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

(b) Disclosures of recoverable amount for non-financial assets (note 2.1.h)

At each reporting date indications of impairment are reviewed. For this review, the group is considered as a single cash generating unit and both tangible and intangible assets are reviewed. If any indication exists, the assets' recoverable amount will need to be estimated. As at 31 December 2014, the assessment of indicators of impairment reveals that impairment testing is not required for the group.

(c) Inventories

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

3.16 Earnings per share (EPS)

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

Diluted EPS is determined by the adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year 2014.



3.17 BFRS 13: Fair Value Measurement

BFRS 13 (effective from 1 January 2013) establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other BFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other BFRSs, including BFRS 7. As result the Company has included additional disclosures in this regard (See Note 39). The requirements of this BFRS has no significant impact on the measurement of the Company's assets and liabilities.

3.18 Disclosures- Offsetting Financial Assets and Financial Liabilities (Amendments to BFRS 7) (note 2.1.a)

The Company has adopted this amendments to BFRS 7. However, this has no impact on the financial statements of the Company/the group.

3.19 Presentation of items of Other Comprehensive Income (Amendments to BAS 1) (note 2.1.g)

As a result of the amendments to BAS 1, the Company adopted the policy to separately present items that would be reclassified to profit or loss from those that would never be. However this requirements do not have any material impact on the financial statements of the Company/the group.

4.0 General

4.1 Reporting Period

These financial statements cover the period from 1 January to 31 December 2014.

4.2 Preparation and presentation of Financial Statements

The management of the Company is responsible for the preparation and presentation of Financial Statements of Summit Power Limited and the consolidated accounts of the Group for the year ended 31 December 2014.



5. Property, plant and equipment, net
As at 31 December 2014 (Consolidated)

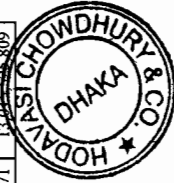
a) Own assets

i) Cost

Particulars	Balance as at 1 January 2014		Cost/Revaluation		Rate	Balance as at 31 December 2014		Depreciation		Balance as at 31 December 2014		Written down value as at 31 December 2014	
	Taka		Taka			Taka		Taka		Taka		Taka	
			Addition	Disposal				Changed during the year	Disposal during the year				
Land and land development	340,851,151		7,317,500	-		348,168,651	-	-	-	-	-	348,168,651	
Furniture and fixtures	15,081,092		1,179,858	-	10	16,260,950	-	1,492,564	-	5,719,635	-	10,541,315	
Office and electrical equipment	27,543,982		3,715,556	181,960	20	31,070,578	181,960	3,952,649	181,960	20,894,210		10,183,368	
Office decoration	26,412,588		148,000	(23,225,000)	20	26,560,588		2,691,617		22,905,187		3,655,401	
Motor vehicles	60,651,724		13,965,120		20	74,616,844		7,234,301	(21,612,791)	72,996,320		24,845,524	
Maintenance equipment	15,750,107		5,745,800		20	21,495,907		3,400,259		7,960,863		13,535,044	
Civil works and others	127,533,685		40,616,587		20	168,150,272		21,748,135		70,543,147		97,607,125	
Plant and machinery:													
Ashulia Power Plant (Unit-1)	417,150,469		36,791,683	22,674,633	3.33 - 10	431,267,519		25,514,879	5,797,553	152,146,738		279,120,781	
Ashulia Power Plant (Unit-2)	1,399,900,016		89,794,825	52,870,432	3.33 - 16.67	1,436,764,389		61,620,293	52,870,432	280,455,919		1,156,308,470	
Madhabdi Power Plant (Unit-1)	401,098,014		15,264,396	4,616,145	3.33 - 10	411,746,265		33,353,134	4,616,145	181,357,255		230,389,010	
Madhabdi Power Plant (Unit-2)	971,598,174		21,905,025	9,852,764	3.33 - 16.67	983,650,435		48,181,364	9,852,764	231,003,222		752,647,213	
Chandina Power Plant (Unit-1)	444,412,855		14,495,564	4,073,611	3.33 - 10	454,834,808		31,841,276	4,073,611	172,438,624		282,396,184	
Chandina Power Plant (Unit-2)	600,425,616		13,368,707	7,950,471	3.33 - 16.67	605,843,852		30,337,042	7,950,471	139,369,435		466,474,417	
Jangalia Power Plant	1,463,890,887		80,005,555	55,800,433	3.33 - 16.67	1,488,096,009		86,256,446	55,800,433	241,947,200		1,246,148,809	
Rupganj Power Plant	1,411,338,287		87,735,558	55,216,031	3.33 - 16.67	1,443,857,814		77,413,790	55,216,031	230,734,693		1,213,123,121	
Maona Power Plant	1,361,174,482		56,092,029	40,149,779	3.33 - 16.67	1,377,116,732		84,250,714	40,149,779	232,923,348		1,144,193,384	
Ullapara Power Plant	507,059,019		6,615,770	4,536,828	3.33 - 16.67	509,137,961		29,011,750	4,536,828	90,621,019		418,516,942	
Madanganj Power Plant	5,102,423,236		10,677,794	9,271,381	3.33 - 16.67	5,103,829,649		166,524,406	9,271,381	559,976,654		4,543,852,995	
Total (i)	14,694,295,384		505,375,327	243,969,488		14,955,701,223		714,824,619	228,704,617	2,713,993,469		12,241,707,754	

ii) Revaluation

Particulars	Balance as at 1 January 2014		Cost/Revaluation		Rate	Balance as at 31 December 2014		Depreciation		Balance as at 31 December 2014		Written down value as at 31 December 2014	
	Taka		Taka			Taka		Taka		Taka		Taka	
			Addition	Disposal				Changed during the year	Disposal during the year				
Land and land development	300,332,562		217,592	-	20	300,550,154		-	-	13,002,138		300,550,154	
Civil works and others	13,002,138		-	-		13,002,138		-	-	-		-	
Plant and machinery:													
Ashulia Power Plant (Unit-1)	166,227,903		-	-	3.33 - 10	166,227,903		4,709,747	-	29,089,598		137,138,305	
Ashulia Power Plant (Unit-2)	3,310,422		-	-	3.33 - 16.67	3,310,422		93,794	-	579,324		2,731,098	
Madhabdi Power Plant (Unit-1)	161,663,341		-	-	3.33 - 10	161,663,341		4,580,416	-	28,290,804		133,372,537	
Madhabdi Power Plant (Unit-2)	79,752,991		-	-	3.33 - 16.67	79,752,991		2,259,645	-	13,956,627		65,796,364	
Chandina Power Plant (Unit - 1)	146,384,742		-	-	3.33 - 10	146,384,742		4,147,526	-	25,617,081		120,767,661	
Chandina Power Plant (Unit - 2)	16,317,466		-	-	3.33 - 16.67	16,317,466		462,324	-	2,855,530		13,461,936	
Total (ii)	886,991,565		217,592	-		887,209,157		16,253,452	-	113,391,102		773,818,055	
Total assets (i+ii)	15,581,286,949		505,592,919	243,969,488		15,842,910,380		731,078,071	228,704,617	2,827,384,571		13,014,526,809	



Property, plant and equipment (contd.....)

b) Leased assets

Motor vehicles	24,881,450	-	23,225,000	1,656,450	20	19,729,708	2,739,033	21,612,791	855,950	800,500
Total (a+b)	15,606,168,399	505,592,919	267,194,488	15,844,566,830		2,344,740,825	733,817,104	250,317,408	2,828,240,521	13,016,326,309

Addition to the plant and machinery had resulted from major overhauling completed in Ashulia Power Plant (Unit 1) and Chandina Power Plant (Unit 1) at 100,000 running hours, in Ashulia Power Plant (Unit 2), Madhabdi Power Plant (Unit 2) and Chandina Power Plant (Unit 2) at 48,000 running hours, in Ullapara Power Plant at 36,000 running hours, in Maona Power Plant at 32,000 running hours & also in Ranganj Power Plant and Jangalia Power Plant at 32,000 running hours and finally in Madanganj Power Plant at 12,000 running hours. Addition to the plant and machinery had also included an amount to Taka 2,125,000 relating to provision for Assets Retirement Obligation (ARO) for all plants of Summit Power Limited (separate) and Ullapara Power Plant and Maona Power Plant in line with Land Leased Agreement (LLA).

As at 31 December 2014 (Separate)

a) Own assets

i) Cost

Particulars	Cost				Rate	Depreciation				Written down value at 31 December 2014		
	Balance as at 1 January 2014		Addition during the year			Balance as at 31 December 2014		Charged during the year			Balance as at 31 December 2014	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka		Taka	Taka
Land and land development	21,656,850	4,867,500	-	-	-	26,504,350	-	-	-	-	26,504,350	
Furniture and fixtures	6,782,794	903,861	-	-	10	7,686,655	654,293	-	-	3,249,338	4,437,317	
Office and electrical equipment	17,737,778	3,286,015	181,960	-	20	20,841,833	2,178,437	181,960	-	13,793,175	7,048,658	
Office decoration	26,171,136	148,000	-	-	20	26,319,136	2,643,325	-	-	21,596,392	4,722,744	
Motor vehicles	37,270,911	13,965,120	(23,225,000)	-	20	74,461,031	5,242,089	(21,612,791)	-	53,217,168	21,243,863	
Maintenance equipment	7,819,651	550,000	-	-	20	8,369,651	1,315,899	-	-	3,878,449	4,491,202	
Civil works and others	44,168,188	3,141,704	-	-	20	47,309,892	2,410,321	-	-	40,312,108	6,997,784	
Plant and machinery :												
Ashulia Power Plant (Unit-1)	417,150,469	36,791,683	22,674,633	-	3.33 - 10	431,267,519	25,514,879	5,797,553	-	152,146,738	279,120,781	
Ashulia Power Plant (Unit-2)	1,399,900,016	89,734,825	52,870,452	-	3.33 - 16.67	1,436,764,389	61,620,293	52,870,452	-	280,455,919	1,156,308,470	
Madhabdi Power Plant (Unit-1)	401,098,013	15,264,396	4,616,145	-	3.33 - 10	411,746,264	33,353,134	4,616,145	-	181,357,255	230,389,009	
Madhabdi Power Plant (Unit-2)	971,598,174	21,905,025	9,852,764	-	3.33 - 16.67	983,650,435	48,181,364	9,852,764	-	231,003,222	752,647,213	
Chandina Power Plant (Unit-1)	444,412,856	14,495,564	4,073,611	-	3.33 - 10	454,834,809	31,841,276	4,073,611	-	172,438,624	282,396,185	
Chandina Power Plant (Unit-2)	600,425,616	13,368,707	7,950,471	-	3.33 - 16.67	605,843,852	30,337,042	7,950,471	-	139,369,435	466,474,417	
Total (i)	4,396,172,452	218,422,400	78,995,036	-		4,535,599,816	245,292,352	63,730,165	-	1,292,817,823	3,242,781,993	

ii) Revaluation

Particulars	Cost				Rate	Depreciation				Written down value at 31 December 2014		
	Balance as at 1 January 2014		Addition during the year			Balance as at 31 December 2014		Charged during the year			Balance as at 31 December 2014	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka		Taka	Taka
Land and land development	13,002,138	-	-	-	20	13,002,138	-	-	-	-	-	
Civil works and others	-	-	-	-	-	-	-	-	-	-	-	
Plant and machinery :												
Ashulia Power Plant (Unit-1)	166,227,903	-	-	-	3.33 - 10	166,227,903	4,709,747	-	-	29,089,598	137,138,305	
Ashulia Power Plant (Unit-2)	3,310,422	-	-	-	3.33 - 16.67	3,310,422	93,794	-	-	579,324	2,731,098	
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	-	3.33 - 10	161,663,341	4,580,416	-	-	28,290,804	133,372,537	
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	-	3.33 - 16.67	79,752,991	2,259,645	-	-	13,956,627	65,796,364	
Chandina Power Plant (Unit-1)	146,384,742	-	-	-	3.33 - 10	146,384,742	4,147,526	-	-	25,617,081	120,767,661	
Chandina Power Plant (Unit-2)	16,317,466	-	-	-	3.33 - 16.67	16,317,466	462,324	-	-	2,855,530	13,461,936	
Total (ii)	4,982,831,455	218,422,400	78,995,036	-		5,122,258,819	261,545,804	63,730,165	-	1,406,208,925	3,716,049,894	

b) Leased assets

Motor vehicles	23,225,000	-	23,225,000	-	20	18,873,758	2,739,033	21,612,791	-	-
Total (a+b)	5,006,056,455	218,422,400	102,220,036	5,122,258,819		1,227,267,044	264,284,837	85,342,956	1,406,208,925	3,716,049,894



As at 31 December 2013 (Consolidated)

Particulars	Cost/Revaluation			Balance as at 31 December 2013	Rate %	Depreciation			Balance as at 31 December 2013	Written down value as at 31 December 2013	
	Balance as at 1 January 2013	Addition during the year				Disposal during the year	Charged during the year	Disposal during the year			Balance as at 31 December 2013
		Taka	Taka								
Own assets:											
<i>i) Cost</i>											
Land and land development	338,541,151	2,310,000	-	340,851,151	-	-	-	-	-	340,851,151	
Furniture and fixtures	10,277,905	4,803,187	-	15,081,092	10	3,043,538	1,183,533	-	4,227,071	10,854,021	
Office and electrical equipment	22,669,970	4,874,012	-	27,543,982	20	13,688,510	3,435,011	-	17,123,521	10,420,461	
Office decoration	25,883,404	529,184	-	26,412,588	20	16,493,403	3,720,167	-	20,213,570	6,199,018	
Motor vehicles	53,873,711	8,084,454	1,306,441	60,651,724	20	36,212,719	6,695,376	(1,241,133)	44,149,228	16,502,496	
Maintenance equipment	11,141,445	4,608,662	-	15,750,107	20	2,006,197	2,554,407	-	4,560,604	11,189,503	
Civil works and others	51,200,803	76,332,882	-	127,533,685	20	37,735,113	11,059,899	-	48,795,012	78,738,673	
Plant and machinery:											
Ashulia Power Plant (Unit-1)	378,264,915	68,980,224	30,094,670	417,150,469	3.33	144,827,252	17,696,830	30,094,670	132,429,412	284,721,057	
Ashulia Power Plant (Unit-2)	1,396,026,271	3,873,745	-	1,399,900,016	3.33	232,036,682	39,669,396	-	271,706,078	1,128,193,938	
Madhabdi Power Plant (Unit-1)	399,835,460	1,262,584	-	401,098,044	3.33	120,891,386	31,728,880	-	152,620,266	248,477,748	
Madhabdi Power Plant (Unit-2)	961,987,457	33,462,130	23,851,413	971,598,174	3.33	176,728,642	39,797,393	23,851,413	192,674,622	778,923,552	
Chandina Power Plant (Unit-1)	396,093,046	78,414,479	30,094,670	444,412,855	3.33	150,060,260	24,705,369	30,094,670	144,670,959	299,741,896	
Chandina Power Plant (Unit-2)	598,679,389	9,696,698	7,950,471	600,425,616	3.33	96,559,627	28,373,708	7,950,471	116,982,864	483,442,752	
Jangalia Power Plant	1,463,825,887	65,000	-	1,463,890,887	3.33	161,130,792	50,360,395	-	211,491,187	1,252,399,700	
Rupganj Power Plant	1,411,312,387	25,900	-	1,411,338,287	3.33	152,732,697	55,804,237	-	208,536,934	1,202,801,353	
Maona Power Plant	1,350,244,599	26,189,321	15,259,438	1,361,174,482	3.33	154,010,761	50,071,090	15,259,438	188,822,413	1,172,352,069	
Ullapara Power Plant	492,340,289	50,149,570	35,430,840	507,059,019	3.33	80,922,356	20,654,581	35,430,840	66,146,097	440,912,922	
Madanganj Power Plant	5,209,642,095	57,308,601	164,527,460	5,102,423,236	3.33	255,200,761	177,753,453	30,230,585	402,723,629	4,699,699,607	
Total (t)	14,571,840,184	430,970,603	308,515,403	14,694,295,384		1,834,280,696	565,263,725	171,670,954	2,227,873,467	12,466,421,917	
<i>ii) Revaluation</i>											
Land and land development	207,572,500	92,760,062	-	300,332,562	-	-	-	-	-	300,332,562	
Civil works and others	13,002,138	-	-	13,002,138	20	10,401,712	2,600,426	-	13,002,138	-	
Plant and machinery :											
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33	19,670,107	4,709,744	-	24,379,851	141,848,052	
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33	391,734	93,796	-	485,530	2,824,892	
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33	19,129,972	4,580,416	-	23,710,388	137,952,953	
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33	9,437,338	2,259,644	-	11,696,982	68,056,009	
Chandina Power Plant (Unit - 1)	146,384,742	-	-	146,384,742	3.33	17,322,027	4,147,528	-	21,469,555	124,915,187	
Chandina Power Plant (Unit - 2)	16,317,466	-	-	16,317,466	3.33	1,930,882	462,324	-	2,393,206	13,924,260	
Total (ti)	794,231,503	92,760,062	-	886,991,565		78,283,772	18,853,878	-	97,137,650	789,853,915	
Total own assets (t+ii)	15,366,071,687	523,730,665	308,515,403	15,581,286,949		1,912,564,468	584,117,603	171,670,954	2,325,011,117	13,256,275,832	
Leased assets:											
Motor vehicles	28,116,450	-	3,235,000	24,881,450		19,196,418	3,069,723	2,536,433	19,729,708	5,151,742	
Total (a+b)	15,394,188,137	523,730,665	311,750,403	15,606,168,399		1,931,760,886	587,187,326	174,207,387	2,344,740,825	13,261,427,574	



Property, plant and equipment (contd.)
As at 31 December 2013 (Separate)

Particulars	Cost/Revaluation				Depreciation				Written down value as at		
	Balance as at 1 January 2013	Addition during the year	Disposal during the year	Balance as at 31 December 2013	Rate %	Balance as at 1 January 2013	Charged during the year	Disposal during the year	Balance as at 31 December 2013	31 December 2013	Taka
Own assets:											
<i>i) Cost</i>											
Land and land development	19,826,850	1,810,000	-	21,636,850	10	-	-	-	-	-	21,636,850
Furniture and fixtures	5,175,178	1,607,616	-	6,782,794	20	2,065,666	529,379	-	2,595,045	-	4,187,749
Office and electrical equipment	14,844,755	2,893,023	-	17,737,778	20	10,033,538	1,763,160	-	11,796,698	-	5,941,080
Office decoration	25,641,952	529,184	-	26,171,136	20	16,357,257	2,595,810	-	18,953,067	-	7,218,069
Motor vehicles	34,221,729	3,049,182	-	37,270,911	20	20,577,304	5,784,984	-	26,362,288	-	10,908,623
Maintenance equipment*	3,210,989	4,608,662	-	7,819,651	20	1,560,989	1,001,561	-	2,562,550	-	5,257,101
Civil works and others	42,408,136	1,760,052	-	44,168,188		35,745,044	2,156,743	-	37,901,787	-	6,266,401
Plant and machinery :											
Ashulia Power Plant (Unit-1)	378,264,915	68,980,224	30,094,670	417,150,469	3.33	144,827,252	17,696,830	30,094,670	132,429,412	-	284,721,057
Ashulia Power Plant (Unit-2)	1,396,026,271	3,873,745	-	1,399,900,016	3.33	232,036,682	39,669,396	-	271,706,078	-	1,128,193,938
Madhabdi Power Plant (Unit-1)	399,835,459	1,262,554	-	401,098,013	3.33	120,891,386	31,728,880	-	152,620,266	-	248,477,747
Madhabdi Power Plant (Unit-2)	961,987,457	33,462,130	23,851,413	971,598,174	3.33	176,728,642	39,797,393	23,851,413	192,674,622	-	778,923,552
Chandina Power Plant (Unit-1)	396,093,047	78,414,479	30,094,670	444,412,856	3.33	150,060,260	24,705,369	30,094,670	144,670,959	-	299,741,897
Chandina Power Plant (Unit-2)	598,679,389	9,696,698	7,950,471	600,425,616	3.33	96,559,627	28,373,708	7,950,471	116,982,864	-	483,442,752
Total (i)	4,276,216,127	211,947,549	91,991,224	4,396,172,452		1,007,443,647	195,803,213	91,991,224	1,111,255,636		3,284,916,816
ii) Revaluation											
Civil works and others	13,002,138	-	-	13,002,138	20	10,401,712	2,600,426	-	13,002,138	-	-
Plant and machinery :											
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33	19,670,107	4,709,744	-	24,379,851	-	141,848,052
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33	391,734	93,796	-	485,530	-	2,824,892
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33	19,129,972	4,580,416	-	23,710,388	-	137,952,953
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33	9,437,338	2,259,644	-	11,696,982	-	68,056,009
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33	17,322,027	4,147,528	-	21,469,555	-	124,915,187
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33	1,930,882	462,324	-	2,393,206	-	13,924,260
Total (ii)	586,659,003	-	-	586,659,003		78,283,772	18,853,878	-	97,137,650		489,521,353
Total own assets (i+ii)	4,862,875,130	211,947,549	91,991,224	4,982,831,455		1,085,727,419	214,657,091	91,991,224	1,208,393,286		3,774,438,169
b) Leased assets											
Motor vehicles	23,225,000	-	-	23,225,000	20	16,134,725	2,739,033	-	18,873,758	-	4,351,242
Total (a+b)	4,886,100,130	211,947,549	91,991,224	5,006,056,455		1,101,862,144	217,396,124	91,991,224	1,227,267,044		3,778,789,411

5.1 Allocation of depreciation (consolidation)

	2014		2013	
	Taka	Separate	Taka	Separate
Cost of sales (note 31)	690,558,546	247,101,440	552,868,784	198,225,028
General and administrative expenses (note 33)				
Own assets	40,519,525	14,444,364	31,248,819	16,432,063
Leased assets	2,739,033	2,739,033	3,069,723	2,739,033
	43,258,558	17,183,397	34,318,542	19,171,096
	733,817,104	264,284,837	587,187,326	217,396,124



6. Intangible assets, net

As at 31 December 2014 (Consolidated)

Particulars	Cost			Amortisation			Written down value as at 31 December 2014
	Balance as at 1 January 2014	Addition during the year 2014	Balance as at 31 December 2014	Balance as at 1 January 2014	Charged during the year 2014	Balance as at 31 December 2014	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
IT software	2,004,238	-	2,004,238	1,741,540	229,365	1,970,905	33,333
Brand	10,000,000	-	10,000,000	1,666,658	333,332	1,999,990	8,000,010
	<u>12,004,238</u>	<u>-</u>	<u>12,004,238</u>	<u>3,408,198</u>	<u>562,697</u>	<u>3,970,895</u>	<u>8,033,343</u>

As at 31 December 2014 (Separate)

Particulars	Cost			Amortisation			Written down value as at 31 December 2014
	Balance as at 1 January 2014	Addition during the year	Balance as at 31 December 2014	Balance as at 1 January 2014	Charged during the year	Balance as at 31 December 2014	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
IT software	1,504,238	-	1,504,238	1,370,706	133,532	1,504,238	-
Brand	10,000,000	-	10,000,000	1,666,658	333,332	1,999,990	8,000,010
	<u>11,504,238</u>	<u>-</u>	<u>11,504,238</u>	<u>3,037,364</u>	<u>466,864</u>	<u>3,504,228</u>	<u>8,000,010</u>

Opening cost of IT software includes Tk 256,250 which is fully depreciated as on 1 January 2011 and therefore, no depreciation has been charged during the year 2014.

As at 31 December 2013 (Consolidated)

Particulars	Cost			Amortisation			Written down value as at 31 December 2013
	Balance as at 1 January 2013	Addition during the year	Balance as at 31 December 2013	Balance as at 1 January 2013	Charged during the year	Balance as at 31 December 2013	
	Taka	Taka	Taka	Taka	4431439702	Taka	Taka
IT software	2,004,238	-	2,004,238	1,394,742	346,798	1,741,540	262,698
Brand	10,000,000	-	10,000,000	1,333,326	333,332	1,666,658	8,333,342
	<u>12,004,238</u>	<u>-</u>	<u>12,004,238</u>	<u>2,728,068</u>	<u>680,130</u>	<u>3,408,198</u>	<u>8,596,040</u>

As at 31 December 2013 (Separate)

Particulars	Cost			Amortisation			Written down value as at 31 December 2013
	Balance as at 1 January 2013	Addition during the year	Balance as at 31 December 2013	Balance as at 1 January 2013	Charged during the year	Balance as at 31 December 2013	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
IT software	1,504,238	-	1,504,238	1,123,908	246,798	1,370,706	133,532
Brand	10,000,000	-	10,000,000	1,333,326	333,332	1,666,658	8,333,342
	<u>11,504,238</u>	<u>-</u>	<u>11,504,238</u>	<u>2,457,234</u>	<u>580,130</u>	<u>3,037,364</u>	<u>8,466,874</u>

7. Goodwill arising on consolidation

As at 31 December (Consolidated)

	As at 31 December 2014		As at 31 December 2013	
	Taka	% of holdings	Taka	% of holdings
Investment made in Summit Narayananj Power Limited	519,284,044	20%	518,284,044	20%
	<u>519,284,044</u>		<u>518,284,044</u>	

During the year Summit Purbanchol Power Company Limited, a subsidiary of Summit Power Limited, had acquired 20% holding of Summit Narayananj Power Limited by purchasing share from Summit Industrial and Mercantile Corporation (Pvt.) Ltd. at a fair value of Taka 1,289,925,000. Such ownership transfer had resulted in a goodwill arising on acquisition at a value of Taka 518,284,044. While determining goodwill valuation, 20% of Net Assets Value (NAV) of Summit Narayananj Power Limited was determined as on 31 March 2013 as Taka 771,640,956. This year goodwill has increased by Taka 1,000,000 on account of share transfer cost of investment in holding of shares in SNPL.



8. Investment in subsidiaries

	As at 31 December 2014			As at 31 December 2013		
	Taka	No of Share	% of holdings	Taka	No of Share	% of holdings
Subsidiaries:						
Summit Purbanchol Power Company Limited	571,020,100	107,989,891	71.05%	571,020,100	98,172,629	71.05%
Summit Uttaranchol Power Company Limited	202,519,250	34,995,327	51.48%	202,519,250	34,995,327	51.48%
Summit Narayanganj Power Limited	866,250,000	118,243,125	75.00%	866,250,000	118,243,125	69.21%
	<u>1,639,789,350</u>	<u>261,228,343</u>		<u>1,639,789,350</u>	<u>251,411,081</u>	

Details of holding structure in subsidiaries are described in note 3.1(a).

In accordance with paragraph 10 of Bangladesh Accounting Standard (BAS) 27 - Separate Financial Statements, investments in subsidiaries have been accounted for at cost.

9. Investment in associates

	As at 31 Dec 2014			As at 31 Dec 2013		
	Taka Consolidated	Taka Separate	% of holdings	Taka Consolidated	Taka Separate	% of holdings
Associates:						
Summit Barishal Power Limited	240,000,000	240,000,000	49%	60,000,000	60,000,000	49%
Summit Narayanganj Power Unit II Limited	95,000,000	95,000,000	49%	40,000,000	40,000,000	49%
Summit Meghnaghat Power Company Limited	3,801,772,452	3,801,772,452	30%	-	-	-
	<u>4,136,772,452</u>	<u>4,136,772,452</u>		<u>100,000,000</u>	<u>100,000,000</u>	

Summit Power Limited has acquired 203,971,500 shares each @ Taka 18.60 (at fair value), including share premium Taka 8.60, of Summit Meghnaghat Power Company Limited from Summit Industrial & Mercantile Corporation (Pvt.) Ltd. by issuing 106,791,361 shares each @ Taka 35.60 (at fair value), including share premium Taka 25.60, of its own during the year.

In 2013, the name of Summit Saidpur Power Limited had been renamed as Summit Barishal Power Limited as the project had been re-located in Barishal and the name of Summit Shantahar Power Limited had been renamed as Summit Narayanganj Power Unit II Limited as the project had also been relocated in Narayanganj. The projects, are, however in development in progress. Details of investments in associates are as follows:

	Details of Investments		
	Investment in share capital	Share money deposits	Total
	Taka	Taka	Taka
Summit Barishal Power Limited	98,000	239,902,000	240,000,000
Summit Narayanganj Power Unit II Limited	98,000	94,902,000	95,000,000
Summit Meghnaghat Power Company Limited	3,801,772,452	-	3,801,772,452
Total	<u>3,801,968,452</u>	<u>334,804,000</u>	<u>4,136,772,452</u>

10. Available-for-sale financial assets

	No. of shares	Market Rate per share	Market value as at 31 Dec 2014	Market value as at 31 Dec 2013	Cost price	Change in fair value at 31 Dec 2014
	Taka	Taka	Taka	Taka	Taka	Taka
Khulna Power Company Limited	63,734,728	57.00	3,632,879,499	2,980,357,283	3,625,296,384	652,522,216
People's Leasing and Financial Services	371,055	23.10	8,571,377	8,601,737	20,500,000	(30,360)
Popular Life First Mutual Fund	1,130,697	5.00	5,653,485	6,141,642	10,000,000	(488,157)
	<u>65,236,480</u>		<u>3,647,104,361</u>	<u>2,995,100,662</u>	<u>3,655,796,384</u>	<u>652,003,699</u>

On 28 December 2011, Summit Power Limited (SPL) had acquired 53,955,326 shares of Khulna Power Company Limited (KPCL) @ Taka 67 each from Summit Industrial and Mercantile Corporation (Pvt.) Ltd. (SIMCL) amounting to Taka 3,625,296,384 including other transaction costs. Now the SPL's ownership in KPCL 17.64%. Since the percentage of ownership in KPCL is below the threshold limit of 20% to recognise KPCL as an associate, management classified such investment as Available for Sale (AFS). During the year 2014 the Company did not purchase any new share of these companies but the number of shares has been increased only because of issue of bonus shares by these companies, hence cost price was shown without change from last year.



11. Inventories

As at 31 December 2014 (Consolidated)

Stock in hand

Particulars	Balance as at 1 January 2014	Purchase/transf er during the year	Inter-company transfer-in during the year	Consumption/ transfer during the year	Inter-company transfer-out during the year	Balance as at 31 December 2014
	Taka	Taka		Taka	Taka	Taka
Spare parts	1,259,531,658	722,320,992	-	842,212,069	-	1,139,640,581
Fuel	30,291,567	245,402,650	-	235,755,917	-	39,938,300
	<u>1,289,823,225</u>	<u>967,723,642</u>	<u>-</u>	<u>1,077,967,986</u>	<u>-</u>	<u>1,179,578,881</u>

Stock in transit

Caterpillar	449,573	95,653	-	-	-	545,226
Wartsila	33,593,350	434,879,765	-	467,688,016	-	785,099
GE Janbacher	42,289	16,945,944	-	16,959,202	-	29,031
Others	10,929,190	231,931,347	-	229,833,788	-	13,026,749
	<u>45,014,402</u>	<u>683,852,709</u>	<u>-</u>	<u>714,481,006</u>	<u>-</u>	<u>14,386,105</u>
	<u>1,334,837,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,193,964,986</u>

In consolidated financial statements, during the year out of Taka 842,212,069 an amount of Taka 427,607,747 had been consumed and charged to cost of sales (after making some other adjustments) and the balance amount of Taka 414,604,322 had been adjusted as addition to property, plant and equipment.

As at 31 December 2014 (Separate)

Stock in hand

Particulars	Balance as at 1 January 2014	Purchase/transf er during the year	Inter-company transfer-in during the year	Consumption/ transfer during the year	Inter-company transfer-out during the year	Balance as at 31 December 2014
	Taka	Taka		Taka	Taka	Taka
Spare parts	471,731,457	313,994,111	27,065,036	361,014,217	10,086,818	441,689,569
Fuel	7,386,670	67,530,438	-	66,395,493	248,000	8,273,615
	<u>479,118,127</u>	<u>381,524,549</u>	<u>27,065,036</u>	<u>427,409,710</u>	<u>10,334,818</u>	<u>449,963,184</u>

Stock in transit

Caterpillar	449,573	-	-	-	-	449,573
CAT	-	95,653	-	-	-	95,653
Wartsila	32,997,063	156,465,472	-	189,028,699	-	433,836
Others	3,329,165	138,379,915	-	128,997,864	-	12,711,216
	<u>36,775,801</u>	<u>294,941,040</u>	<u>-</u>	<u>318,026,563</u>	<u>-</u>	<u>13,690,278</u>
	<u>515,893,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,653,462</u>

In separate financial statements, during the year out of Taka 361,014,217 an amount of Taka 187,536,601 had been consumed and charged to cost of sales (after making some other adjustments) and the balance amount of Taka 173,477,616 had been adjusted as addition to property, plant and equipment.



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
12. Trade receivables	<u>2,094,762,950</u>	<u>1,774,108,914</u>		
Rural Electrification Board (REB):				
Dhaka Palli Bidyut Samity - 1	13,979,997	13,979,997	14,718,085	14,718,085
Dhaka Palli Bidyut Samity - 1 (Expansion)	803,467,639	803,467,639	515,227,427	515,227,427
Narsingdi Palli Bidyut Samity - 1	15,441,142	15,441,142	13,998,251	13,998,251
Narsingdi Palli Bidyut Samity - 1 (Expansion)	648,200,773	648,200,773	416,873,778	416,873,778
Comilla Palli Bidyut Samity - 1	15,362,343	15,362,343	16,717,347	16,717,347
Comilla Palli Bidyut Samity - 1 (Expansion)	322,440,502	322,440,502	208,611,988	208,611,988
Narayanganj Palli Bidyut Samity (REB)	139,105,437	-	121,125,771	-
Mymensingh Palli Bidyut Samity (PBS) - 2	141,659,515	-	124,424,392	-
Sirajganj Palli Bidyut Samity (REB)	39,889,084	-	32,699,463	-
Bangladesh Power Development Board (BPDB):				
Jangalia Power Plant	265,441,724	-	124,164,240	-
Madanganj Power Plant	438,146,835	-	424,135,405	-
	<u>2,843,134,991</u>	<u>1,818,892,396</u>	<u>2,012,696,147</u>	<u>1,186,146,876</u>
Less: provision for doubtful debt	<u>4,084,928</u>	<u>-</u>	<u>4,084,928</u>	<u>-</u>
	<u>2,839,050,063</u>	<u>1,818,892,396</u>	<u>2,008,611,219</u>	<u>1,186,146,876</u>

Out of amount of Taka 2,139,546,432 receivable from REB on 31 December 2014 by the Company, Taka 1,669,868,369 on account of three Expansion Power Plants bills raised has not yet been accepted by REB. As per contracts for supply of electricity and Govt. Gazette Notification from all the three Expansion Power Plants because of rise in BST (Bulk Supply Tariff), the Company has been raising bills at the rate of Taka 3.1141 per kWh from December 2011 to January 2012, for February 2012 at the rate of Taka 3.3741, from March to August 2012 at the rate of Taka 3.6216 per kWh and from September 2012 to onward at the rate of Taka 4.2316 per kWh, but REB has been paying at the rate 2.8386 per kWh. The Company kept close contact with REB and negotiation for collection is under process.

13. Sundry receivables

Insurance receivables	62,842,051	62,842,051	47,703,812	47,703,812
Interest on FDRs	6,882,405	5,066,905	7,609,069	5,914,173
Receivable on sale of lubricant wastages	-	-	4,838,842	1,453,150
VAT deducted at sources	<u>22,195,381</u>	<u>17,742,123</u>	<u>22,195,381</u>	<u>17,742,123</u>
	<u>91,919,837</u>	<u>85,651,079</u>	<u>82,347,104</u>	<u>72,813,258</u>
Less: provision for doubtful debt	<u>4,453,258</u>	<u>-</u>	<u>2,671,015</u>	<u>-</u>
	<u>87,466,579</u>	<u>85,651,079</u>	<u>79,676,089</u>	<u>72,813,258</u>

Insurance claim was raised for Taka 62,842,051 from Green Delta Insurance Company Limited, United Insurance Company Limited and Pragati Insurance Ltd against damages of power plants situated at Chandina under Summit Power Limited which is yet to be settled.

VAT at source upto 31 December 2014 amounting to Taka 22,195,381 was deducted by Rural Electrification Board (REB) under the purview of regulations declared by the National Board of Revenue (NBR). But in the Power Purchase Agreement (PPA) it was declared that "Nothing herein, however, shall in any way limit or override any provisions of the Implementation Agreement, that provide certain Tax exemptions under this Agreement, that allow certain Taxes and charges to be reimbursed to the Company in accordance with Article X of this Agreement". Hence, as per PPA the Company has been claiming refund of the VAT at source so far deducted by REB. The Company kept close contact with REB and negotiation for collection of the amount is under process.

14. Inter company receivables

Summit Purbanchol Power Company Limited(SPPCL)	-	21,805,240	-	196,613,760
Summit Uttaranchol Power Company Limited (SUPCL)	-	20,459,896	-	46,355,248
Summit Narayanganj Power Limited (SNPL)	-	158,006,087	-	103,884,653
Summit Power Limited (SPL)	-	-	-	-
Summit Barishal Power Limited (SBPL)	94,000	-	-	-
	<u>94,000</u>	<u>200,271,223</u>	<u>-</u>	<u>346,853,661</u>

Inter company (payable)/receivable represents short-term (generally three to six months) non-interest bearing working capital financing arrangement within group companies. In keeping with the requirements of BAS 39 *Financial Instruments: Recognition and Measurement* as the loans are payable on demand and are of maturities of up to six months no discounting is applied and the fair value of the loans is assumed to be equal to face value of such loans.



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
15. Due from associates				
Summit Barishal Power Limited	31,615,443	31,615,443	1,627,684	1,627,684
Summit Narayanganj Power Unit II Limited	-	-	500,000	500,000
	31,615,443	31,615,443	2,127,684	2,127,684

After re-named with Registrar of Joint Stock and Company (RJSC) in 2013, the above companies are in development work in progress.

16. Advances, deposits and prepayments

Advances:

Advances for Initial Public Offerings (IPO)	1,921,353	100,000	1,521,757	-
Advance to C & F agents	240,298	240,298	2,405,131	5,131
Advance to Energypac Eng. Ltd.	4,000,000	2,000,000	-	-
Advance to United Leasing Co. Ltd.	44,936	-	44,936	-
Advance against financial/tax advisor	400,000	300,000	200,000	100,000
Advance against tax	52,164,447	52,164,447	52,164,447	52,164,447
Advance to outsiders	40,743,609	36,414,234	15,641,640	1,313,246
Advance to employees	603,000	515,000	675,230	463,000
	100,117,643	91,733,979	72,653,141	54,045,824
Less provision for doubtful debts	445,000	445,000	445,000	445,000
	99,672,643	91,288,979	72,208,141	53,600,824

Deposits:

Security deposit (non-interest bearing)	5,988,045	1,145,495	5,688,045	845,495
Bank guarantee margin:				
Controller of Import and Export (SJIBL)	1,545,053	1,545,053	1,545,053	1,545,053
Pashchimanchal Gas Co. Ltd.	823,441	-	823,441	-
Bakhrabad Gas System Ltd.	2,470,323	-	2,470,323	-
Bangladesh Power Development Board (BPDB)	11,176,610	-	11,176,610	-
Rural Electrification Board (REB)	9,260,359	-	9,260,359	-
Titas Gas Trans. and Dist. Co. Ltd.	4,940,646	-	4,940,646	-
	30,216,432	1,545,053	30,216,432	1,545,053
	36,204,477	2,690,548	35,904,477	2,390,548

Prepayments:

Annual license fees/ BERC licence fee	3,000,000	750,000	2,000,000	-
Standby letter of credit commission	639,555	352,055	486,512	486,512
Bank guarantee/operation bond commission	6,109,140	2,137,588	2,213,338	2,137,588
Insurance premium	15,750,106	3,142,615	15,989,846	3,396,657
Land lease rental	969,122	254,836	969,775	255,489
	26,467,923	6,637,094	21,659,471	6,276,246

Inter-company transaction:

Summit Indus. & Mercantile Corp. (Pvt.) Ltd.	1,439,964	1,439,964	3,559,480	3,559,480
Cosmopolitan Traders (Pvt.) Limited	3,884,083	3,884,083	4,349,613	4,349,613
Summit Oil and Shipping Limited	11,860,222	-	31,860,222	-
Summit Purbachol Power Company Limited (SPPCL)	-	-	-	-
	17,184,269	5,324,047	39,769,315	7,909,093
	179,529,312	105,940,668	169,541,404	70,176,711

Bank guarantee margin had been deposited with various schedule banks in Bangladesh as security for compliance with the Company's operation obligation.

17. Cash and cash equivalents

Cash in hand	821,763	519,572	1,353,496	1,036,305
Cash at bank:				
Bank Al-Falah Limited	246,758	246,758	248,258	248,258
Bank Asia Limited	1,582,551	1,582,551	8,409	8,409
BRAC Bank Limited	900,045,336	3,151,542	726,882,185	6,733,567
Commercial Bank of Ceylon	2,463,349	2,463,349	2,465,499	2,465,499
Dhaka Bank Limited	5,809,738	5,809,738	9,542,941	9,542,941
Citibank, N.A.	14,886	14,886	-	-
Dutch-Bangla Bank Limited	132,786,746	117,699,806	272,087,342	224,683,313
Southeast Bank Limited	247,534	247,534	247,496	247,496



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
One Bank Limited	3,164,275	749,080	38,707,254	9,146,565
Exim Bank Limited	357,019	-	580,616	-
Premier Bank Limited	21,783,562	15,879,537	18,096,821	15,328,935
Rupali Bank Limited	1,076,338	1,076,338	714,651	714,651
Standard Chartered Bank	4,109,539	4,109,539	102,443,121	102,443,121
Shahjalal Islami Bank Limited	1,237,571	1,237,571	1,422,962	1,422,962
Sonali Bank Limited	853,876	-	961,962	-
Mutual Trust Bank	3,984,926	-	-	-
	1,079,764,004	154,268,229	1,174,409,517	372,985,717

Fixed deposit receipts (FDR):

Bank Asia Limited	74,533,417	74,533,417	150,054,698	150,054,698
Bangladesh Krishi Bank Limited	-	-	38,946,968	38,946,968
Jamuna Bank Limited	102,250,000	102,250,000	-	-
BRAC Bank Limited	-	-	30,000,000	30,000,000
Commercial Bank of Ceylon PLC	18,450,975	18,450,975	17,363,784	17,363,784
Premier Bank Limited	150,000,000	150,000,000	5,426,850	5,426,850
Exim Bank Limited	425,482,689	270,740,502	139,422,360	61,158,763
Shahjalal Islami Bank Limited	52,467,129	-	-	-
	823,184,210	615,974,894	381,214,660	302,951,063
	1,903,769,977	770,762,695	1,556,977,673	676,973,085

18. Share capital

Authorised:

300,000,000 ordinary shares of Tk 10 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
400,000,000 ordinary shares of Tk 10 each	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
500,000,000 ordinary shares of Tk 10 each	5,000,000,000	5,000,000,000	-	-
30,000,000 preference shares of 100 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
	15,000,000,000	15,000,000,000	10,000,000,000	10,000,000,000

Issued, subscribed and paid-up:

65,000,000 ordinary shares of Tk 10 each	650,000,000	650,000,000	650,000,000	650,000,000
6,500,000 bonus shares of Tk 10 each in 06	65,000,000	65,000,000	65,000,000	65,000,000
14,300,000 bonus shares of Tk 10 each in 07	143,000,000	143,000,000	143,000,000	143,000,000
68,640,000 right shares of Tk 10 each in 08	686,400,000	686,400,000	686,400,000	686,400,000
30,888,000 bonus shares of Tk 10 each in 08	308,880,000	308,880,000	308,880,000	308,880,000
37,065,600 bonus shares of Tk. 10 each in 09	370,656,000	370,656,000	370,656,000	370,656,000
55,598,400 bonus shares of Tk. 10 each in 10	555,984,000	555,984,000	555,984,000	555,984,000
25,361,973 ordinary shares of Tk 10 each in 10	253,619,730	253,619,730	253,619,730	253,619,730
91,006,191 bonus shares of Tk. 10 each in 11	910,061,910	910,061,910	910,061,910	910,061,910
98,590,041 bonus shares of Tk. 10 each in 12	985,900,410	985,900,410	985,900,410	985,900,410
98,590,041 bonus shares of Tk. 10 each in 13	985,900,410	985,900,410	985,900,410	985,900,410
88,731,037 bonus shares of Tk. 10 each in 14	887,310,360	887,310,360	-	-
10,67,91,361 ordinary shares of Tk. 10 each in 14	1,067,913,610	1,067,913,610	-	-
	7,870,626,430	7,870,626,430	5,915,402,460	5,915,402,460

Shareholding position was as follows:

Name of shareholders	Percentage of shareholdings		Number of shares	
	As at 31 Dec 2014	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Dec 2013
Summit Industrial & Mercantile Corporation (Pvt.) Limited	53.52%	46.22%	421,235,664	273,429,829
Euro Hub Investments Ltd	4.45%	5.14%	34,986,637	30,423,163
Institutional investors	24.83%	30.04%	195,465,567	177,698,690
General public	17.20%	18.60%	135,374,775	109,988,564
	100.00%	100%	787,062,643	591,540,246



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

Classification of shareholders by holding:

	Number of holders		% of holdings	
	As at 31 Dec 2014	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Dec 2013
Less than 500 shares	27,299	29,491	0.57%	0.83%
501 to 5,000 shares	19,162	20,853	4.33%	5.96%
5,001 to 10,000 shares	2,060	1,979	1.89%	2.41%
10,001 to 20,000 shares	986	887	1.76%	2.16%
20,001 to 30,000 shares	349	306	1.09%	1.29%
30,001 to 40,000 shares	154	140	0.68%	0.84%
40,001 to 50,000 shares	99	68	0.57%	0.52%
50,001 to 100,000 shares	204	173	1.84%	2.08%
100,001 to 1,000,000 shares	208	165	7.57%	8.26%
1,000,001 to 1,000,000,000 shares	45	40	79.69%	75.66%
	50,566	54,102	100%	100%

19. Share premium

Share premium from issue of 2,000,000 shares in 2005	80,000,000	80,000,000	80,000,000	80,000,000
Share premium from issue of 6,864,000 shares in 2008	308,880,000	308,880,000	308,880,000	308,880,000
Share premium from issue of 25,361,973 shares in 2010	2,745,940,817	2,745,940,817	2,745,940,817	2,745,940,817
	3,134,820,817	3,134,820,817	3,134,820,817	3,134,820,817
Less: issue costs	234,123,160	234,123,160	234,123,160	234,123,160
	2,900,697,657	2,900,697,657	2,900,697,657	2,900,697,657
Add: Share premium on dilution of ownership in SPPCL	600,385,917	-	600,385,917	-
Add: Issue of transaction costs	(315,777)	-	-	-
Add: Share premium on issue of shares to SIMCL (*)	2,733,858,842	2,733,858,842	-	-
	6,234,626,639	5,634,556,499	3,501,083,574	2,900,697,657

* Details are given in the Note 9.

20. Non controlling interest

3,474,225,049 **3,243,977,518**

Non-controlling interest position as on 31 December 2014 has been computed as follows:

	SPPCL Taka/ (%)	SUPCL Taka/ (%)	SNPL Taka/ (%)	Total Taka
NCI percentage	28.95%	48.52%	25.00%	-
Non-current assets	4,392,945,614	1,567,173,562	4,925,418,333	10,885,537,509
Current assets	670,899,850	597,883,329	1,690,813,599	2,959,596,778
Non-current liabilities	(204,289,618)	(144,285,751)	(239,890,912)	(588,466,281)
Current liabilities	(378,664,981)	(257,660,764)	(1,090,157,063)	(1,726,482,808)
Net assets	4,480,890,865	1,763,110,376	5,286,183,957	11,530,185,198
Carrying amount of NCI	1,297,217,905	855,461,154	1,321,545,989	3,474,225,049

Non-controlling interest position as on 31 December 2013 has been computed as follows:

	SPPCL Taka/ (%)	SUPCL Taka/ (%)	SNPL Taka/ (%)	Total Taka
NCI percentage	28.95%	48.52%	30.79%	-
Non-current assets	4,220,030,460	1,618,295,963	5,057,913,652	10,896,240,075
Current assets	665,596,529	507,702,268	1,454,560,358	2,627,859,155
Non-current liabilities	(481,995,387)	(322,323,445)	(1,081,042,894)	(1,885,361,726)
Current liabilities	(510,473,607)	(253,448,917)	(999,022,256)	(1,762,944,780)
Net assets	3,893,157,995	1,550,225,869	4,432,408,860	9,875,792,724
Carrying amount of NCI	1,127,069,240	752,169,592	1,364,738,688	3,243,977,518



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
21. Project loan				
<u>Long term portion:</u>				
Madanganj, Narayanganj Power Plant				
DEG and FMO	1,071,465,349	-	2,055,926,024	-
Add: Amortisation of transaction costs	11,111,276	-	21,148,700	-
	<u>1,082,576,625</u>	<u>-</u>	<u>2,077,074,724</u>	<u>-</u>
Repayment during the year	(867,515,625)	-	(871,312,500)	-
Exchange rate fluctuation effect-add/(less)	8,156,253	-	(134,296,875)	-
	<u>223,217,253</u>	<u>-</u>	<u>1,071,465,349</u>	<u>-</u>
<u>Short term portion:</u>				
New project - Madanganj, Narayanganj:				
DEG and FMO	868,500,000	-	868,500,000	-
	<u>868,500,000</u>	<u>-</u>	<u>868,500,000</u>	<u>-</u>
	<u>1,091,717,253</u>	<u>-</u>	<u>1,939,965,349</u>	<u>-</u>

Repayment term and security details:

i. DEG and FMO

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

22. Redeemable preference shares (Note 3.14)

Opening balance	1,246,737,480	-	1,710,367,625	-
Add: Amortisation of transaction costs	2,254,420	-	4,738,755	-
	<u>1,248,991,900</u>	<u>-</u>	<u>1,715,106,380</u>	<u>-</u>
Less: Repayment of installment	468,368,900	-	468,368,900	-
	<u>780,623,000</u>	<u>-</u>	<u>1,246,737,480</u>	<u>-</u>
Redeemable preference shares				
Short-term portion	468,368,900	-	468,368,900	-
Long-term portion	312,254,100	-	778,368,580	-
	<u>780,623,000</u>	<u>-</u>	<u>1,246,737,480</u>	<u>-</u>

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

23. Payable to SIMCL

Short term portion	-	-	500,000,000	500,000,000
Long term portion	-	-	954,799,154	954,799,154
	<u>-</u>	<u>-</u>	<u>1,454,799,154</u>	<u>1,454,799,154</u>

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



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

24. Obligation under finance lease

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

Obligation under finance lease (Consolidated)

	As at 31 December 2014			As at Dec' 2013
	Short-term Taka	Long-term Taka	Total Taka	Total Taka
Payable to United Leasing company Limited	218,607	-	218,607	682,376
Payable to One bank limited	-	-	-	583,177
	<u>218,607</u>	<u>-</u>	<u>218,607</u>	<u>1,265,553</u>

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

	As at 31 December 2014			As at 31 Dec 2013
	Future minimum lease payment Taka	Interest Taka	Present value of minimum lease payment Taka	Present value of minimum lease payment Taka
Not later than one year	224,680	6,073	218,607	1,048,880
Later than one year but not later than five years	-	-	-	216,673
Later than five year	-	-	-	-
Total obligation under finance lease	<u>224,680</u>	<u>6,073</u>	<u>218,607</u>	<u>1,265,553</u>

Obligation under finance lease (Separate)

Payable to One Bank limited	-	-	-	583,177
	<u>-</u>	<u>-</u>	<u>-</u>	<u>583,177</u>

25. Deferred liabilities

25.1 Deferred liabilities

Gratuity fund:

Opening balance	43,832,858	25,511,620	22,620,528	22,620,528
Addition during the year	13,987,625	944,647	23,441,066	5,119,828
	<u>57,820,483</u>	<u>26,456,267</u>	<u>46,061,594</u>	<u>27,740,356</u>
Less: payment during the year	521,575	366,400	2,228,736	2,228,736
Closing balance	<u>57,298,908</u>	<u>26,089,867</u>	<u>43,832,858</u>	<u>25,511,620</u>

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

25.2 Other deferred liabilities:

25.2.1 Liability for earned leave:

Opening balance of liability for earned leave	21,589,102	9,599,216	-	-
Add: Provision made during the year	8,823,392	4,652,134	21,589,102	9,599,216
	<u>30,412,494</u>	<u>14,251,350</u>	<u>21,589,102</u>	<u>9,599,216</u>
Less: Payments made during the year	469,448	469,191	-	-
Closing balance	<u>29,943,046</u>	<u>13,782,159</u>	<u>21,589,102</u>	<u>9,599,216</u>

25.2.2 Liability for assets retirement obligation (ARO):

Opening balance of liability for earned leave	17,000,000	12,000,000	-	-
Add: Provision made during the year	2,125,000	1,500,000	17,000,000	12,000,000
	<u>19,125,000</u>	<u>13,500,000</u>	<u>17,000,000</u>	<u>12,000,000</u>
Closing balance	49,068,046	27,282,159	38,589,102	21,599,216
Closing balance (grand total)	<u>106,366,954</u>	<u>53,372,026</u>	<u>82,421,960</u>	<u>47,110,836</u>

In accordance with revised BAS 19, from the year 2013 the company has started to make provision for both the gratuity fund and earned leave for past services of all permanent employees.



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
26. Dividend payable on ordinary shares				
Opening balance	6,047,388	6,047,388	6,047,388	6,047,388
Add: sale of fractional shares	3,782,242	222,800	-	-
	<u>9,829,630</u>	<u>6,270,188</u>	<u>6,047,388</u>	<u>6,047,388</u>
Less: payment during the period	-	-	-	-
Closing balance	<u>9,829,630</u>	<u>6,270,188</u>	<u>6,047,388</u>	<u>6,047,388</u>
As at 31 December 2014, the above amount of dividends remained unclaimed by the shareholders. These amounts are deposited in bank accounts and are payable on demand.				
27. Trade creditors				
Gas bill - Savar Power Plant	3,850,232	3,850,232	4,109,259	4,109,259
Gas bill - Savar Power Plant (Expansion)	13,752,937	13,752,937	13,022,408	13,022,408
Gas bill - Narsingdi Power Plant	4,943,756	4,943,756	3,429,980	3,429,980
Gas bill - Narsingdi Power Plant (Expansion)	10,637,228	10,637,228	9,359,631	9,359,631
Gas bill - Chandina Power Plant	5,019,403	5,019,403	5,967,856	5,967,856
Gas bill - Chandina Power Plant (Expansion)	4,979,945	4,979,945	5,601,171	5,601,171
Gas bill - Bakhrabad Gas Transmission and Dist. Co. Ltd.	30,618,920	-	11,923,719	-
Gas bill - Titas Gas Transmission and Dist. Co. Ltd.	71,045,297	-	32,442,651	-
Gas bill - Pashchimanchal Gas Co. Ltd.	8,355,383	-	2,803,167	-
Mobil Jamuna Lubricants Ltd.	733,950	733,950	1,241,100	847,350
Ranks Petroleum Ltd.	-	-	94,400	-
Navana Petroleum Ltd.	25,153,348	-	123,200	-
	<u>179,090,399</u>	<u>43,917,451</u>	<u>90,118,542</u>	<u>42,337,655</u>
28. Sundry creditors and accruals				
Provision for income tax	54,462,450	54,462,450	54,462,450	54,462,450
Liability for withholding tax and VAT	15,781,651	-	15,700,668	62,500
Directors' remuneration with TAX	-	-	1,806,750	1,806,750
Utility bills (gas, rent, rate and others)	525,000	525,000	3,559,686	3,559,686
Provision for charge on plant non-availability/ Liquidity damage	6,205,252	-	-	-
Refundable IPO subscription on SPPCL	156,566	-	164,566	-
Summit Oil and Shipping Limited	2,293,366	-	1,545,199	-
Desh Bangla Enterprise/Projukti Annesha	204,198	-	1,340,164	134,881
Payable for agency fee	2,875,000	-	2,000,000	-
Orient Energy Systems Limited	1,090,000	-	1,090,000	-
Wartsila Bangladesh Limited	12,588,772	8,538,766	3,253,852	1,276,938
Interest payable on loan	2,464,012	380,967	3,891,668	-
Audit and certification fees	1,403,000	437,000	1,311,000	437,000
Projukti Annasha	-	-	-	-
Security service expenses	1,009,740	420,065	639,400	639,400
Employees security fund	-	-	375,000	375,000
Provision for liquidated damage	-	-	-	-
Narayananj PBS	424,101	-	424,101	-
Security deposit from employees	325,000	325,000	518,405	-
Others	945,224	740,869	2,508,690	1,080,365
	<u>102,753,332</u>	<u>65,830,117</u>	<u>94,591,599</u>	<u>63,834,970</u>
29. Short term loan	1,012,846,312	1,000,000,000	-	-

The Company took short term loan for Summit Power Limited (SPL) amounting Taka 1,000,000,000 bearing interest @ 11.50% for a term of 6 months from Bank Asia Limited and for Summit Narayanongj Power Limited Taka 12,486,312 from Brac Bank Limited bearing interest @ 14% p.a. for a period of 3 months to meet the working capital finance.



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
30 Revenue				
Savar Power Plant	146,299,872	146,299,872	170,171,782	170,171,782
Savar Power Plant (expansion)	767,451,524	767,451,524	799,546,467	799,546,467
Narsingdi Power Plant	160,003,139	160,003,139	159,845,885	159,845,885
Narsingdi Power Plant (expansion)	593,646,522	593,646,522	643,074,940	643,074,940
Chandina Power Plant	182,652,544	182,652,544	178,495,062	178,495,062
Chandina Power Plant (expansion)	326,292,656	326,292,656	378,379,933	378,379,933
Jangalia Power Plant	681,400,954	-	665,648,545	-
Rupganj Power Plant	687,259,539	-	666,822,581	-
Maona Power Plant	697,441,515	-	672,609,543	-
Ullapara Power Plant	218,935,328	-	204,514,106	-
Madanganj Power Plant	1,647,660,924	-	1,652,806,642	-
	<u>6,109,044,517</u>	<u>2,176,346,257</u>	<u>6,191,915,486</u>	<u>2,329,514,069</u>

Out of amount of Taka 1,687,390,702, Taka 630,720,384 on account of three Expansion Power Plants bills raised during the year has not yet been accepted by REB. As per contracts for supply of electricity and Govt. Gazette Notification from all the three Expansion Power Plants because of rise in BST (Bulk Supply Tariff), the Company has been raising bills at the rate of Taka 3.1141 per Kwh from December 2011 to January 2012, for February 2012 at the rate of Taka 3.3741, from March to August 2012 at the rate of Taka 3.6216 per Kwh and from September 2012 to onward at the rate of Taka 4.2316 per Kwh, but REB has been paying at the rate 2.8386 per Kwh. The Company kept close contact with REB and negotiation for collection is under process.

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

31 Cost of sales				
Gas consumption - Savar	48,235,052	48,235,052	55,404,188	55,404,188
Gas consumption - Savar (expansion unit)	136,802,439	136,802,439	145,774,463	145,774,463
Gas consumption - Narsingdi	52,745,855	52,745,855	51,628,911	51,628,911
Gas consumption - Narsingdi (expansion unit)	109,023,811	109,023,811	117,934,021	117,934,021
Gas consumption - Chandina	61,013,974	61,013,974	58,131,075	58,131,075
Gas consumption - Chandina (expansion unit)	54,264,825	54,264,825	65,697,758	65,697,758
Gas consumption - Jangalia Power Plant	187,442,319	-	193,491,222	-
Gas consumption - Rupganj Power Plant	197,869,181	-	196,915,058	-
Gas consumption - Ullapara Power Plant	56,845,921	-	55,290,759	-
Gas consumption - Maona Power Plant	195,259,180	-	198,642,400	-
Tanker handling charge	27,700,020	-	18,865,809	-
Tools and spare consumption	403,816,212	168,982,634	312,037,288	164,872,037
Lubricant and other oil expenses	235,399,278	66,696,768	266,017,742	60,684,074
Lube oil/meter/water testing expenses	1,707,049	733,950	1,817,458	415,775
Plant maintenance works expenses	93,901,870	38,635,513	83,422,802	34,355,788
Depreciation on plant and machinery (5.1)	690,558,546	247,101,440	552,868,784	198,225,028
	<u>2,552,585,532</u>	<u>984,236,261</u>	<u>2,373,939,738</u>	<u>953,123,118</u>

32 Other income, net				
Sale of waste lubricant oil and empty drums	9,177,215	3,397,950	11,334,232	4,430,450
Gain on sales of vehicles	-	-	838,859	-
Dividend income from subsidiaries and others	151,756,266	379,034,192	67,444,157	67,444,157
Sale of sludge	4,027,647	-	6,862,660	-
Miscellaneous	1,575,590	1,575,590	34,334	34,334
	<u>166,536,718</u>	<u>384,007,732</u>	<u>86,514,242</u>	<u>71,908,941</u>

33. General and administrative expenses				
Salary and allowances	191,003,257	73,409,562	186,184,993	71,575,345
Employer's contribution to CPF	8,977,233	4,822,062	8,017,917	3,293,392
Directors and CEO remuneration (Note 32.1)	51,001,719	42,242,162	47,845,110	43,897,390
Tax on directors remuneration	11,645,700	11,645,700	8,514,000	8,514,000
Security service and temporary contract worker	23,249,105	8,498,535	21,123,783	8,419,369
Education and training	2,969,695	999,592	5,674,073	1,464,001
Medical welfare expenses	128,933	59,382	123,911	64,520



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Board meeting attendance fees and expenses	464,600	320,000	524,800	250,000
Audit committee attendance fees	424,000	250,000	370,000	370,000
Communication expenses	8,238,819	2,791,382	8,196,589	5,810,111
Travelling and conveyance	5,139,201	1,502,371	2,985,461	1,969,974
Vehicle fuel and maintenance	14,199,996	5,069,574	13,049,143	10,234,768
Entertainment and others	8,707,124	2,864,747	6,468,970	3,824,271
Food and lodging	167,023	167,023	319,481	288,896
Printing and stationery	2,414,618	745,180	2,573,163	2,180,233
Office expenses	469,822	149,111	797,462	308,954
General repair and maintenance	5,265,013	1,483,354	6,526,644	3,847,863
Land lease rental	5,413,683	2,813,683	5,446,095	2,846,095
Rent, rates and taxes	14,494,747	5,002,478	13,076,102	4,870,448
Utility expenses	9,941,005	716,727	9,438,874	4,096,378
Insurance premium	43,884,931	7,470,093	40,734,350	7,542,783
Advertisement and publicity	11,864,477	3,570,945	5,853,900	1,847,796
Gift and compliments	875,664	226,351	320,924	270,924
Donation and subscription	14,994,189	4,183,283	15,340,567	5,138,074
Legal and professional consultancy fees	16,815,731	4,557,394	14,891,058	5,047,665
Uniform and liveries	3,520,956	600,681	3,321,315	1,465,845
Audit fees	1,220,000	380,000	1,090,000	330,000
Credit rating fees	546,250	230,000	632,500	402,500
Environmental compliance cost	784,714	355,400	1,225,264	493,800
AGM expenses	10,032,633	6,676,563	29,887,748	16,671,231
EGM expenses	1,396,447	1,396,447	-	-
Depreciation (Note 5.1)	43,258,558	17,183,397	34,318,542	19,171,096
Amortisation (Note 6)	562,697	466,864	680,130	580,130
Tender document expenses	199,964	105,685	52,875	52,875
Trade license and other annual fees (Note 32.2)	11,636,160	7,960,173	12,596,746	7,295,738
Business development expenses	1,258,439	231,235	1,174,620	340,250
Liquidated damages	21,718,581	-	57,034,537	-
Bad debts expenses	1,782,243	-	1,782,244	-
Gratuity fund	13,987,625	944,647	23,605,394	5,119,828
Miscellaneous expenses	1,113,342	495,077	765,339	427,759
	<u>565,768,894</u>	<u>222,586,860</u>	<u>592,564,624</u>	<u>250,324,302</u>

33.1 Directors & CEO remuneration

Salary and allowances	41,283,769	33,765,806	39,489,960	36,039,960
Festival bonus	6,482,215	5,745,161	5,148,000	5,148,000
Utility expenses	1,980,000	1,980,000	1,980,000	1,980,000
Board meeting attendance fees	1,255,735	751,195	1,227,150	729,430
	<u>51,001,719</u>	<u>42,242,162</u>	<u>47,845,110</u>	<u>43,897,390</u>

As the company is under common management, members of the board of directors of subsidiaries have taken their remuneration and other benefits from its holding company.

In Tk. 51,00,719 shown above includes Tk. 8,255,017 as salary, allowances and other perquisites and Tk. 504,540 as Board Meeting attendance fees on account of SPPCL, SUPCL and SNPL paid during their 2014.

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

34. Finance Income/(expenses), net

Financial income:

FDR accounts	85,400,491	62,919,835	64,513,082	29,074,201
STD and others	14,094,734	4,571,376	41,020,444	5,331,533
Foreign exchange (loss)/gain	(901,208)	-	(57,799,424)	(148,948)
	<u>98,594,017</u>	<u>67,491,211</u>	<u>47,734,102</u>	<u>34,256,786</u>



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Finance expenses:				
<u>Interest on loan:</u>				
Dutch-Bangla Bank Ltd.	-	-	2,558,267	2,558,267
Brac Bank Limited	172,505	-	-	-
One Bank Limited	90,623	90,623	322,570	322,570
The City Bank Ltd	33,375,109	33,375,109	-	-
Bank Asia	62,034,921	62,034,921	-	-
SIMCL	94,814,492	94,814,492	205,736,986	205,736,986
DEG-FMO	68,241,112	-	111,232,300	-
Dividend on redeemable preference shares	126,975,868	-	169,790,806	-
Interest on lease finance	75,463	-	214,923	-
	<u>385,780,093</u>	<u>190,315,145</u>	<u>489,855,852</u>	<u>208,617,823</u>
Bank charges and others	2,952,319	1,951,166	3,876,301	2,451,491
Bank guarantee commission	3,994,790	1,185,559	4,218,164	2,401,814
Amortisation on ARO	2,125,000	1,500,000	-	-
Operation and insurance bond commission	3,151,429	3,151,429	2,844,010	2,844,010
Amortisation of transaction costs	13,365,696	-	25,887,455	-
Annual fees	4,612,500	-	3,150,000	-
	<u>30,201,734</u>	<u>7,788,154</u>	<u>39,975,930</u>	<u>7,697,315</u>
	<u>415,981,827</u>	<u>198,103,299</u>	<u>529,831,782</u>	<u>216,315,138</u>
	<u>(317,387,810)</u>	<u>(130,612,088)</u>	<u>(482,097,680)</u>	<u>(182,058,352)</u>

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

35 Earnings per share (EPS)

Basic earnings per share

Profit attributable to the ordinary shareholders	<u>2,219,988,013</u>	<u>1,222,918,780</u>	<u>2,184,858,468</u>	<u>1,015,917,236</u>
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Weighted average number of shares outstanding

Ordinary shares fully outstanding	591,540,246	591,540,246	591,540,246	591,540,246
Bonus share issued in 2014	88,731,036	88,731,036	-	-
Ordinary shares issued in 2014	292,579	292,579	-	-
	<u>680,563,861</u>	<u>680,563,861</u>	<u>591,540,246</u>	<u>591,540,246</u>

Earnings per share (EPS)

	<u>3.26</u>	<u>1.80</u>	<u>3.69</u>	<u>1.72</u>
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Restated earnings per share

			<u>3.21</u>	<u>1.49</u>
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Earnings per share (EPS) has been calculated without considering net change (net increase Taka 652,003,699) in fair value of available-for-sale of financial assets with reference to Bangladesh Accounting Standard (BAS) 39: *Recognition and Measurement*, para 55(b).

Since the bonus issue is an issue without consideration, the issue has been treated as if it occurred prior to the beginning of 2014, the earliest period reported for the purposes of EPS calculation.

Diluted earnings per share

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

36. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

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



Notes	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

37. Credit risk

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

37.1. Exposure to credit risk

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

Trade receivables	2,839,050,063	1,818,892,396	2,008,611,219	1,186,146,876
Other receivables	87,051,214	85,651,079	79,676,089	72,813,258
Cash and cash equivalents	1,902,948,214	770,243,123	1,555,624,177	675,936,780
Advances, deposits and prepayments	179,529,312	105,940,668	169,541,404	70,176,711
	<u>5,008,578,803</u>	<u>2,780,727,266</u>	<u>3,813,452,889</u>	<u>2,005,073,625</u>

37.2. Aging of receivables

Invoiced 0 - 30 days	537,611,162	200,178,497	913,466,213	246,414,289
Invoiced 31 - 180 days	800,847,372	272,619,195	480,318,461	336,746,051
Invoiced over 180 days	1,500,591,529	1,346,094,704	614,826,545	602,986,536
	<u>2,839,050,063</u>	<u>1,818,892,396</u>	<u>2,008,611,219</u>	<u>1,186,146,876</u>



38. Liquidity risk

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

Financial liabilities are expected to be repaid in due time which are to be expected to be financed from operational cash flow.

The following are the contractual maturities of financial liabilities:

	As at 31 December 2014 (Taka in Million)						
	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Project loan	1,091.72	1,091.72	434.25	434.25	223.22	-	-
Redeemable preference shares	780.62	780.62	-	468.00	312.62	-	-
Finance lease	0.22	0.22	0.22	-	-	-	-
Trade creditors	179.09	179.09	179.09	-	-	-	-
Others creditors and accruals	102.75	102.75	102.75	-	-	-	-
	<u>2,154.40</u>	<u>2,154.40</u>	<u>716.31</u>	<u>902.25</u>	<u>535.84</u>	<u>-</u>	<u>-</u>

	As at 31 December 2013 (Taka in Million)						
	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Project loan, foreign	1,939.97	1,954.13	434.25	434.25	868.50	217.13	-
Redeemable preference shares	1,246.74	1,248.99	-	468.00	468.00	312.99	-
Payable to SIMCL	1,454.80	1,454.80	250.00	250.00	500.00	454.80	-
Finance lease	1.27	1.27	0.82	0.23	0.22	-	-
Trade creditors	90.12	90.12	90.12	-	-	-	-
Others creditors and accruals	94.59	94.59	94.59	-	-	-	-
	<u>4,827.48</u>	<u>4,843.90</u>	<u>869.78</u>	<u>1,152.48</u>	<u>1,836.72</u>	<u>984.92</u>	<u>-</u>

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



39. Financial instruments - Fair values and risk management

Accounting classifications and fair values

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

Note	Carrying amount (in thousands of Taka)										Fair value															
	Trading		Designated at fair value		Fair value hedging instruments		Held to maturity		Loans and receivables		Available for sale		Other financial liabilities		Total		Level 1		Level 2		Level 3		Total			
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
31 December 2014																										
Financial assets measured at fair value																										
Equity securities	-	-	-	-	-	-	-	-	-	-	3,647,104	-	-	-	-	-	-	3,647,104	-	-	-	-	-	-	-	3,647,104
Financial assets not measured at fair value																										
Trade receivables	-	-	-	-	-	-	-	-	2,839,050	-	-	-	-	-	-	-	-	2,839,050	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	87,467	-	-	-	-	-	-	-	-	87,467	-	-	-	-	-	-	-	-
Advances, deposits and prepayments	-	-	-	-	-	-	-	-	179,529	-	-	-	-	-	-	-	-	179,529	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-	1,903,770	-	-	-	-	-	-	-	-	1,903,770	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	5,009,816	-	-	-	-	-	-	-	-	5,009,816	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value																										
Project loan, secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,091,717	-	-	-	-	-	-	-	1,091,717
Short Term Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,012,846	-	-	-	-	-	-	-	1,012,846
Redeemable preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	780,623	-	-	-	-	-	-	-	780,623
Finance lease liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	219	-	-	-	-	-	-	-	219
Deferred liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106,367	-	-	-	-	-	-	-	106,367
Dividend payable on ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,830	-	-	-	-	-	-	-	9,830
Trade creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	179,090	-	-	-	-	-	-	-	179,090
Other creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102,753	-	-	-	-	-	-	-	102,753
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,283,445	-	-	-	-	-	-	-	3,283,445
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	780,623	-	-	-	-	-	-	-	780,623
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,104,782	-	-	-	-	-	-	-	2,104,782
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,885,405	-	-	-	-	-	-	-	2,885,405



Note	Carrying amount (in thousands of Taka)										Fair value			
	Trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Level 1		Level 2		Level 3		Total
								Taka	Taka	Taka	Taka	Taka	Taka	
	-	-	-	-	-	2,995,101	-	2,995,101	-	-	-	-	2,995,101	
Financial assets measured at fair value														
10	-	-	-	-	-	2,995,101	-	2,995,101	-	-	-	-	2,995,101	
Financial assets not measured at fair value														
12	-	-	-	-	2,008,611	-	-	2,008,611	-	-	-	-	-	
13	-	-	-	-	79,676	-	-	79,676	-	-	-	-	-	
16	-	-	-	-	169,541	-	-	169,541	-	-	-	-	-	
17	-	-	-	-	1,556,978	-	-	1,556,978	-	-	-	-	-	
	-	-	-	-	3,814,806	-	-	3,814,806	-	-	-	-	-	
Financial liabilities not measured at fair value														
21	-	-	-	-	-	-	-	1,939,965	1,939,965	-	-	-	1,939,965	
23	-	-	-	-	-	-	-	1,454,799	1,454,799	-	-	-	1,454,799	
22	-	-	-	-	-	-	-	1,246,737	1,246,737	1,246,737	-	-	1,246,737	
24	-	-	-	-	-	-	-	1,266	1,266	-	1,266	-	1,266	
25	-	-	-	-	-	-	-	82,422	82,422	-	-	-	-	
26	-	-	-	-	-	-	-	6,047	6,047	-	-	-	-	
27	-	-	-	-	-	-	-	90,119	90,119	-	-	-	-	
28	-	-	-	-	-	-	-	94,592	94,592	-	-	-	-	
	-	-	-	-	-	-	-	4,915,947	4,915,947	1,246,737	3,396,030	-	4,642,768	



40. Non controlling interest (NCI)

The following table summarises the information relating to each of the group's subsidiaries that has material NCI:

As on 31 December 2014:

	SPPCL Taka/ (%)	SUPCL Taka/ (%)	SNPL Taka/ (%)	Total Taka
NCI percentage	28.95%	48.52%	25.00%	
Non-current assets	4,392,945,614	1,567,173,562	4,925,418,333	10,885,537,509
Current assets	670,899,850	597,883,329	1,690,813,599	2,959,596,778
Non-current liabilities	(204,289,618)	(144,285,751)	(239,890,912)	(588,466,281)
Current liabilities	(378,664,981)	(257,660,764)	(1,090,157,063)	(1,726,482,808)
Net assets	4,480,890,865	1,763,110,376	5,286,183,957	11,530,185,198
Carrying amount of NCI	1,297,217,905	855,461,154	1,321,545,989	3,474,225,049
Revenue	1,368,660,493	916,376,843	1,647,660,924	3,932,698,260
Total operating expenditure- net	(765,703,606)	(533,058,218)	(602,962,569)	(1,901,724,393)
Operating Profit	602,956,887	383,318,625	1,044,698,355	2,030,973,867
Total other non-operating income/(expenses)-net	(68,869,062)	(34,477,152)	(83,429,508)	(186,775,722)
Share of profit/(loss) of Associates	192,253,769	-	-	192,253,769
Profit before tax	726,341,594	348,841,473	961,268,847	1,922,537,669
Profit allocated to NCI	210,275,891	169,257,883	240,317,212	619,850,986
Net cash flow from operating activities	706,164,342	458,175,840	1,204,012,695	2,368,352,877
Net cash used in investing activities	(151,265,812)	(63,819,144)	(51,586,809)	(266,671,765)
Net cash flow (used)/from financing activities	(593,554,442)	(346,724,347)	(908,399,629)	(1,848,678,418)
Net increase / (decrease) in cash and cash equivalents	(38,655,912)	47,632,349	244,026,257	253,002,694

As on 31 December 2013:

	SPPCL Taka/ (%)	SUPCL Taka/ (%)	SNPL Taka/ (%)	Total Taka
NCI percentage	28.95%	48.52%	30.79%	
Non-current assets	4,220,030,460	1,618,295,963	5,057,913,652	10,896,240,075
Current assets	665,596,529	507,702,268	1,454,560,358	2,627,859,155
Non-current liabilities	(481,995,387)	(322,323,445)	(1,081,042,894)	(1,885,361,726)
Current liabilities	(510,473,607)	(253,448,917)	(999,022,256)	(1,762,944,780)
Net assets	3,893,157,995	1,550,225,869	4,432,408,860	9,875,792,724
Carrying amount of NCI	1,127,069,240	752,169,592	1,364,738,688	3,243,977,519
Revenue	1,332,471,126	877,123,649	1,652,806,642	3,862,401,417
Profit	722,611,000	359,660,174	855,187,000	1,937,458,174
Other comprehensive income	-	-	-	-
Total comprehensive income	722,611,000	359,660,174	855,187,000	1,937,458,174
Profit allocated to NCI	209,176,000	174,507,116	261,287,000	644,970,116
Net cash flow from operating activities	434,994,000	257,391,000	1,036,690,859	1,729,075,859
Net cash used in investing activities	(1,313,940,160)	(73,949,000)	(112,824,108)	(1,500,713,268)
Net cash flow (used)/from financing activities	(277,068,000)	(148,871,912)	(880,630,929)	(1,306,570,841)
Net increase (decrease) in cash and cash equivalents	(1,156,014,160)	34,570,088	43,235,822	(1,078,208,250)



41 Market risk

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

41.1 Currency risk

The Company/group is exposed to currency risk on purchases of spare parts and plant and machinery that are denominated in a currency other than the functional currency primarily Euro and U. S. Dollars. The Company/group has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 31 December 2014.

41.1.a Exposure to currency risk

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

	2014		2013	
	Consolidated Taka	Separate Taka	Consolidated Taka	Separate Taka
Project loan:				
Currency denominated in USD	1,091,717,253	-	1,939,965,349	-
Currency denominated in Euro	-	-	-	-
	<u>1,091,717,253</u>	<u>-</u>	<u>1,939,965,349</u>	<u>-</u>

41.1.b. Foreign exchange rate sensitivity analysis for foreign currency expenditures in 2014

A change of 10 basis points in foreign currencies in 2014 would have increased/(decreased) equity and profits or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

<u>Year 2014 (Consolidated)</u>	Profit or loss (Taka in million)		Equity (Taka in million)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Expenditures denominated in Euro	(3.57)	3.57	(3.57)	3.57
Expenditures denominated in USD	(11.18)	11.18	(11.18)	11.18
Cash flow sensitivity (net)	<u>(14.75)</u>	<u>14.75</u>	<u>(14.75)</u>	<u>14.75</u>

The following significant exchange rates are applicable during the year:

	2014	2013
	Taka	Taka
U. S. Dollar (USD)	77.85	77.20
Euro	93.71	105.38
SGD	-	60.97

41.2. Interest rate risk

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

42. Capital risk management

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



43. **Contingent liability**

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

Nature of contingent liability	Expiry date	2014		2013	
		Consolidated	Separate	Consolidated	Separate
		Currency	Currency	Currency	Currency
Operation Bond					
All 11 MWh plants	31.08.2014	US\$ '1,200,000	US\$ '1,200,000	US\$ '1,200,000	US\$ '1,200,000
Savar expansion plant	03.12.2014	US\$ '780,000	US\$ '780,000	US\$ '780,000	US\$ '780,000
Narsingdi expansion plant	17.12.2014	US\$ '560,000	US\$ '560,000	US\$ '560,000	US\$ '560,000
Chandina expansion plant	13.12.2014	US\$ '320,000	US\$ '320,000	US\$ '320,000	US\$ '320,000
BPDB AG. Jangalia Project	05.08.2010	BDT '39,368,234	-	BDT '39,368,234	-
REB AG. Rugganj Project	05.08.2010	BDT '39,368,234	-	BDT '39,368,234	-
REB AG. Maona Project	05.08.2010	BDT '39,368,234	-	BDT '39,368,234	-
REB AG. Ullapara Project	04.08.2010	BDT '13,867,126	-	BDT '13,867,126	-
Bank Guarantee					
BPDB - Madanganj	19.06.2015	BDT '252,259,587	-	BDT '252,259,587	-
CCD (SIBL)		-	-	-	-
Rangs Petroleum Ltd. (PBL)		-	-	-	-
CCIE (SIBL)		-	-	-	-
Titas gas T&D- Rugganj	25.01.2019	BDT '24,703,233	-	BDT '24,703,233	-
Bakhrabad- Jangalia	25.01.2019	BDT '24,703,233	-	BDT '24,703,233	-
Titas gas T&D- Maona	25.01.2019	BDT '24,703,233	-	BDT '24,703,233	-
Paschimanchal Gas - Ullapara	06.01.2019	BDT '8,234,409	-	BDT '8,234,409	-

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

Relating to contingent liability of Summit Purbanchol Power Company Limited (SPPCL) the Deputy Commissioner of Taxes (DCT) has raised income tax claims for the accounting years 2007, 2008, 2009 and 2010. SPPCL has appealed against these claims and is confident of a favourable outcome. As such no provision in this regard has been made in the financial statement SPPCLs.

44. **Capital expenditure commitment**

The Company has no capital expenditure commitment as at 31 December 2014 including its subsidiaries.

45. **Foreign currency transactions**

45.1 The group has the following payments during the year:

	Foreign Currency	2014		2013	
		Consolidated	Separate	Consolidated	Separate
Loan re-payment	USD	11,974,453.00	-	11,250,000.00	-
Spare parts	USD	2,392,341.87	1,265,772.00	2,676,019.31	2,303,928.51
Spare parts	Euro	3,807,920.77	1,428,372.00	7,223,672.64	1,863,458.28
Spare parts	SGD	-	-	145,936.61	49,936.61
Technical fees	USD	-	-	800,000.00	-

45.2 The group has the following letters of credit (LC) in hand as at 31 December 2014 to be paid during 2015:

Name of company	LC number	LC opening date	Currency type	Invoice value
Summit Power Limited	188214010010	21.01.2014	USD	100,918.08
	188213010136	06.10.2013	USD	154,000.00
	188214010159	28.12.2014	USD	10,907.40
	188214010152	21.12.2014	EURO	298,749.39
Summit Purbanchol Power Company Limited	188214010136	12.11.2014	Euro	38,755.70
	188214010141	24.11.2014	Euro	25,900.00
	188214010151	21.12.2014	Euro	201,402.00
Summit Uttaranchol Power Company Limited	188215010002	27.12.2014	Euro	29,455.80
Summit Narayanganj Power Limited	308514012310	20.11.2014	USD	383,034.70



46. Related party transaction

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

46.1 Transactions with key management personnel

	2014		2013	
	Consolidated	Separate	Consolidated	Separate
Employee benefits (short term)	49,116,328	16,205,206	41,055,171	11,979,659
Employee benefits (long term)	11,967,571	4,182,589	26,256,835	9,295,447
	61,083,899	20,387,796	67,312,006	21,275,106

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

46.2 Other related party transactions

As at and for the year ended 31 December 2014

Name of related party	Relationship	Transaction during the year		Outstanding balances at 31 December 2014	
		Taka	Taka	Taka	Taka
		Consolidated	Separate	Consolidated	Separate
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	12,031,434	12,031,434	1,439,964	1,439,964
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	1,602,535,110	1,602,535,110	-	-
Cosmopolitan Traders (Pvt.) Ltd.	Group company	465,530	465,530	3,884,083	3,884,083
Summit Oil and Shipping Co. Ltd.	Group company	220,000,000	220,000,000	11,860,222	-
Summit Uttaranchol Power Company Limited	Subsidiary	-	131,301,124	-	20,459,896
Summit Purbanchol Power Company Limited	Subsidiary	-	544,205,388	-	21,805,240
Summit Narayanganj Power Limited	Subsidiary	-	154,517,434	-	158,006,087
Summit Barishal Power Limited	Associate	94,000	-	94,000	-
Summit Barishal Power Limited	Associate	212,358,693	212,358,693	31,615,443	31,615,443
Summit Narayanganj Power Unit II Limited	Associate	60,531,000	60,531,000	-	-
Sumcynet Limited	Group company	2,347,936	2,347,936	-	-

As at and for the year ended 31 December 2013

Name of related party	Relationship	Transaction during the year		as at 31 December 2013	
		Taka	Taka	Taka	Taka
		Consolidated	Separate	Consolidated	Separate
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	11,870,635	11,870,635	3,559,686	3,559,686
Summit Industrial and Mercantile Corporation (Pvt.) Ltd.	Ultimate parent of Group	305,736,986	305,736,986	(1,454,799,154)	(1,454,799,154)
Cosmopolitan Traders (Pvt.) Ltd.	Group company	465,530	465,530	4,349,613	4,349,613



Summit Uttaranchol Power Company Limited	Subsidiary	-	52,178,145	-	46,355,248
Summit Purbanchol Power Company Limited	Subsidiary	-	78,291,995	-	196,613,760
Summit Narayananj Power Limited	Subsidiary	-	130,681,571	-	103,884,653
Summit Oil and Shipping Co. Ltd.	Group company	34,865,809	-	30,315,023	-
Summit Barishal Power Limited	Associate	10,438,548	10,438,548	1,627,684	1,627,684
Summit Narayananj Power Unit II Limited	Associate	33,254,931	33,254,931	500,000	500,000
Sumcynet Limited	Group company	3,469,272	2,516,806	(205,750)	(205,750)

47. Capacity

Name of plants	Licensed capacity	Plant factor (% on licensed)		Energy sold (MWH)	
		2014	2013	2014	2013
Ashulia - Savar	11 MW	Average: 60 Maximum: 70	Average: 69.88 Maximum: 82.57	57,577	67,344
Ashulia - Savar (Exp)	33.75 MW	Average: 57 Maximum: 68	Average: 62.66 Maximum: 71.75	167,443	185,258
Madhabdi - Narsingdi	11 MW	Average: 71 Maximum: 84	Average: 64.44 Maximum: 78.23	68,554	62,094
Madhabdi - Narsingdi (Exp)	24.30 MW	Average: 62 Maximum: 87	Average: 66.59 Maximum: 82.26	130,961	141,758
Chandina - Comilla	11 MW	Average: 79 Maximum: 84	Average: 73.20 Maximum: 88.58	76,108	70,537
Chandina - Comilla (Exp)	13.50 MW	Average: 61 Maximum: 84	Average: 77.77 Maximum: 88.81	72,034	91,968
Rupganj -Narayananj	33.00 MW	Average: 85 Max : 96	Average: 86.00 Max : 96.00	246,951	249,570
Jangalia - Comilla	33.00 MW	Average: 84 Max: 96	Average: 82.00 Max: 96.00	241,752	252,549
Maona - Gazipur	33.00 MW	Average: 86 Maximum: 97	Average: 86.00 Maximum: 97.00	249,763	249,749
Ullapara- Sirajganj	11.00 MW	Average: 72 Maximum: 89	Average: 69.00 Maximum: 88.00	69,506	66,912
Madanganj - Narayananj	102.00 MW	Average: 65 Maximum: 81	Average 64.32 Maximum 79.81	573,030	566,505

48. Events after reporting date

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


49. Other disclosures

49.1 During the year ended 31 December 2014 there were 288 permanent employees who received salary of Tk 36,000 and above per annum (2013: 289) for the group.

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


Managing Director


Director


Company Secretary

